



UCW

LIMITED

ASX: UCW

HALF-YEAR RESULTS

31 DECEMBER 2016

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Non-IFRS Financial Information

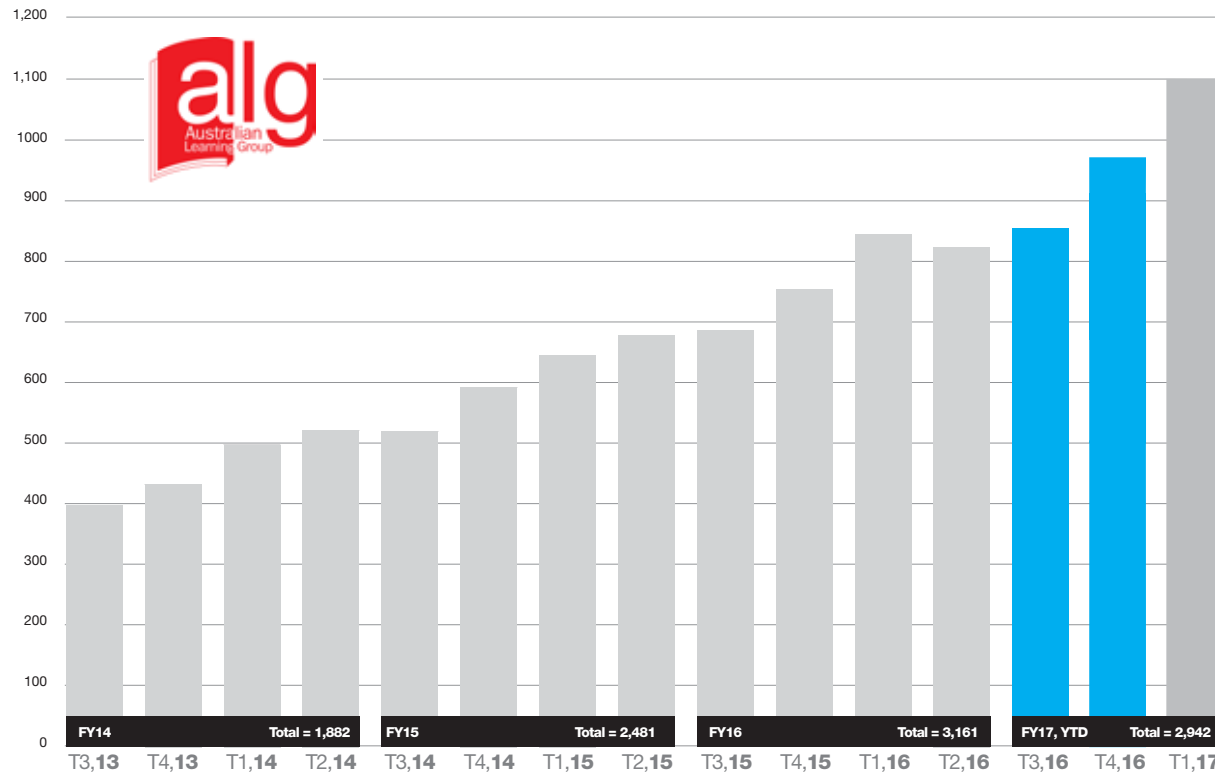
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- 1.** Fee-for-service education provider with international student market focus
- 2.** Long-term vision to be a 'multi-sector' provider - Vocational, Higher Education, Professional
- 3.** Strategy to grow through acquisition and organic development
- 4.** Experienced board and management with track record in education and corporate development

HIGHLIGHTS (H1, FY17)

STRONG INTERNATIONAL ENROLMENT VOLUMES

up 25.8% on PCP



ALG international student enrolments, by term

SOLID UNDERLYING BUSINESS

\$655k EBITDA
(pre-corp costs)

STRATEGIC ACQUISITION

announced
12 Dec 2016*



*The acquisition of 4Life Pty Ltd was completed on 13 January 2017. Accordingly, it did not form part of the Group during H1, FY17

RESULTS SUMMARY (H1, FY17)

RESULTS FOR H1, FY17 \$ '000

ALG*

Revenue	4,138
Cost of goods sold	(1,906)
Gross profit	2,232
Gross margin (%)	53.9%
Operating expenditure	(1,577)
EBITDA	655
EBITDA margin (%)	15.8%

UCW

Corporate costs	(391)
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GROUP

Underlying EBITDA	264
Due diligence and transaction costs	(107)
Non-recurring items relating to ALG acquisition	(246)
Interest, tax, depreciation and amortisation	(12)
Reported net loss	(101)



> 85% of course revenue from international enrolments

International enrolments up 25.8% on PCP

Strong T1,17 international enrolments of 1,101

Well-positioned for second-half



Earn-out for ALG acquisition exceeded minimum, \$229k expensed through P&L

Underlying Group EBITDA of \$264k

Investing in the growth of ALG

Active acquisition focus

* Australian Learning Group Pty Limited was the Group's only operating business during H1, FY17

ACTIVELY PURSUING ACQUISITION OPPORTUNITIES

Sector expansion
 Product offering
 Campus locations / capacity
 Distribution

CONTINUED INVESTMENT IN OPERATING BUSINESS

Product development
 Administrative efficiency
 Building management depth
 Integration of acquisitions

INTERNATIONAL STUDENT MARKET

VOCATIONAL

Certificate
 Diploma
 Advanced Diploma

HIGHER EDUCATION

Degree
 Masters
 Doctorate

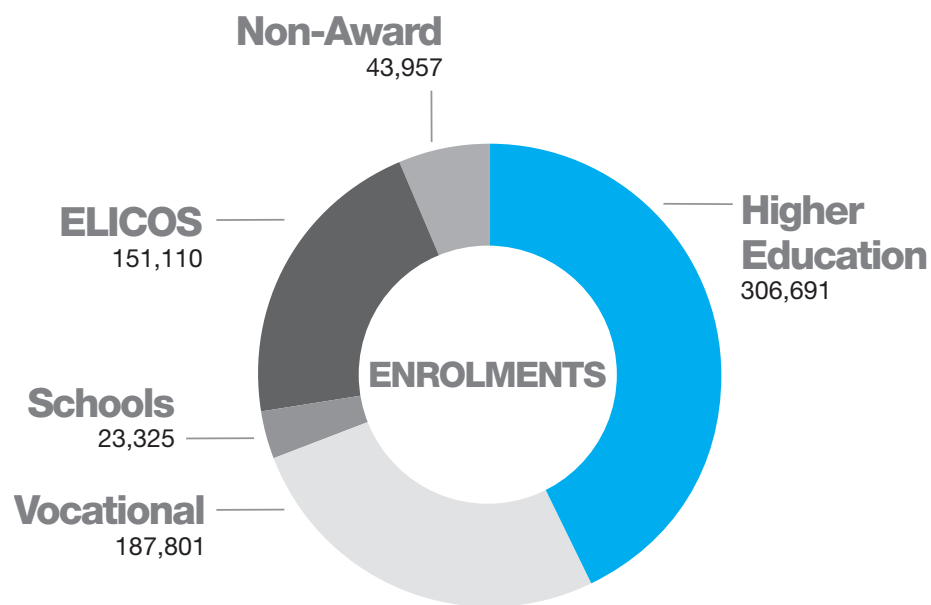
PROFESSIONAL

Work-ready programs
 Placements/internships
 Short courses

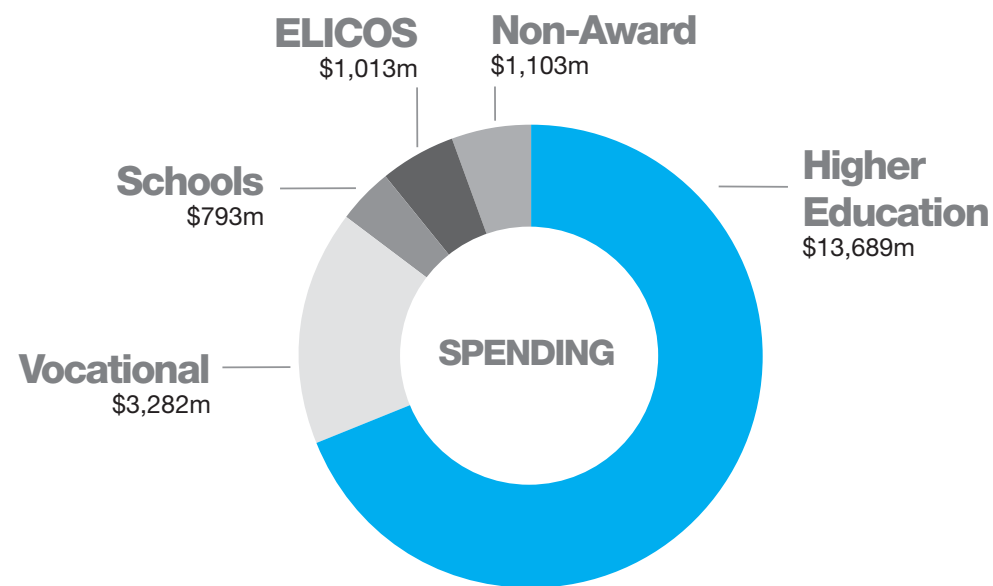


INTERNATIONAL STUDENT MARKET

- Positive macro-thematic supporting market growth
- ~\$20b direct spending on international education in FY16, up 9.4% on PCP¹
- 713k international students enrolments in 2016, up 10.9% on PCP²
- Highly regulated to ensure quality and protect students



International enrolments in Australia in 2016 by sector



Direct spending on international education in Australia in FY16 by sector

¹ ABS 5368.0.55.003 - International Trade: Supplementary Information, Financial Year, 2015-16

² Department of Education and Training, End of Year Summary of International Student Enrolment Data – Australia – 2016



- Acquired March 2016 as “platform asset”
- Currently 1,101 international students (T1,17)
- Niche, high-quality provider, low-risk rating
- National campus footprint
- International student growth of 28.1% p.a. over past 3 years (to T4,16)



- Acquired January 2017 - “add-on” acquisition to ALG
- Currently 100 international students (T1,17) in a new vertical
- Opportunity to rollout 4Life courses across ALG campuses
- Broadens agent network and campus footprint
- Intention to fully integrate into ALG

COURSES AND JOB OUTCOMES



COURSE	JOB OUTCOME
Fitness	
Certificate III in Fitness	Gym Instructor
Certificate IV in Fitness	Personal Trainer
Massage	
Certificate IV in Massage Therapy Practice	Massage Practitioner
Diploma of Remedial Massage	Remedial Massage Practitioner
Sports Management	
Diploma of Sports and Recreation Management	Managerial Role
Dance Teaching	
Certificate III in Assistant Dance Teaching	Assistant Dance Teacher
Certificate IV in Dance Teaching and Management	Dance Teacher



COURSE	JOB OUTCOME
Childcare	
Certificate III in Early Childhood Education and Care	Early Childhood Assistant
Diploma of Early Childhood Education and Care	Child Care Educator
Ageing and Disability	
Certificate III in Individual Support	Aged Care or Disability Support Worker
Certificate IV in Ageing	Aged Care Support Supervisor
Certificate IV in Disability	Disability Care Support Supervisor
Community Services	
Diploma of Community Services	Welfare Worker
Diploma of Counselling	Counsellor
Mental Health	
Certificate IV in Mental Health	Mental Health Support Worker
Diploma of Mental Health	Mental Health Worker

COURSE STRUCTURE

Structure

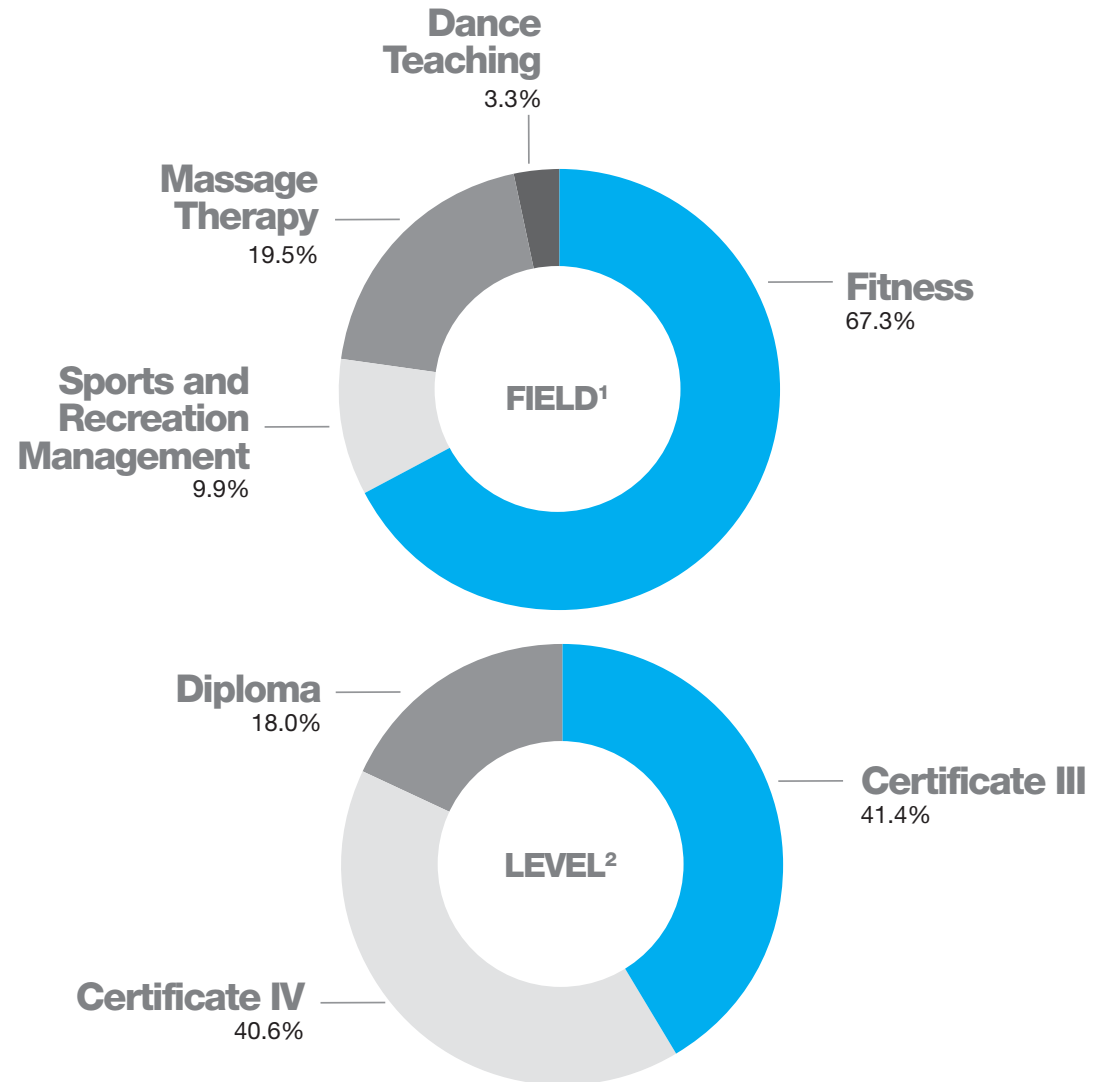
- Attractive course structure for international student visa holders
- Modular course offering facilitates progressive extension of student visa

Delivery

- Classroom delivery, 20 hours per week
- 4 x 10 week terms per year
- Most 4Life courses contain a work-placement component

Payment

- Payment in advance means strong cash flow

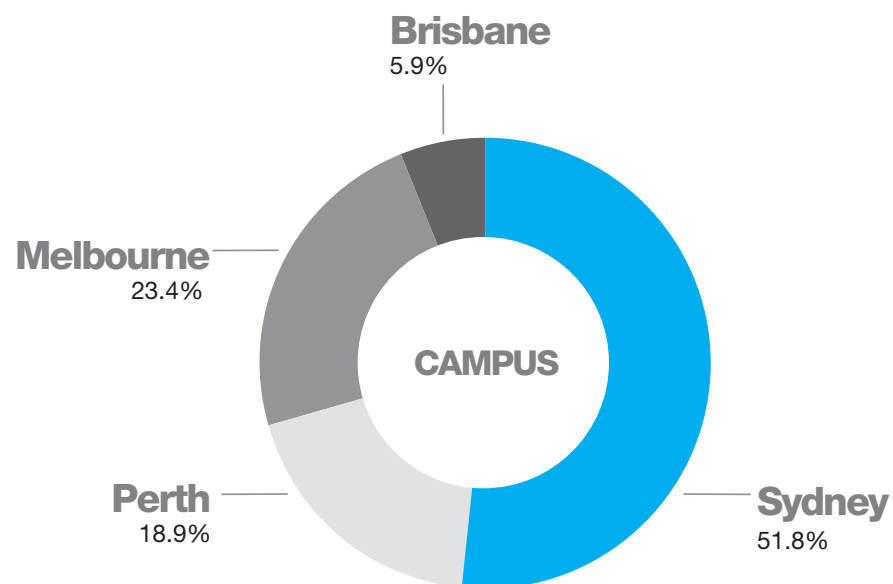


¹ ALG international enrolments, by field of study (H1, FY17)

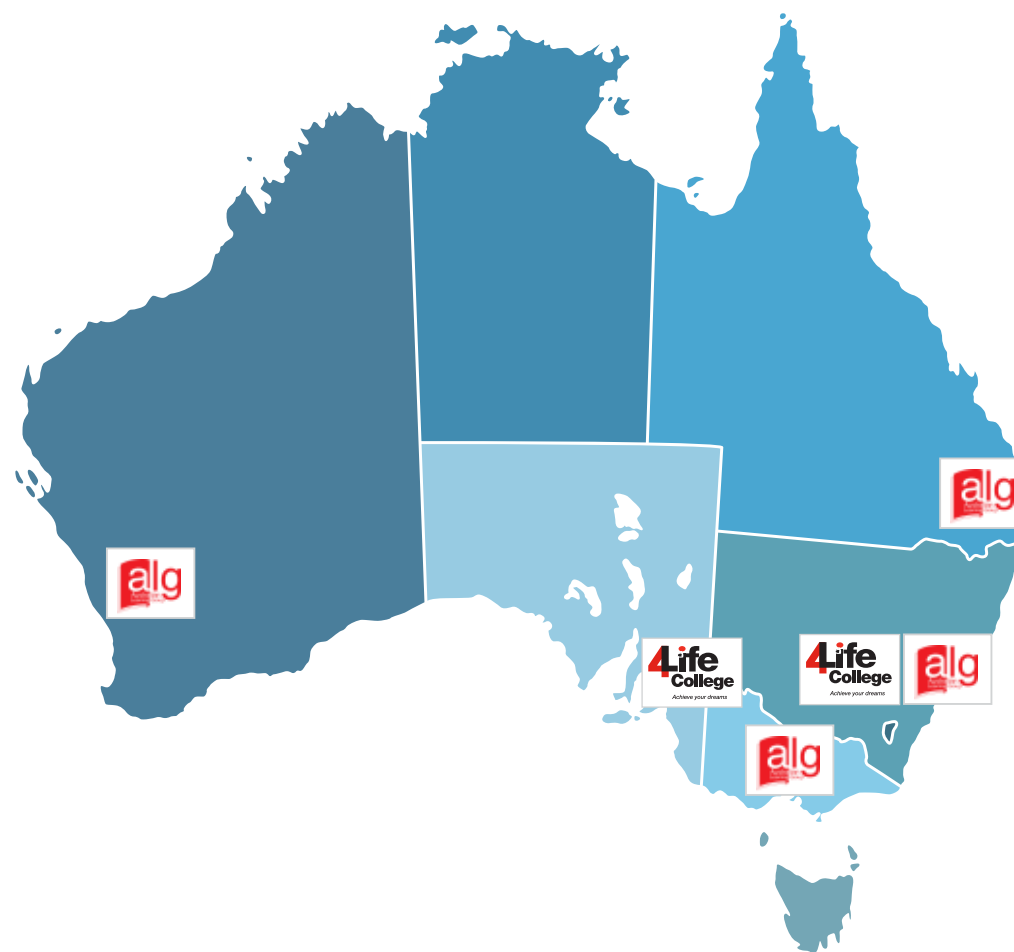
² ALG international enrolments, by level of study (H1, FY17)

CAMPUSES

- Combined (ALG and 4Life) CRICOS capacity of 1,759 compared to T1,17 enrolments of ~1,200
- Opportunity to introduce 4Life courses at ALG's Melbourne, Brisbane and Perth campuses and ALG courses at 4Life's Adelaide campus
- New courses can leverage existing infrastructure

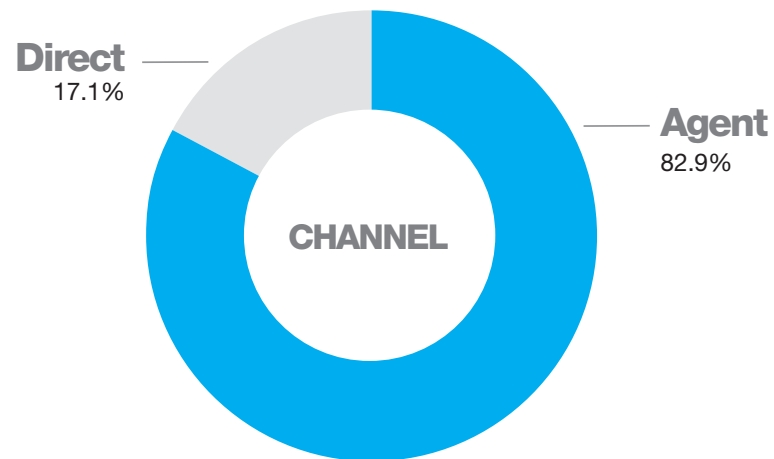


ALG international enrolments, by campus (H1, FY17)



Student recruitment

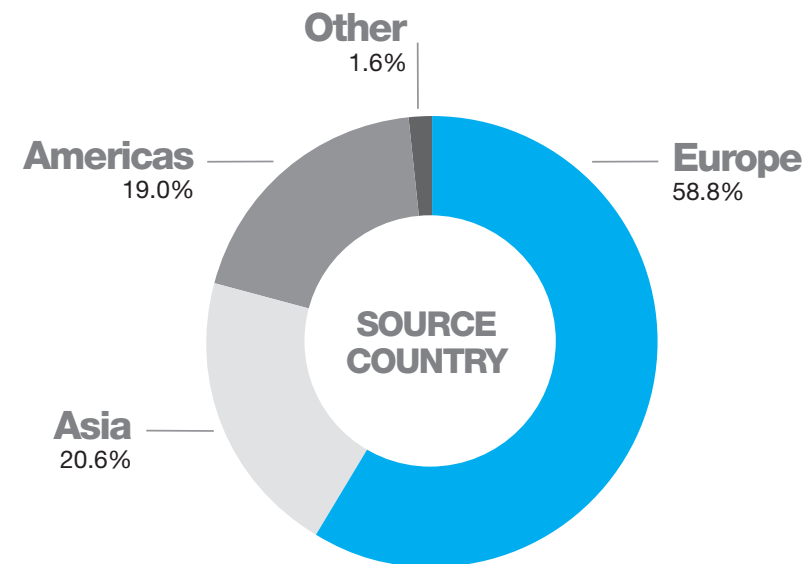
- Broad agent network, both onshore and offshore
- Commission of 22.5%-25%
- Strong word-of-mouth referrals from satisfied students



ALG international enrolments, by recruitment channel (T4,16)

Source countries

- Highly diverse source countries
- Opportunity to tap into larger source markets with product and sector expansion (e.g. China and India represent ~38% of total international enrolments in Australia but less than 1% of ALG's enrolments)



ALG international enrolments, by source country (T4,16)

CAPITAL STRUCTURE

	Number	% Diluted
Ordinary shares	296,642,396	76.0%
Options*	93,524,115	24.0%
Fully diluted	390,166,511	100.0%
	\$m	
Market capitalisation at 4.3 cents per share	12.8	
Cash balance as at 31 December 2016	4.9	

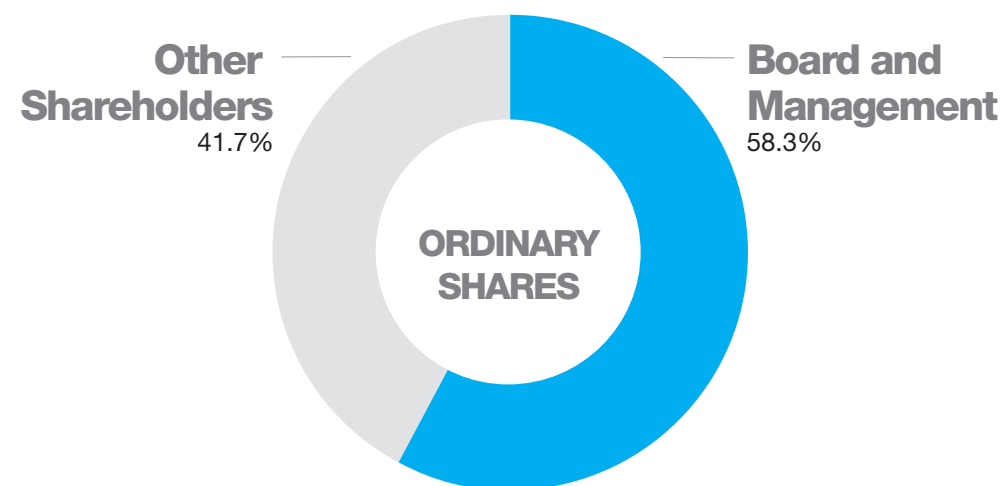
*18,750,000 Options exercisable at 4c per share, expiring 30 June 2018

*70,774,115 Options exercisable at 6c per share, expiring 30 June 2018

*2,000,000 Options exercisable at 6c per share, expiring 31 July 2021, issued under the Employee Option Plan

*2,000,000 Options exercisable at 8c per share, expiring 31 July 2021, issued under the Employee Option Plan

As at 27 February 2017



- Circa 400 shareholders
- Top 50 shareholders hold > 85% of issued shares

BOARD AND EXECUTIVES

Gary Burg

Non-Executive Chairman

Gary has been involved with Global Capital Group since 1995 in South Africa and in Australia since 2001. In Australia, Gary has been involved in numerous businesses across a range of sectors including life insurance, financial services and education. Gary is currently a director of Clearview Limited which is listed on the ASX.

Peter Mobbs

Non-Executive Director

Peter Mobbs is an entrepreneur and executive operating within the private education industry, where he holds 14 years' experience across both vocational and higher education sectors. Peter led the private equity backed merger of his company, Ivy College, with the education arm of the Australian Institute of Management (AIM) – a 75 year old brand. Peter is now Group CEO and is a director and shareholder of the merged group – Scentia. He holds degrees in both commerce and law and is admitted to practise in the Supreme Court of NSW.

Jonathan Pager

Non-Executive Director

Jonathan has nearly 25 years' experience as an adviser across a wide range of industries in Australia and overseas. He has a Masters of Economics and qualified as a Chartered Accountant with Deloitte, where he commenced his career. Jonathan has listed and recapitalised over 12 ASX listed companies across both the resources and industrial sectors. He is currently a director of MOQ Limited (ASX: MOQ) and Noble Mineral Resources Limited (ASX: NMG).

Michael Pollak

Non-Executive Director

Michael has 20 years' experience in both Sydney and London working in general management, audit, insolvency, corporate advisory, strategy and as an ASX company director across various industries. He is a Chartered Accountant (qualified with PwC) and holds an MBA (AGSM). Michael has listed and recapitalised over 12 ASX listed companies across both the resources and industrial sectors. He is currently a director of MOQ Limited (ASX: MOQ) and HJB Corporation Limited (ASX: HJB).

Adam Davis

Chief Executive Officer

Adam Davis has extensive experience in the education sector as founder and CEO of formerly ASX-listed Tribeca Learning Limited. Under Adam's stewardship, Tribeca acquired and integrated numerous education businesses servicing the financial services sector, consolidating the market and creating the leading national provider. The company was acquired by Kaplan, Inc. in 2006. Adam holds a Bachelor of Applied Finance from Macquarie University.

Lyndon Catzel

Chief Financial Officer

Lyndon has over 20 years' financial, operational and strategic experience as a CEO, CFO and COO across numerous private businesses in funds administration, financial services, healthcare, software and wholesale distribution. He has a proven track record of financial management, capital raising, development of management teams and strategy execution. Lyndon is a Chartered Accountant and holds a Bachelor of Economics (Finance and Accounting) from the University of Sydney.

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