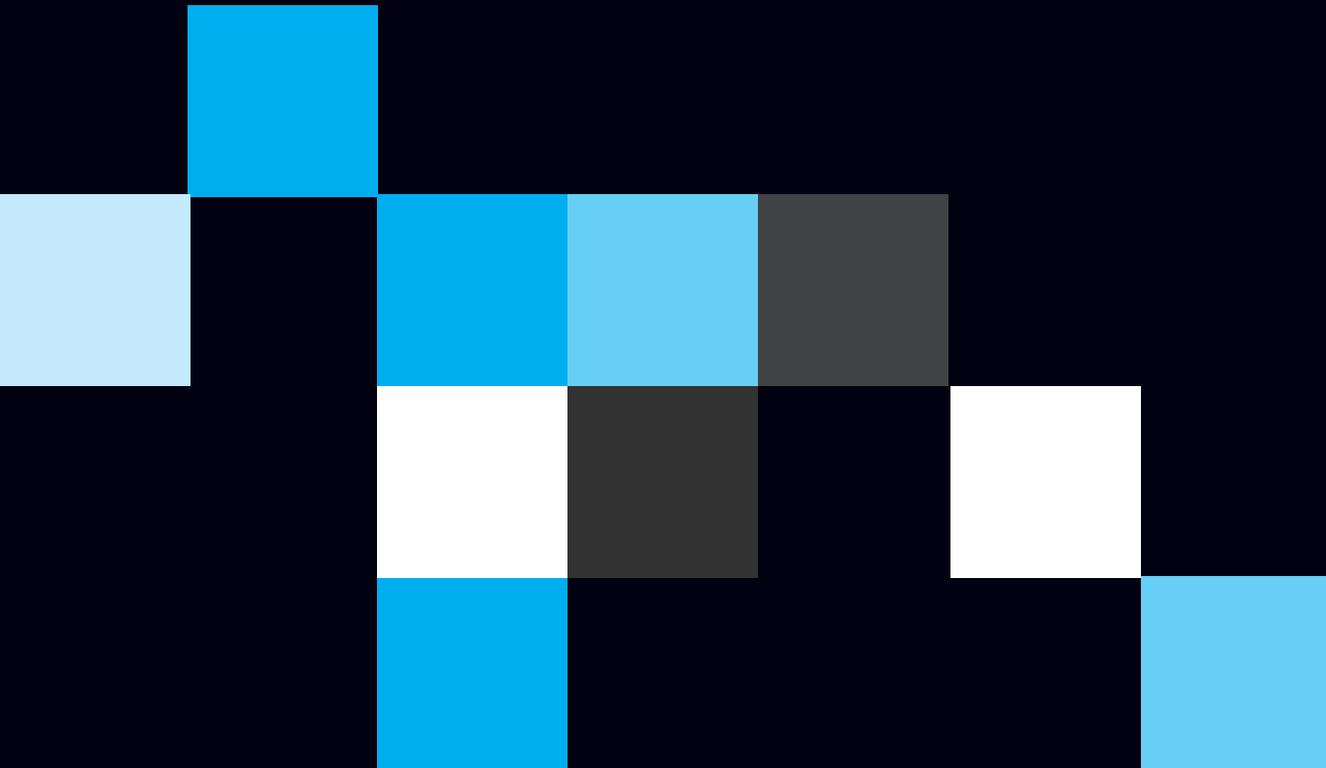
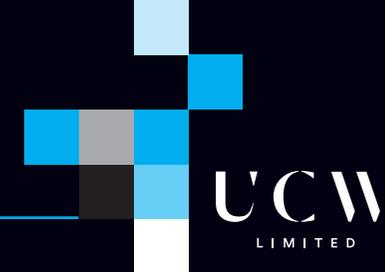


UCW
LIMITED



FY18 RESULTS

FY18 HIGHLIGHTS



- Revenue of \$12.5m, up 26.6%*
- Underlying EBITDA pre corporate costs of \$1,564k (FY17: \$1,161k)
- Underlying EBITDA of \$681k (FY17: \$326k)
- Underlying EBITDA margin of 5.4% (FY17: 3.3%)
- NPAT from continuing operations of \$164k (FY17: \$171k)
- 4Life acquisition integrated into ALG and performing strongly
- National rollout of Community Services (4Life) courses
- New Melbourne campus (launched July 2018)
- Gradability delivered in line with expectations. Investment in University partnership business to leverage placement capability and diversify revenue base
- Acquisition of IKON Institute (completed July 2018) broadened UCW's exposure into the Higher Education sector
- Continued deliberate investment 'ahead of the curve' in new campuses, people and technology

* Compared to FY17

OVERVIEW



ABOUT UCW

- Private education provider, with a current focus on Health and Community Services fields of education
- Multi-sector provider across the Vocational (VET), Higher Education (HE) and Professional Education sectors
- Active in both the international and domestic student markets
- Delivering on strategy to grow organically and via accretive acquisitions

INVESTMENT HIGHLIGHTS

- Strong organic growth - 28.1% YOY and 30.4% 3-year CAGR in UCW's international student enrolments
- Successful integration of ALG and 4Life businesses
- Expanding course offering across Vocational (ALG and 4Life), Higher Education (IKON) and Professional Education (Gradability) sectors
- National presence with campuses in Sydney, Melbourne, Perth and Brisbane.

OUR BUSINESSES



Acquired Mar-16 (100%)

Acquired Jan-17 (100%)

Acquired Jul-17 (24.6%)

Acquired Jul-18 (100%)



International VET provider in Sport, Fitness and Remedial Massage



International VET provider in Childcare, Ageing and Community Services



Professional Education provider offering the Professional Year Program and B2E internship placement services



Domestic focused HE provider in Community Services

- Strategy to deliver courses across the student lifecycle: Vocational, Higher Education and Professional Education
- Current focus on Health and Community Services fields of education

PROFIT AND LOSS



	FY18 \$'000	FY17 \$'000	Var \$'000	Var %
ALG/4LIFE				
Revenue	12,519	9,887	2,632	26.6%
Cost of sales	(6,455)	(4,690)	(1,765)	37.6%
Gross profit	6,064	5,197	867	16.7%
<i>Gross margin (%)</i>	48.4%	52.6%		(4.2%)*
Operating expenses	(5,048)	(4,036)	(1,012)	25.1%
Operating EBITDA	1,016	1,161	(145)	(12.5%)
<i>Operating EBITDA margin (%)</i>	8.1%	11.7%		(3.6%)*
GRADABILITY				
Equity accounted share of results	548	-	548	
GROUP				
Underlying EBITDA pre corporate costs	1,564	1,161	403	34.7%
Corporate costs	(883)	(835)	(48)	5.7%
Underlying EBITDA	681	326	355	108.9%
<i>Underlying EBITDA margin (%)</i>	5.4%	3.3%		2.1%*
Loss from discontinued operations	(139)	-	(139)	
Due diligence & transaction costs	(248)	(189)	(59)	31.2%
Interest, tax, depreciation & amortisation	(269)	34	(303)	nm
Net profit after tax	25	171	(146)	(85.4%)

- Broadening of course offering and national rollout delivered growth in international student enrolments - up 28.1% to 5,495
- Average revenue per international student enrolment up 3.9% to \$1,935 (per student, per term)
- Decrease in gross margin due to higher proportion of agent-intermediated enrolments, higher teaching and increased venue costs due to national course rollout
- Step-up in operating expenses due to deliberate investment in growth
- Operating leverage expected to become evident at scale
- Note P&L does not include impact of IKON acquisition (completed July 2018)

* Movement in percentage points

BALANCE SHEET



	30 Jun-18 \$'000	30 Jun-17 \$'000
Cash and cash equivalents	6,595	7,328
Trade and other receivables	2,082	1,530
Total current assets	8,677	8,858
Investment in associates	6,273	-
Goodwill and intangible assets	1,612	1,553
Property, plant and equipment	2,218	576
Trade and other receivables	1,024	558
Total non-current assets	11,127	2,687
Total assets	19,804	11,545
Deferred revenue	3,364	3,014
Trade and other payables	2,284	1,059
Borrowings	300	-
Other liabilities	283	388
Deferred settlement	200	-
Total current liabilities	6,431	4,461
Borrowings	975	-
Deferred settlement	-	200
Other liabilities	109	56
Total non-current liabilities	1,084	256
Total liabilities	7,515	4,717
Net assets	12,289	6,828

Corporate debt facilities (\$'000)	Drawn Jun-18	Limit Jun-18
Acquisition facility	1,275	1,275
Working capital facility	-	500
Bank guarantee	390	400
Total	1,665	2,175
Gearing ratio	30 Jun-18	30 Jun-17
Gearing ratio - gross debt ¹	9.4%	0.0%
Gearing ratio - net debt ²	(76.3%)	nm

¹ Calculated as debt / (debt + equity)

² Calculated as (debt - cash) / (debt - cash + equity)

Notes:

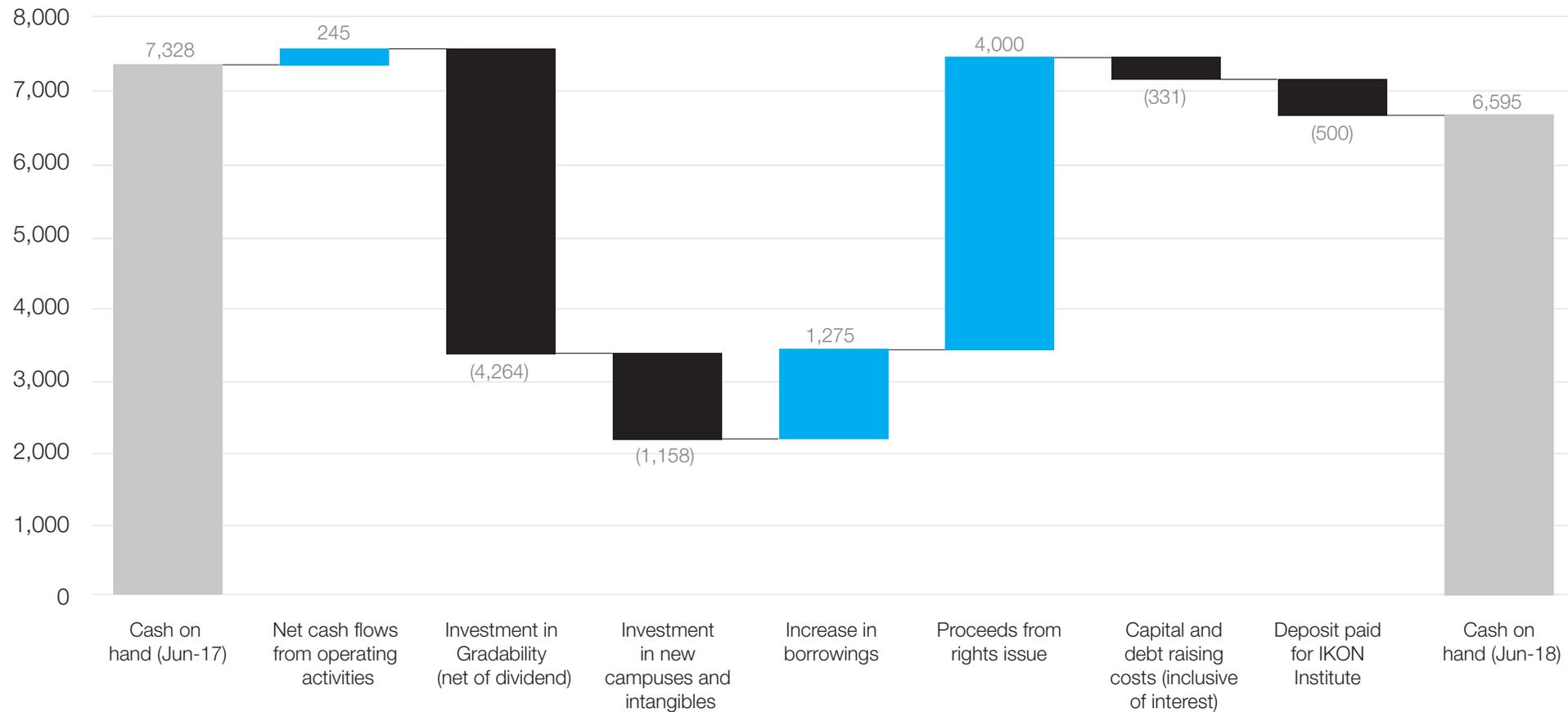
- Investment in Gradability on 11 July 2017 - utilised \$1.5m of debt from CBA, \$2.9m of existing cash (from April 2017 placement) and issued scrip to vendor of \$1.5m
- Investment in IKON Institute on 4 July 2018 – utilised \$4.4m of existing cash (from May 2018 placement) and issued scrip to vendors of \$1.1m

CASH FLOW

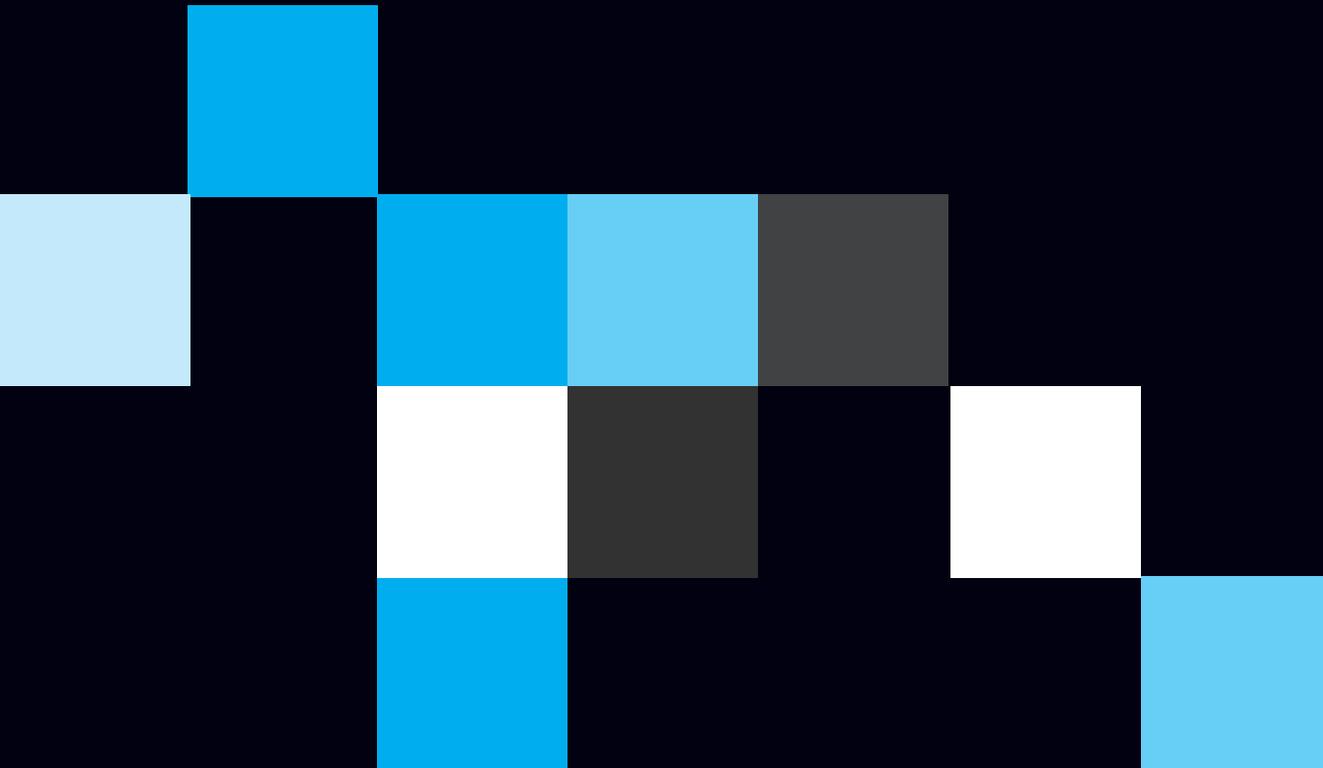


Group cash movements: FY18 (\$'000)

■ Increase
 ■ Decrease
 ■ Total



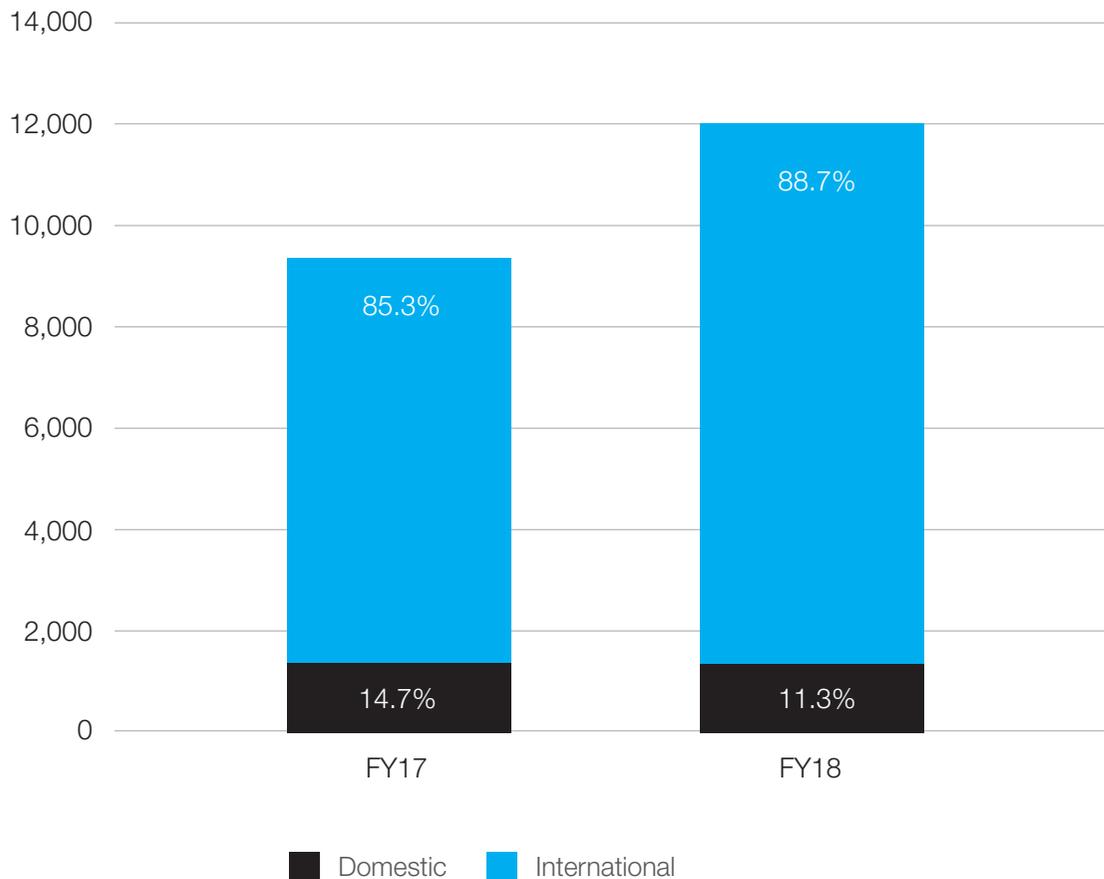
OPERATING REVIEW



INTERNATIONAL VS DOMESTIC



Tuition revenue by student market¹ (\$'000)



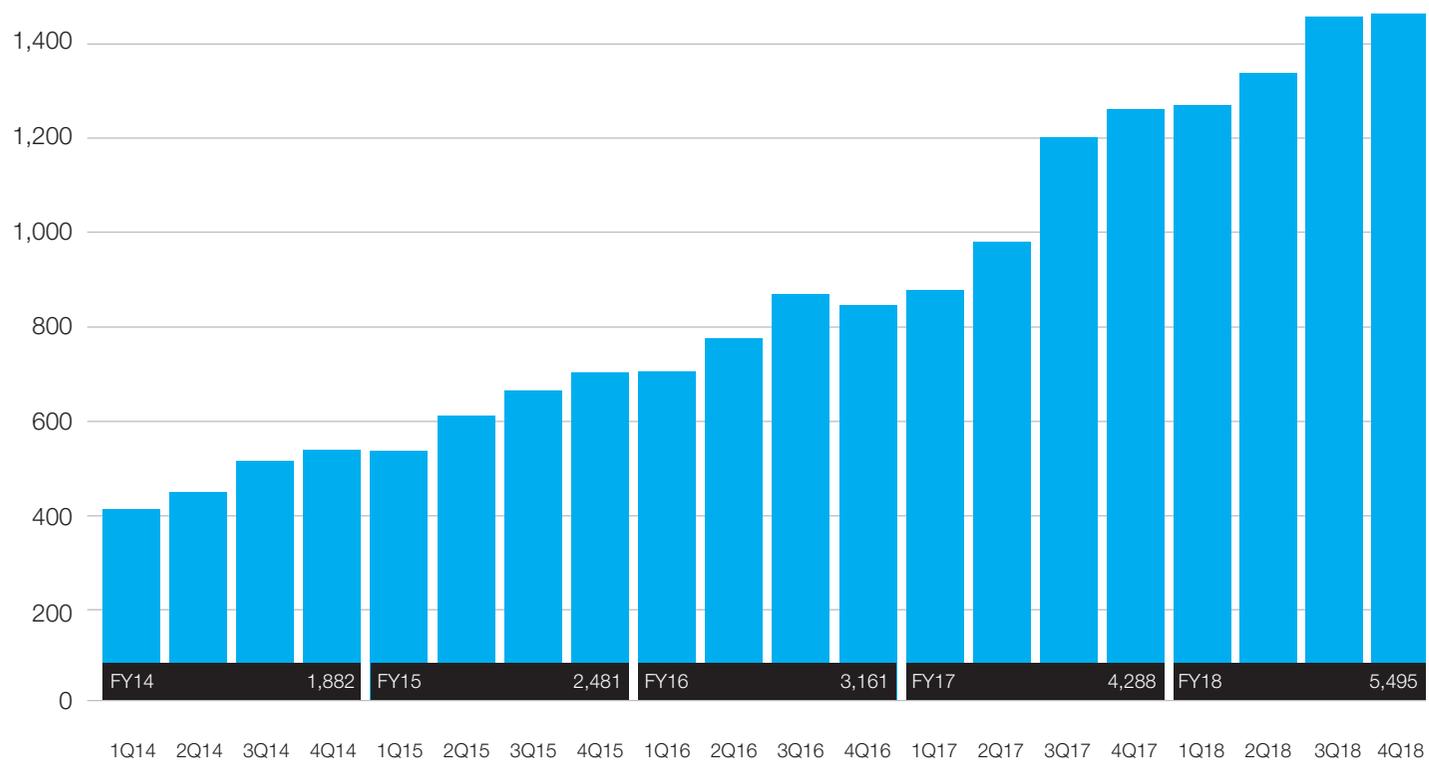
- International student revenue accounted for 88.7% of student revenue in FY18, driven by continued growth in international student enrolments
- Domestic student revenue primarily comprises fee-for-service distance education. Offering comprises a small sub-set of the international student course offering
- FY19 will have increased proportion of domestic revenue given recent acquisition of IKON (largely domestic focus)

¹ Continuing businesses only

INTERNATIONAL STUDENT ENROLMENTS



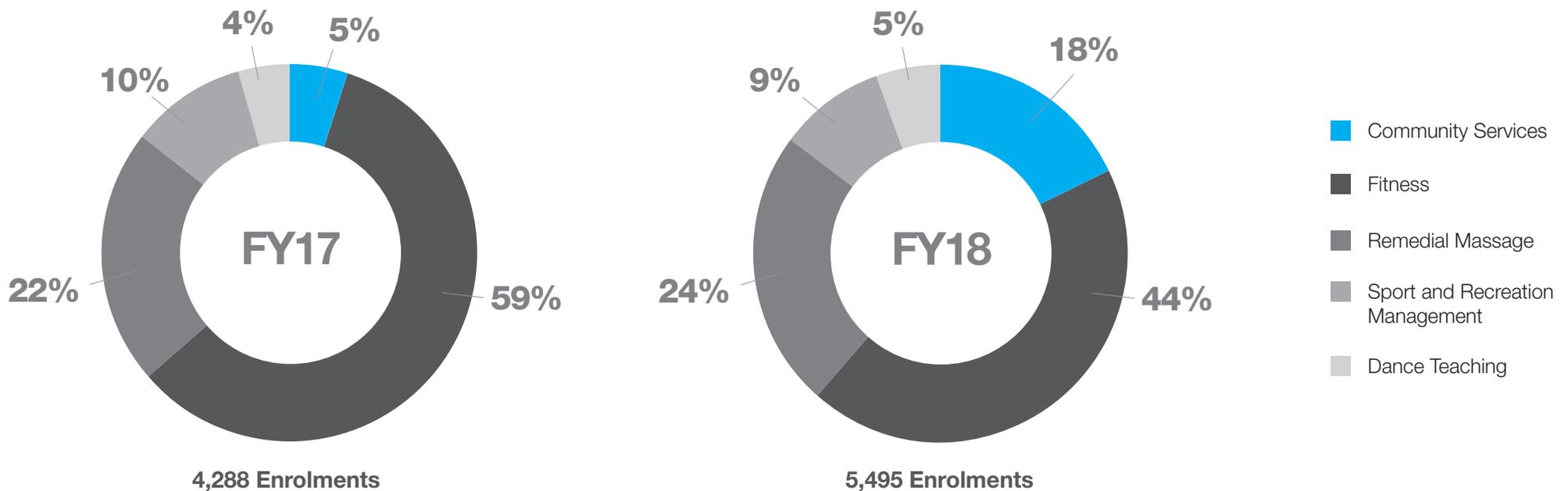
International student enrolments by term (number)



- Broadening of course offering and national rollout continues to deliver growth in international student enrolments
- FY19 growth expected to be underpinned by rollout of Community Services courses into Melbourne from July 2018

COURSE MIX

International student enrolments by course (%)



- Growing proportion of enrolments in Community Services courses (including Childcare), with reduced reliance on Fitness and Remedial Massage, expected to continue into FY19
- Recently accredited Yoga Teaching courses scheduled for introduction during FY19
- Strategy remains to broaden course offering both organically and via targeted accretive acquisitions

CAMPUS PERFORMANCE



Enrolments by campus (number)

Campus	FY17 enrolments	FY18 enrolments	Growth
Sydney	2,282	3,105	36.1%
Melbourne	964	1,118	16.0%
Perth	781	863	10.5%
Brisbane	261	409	56.7%
Total	4,288	5,495	28.1%

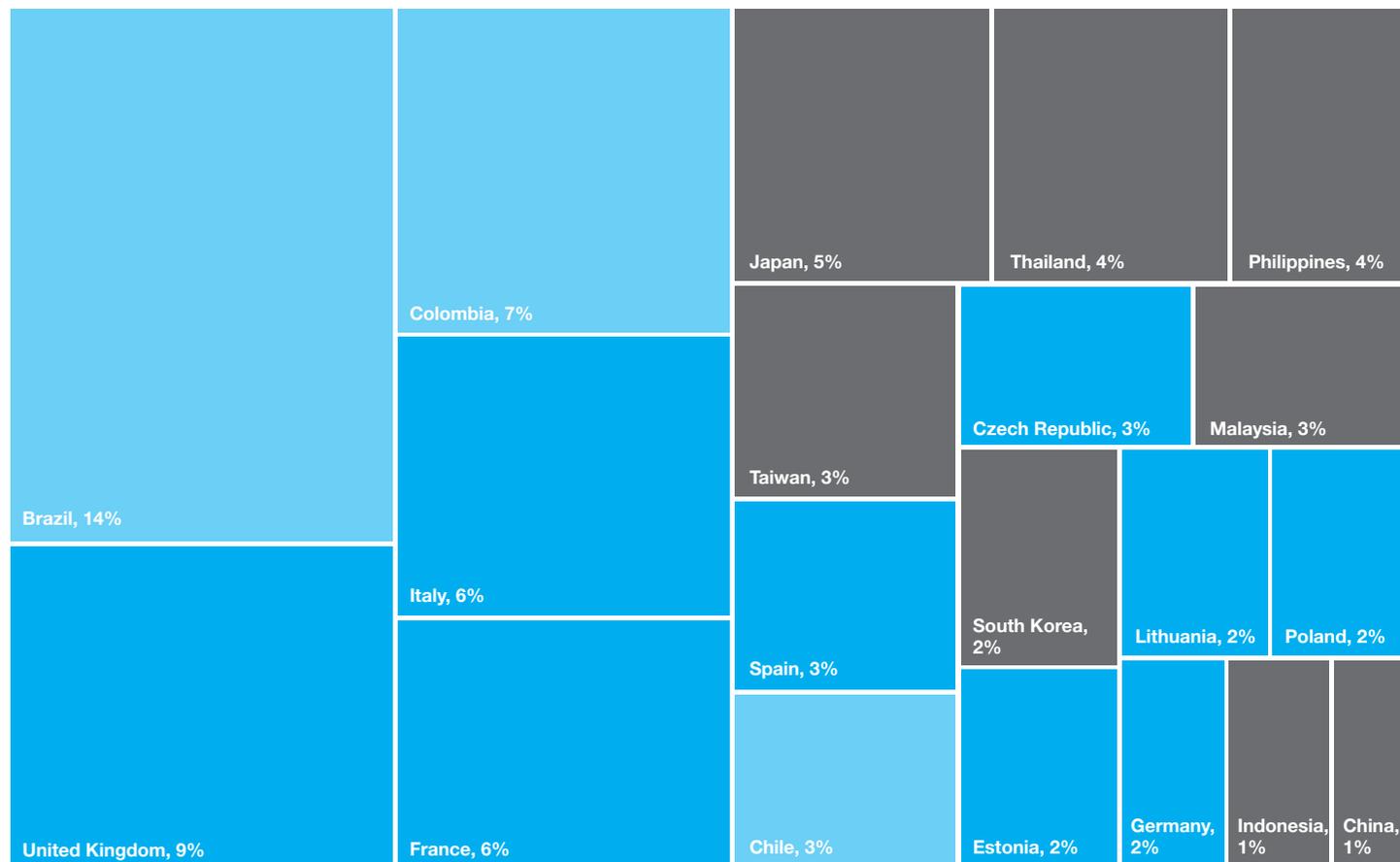
- Current CRICOS capacity of 2,727 (per term) against 4Q18 enrolments of 1,456
- Melbourne student enrolments expected to increase as a proportion of total enrolments during FY19 due to new campus and rollout of full Community Services offering from July 2018

STUDENT DIVERSITY

International student enrolments by source region (Top 20)¹



International student enrolments by source country (Top 20)¹



- International students from 70 source countries
- Top 20 source countries represent 82.4% of current enrolments
- >250 active agents in Australia and offshore
- 10.6% of enrolments are direct (i.e. not through an agent)

¹ As at 23 August 2018

OUTLOOK



FY17	FY18	Var (%)
International student enrolments		
4,288	5,495	28.1%
Average revenue per international enrolment		
\$1,862	\$1,935	3.9%
Gross margin		
52.6%	48.4%	(4.2)%*
Operating expenses		
\$4.0m	\$5.0m	25.0%

FY19 Outlook (ALG/4Life)

Continued growth in ALG/4Life anticipated, supported by national rollout of Community Services course offering

Expected to increase slightly with calendar year 2019 price increase partially offset by change in course mix and impact of tactical promotions

Gross margin expected to decrease due to lower proportion of direct enrolments, higher teaching and venue costs (e.g. new Melbourne campus) due to national rollout of courses

Growth in operating expenses anticipated to slow in FY19 relative to prior period

* Movement in percentage points

Acquired 4 July 2018 (post year-end)

- >10 year operating history with strong compliance record and student outcomes
- Extended UCW's reach in to the HE sector
- Aligned to ALG/4Life fields of education – Health and Community Services
- Platform for future HE program development
- Domestic market focus – recently launched CRICOS offer
- Approved FEE-HELP and VET Student Loans provider
- Immediate and longer term integration opportunities with ALG/4Life
- HE offer comprises 2 x 3-year Degree programs with nested Diploma and Associate Degree in the field of Psychotherapy
- Campus based program delivered nationally
- Currently priced at \$39,600 for the domestic market
- Large majority of student pay via FEE-HELP
- Currently >250 HE students

ACQUISITION RATIONALE



	Domestic student market		International student market		Funding model		
	VET	HE	VET	HE	FFS*	VSL**	FEE-HELP
ALG/4LIFE	✓		✓✓		✓✓		
IKON	✓✓	✓✓		✓		✓✓	✓✓
COMBINED	✓✓	✓✓	✓✓	✓	✓✓	✓✓	✓✓

✓ = limited existing operations ✓✓ = current organisational strength *Fee for service **VET Student Loans

- Acquisition extends UCW's reach into the HE sector, including Bachelor Degree level courses and broadens VET offering
- Aligned to ALG/4Life fields of study - Health and Community Services
- Opportunity to articulate UCW's c.1,500 existing VET students into HE programs
- Platform for future HE program development
- Diversification into the funded domestic market - both VET (VET Student Loans) and HE (FEE-HELP)
- Provides scale benefits and integration opportunities

APPENDICES



Capital structure

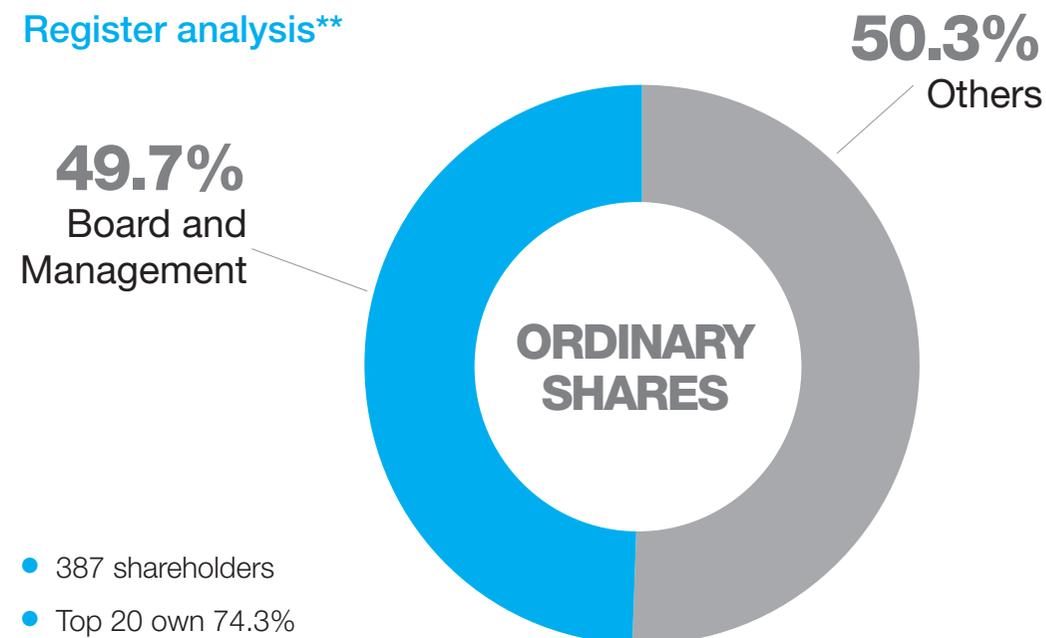
	Number	% Diluted
Ordinary shares	110,154,583	99.3%
Options*	800,000	0.7%
Fully diluted	110,954,583	100.0%
	\$'000	
Market capitalisation at \$0.16 per share**	17,753	
Cash (at 30 Jun-18)	6,595	
Debt (at 30 Jun-18)	(1,275)	
Less IKON cash consideration***	(4,400)	
Enterprise value	16,833	

* 400,000 exercisable at \$0.29620 and 400,000 exercisable at \$0.39620

** As at 22 August 2018

*** Paid on 4 July 2018

Register analysis**



Board and Executives+

Adam Davis
Chief Executive Officer
and Managing Director

Gary Burg
Non-Executive Chairman

Peter Mobbs
Non-Executive Director

Lyndon Catzel
Chief Financial Officer

Jonathan Pager
Non-Executive Director

+ Refer slide 20 for biographies

BOARD AND EXECUTIVES



Adam Davis

Chief Executive Officer and Managing Director

Adam 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.

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 is Managing Director of Greyrock, a private investment company with a focus on education and technology.

Prior to establishing Greyrock, Peter was an entrepreneur and executive operating within the private education industry, where he holds 15+ years' experience across higher education, vocational and corporate training sectors.

Peter led the private equity backed merger of his business, Ivy College, with the education arm of the Australian Institute of Management (AIM) – a 75 year old brand. Peter was the inaugural Group CEO and is a director and shareholder of the merged group – Scentia. He holds degrees in commerce and law, is admitted to practise in the Supreme Court of NSW, is a member of YPO Sydney and is a graduate member of AICD.

Jonathan Pager

Non-Executive Director

Jonathan has over 25 years' experience as a management consultant 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 restructured and listed a range of public companies and been a director of publicly listed companies in the resources and industrial sectors.

CONTACTS



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Chief Financial Officer

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