



UCW

LIMITED

ASX: UCW

FULL YEAR RESULTS

FOR THE YEAR ENDED 30 JUNE 2017

ABOUT UCW



1. Fee-for-service education provider with international student market focus

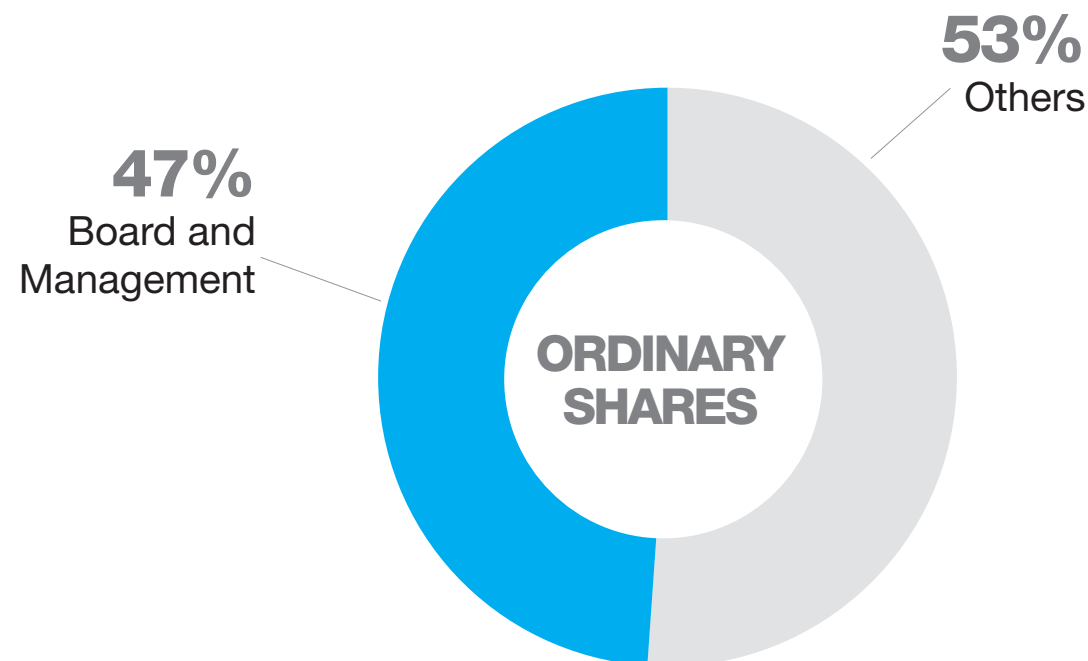
2. Vision to be a 'multi-sector' provider - Vocational, Higher Education, Professional

3. Strategy to grow both organically and via acquisition

4. Experienced board and management with successful track record in education sector

COMPANY OVERVIEW

	Number	% Diluted
Ordinary shares	398,272,889	81%
Options*	93,524,115	19%
Fully diluted	491,797,004	100%
	\$m	
Market capitalisation (\$0.048 per share)	19.1	
Cash balance	3.8	
Debt balance	(1.5)	



*18,750,000 Options exercisable at \$0.039 per share, expiring 30 June 2018

*70,774,115 Options exercisable at \$0.059 per share, expiring 30 June 2018

*2,000,000 Options exercisable at \$0.059 per share, expiring 31 July 2021

*2,000,000 Options exercisable at \$0.079 per share, expiring 31 July 2021

Board and Executives

Adam Davis
Chief Executive Officer

Gary Burg
Non-Executive Chairman

Peter Mobbs
Non-Executive Director

Lyndon Catzel
Chief Financial Officer

Jonathan Pager
Non-Executive Director

Information on this slide is current as at 18 August 2017

CURRENT PORTFOLIO



Acquired
Mar 2016



Acquired
Jan 2017



Acquired
Jul 2017

- Niche international student provider in fields of Fitness, Massage Therapy, Sport and Recreation Management and Dance Teaching
- Strategy to broaden course offering and national expansion delivering growth:
 - International student enrolments up 28.7% in FY17
 - 3-year CAGR of 29.3%
- All courses now offered in all campuses (Sydney, Melbourne, Brisbane, Perth)
- Key investments made during FY17 to build a scalable platform

- Acquired as an add-on to ALG
- Broadens ALG's course offering into Childcare, Aged Care, Disability, Mental Health, Counselling and Community Services
- Currently operates in Sydney only
- Strategy to rollout courses nationally through ALG's campus footprint commencing in FY18
- Integration into ALG well underway

- 24.6% strategic stake acquired for \$5.9m, 75% in cash and 25% in UCW shares at \$0.06 per share
- Leading provider of the Professional Year program for international student graduates in Accounting and IT
- Significant business at scale - FY16 revenue \$30.8m, EBITDA \$4.1m
- UCW will equity account for its share of profit from FY18 onwards - pro-forma FY16 P&L impact \$631k

RESULTS SUMMARY

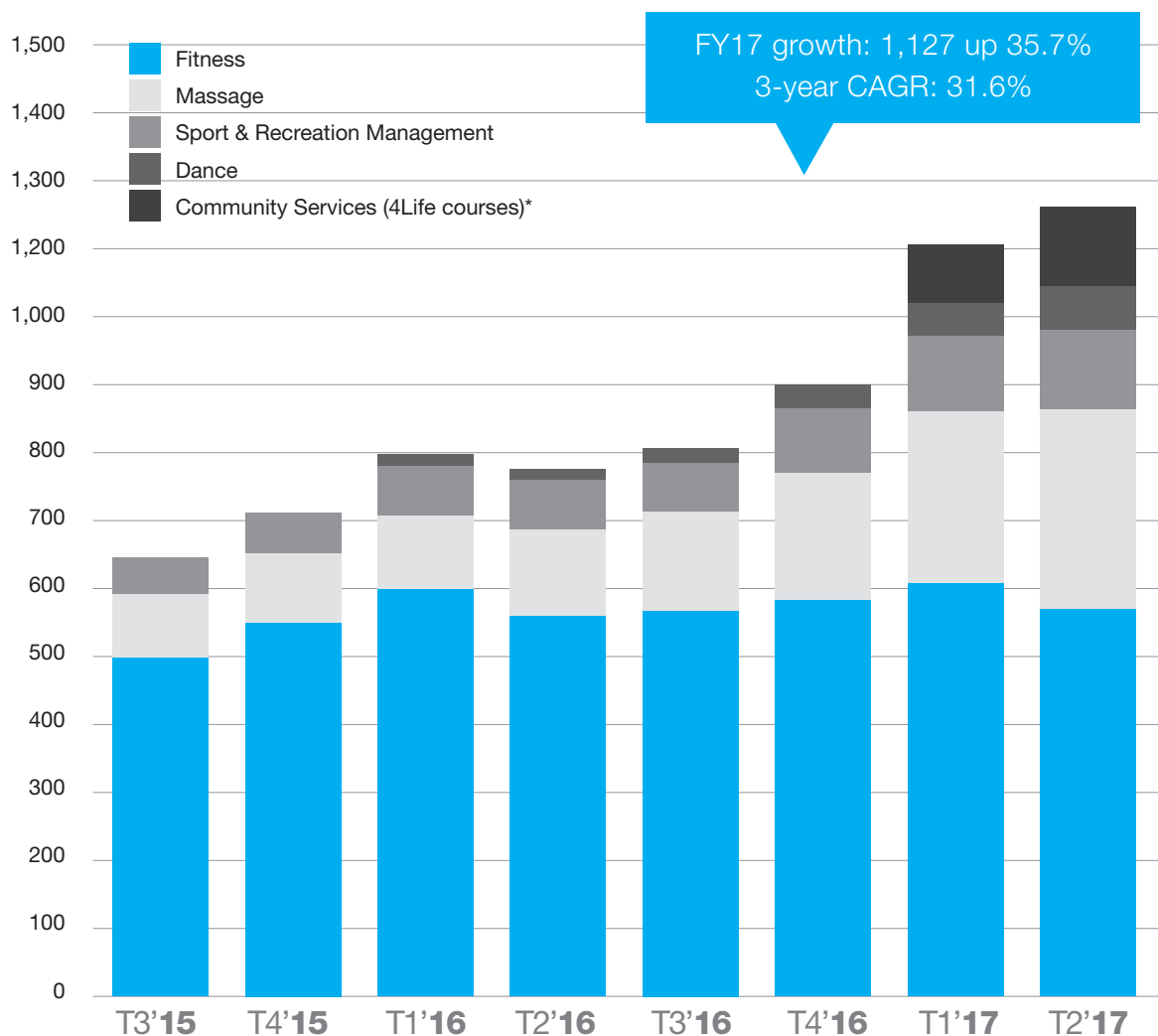
	H2'17 \$'000	H1'17 \$'000	FY17 \$'000
ALG/4LIFE*			
International student revenue	4,571	3,412	7,983
Total revenue	5,749	4,138	9,887
Cost of sales	(2,784)	(1,906)	(4,690)
Gross profit	2,965	2,232	5,197
Gross margin (%)	51.6%	53.9%	52.6%
Operating expenses	(2,459)	(1,577)	(4,036)
EBITDA	506	655	1,161
EBITDA margin (%)	8.8%	15.8%	11.7%
UCW			
Corporate costs	(444)	(391)	(835)
GROUP			
Underlying EBITDA	62	264	326
DD and transaction costs	(82)	(107)	(189)
Non-recurring items	246	(246)	-
Interest, tax, depreciation and amortisation	46	(12)	34
Net profit after tax	272	(101)	171

- Revenue up 38.9% in H2'17 v H1'17 - driven by growth in international student enrolments and acquisition of 4Life
- H2'17 EBITDA margin subdued due to investment (course expansion, key hires, integration of 4Life), ahead of expected revenue growth
- H2'17 OPEX annualised run rate of c. \$5m. Operating leverage expected to become evident with increased international student enrolments
- UCW corporate costs relatively stable
- From FY18, UCW will equity account for its share of Performance Education's profit - pro-forma FY16 P&L impact \$631k

*4Life included from date of acquisition, 13 January 2017

INTERNATIONAL STUDENT ENROLMENTS

International enrolments by field of study



- Strategy to broaden course offering and national expansion delivering growth - additional 1,127 international enrolments in FY17 v FY16
- 4Life currently operates in Sydney only - strategy to rollout courses nationally through ALG campus footprint presents significant growth opportunity
- FY17 average revenue per international enrolment: \$1,862

*4Life included from date of acquisition, 13 January 2017

KEY BUSINESS DRIVERS

OUTLOOK

FY17

International student enrolments

Continued strong growth, supported by broadening of course offering via 4Life acquisition (rollout will commence in H2'18)

4,288

Average revenue per international enrolment

Price increase of 6.7% implemented effective 1 July 2017 for new students. Impact will be progressive throughout FY18 and FY19

\$1,862

Gross margin

Decrease in gross margin due to lower proportion of direct enrolments, higher teaching and increased venue costs during national rollout of courses

52%

Operating expenses

Operating leverage expected to become evident with increased international student enrolments

H2'17 run rate
c. \$5m

GROWTH FOCUS

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



100%



100%



24.6%

BOARD AND EXECUTIVES

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.

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 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. He is currently a director of NMG Corporation Limited (ASX: NMG).

CONTACT DETAILS

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