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UCW
LIMITED

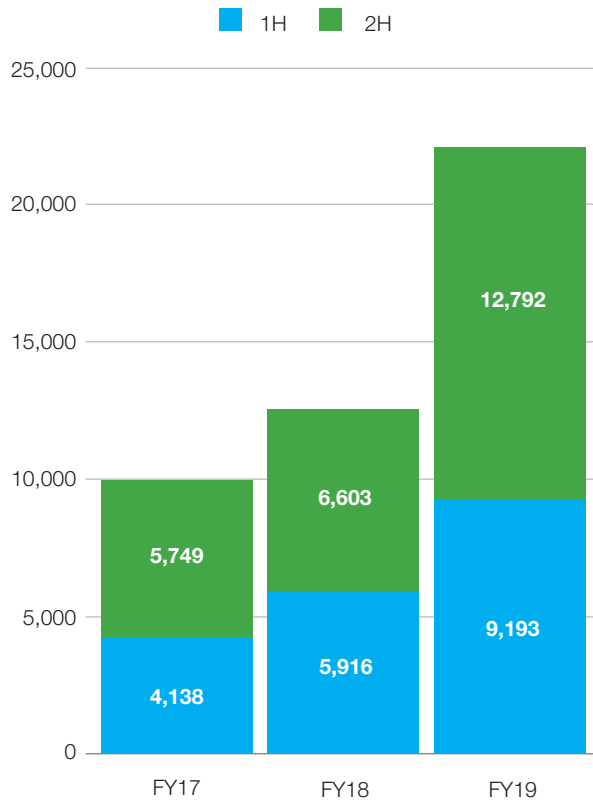
...a transformative year

FY19 RESULTS

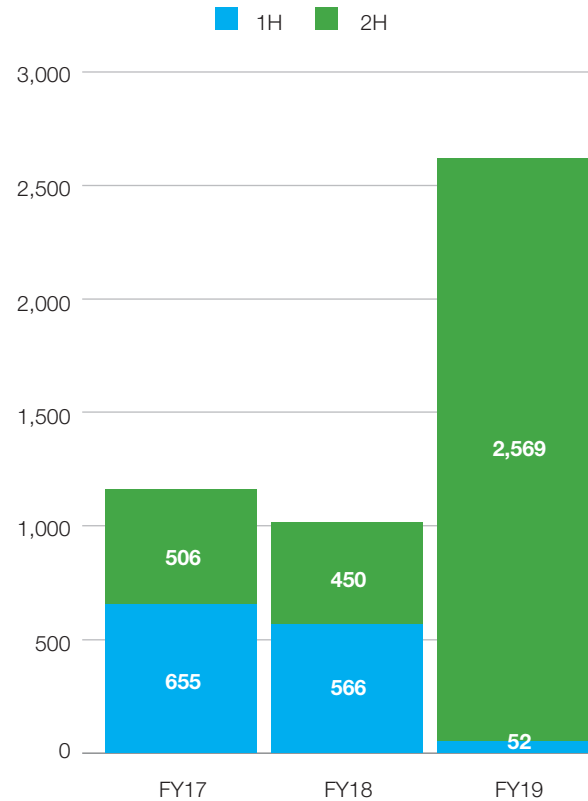


FY19 KEY METRICS^{1,2}

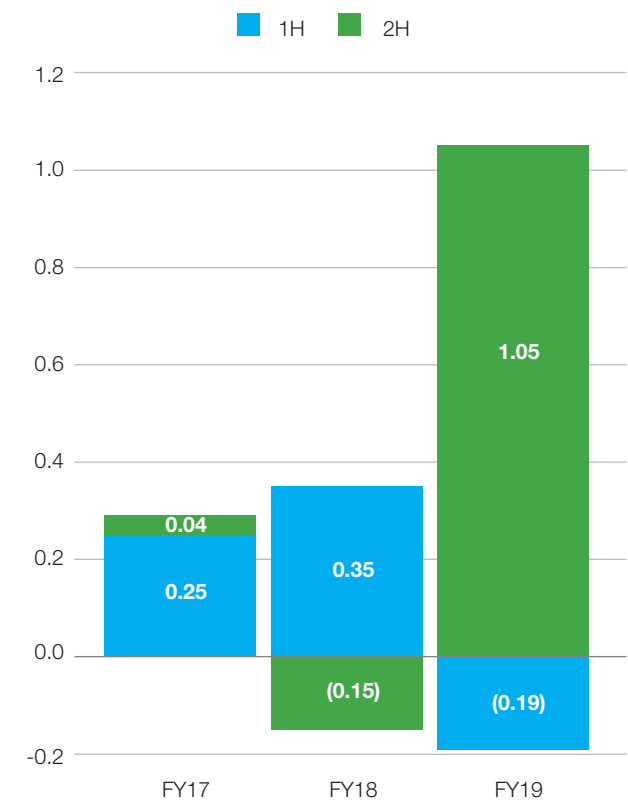
Revenue (\$'000)



Operating EBITDA (\$'000)³



Basic earnings per share - continuing operations (cents)⁴

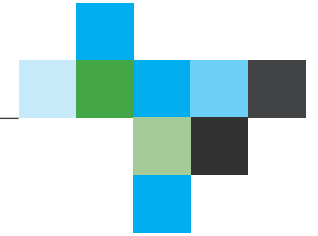


¹ The Company's financial year ends 30 June. 1H refers to the 1st half of the financial year, from 1 July to 31 December. 2H refers to the 2nd half of the financial year, from 1 January to 30 June

² Includes contribution from Ikon, acquired 4 July 2018

³ Operating EBITDA represents the earnings of UCW's operating businesses (ALG and Ikon) before interest, tax, depreciation and amortisation

⁴ Payment of Ikon earn-out amount will result in expanded share capital and an increase in debt. Refer to page 19 for pro-forma capital structure, post payment of the earn-out amount



GROUP OVERVIEW

- Tertiary education provider
- Health and Community Services focus
- International and domestic students
- National campus footprint
- Growing organically and through acquisitions
- Operating leverage emerging, delivering strong operating cash flows
- Earnings growth expected to continue as enrolments scale



OUR BUSINESSES

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FY19 revenue:	\$15.1m	\$6.9m	\$52.4m
FY19 EBIDTA:	\$1.1m	\$1.5m	\$1.5m
Education sector ¹ :	Vocational	Higher Education	Professional
Student market ¹ :	International	Domestic	International
Students enrolled ² :	2,001	449	n/a
Acquired:	March 2016	July 2018	July 2017
Interest:	100%	100%	25%

¹Represents the primary education sector and student market

³Unaudited

²As at 30 June

KEY HIGHLIGHTS



FY19 KEY ACHIEVEMENTS

Operating leverage emerging

Operating EBITDA margin 11.9%, up 381 bps¹

Record student growth

ALG international student enrolments up 27.2%

Strategic entry into Higher Education

Ikon acquisition exceeded expectations, \$1.5m EBITDA

Community Services rollout significantly progressed

36.3% of ALG international student enrolments

Flagship Melbourne CBD campus established

Trading ahead of expectations

National campus capacity expanded

Number of training rooms up 93.1%

¹ bps = 0.01%



FY19 FINANCIAL HIGHLIGHTS^{1,2}

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Revenue

	FY19	2H19
	\$22.0m	\$12.8m
Group	↑ 75.6%	↑ 93.7%
Organic	↑ 20.7%	↑ 24.8%

Gross profit³

	FY19	2H19
	\$10.5m	\$6.4m
Group	↑ 72.7%	↑ 105.6%
Organic	↑ 13.3%	↑ 26.0%

Operating EBITDA³

	FY19	2H19
	\$2.6m	\$2.6m
Group	↑ 158.0%	↑ 470.9%
Organic	↑ 8.1%	↑ 144.0%

Operating EBITDA margin³

	FY19	2H19
	11.9%	20.1%
	↑ 381 bps	↑ 1,327 bps

Underlying EBITDA⁴

	FY19	2H19
	\$1.6m	\$2.0m
	↑ >1,000%	↑ >1,000%

Net operating cashflow

	FY19	2H19
	\$3.2m	\$3.3m
	↑ >1,000%	↑ >1,000%

¹ Percentage change is against the previous corresponding period

² Includes contribution from Ikon (acquired 4 July 2018)

³ Operating EBITDA represents the earnings of UCW's operating businesses (ALG and Ikon) before interest, tax, depreciation and amortisation

⁴ Group EBITDA excluding equity accounted share of Gradability's NPAT



STRATEGY ON TRACK

- Developing pathways across the student lifecycle
- Extending lifetime value of student
- Expanding course offering and campus capacity



Certificates

Typical duration¹: 9 months
Typical price¹: \$6,000

Diplomas

Typical duration¹: 18 months
Typical price¹: \$13,000

Degrees

Typical duration¹: 3 years
Typical price¹: \$47,000

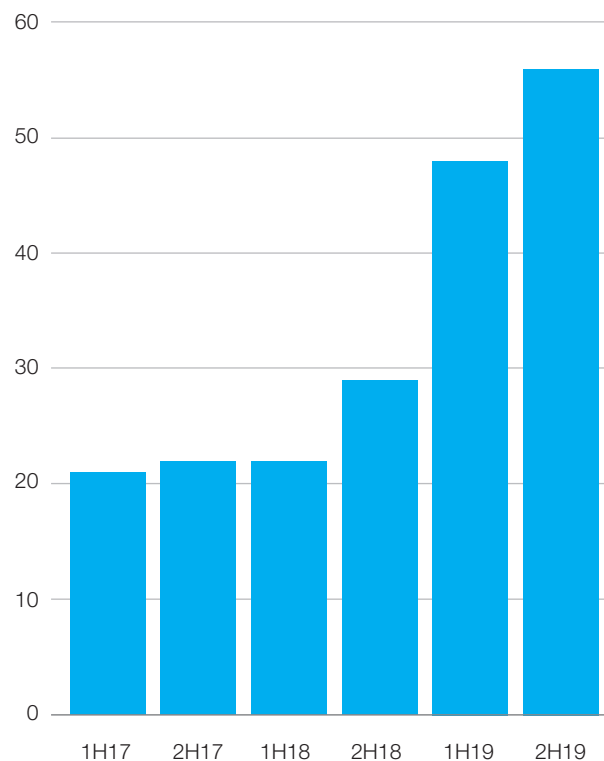
	FY17	FY18	FY19
Education sectors	VET	VET	VET, HE
Qualifications offered	14	14	22
International enrolments (ALG)	4,288	5,495	6,987
Campus capacity (rooms)	22	29	56

¹ In relation to the primary education sector and student markets



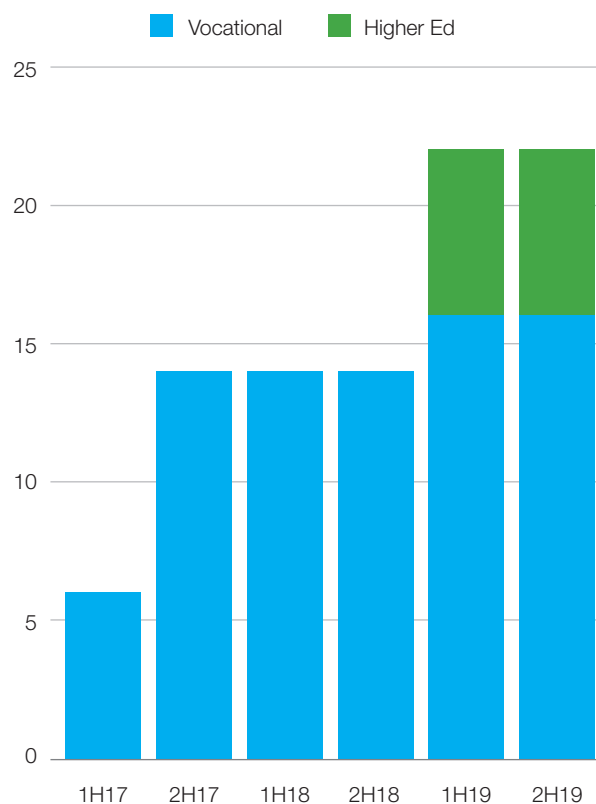
BUILDING FOUNDATIONS FOR GROWTH¹

Capacity – training rooms



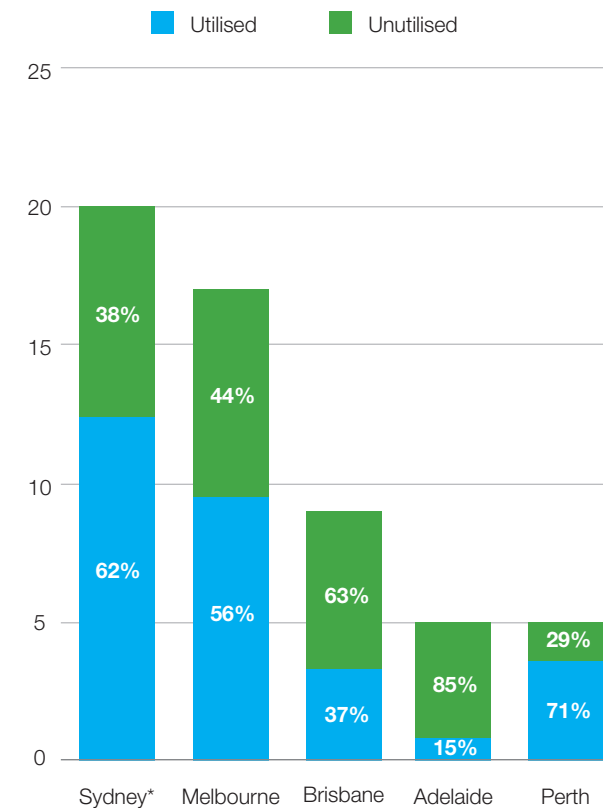
166.7% capacity increase across all campuses since 1H17.
16.7% added in 2H19

Courses – qualifications offered



Number of courses offered up more than 3x since 1H17,
following 4Life and Ikon acquisitions

Room utilisation – rooms by city



Substantial capacity to accommodate growth, boosted
by recent expansion of capacity in Sydney and Brisbane

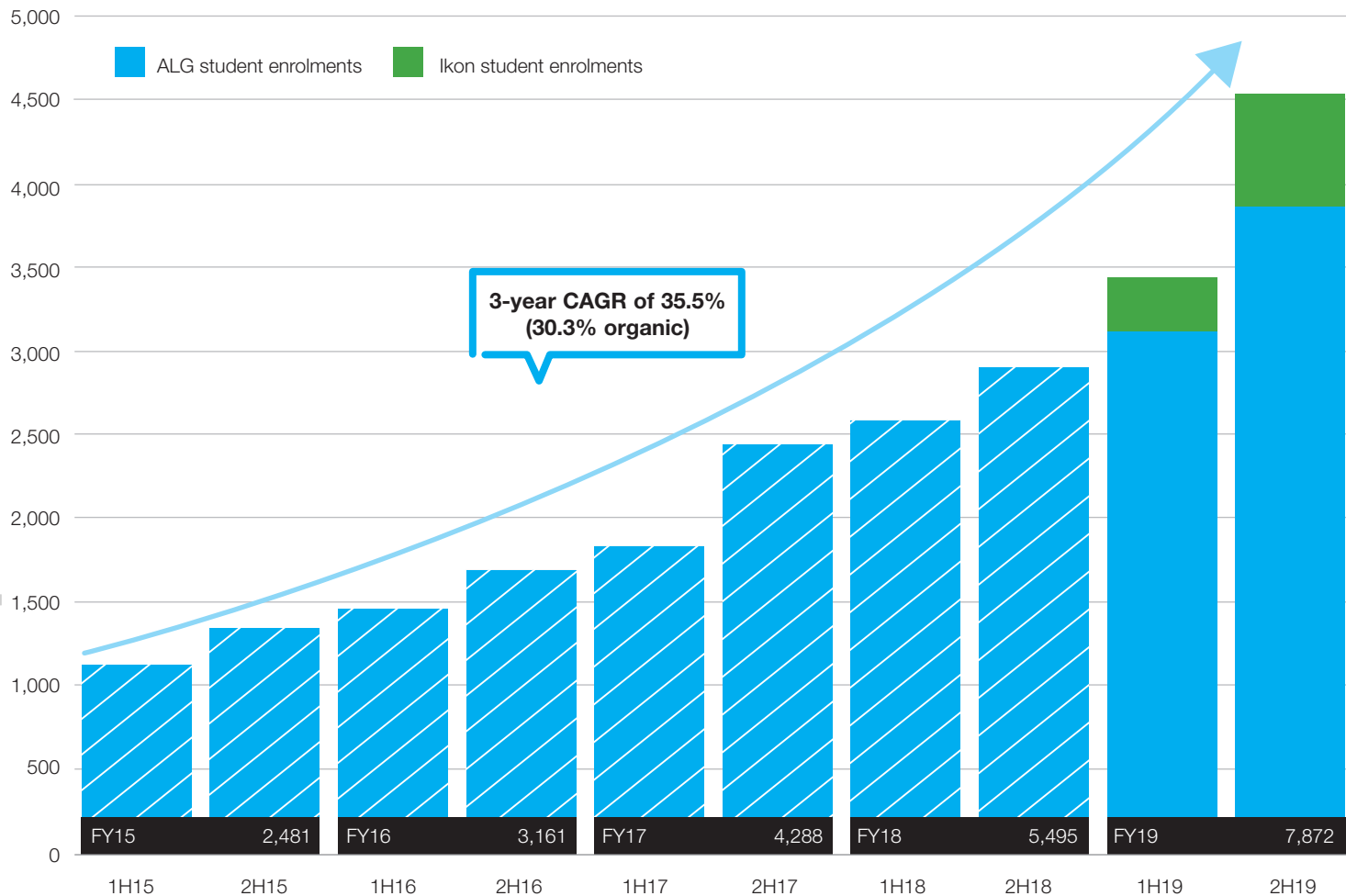
¹All student enrolment numbers referred to on this page reflect the primary markets for ALG and Ikon, being international VET and domestic HE

*Includes Byron Bay campus



STUDENT ENROLMENTS^{1,2}

Student enrolments (number)



- Broadening of ALG course offering, campus capacity and national rollout of Community Services courses continuing to deliver growth
- Positive enrolment trends continuing into FY20 - ALG 1Q20 enrolments of 2,117, up 41.3% on PCP
- HE enrolments grew strongly in FY19, with 2H19 the first half in which Ikon had students in all 3 years of its bachelor degree programs
- Average HE enrolment revenue significantly higher than VET (with a higher GM)

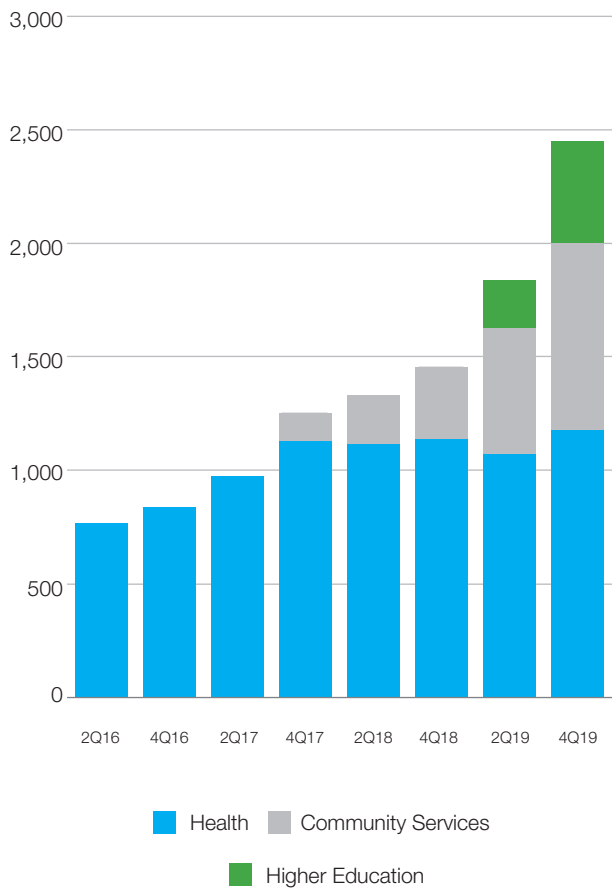
¹Student enrolments shown are for ALG and Ikon's respective primary markets only

²ALG student enrolments are the sum of enrolments in the two academic terms during each half-year period. Ikon student enrolment numbers shown have been adjusted to align to this format

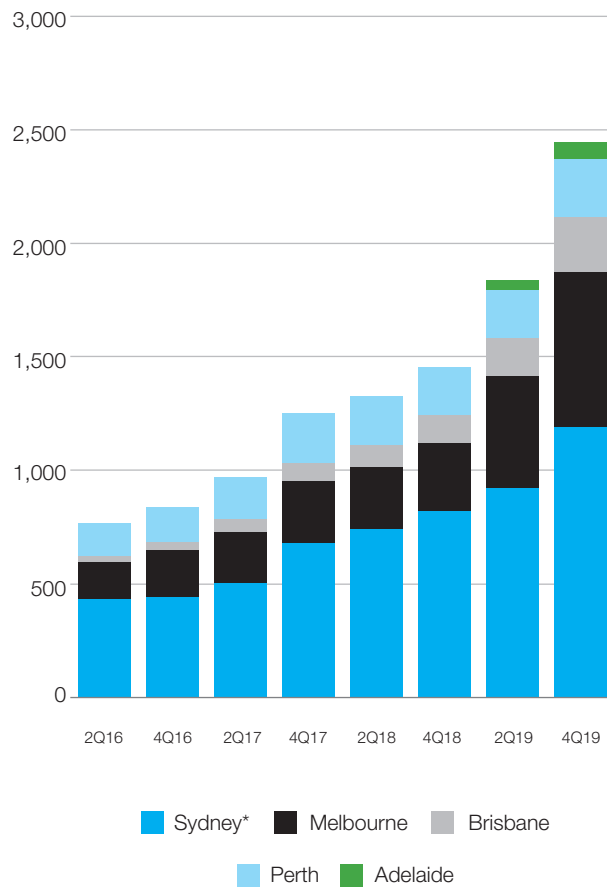


STUDENT PROFILE

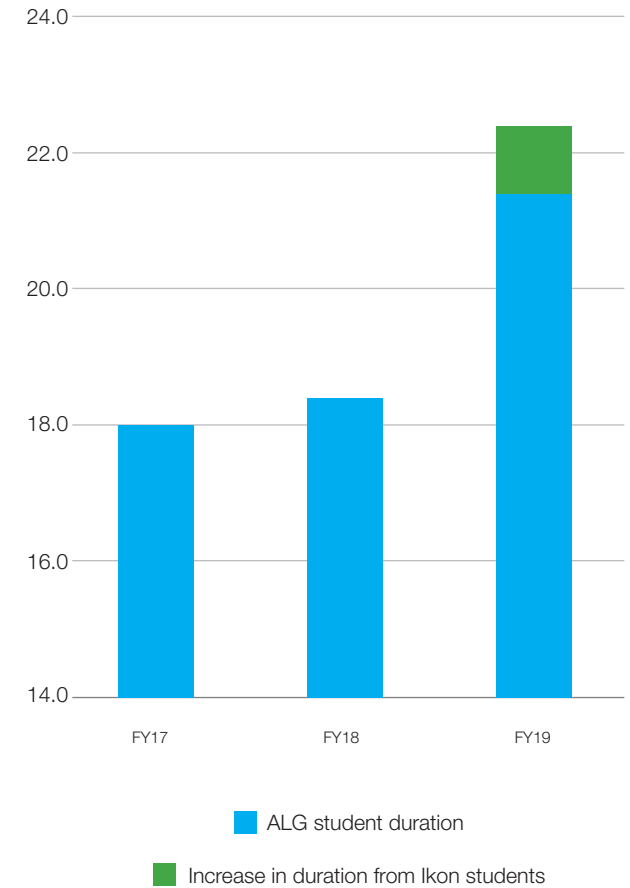
By course



By city



Duration (months)¹



*Includes Byron Bay campus

¹Average duration of the combined student population of ALG and Ikon

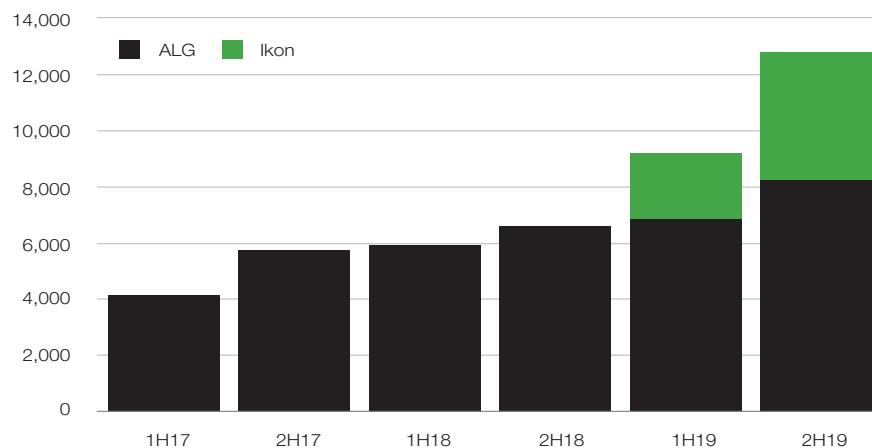


FINANCIAL RESULTS

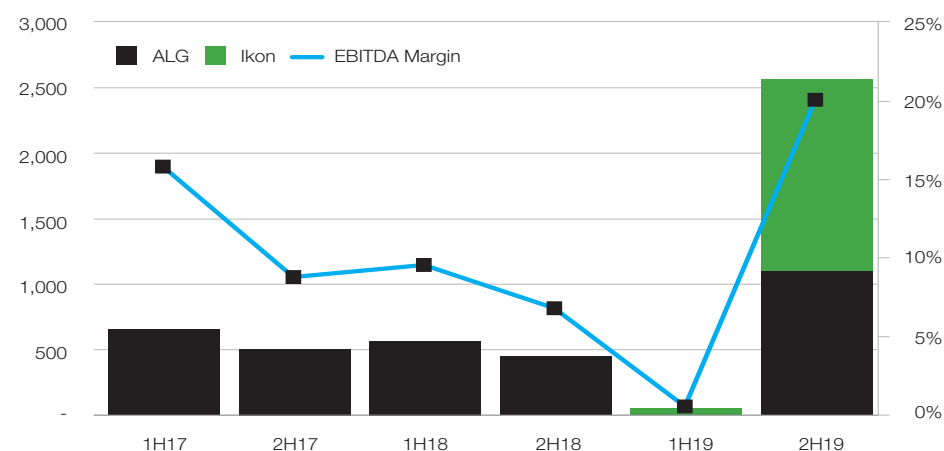


KEY HIGHLIGHTS – GROUP PROFIT AND LOSS

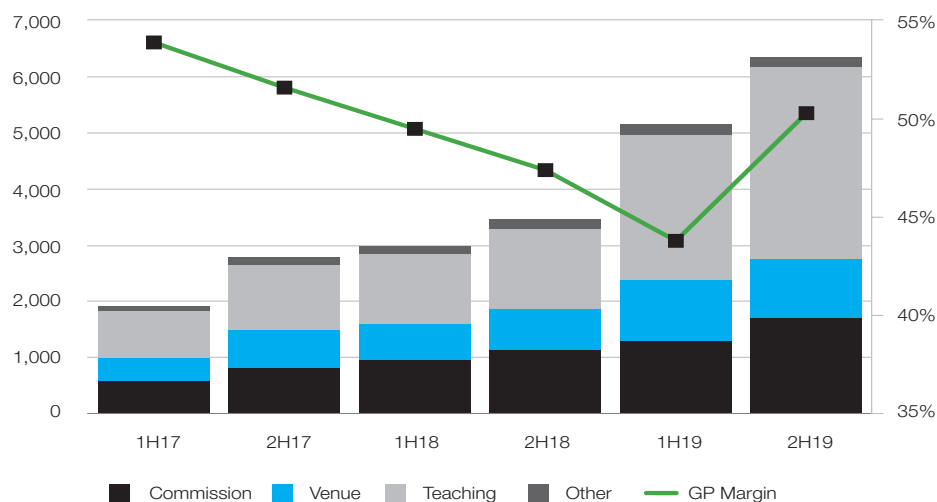
Revenue



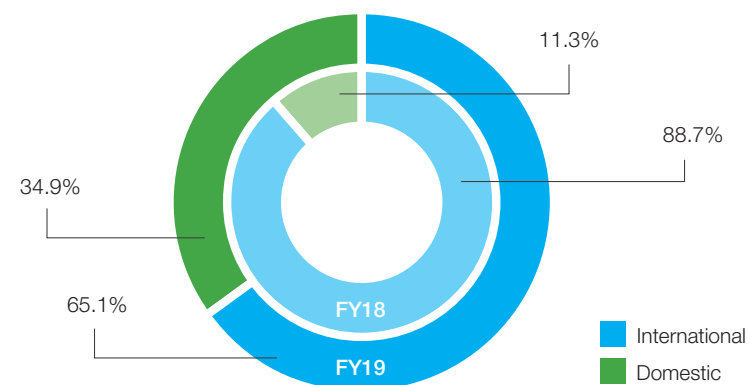
EBITDA



Cost of sales



Sales mix





GROUP PROFIT AND LOSS

Operating leverage emerging

	FY19	FY18	%chg
Revenue	21,985	12,519	75.6%
Cost of sales	(11,514)	(6,455)	(78.4%)
Gross profit	10,471	6,064	72.7%
<i>Gross margin (%)*</i>	47.6%	48.4%	(0.8%)
Operating expenses	(7,850)	(5,048)	55.5%
Operating EBITDA	2,621	1,016	158.0%
<i>Operating EBITDA margin (%)*</i>	11.9%	8.1%	3.8%
Corporate costs	(999)	(883)	(13.1%)
Underlying EBITDA	1,622	133	nm
<i>Underlying EBITDA margin (%)*</i>	7.4%	1.1%	6.3%
Equity accounted share of results	49	548	(91.1%)
Profit from discontinued operations	2	(139)	101.4%
Gain on disposal of surplus entity	289	-	nm
Due diligence and transaction costs	(26)	(248)	89.5%
Depreciation and amortisation	(662)	(211)	(213.7%)
Interest expense	(101)	(76)	(32.9%)
Income tax (expense) / benefit	(221)	18	nm
Net profit	952	25	nm

*Movement in percentage points

- Group revenue up 75.6%, boosted by maiden contribution from Ikon. 2H19 revenue up 93.7%
- Diversification well underway:
 - International:domestic revenue 65.1%: 34.9% (FY18: 88.7%: 11.3%)
 - VET:HE revenue 71.5%: 28.5% (FY18: 100.0%: 0.0%)
- Organic (ALG) revenue growth of 20.7%, resulting from 27.2% increase in international students enrolments and selective price increases, offset by weakness in domestic and other revenue
- 1H19 investment (in new Melbourne campus and Ikon) paying dividends in 2H19, with gross profit & operating EBITDA margin significantly stronger
- 2H19 also benefited from increased student numbers in Ikon
- Corporate costs up slightly, reflective of partial achievement of STIs
- Gradability's equity accounted share of NPAT down sharply against FY18 and against 1H19. The business has effected a restructure and management are budgeting for improved profitability in FY20
- Statutory NPAT positively impacted by gain on disposal of surplus legal entity and lower once-off DD costs



GROUP PROFIT AND LOSS CONT.

Significant strength in 2H19

	2H19	2H18	%chg	1H19	1H18	%chg
Revenue	12,792	6,603	93.7%	9,193	5,916	55.4%
Cost of sales	(6,352)	(3,470)	(83.1%)	(5,162)	(2,985)	(72.9%)
Gross profit	6,440	3,133	105.6%	4,031	2,931	37.5%
Gross margin (%)	50.3%	47.4%	2.9%	43.8%	49.5%	(5.7%)
Operating expenses	(3,871)	(2,683)	(44.3%)	(3,979)	(2,365)	(68.2%)
Operating EBITDA	2,569	450	470.9%	52	566	(90.8%)
Operating EBITDA margin (%)*	20.1%	6.8%	13.3%	0.6%	9.6%	(9.0%)
Corporate costs	(527)	(440)	(19.8%)	(472)	(443)	(6.5%)
Underlying EBITDA	2,042	10	nm	(420)	123	(441.5%)
Underlying EBITDA margin (%)*	16.0%	0.2%	15.8%	(4.6%)	2.1%	(6.7%)
Equity accounted share of results	(156)	203	(176.8%)	205	345	(40.6%)
Profit from discontinued operations	-	10	(100.0%)	2	(149)	101.3%
Gain on disposal of surplus entity	289	-	nm	-	-	-
Due diligence & transaction costs	(4)	(203)	98.0%	(22)	(45)	51.1%
Depreciation and amortisation	(412)	(134)	(207.5%)	(250)	(77)	(224.7%)
Interest expense	(49)	(41)	(19.5%)	(52)	(35)	(48.6%)
Income tax (expense) / benefit	(551)	49	nm	330	(31)	nm
Net profit	1,159	(106)	nm	(207)	131	(258.0%)

*Movement in percentage points



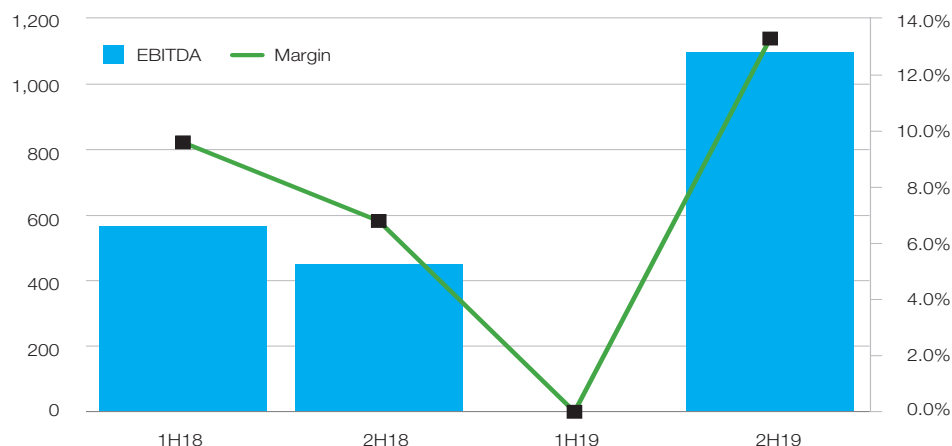
ALG

Strong support for Community Services course offering

	2H19	2H18	%chg	1H19	1H18	%chg
Revenue	8,241	6,603	24.8%	6,874	5,916	16.2%
Cost of sales	(4,293)	(3,470)	(23.7%)	(3,954)	(2,985)	(32.5%)
Gross profit	3,948	3,133	26.0%	2,920	2,931	(0.4%)
Gross margin (%)*	47.9%	47.4%	0.5%	42.5%	49.5%	(7.0%)
Operating expenses	(2,850)	(2,683)	(6.2%)	(2,920)	(2,365)	(23.5%)
Operating EBITDA	1,098	450	144.0%	-	566	(100.0%)
Operating EBITDA margin (%)*	13.3%	6.8%	6.5%	-	9.6%	(9.6%)

*Movement in percentage points

EBITDA (\$'000) and EBITDA margin (%)



- Strong 2H19 performance with record half-year revenue and EBITDA, aided by increased student numbers and new Melbourne campus achieving break-even
- FY19 revenue growth of 20.7% attributable to 27.2% growth in international student enrolments and selective price increases
- Offsetting the above, domestic and other revenue declined by 17.1%
- Strong growth in Community Services course enrolments (now comprising 36.3% of ALG international student base)
- New Melbourne campus launched 1 July 2018. Achieved run-rate break-even ahead of expectations, contributing to 2H19 turnaround
- Campus expansion throughout the year across Sydney, Melbourne and Brisbane. Training rooms increased from 25 to 38, providing sizeable capacity for future student growth. Six training rooms added during 4Q19
- FY20 focus on optimising campus utilisation, class sizes, continued national rollout of Community Services course offering and new program development



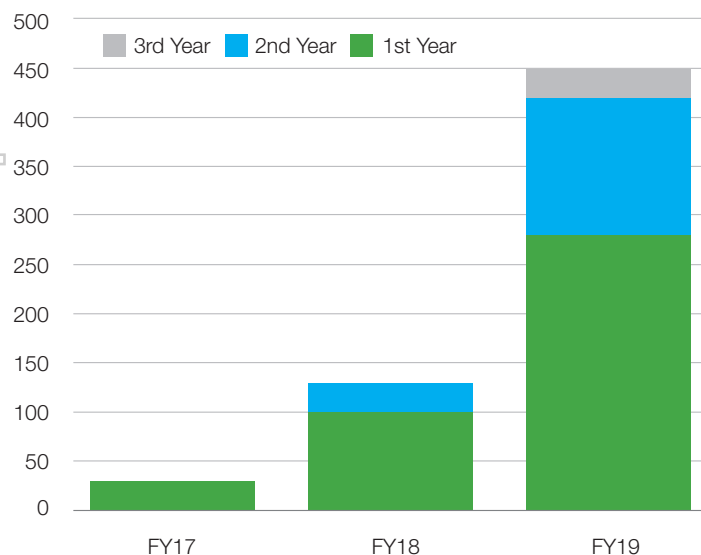
IKON

Strategic entry into Higher Education exceeds expectations

	FY19	2H19	1H19
Revenue	6,870	4,551	2,319
Cost of sales	(3,267)	(2,059)	(1,208)
Gross profit	3,603	2,492	1,111
Gross margin (%)*	52.4%	54.8%	47.9%
Operating expenses	(2,080)	(1,021)	(1,059)
Operating EBITDA	1,523	1,471	52
Operating EBITDA margin (%)*	22.2%	32.3%	2.2%

*Movement in percentage points

Ikon enrolments by year of study



- Ikon acquired 4 July 2018 as strategic entry into Higher Education sector
- Performance exceeded expectations at time of acquisition - \$1.5m EBITDA for FY19 - largely attributable to outperformance of HE offering
- Earn-out capped at \$6.5m. Fully funded by cash reserves and approved increase in existing debt facility with CBA (refer page 19)
- Results reflective of record student intake in calendar 2019 of 280, and lower than expected attrition rates. 2H19 was the first half in which Ikon had students in all 3 years of its bachelor degree programs
- Average revenue of HE enrolments significantly higher than VET (with a higher GM)
- New bachelor degree under development, on track for 2021 academic year launch
- Strong opportunity to undertake further course development to offer pathway / articulation opportunities across ALG's course portfolio
- Increased student numbers and revenue expected in FY20, to be partially offset by planned investment to ensure the business can continue to scale post the earn-out period



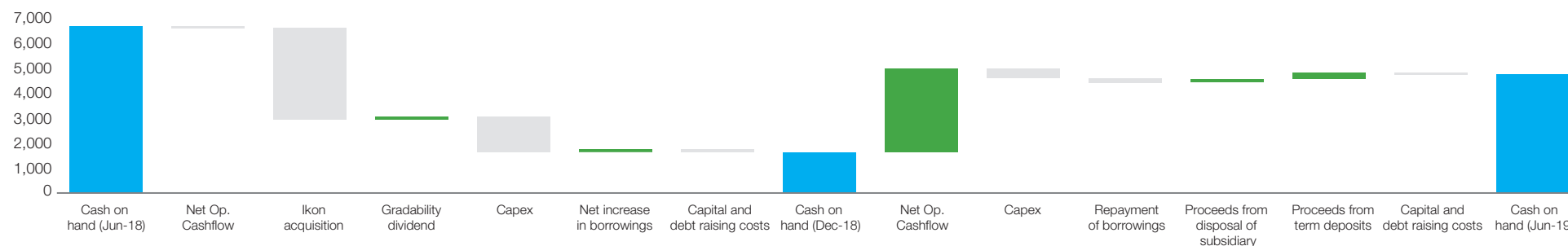
BALANCE SHEET AND CASHFLOW

Strong cash generation in 2H19

	30 Jun-19 \$'000	31 Dec-18 \$'000	30 Jun-18 \$'000
Cash and cash equivalents	4,689	1,597	6,595
Trade and other receivables	2,284	1,355	1,244
Investment in associates	6,174	6,341	6,273
Goodwill	11,945	6,938	1,315
Intangibles	2,010	522	297
Plant and equipment	3,016	2,606	2,218
Other assets	1,572	1,744	1,862
Total assets	31,690	21,103	19,804
Contract liabilities	5,616	3,859	3,364
Trade and other payables	2,907	1,734	2,284
Deferred settlement	6,500	200	200
Borrowings	1,200	1,375	1,275
Other liabilities	885	757	392
Total liabilities	17,108	7,925	7,515
Net assets	14,582	13,178	12,289

- Cash balance strengthened to \$4.7m at year end from \$1.6m at 31 December 2018
- Operating cashflow significantly improved - \$3.3m in 2H19 vs (\$0.1m) in 1H19
- FY19 capex included:
 - Cash component of Ikon acquisition – \$3.6m, net of \$0.5m deposit paid in FY18 and cash acquired in FY19 of \$0.3m
 - New Melbourne campus - \$1.2m
 - Brisbane and Sydney campus expansions - \$0.2m
 - New Sydney campus – \$0.1m
 - Course development - \$0.2m
 - Other - \$0.1m

Cashflow movements (\$'000)





IKON EARN-OUT PAYMENT

Fully-funded

Gearing	Drawn 30 Jun-19 \$'000	Limit 30 Jun-19 \$'000	Pro-forma drawn post earn-out payment ⁽¹⁾ \$'000
Acquisition facility	1,200	1,200	4,500
Working capital facility	-	150	-
Bank guarantee facility	1,001	1,050	1,001
Total gross debt	2,201	2,250	5,501
Cash and cash equivalents	4,689	4,689	2,789
Net cash / (debt)	2,488	2,439	(2,712)

Gearing ratio	30 Jun-19	31 Dec-18	Pro-forma post earn-out payment ⁽¹⁾
Gearing ratio - gross debt ⁽²⁾	13.1%	13.2%	27.4%
Gearing ratio - net debt ⁽³⁾	(20.6%)	(3.0%)	15.7%

- Ikon exceeded expectations at time of acquisition - \$1.5m EBITDA for FY19 - largely attributable to outperformance of HE offering
- Earn-out payment capped at \$6.5m, being 8 x Ikon's FY19 EBITDA (which may be different to accounting EBITDA), less upfront payment of \$5.5m
- Earn-out amount payable up to 20% in UCW shares at 20-day VWAP and subject to 12 month escrow, with balance payable in cash
- Earn-out amount expected to be paid in 1H20
- Cash component will be funded from cash reserves and an approved increase in existing debt facility with CBA
- Pro-forma net debt increase to \$2.7m

⁽¹⁾ Assumes maximum earn-out amount payable of \$6.5m

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

⁽³⁾ Calculated as (debt - cash) / (debt - cash + equity)

FY20 PRIORITIES AND OUTLOOK



FY20 PRIORITIES

- Integration of Ikon and ALG
- Leverage ALG agent network for Ikon HE programs
- Continue ALG national course rollout
- Program development in Ikon and ALG
- Build organisational capacity with a focus on academic and compliance
- Target strategic acquisitions that supplement our campus, course and agent network



FY20 OUTLOOK

Continued student growth expected

- ALG FY20 enrolments off to a strong start – 1Q20 enrolments of 2,117, up 41.3% on PCP
- New Melbourne campus continuing to perform strongly

Operating margin expected to improve

- Tempered by planned further investment in organisational capacity and to corporatise and integrate Ikon
- Skew in earnings to second half expected

Course rollout to continue

- Several courses scheduled for rollout in 3Q20
- New bachelor degree under development, on track for 2021 academic year launch

Corporate costs expected to remain stable

- Further leverage expected to emerge at consolidated group level

APPENDICES

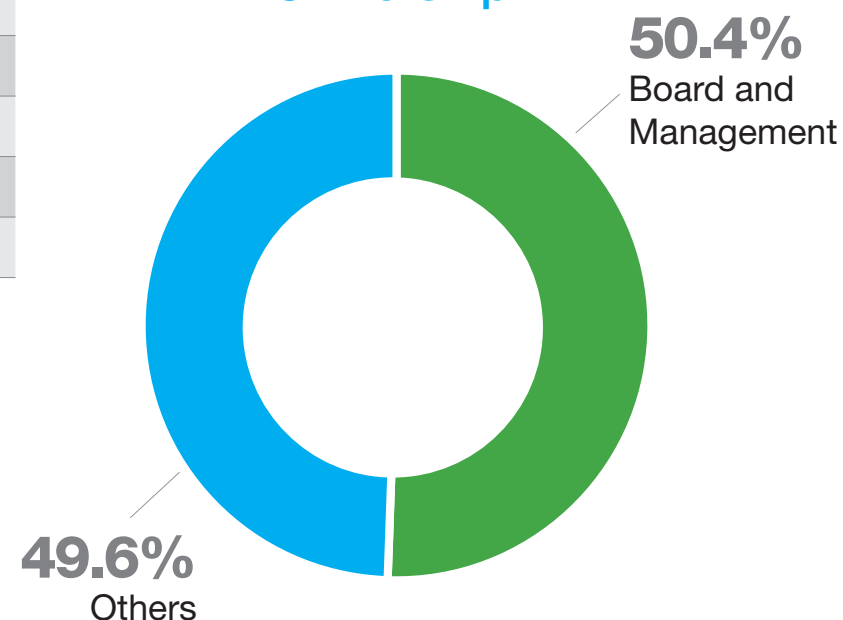


CAPITAL STRUCTURE⁽⁴⁾

	30 Jun-19	Pro-forma post earn-out payment	% Diluted
Ordinary shares	110,821,249	110,821,249	91.3%
Options ⁽¹⁾	800,000	800,000	0.7%
Performance rights ⁽²⁾	1,600,000	1,600,000	1.3%
Shares to be issued to Ikon vendors at \$0.16 per share ⁽³⁾	-	8,125,000	6.7%
Fully diluted	113,221,249	121,346,249	100.0%

	\$'000	\$'000
Market capitalisation at \$0.16 per share ⁽³⁾	17,731	19,031
Cash	4,689	2,789
Ikon earn-out amount	(6,500)	-
Debt ⁽⁵⁾	(2,201)	(5,501)
Enterprise value	21,743	21,743

Ownership⁽³⁾



⁽¹⁾ 400,000 exercisable at \$0.296 and 400,000 exercisable at \$0.396

⁽²⁾ Performance rights approved at the November 2018 AGM, exercisable in 3 years, if the 90-day VWAP exceeds \$0.30

⁽³⁾ As at 26 August 2019

⁽⁴⁾ Assumes maximum earn-out payment of \$6.5m, funded up to 20% in equity (refer page 19)

⁽⁵⁾ Includes bank guarantee facility



COURSE OFFERING

Higher Education (Bachelor degrees)	Job outcomes
Arts Therapy	Counselor or psychotherapist
Counselling and Psychotherapy	Counselor or psychotherapist
Vocational (Certificates and/or Diplomas)	
Ageing Support	Residential care worker
Community Services	Community care worker or manager
Counselling	Counselor
Dance Teaching and Management	Dance teacher or managerial role in dance industry
Early Childhood Education and Care	Child care worker or child care centre manager
Fitness	Personal trainer or gym instructor
Mental Health	Mental health worker
Remedial Massage	Massage practitioner
Sport and Recreation Management	Managerial role in sports industry
Yoga Teaching	Yoga teacher

- 6 higher education qualifications (incl. nested diploma and associate degrees)
- 16 vocational qualifications (certificates and diplomas)
- Continued focus on courses with clear job outcomes and employment demand
- New bachelor degree under development, on track for 2021 academic year launch

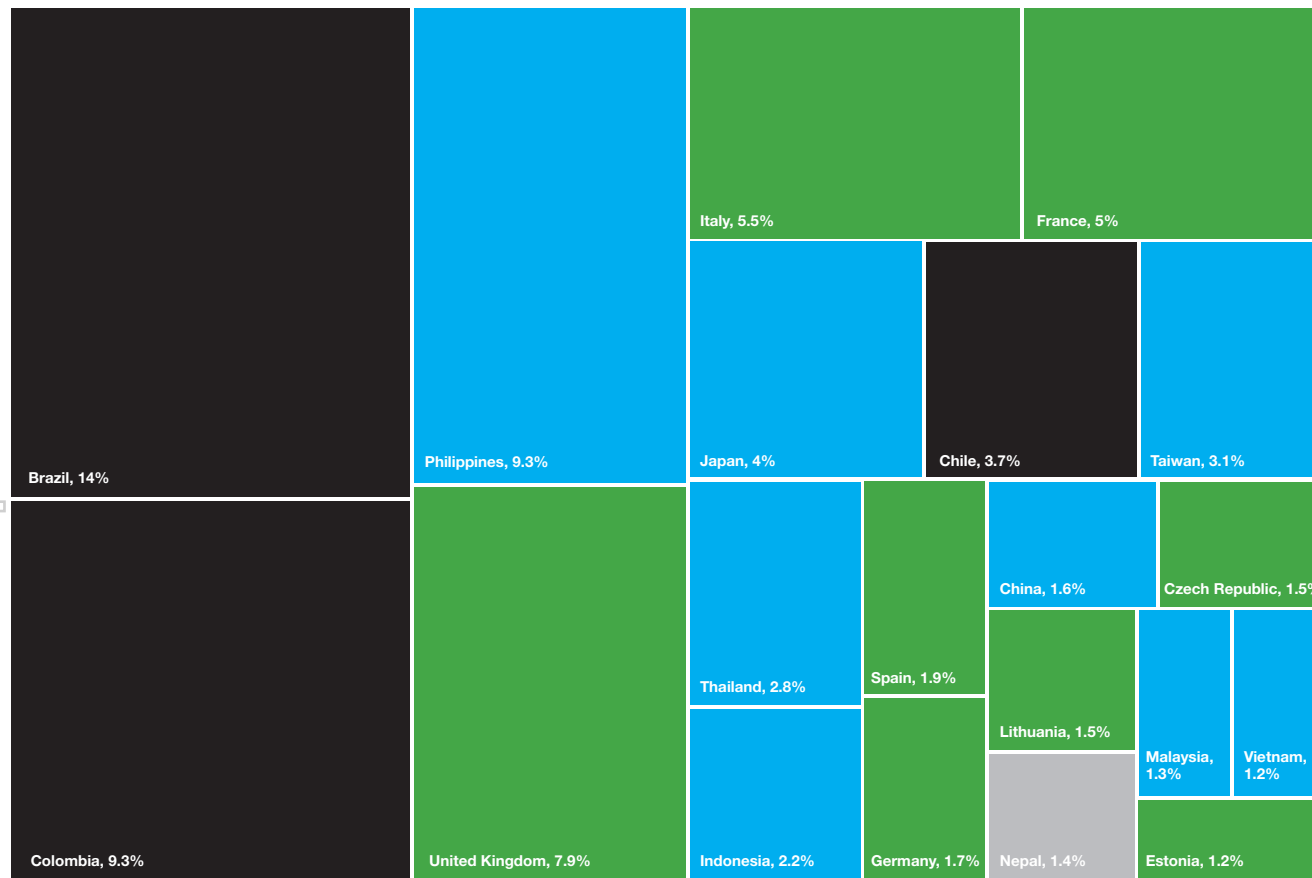


STUDENT DIVERSITY

ALG international student enrolments by source region¹



ALG international student enrolments by source country (Top 20)¹



- International students from > 75 source countries
- Top 20 source countries represent 81.9% of current enrolments
- > 250 active educations in Australia and offshore
- 6.6% of enrolments are direct (ie. not through an education agent)

¹ As at 21 August 2019



BOARD AND EXECUTIVES

Adam Davis, BAppFin (Macquarie University) **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, BEc (Sydney University), CA **Chief Financial Officer**

Lyndon has over 25 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, BAcc (Wits), MBA (Wits) **Non-Executive Chair**

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, B.Com, LL.B (WSU), Grad Dip Legal Practice (College of Law), GAICD **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 – Scintia. 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, MEc (Macquarie University) **Non-Executive Director**

Jonathan has over 25 years' experience as a management consultant and corporate 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 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 Executive Officer

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