

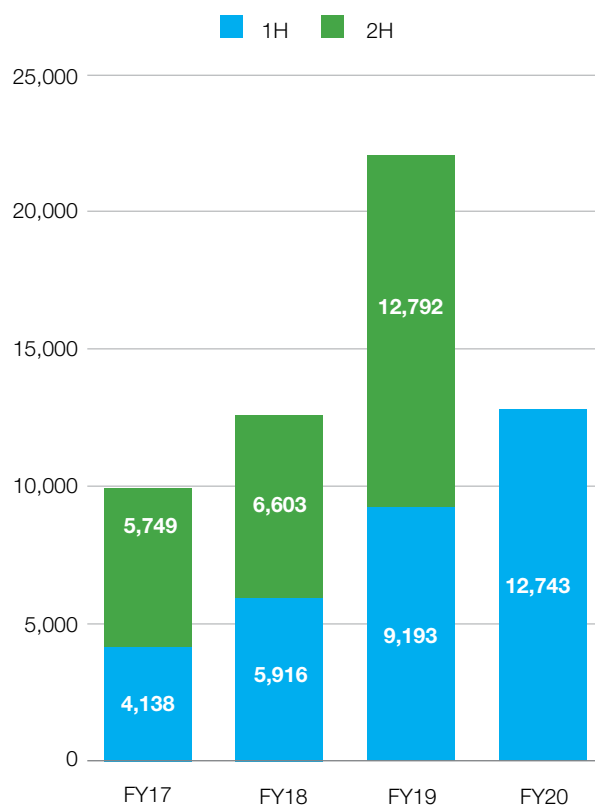
...momentum building

1H20 RESULTS

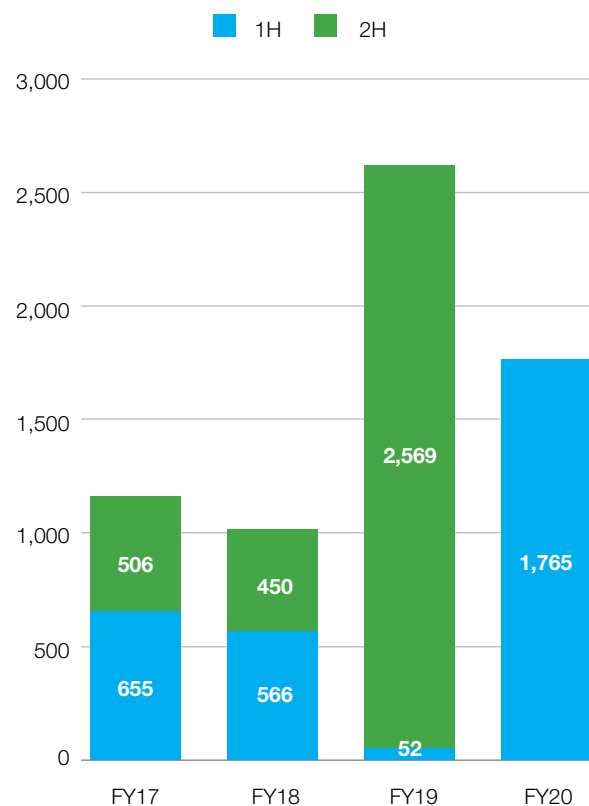


1H20 KEY METRICS^{1,2}

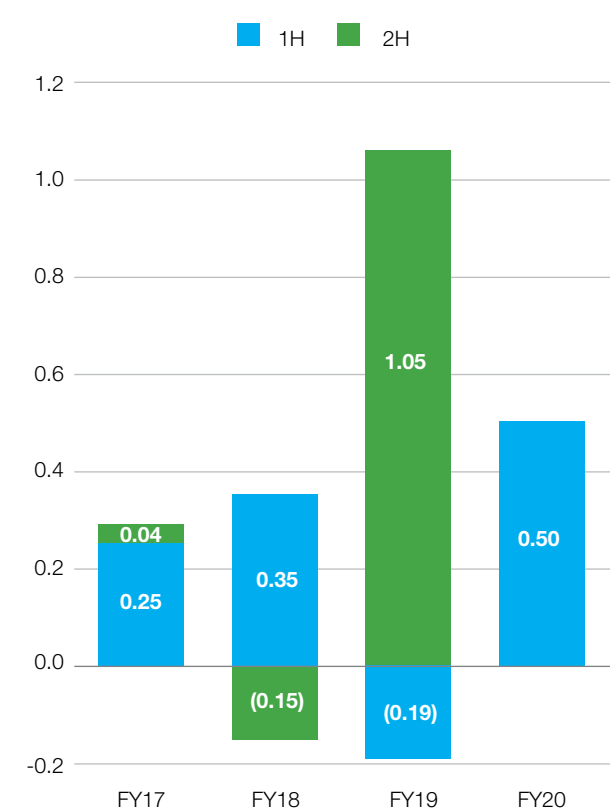
Revenue (\$'000)



Operating EBITDA (\$'000)³



Basic earnings per share - continuing operations (cents)⁴

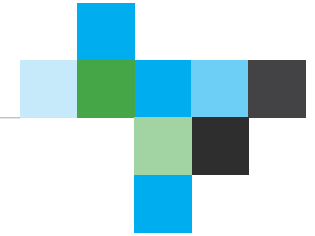


¹ The Company's financial year ends 30 June. 1H refers to the 1st half of the financial year, from 1 July to 31 December. 2H refers to the 2nd half of the financial year, from 1 January to 30 June

² UCW adopted AASB 16 Leases from 1 July 2019. The financial information in this results presentation has been presented on a pre AASB 16 basis to enable a more meaningful comparison to 1H19

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

⁴ Calculated prior to the impairment of Gradability and gain on acquisition




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
- Group retains 24.6% interest in Gradability (fully impaired)¹

¹ UCW acquired 24.57% of the ordinary shares in Gradability Pty Ltd in July 2017. Performance Education generates the majority of Gradability's revenue and is a leading provider of the Professional Year Program, a work-readiness program for international student graduates with a degree in accounting or information technology. UCW's equity accounted share of Gradability's net loss is down sharply against profits achieved in prior years. The business has effected a restructure and the turnaround is expected to take some time. Given the above, UCW has taken a conservative view in assessing the carrying value and has fully impaired the Company's investment in Gradability (to \$nil). The impairment is non-cash and does not affect the Company's banking covenants



OUR BUSINESSES

				
	1H20	FY19	1H20	FY19
Revenue:	\$9.4m	\$15.1m	\$3.3m	\$6.9m
EBITDA:	\$1.2m	\$1.1m	\$0.6m	\$1.5m
Students ¹ :	2,288	2,001	406	426
Education sector ² :	Vocational		Higher Education	
Student market ² :	International		Domestic	
Student recruitment ² :	Education Agents		Direct	
Funding source ² :	Fee-for-service		FEE-HELP ⁴	

¹ For ALG, represents students enrolled during the term prior to period end. For Ikon, represents students that studied at any point during the period

² Represents the primary education sector, student market, recruitment channel and funding source

³ Includes the business of 4Life College (acquired January 2017)

⁴ FEE-HELP is a Government loan scheme that assists eligible full fee paying domestic students pay their tuition fees at university and other higher education providers



KEY HIGHLIGHTS



1H20 KEY ACHIEVEMENTS¹

Operating leverage emerging

Operating EBITDA margin 13.9%, up from 0.6%

Record student growth

ALG international student enrolments up 41.1%

HE course development underway

First new HE course since acquisition, on track for 2021 academic year launch

Community Services performing strongly

47.3% of ALG international student enrolments, up from 31.7%

Melbourne gaining momentum

ALG commencements approaching that of Sydney

National campus capacity expanded

Number of training rooms up 16.7%

¹ Comparisons are against the previous corresponding period (PCP)



1H20 GROUP FINANCIAL HIGHLIGHTS

Revenue

1H20	1H19	Variance
\$12.7m	\$9.2m	↑ 38.6%

Gross profit

1H20	1H19	Variance
\$5.9m	\$4.0m	↑ 47.4%

Operating EBITDA¹

1H20	1H19	Variance
\$1.8m	\$0.1m	↑ >1,000%

Operating EBITDA margin¹

1H20	1H19	Variance ³
13.9%	0.6%	↑ 13.3%

Underlying EBITDA/ margin²

	1H20	1H19
EBITDA	\$1.2m	(\$0.4m)
Margin	9.7%	(4.6%)

Net operating cashflow

1H20	1H19	Variance
\$1.4m	(\$0.3m)	↑ >1,000%

¹ Operating EBITDA represents the earnings of UCW's operating businesses (ALG and Ikon) before interest, tax, depreciation and amortisation

² Group EBITDA excluding equity accounted share of Gradability's net loss

³ Movement in percentage points



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	1H20
Education sectors	VET	VET	VET, HE	VET, HE
Qualifications offered	14	14	22	22
International enrolments (ALG)	4,288	5,495	6,987	4,405 ³
HE students ²	-	-	426	406
Campus capacity (rooms)	22	29	56	56

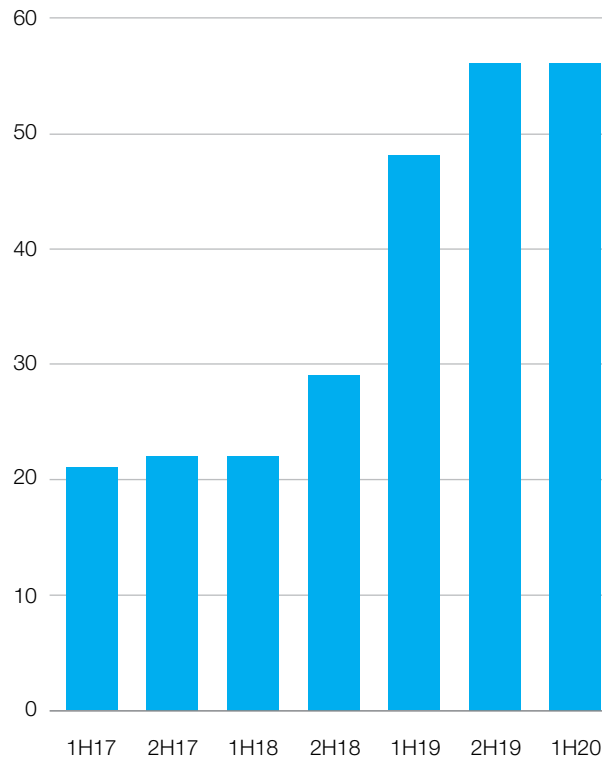
¹ In relation to the primary education sector and student markets

² Ikon acquired 4 July 2018. Represents students that studied at any point during the period ³ For the six month period. All other comparatives are for financial years



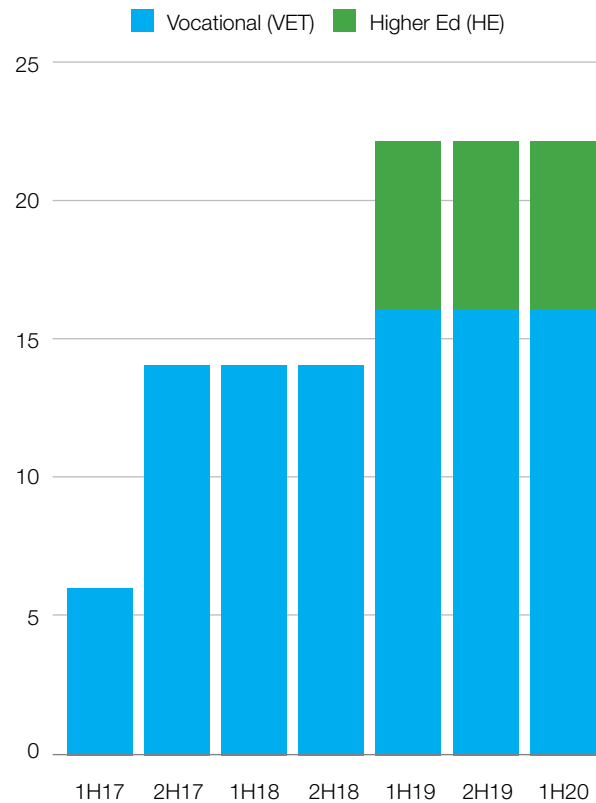
BUILDING FOUNDATIONS FOR GROWTH¹

Capacity – training rooms



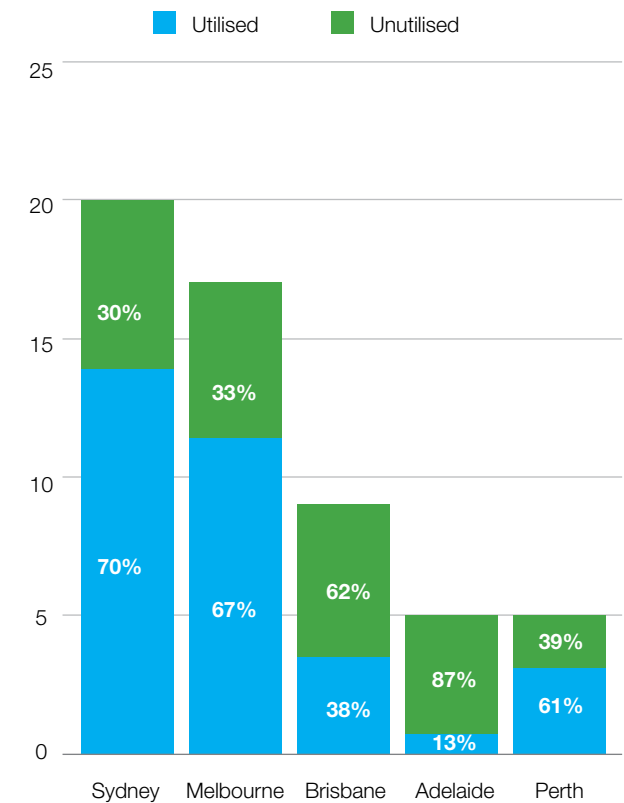
166.7% capacity increase across all campuses since 1H17.
16.7% added in 2H19

Courses – qualifications offered



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

Room utilisation – rooms by city



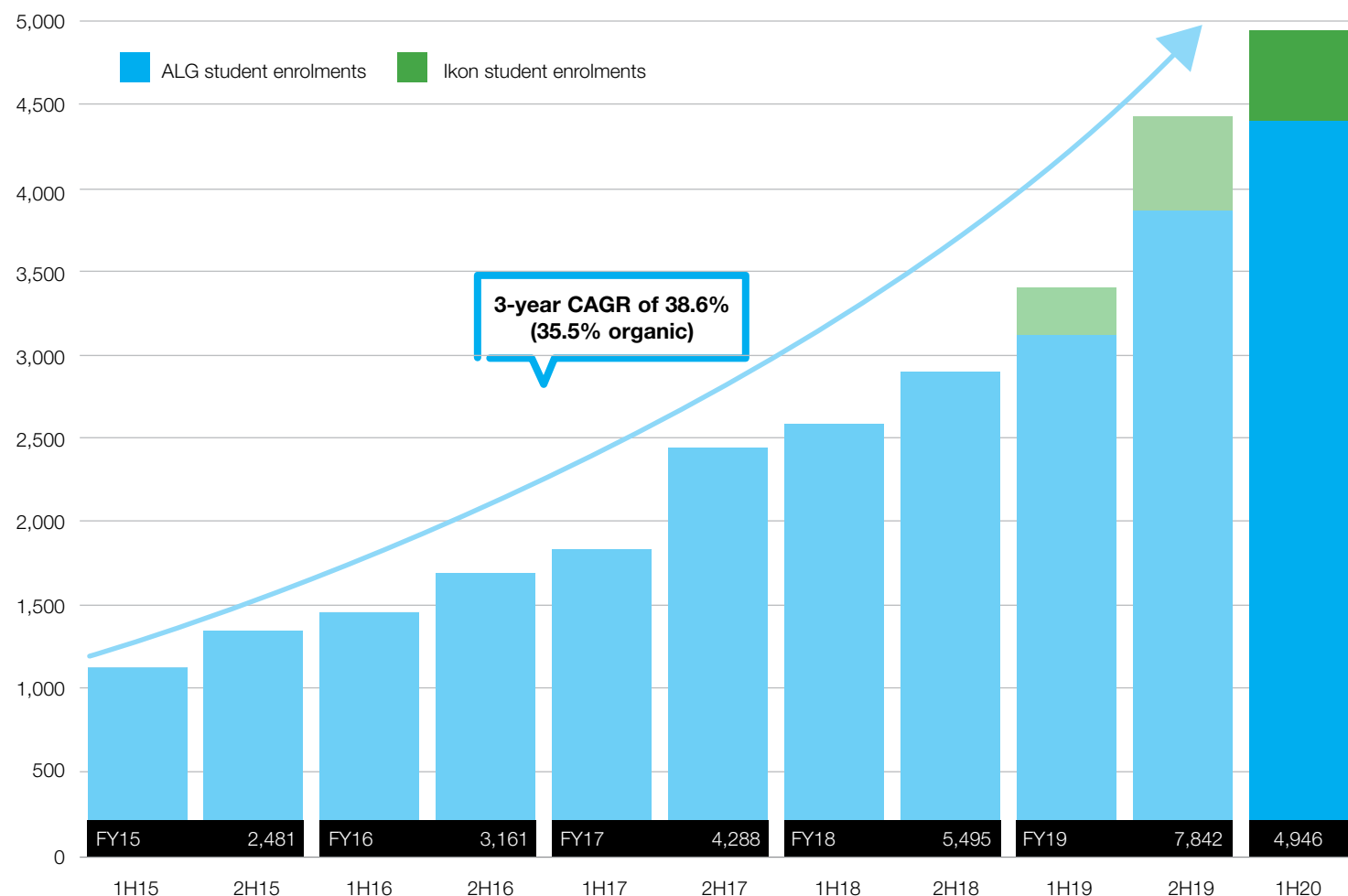
Capacity to accommodate growth, boosted by recent
expansion of capacity in Sydney and Brisbane

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



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 3Q20 enrolments of 2,458, up 31.9% on PCP
- Ikon Feb'20 intake expected to be in line with PCP (172 commencements)
- Average HE enrolment revenue significantly higher than VET (with a higher GM)

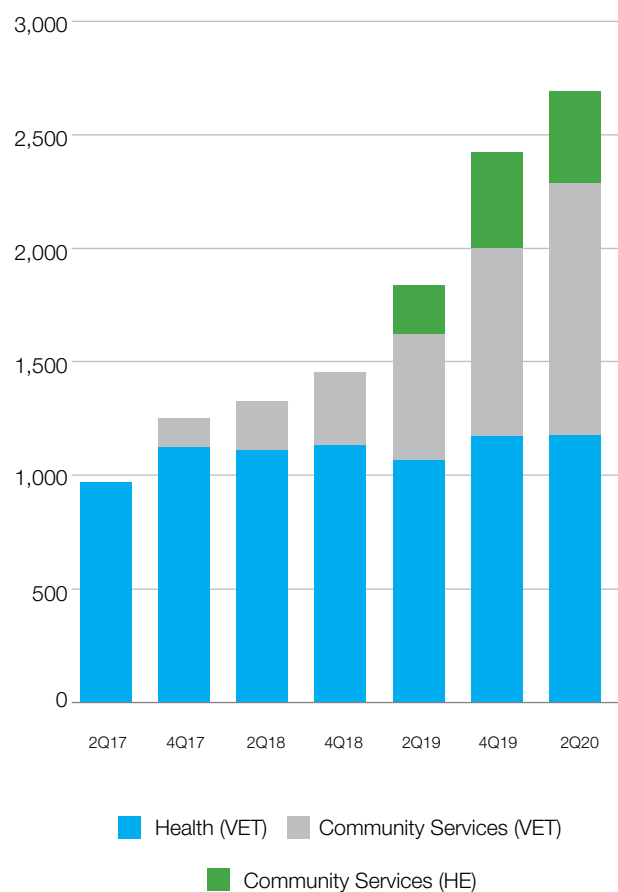
¹ Student enrolments shown are for ALG and Ikon's respective primary markets only

² ALG 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

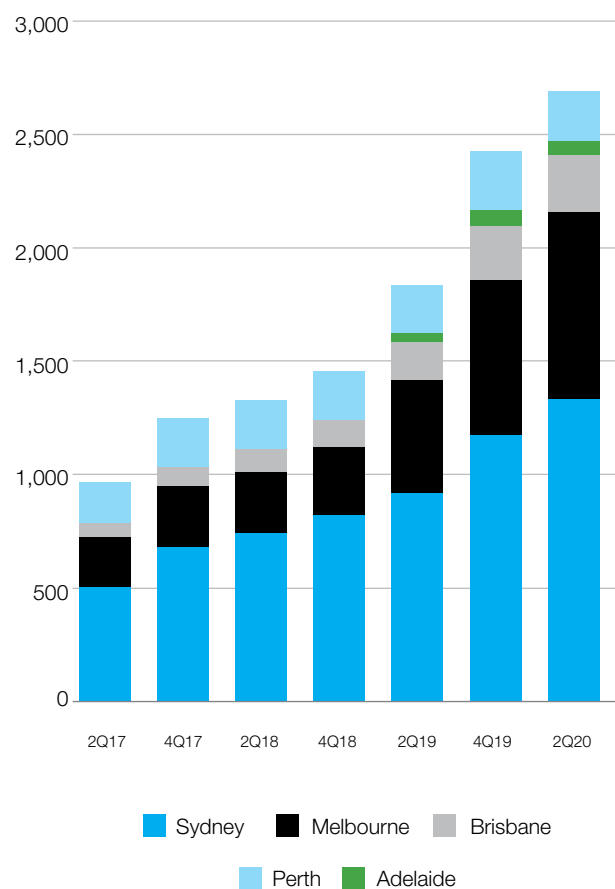


STUDENT PROFILE

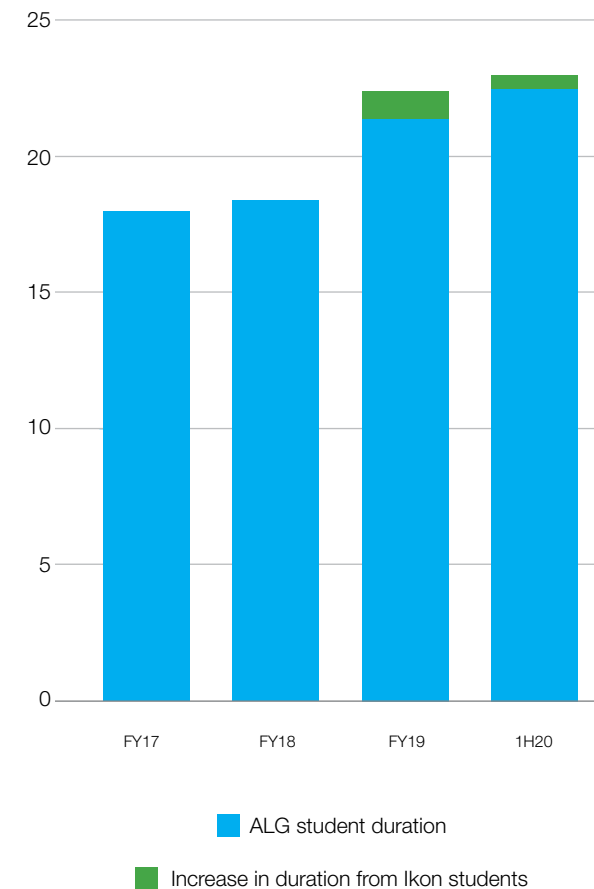
By course



By city



Duration (months)¹



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

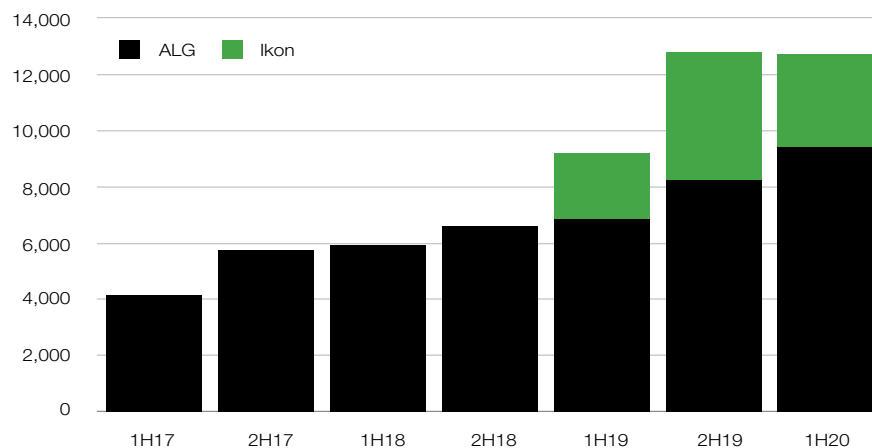
A grayscale photograph of three healthcare professionals, likely nurses or doctors, in a clinical setting. They are wearing scrubs and have stethoscopes around their necks. They are gathered around a laptop, looking at the screen with interest. The woman on the left is older with blonde hair, the woman in the middle is younger with dark hair, and the woman on the right is partially visible. The background is slightly blurred, showing what appears to be a hospital or clinic environment.

FINANCIAL RESULTS

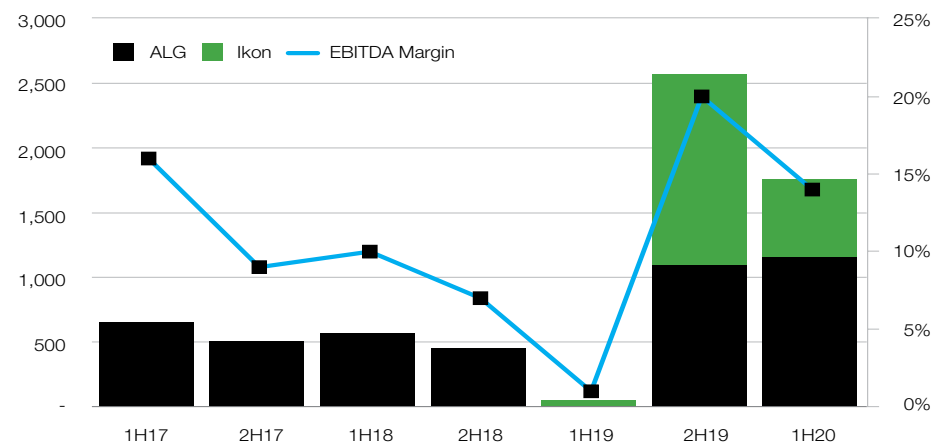


KEY HIGHLIGHTS – GROUP PROFIT AND LOSS

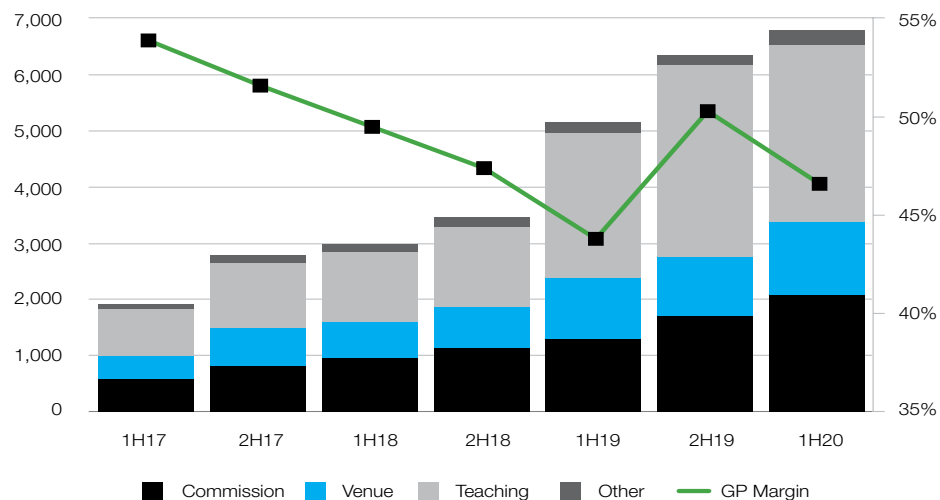
Revenue



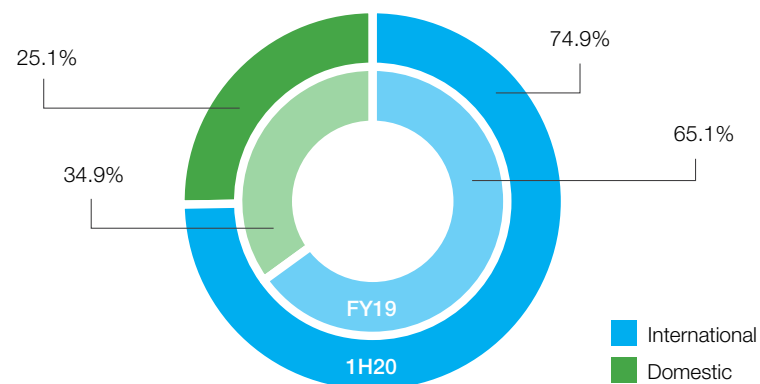
EBITDA



Cost of sales



Sales mix





GROUP PROFIT AND LOSS

Operating leverage emerging

	1H20		1H19	Variance	
	Post AASB 16	Pre AASB 16	Pre AASB 16	\$'000	%
Revenue	12,743	12,743	9,193	3,550	38.6%
Cost of sales	(5,753)	(6,801)	(5,162)	(1,639)	(31.8%)
Gross profit	6,990	5,942	4,031	1,911	47.4%
<i>Gross margin (%)</i> *	54.9%	46.6%	43.8%	n/a	2.8%
Operating expenses	(3,903)	(4,177)	(3,979)	(198)	(5.0%)
Operating EBITDA	3,087	1,765	52	1,713	nm
<i>Operating EBITDA margin (%)</i> *	24.2%	13.9%	0.6%	n/a	13.3%
Corporate costs	(535)	(535)	(472)	(63)	(13.3%)
Underlying EBITDA	2,552	1,230	(420)	1,650	nm
<i>Underlying EBITDA margin (%)</i> *	20.0%	9.7%	(4.6%)	n/a	14.3%
Equity accounted share of results	(12)	(12)	205	(217)	nm
Profit from discontinued operations	-	-	2	(2)	nm
Due diligence and transaction costs	(25)	(25)	(22)	(3)	(13.6%)
Depreciation and amortisation	(1,657)	(413)	(250)	(163)	(65.2%)
Interest and borrowing expenses	(508)	(87)	(52)	(35)	(67.3%)
Gain on acquisition	136	136	-	136	nm
Income tax (expense) / benefit	(129)	(129)	330	(459)	nm
Net profit before impairment	357	700	(207)	907	nm
Impairment of investment	(6,148)	(6,148)	-	(6,148)	nm
Net profit	(5,791)	(5,448)	(207)	(5,241)	nm

- Group revenue up 38.6%, boosted by strong contribution from both ALG and Ikon. ALG student numbers up 41.1% on PCP
- Investment in new Melbourne campus in 1H19 now paying dividends, with gross profit & operating EBITDA margin significantly stronger
- Ikon now out of earn-out. First new HE course since acquisition submitted for accreditation, on track for 2021 academic year launch
- UCW's equity accounted share of Gradability's net loss down sharply against profit in prior years. Investment fully impaired (to \$nil) - non-cash. The business has effected a restructure and the turnaround is expected to take some time
- Leverage emerging – operating expenses and corporate costs rising by 5.9%, despite revenue increasing 38.6%

*Movement in percentage points



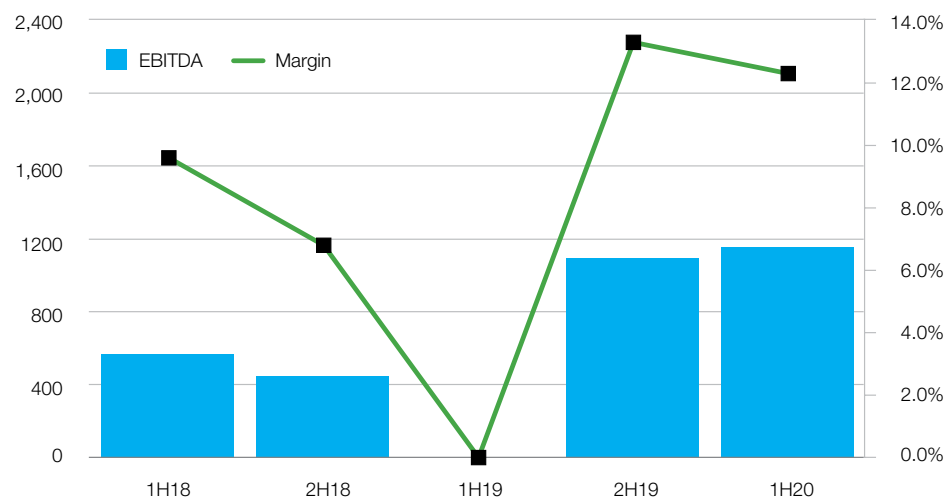
ALG

Melbourne contributing, strong support for Community Services courses

	1H20		1H19	Variance	
	Post AASB 16	Pre AASB 16	Pre AASB 16	\$'000	%
Revenue	9,411	9,411	6,874	2,537	36.9%
Cost of sales	(4,463)	(5,346)	(3,954)	(1,392)	(35.2%)
Gross profit	4,948	4,065	2,920	1,145	39.2%
Gross margin (%)*	52.6%	43.2%	42.5%	n/a	0.7%
Operating expenses	(2,686)	(2,910)	(2,920)	10	0.3%
Operating EBITDA	2,262	1,155	-	1,155	nm
Operating EBITDA margin (%)*	24.0%	12.3%	0.0%	n/a	12.3%

* Movement in percentage points.

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



- Record half-year revenue and EBITDA, aided by increased student numbers and new Melbourne campus
- 1H20 revenue growth of 36.9% attributable to 41.1% growth in international student enrolments and selective price increases
- Offsetting the above, domestic and other revenue declined
- Strong growth in Community Services course enrolments (now comprising 47.3% of ALG international student base, up from 31.7% in 1H19)
- Melbourne CBD campus launched 1 July 2018. Achieved run-rate break-even in 3Q19, approaching capacity well ahead of expectations
- FY20 focus on quality and compliance alongside optimising campus utilisation, class sizes, continued national rollout of Community Services course offering and new program development



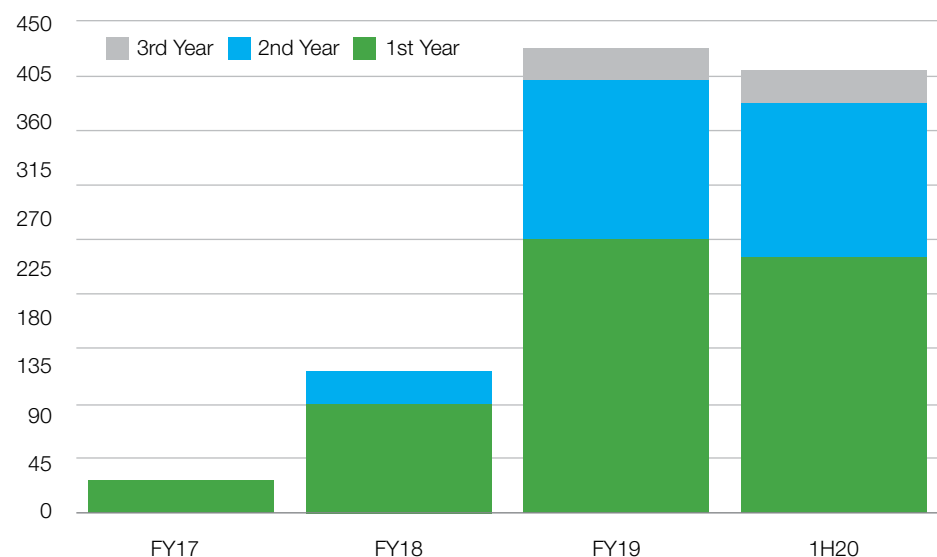
IKON

Strategic entry into Higher Education underway

	1H20		1H19	Variance	
	Post AASB 16	Pre AASB 16	Pre AASB 16	\$'000	%
Revenue	3,332	3,332	2,319	1,013	43.7%
Cost of sales	(1,290)	(1,455)	(1,208)	(247)	(20.4%)
Gross profit	2,042	1,877	1,111	766	68.9%
Gross margin (%)*	61.3%	56.3%	47.9%	n/a	8.4%
Operating expenses	(1,217)	(1,267)	(1,059)	(208)	(19.6%)
Operating EBITDA	825	610	52	558	nm
Operating EBITDA margin (%)*	24.8%	18.3%	2.2%	n/a	16.1%

* Movement in percentage points.

Ikon enrolments by year of study



- Ikon acquired 4 July 2018 as strategic entry into Higher Education sector, now out of earn-out
- 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 18)
- Average revenue of HE enrolments significantly higher than VET (with a higher GM)
- New higher education diploma and bachelor degree lodged for accreditation, on track for 2021 academic year launch
- Strong opportunity to undertake further course development to offer pathway / articulation opportunities across ALG's course portfolio
- Both of Ikon's intakes fall in 2H. Attrition throughout the calendar year typically results in lower numbers, particularly in 1H
- Skew in earnings to second half expected, partially offset by planned investment in academic and compliance to ensure the business can continue to scale post the earn-out



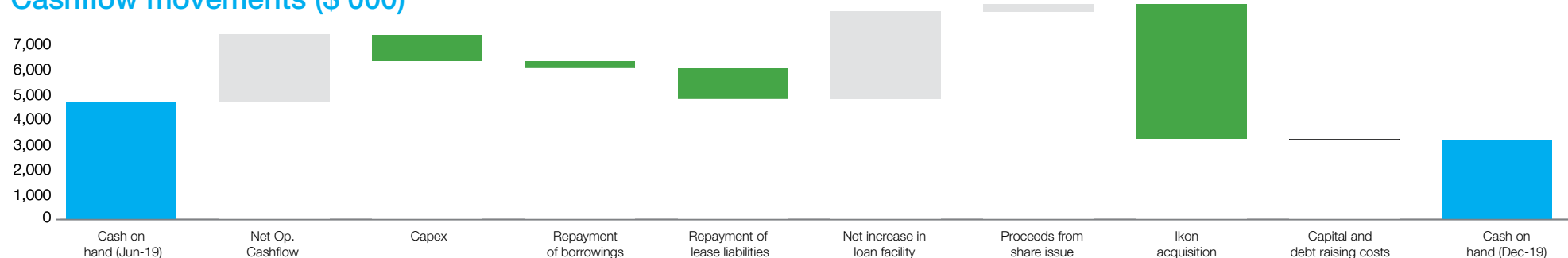
BALANCE SHEET AND CASHFLOW

Strong cash conversion

	31 Dec-19 \$'000	30 Jun-19 \$'000
Cash and cash equivalents	3,186	4,689
Trade and other receivables	1,231	2,284
Investment in associates	-	6,174
Goodwill	11,931	11,945
Intangibles	2,019	2,010
Plant and equipment	3,228	3,016
ROU assets	15,944	-
Other assets	1,472	1,572
Total assets	39,011	31,690
Contract liabilities	4,690	5,616
Trade and other payables	2,698	2,907
Deferred settlement	-	6,500
Borrowings	4,500	1,200
Lease liabilities	16,558	131
Other liabilities	450	754
Total liabilities	28,896	17,108
Net assets	10,115	14,582

- Cash balance strengthened to \$3.2m at 31 December 2019, from \$1.6m at 31 December 2018
- Balance sheet now carries the-right-of-use-assets and lease liabilities arising from implementation of AASB 16
- Gradability investment fully impaired at 31 December 2019 - \$6.1m expensed through profit and loss (non-cash)
- Operating cashflow significantly improved - \$1.4m in 1H20 vs (\$0.3m) in 1H19
- 1H20 capex included:
 - \$6.5m earn-out paid to Ikon vendors, funded internally through cash generated (\$1.7m), \$1.3m via an institutional placement and \$3.5m increase to CBA loan
 - Brisbane and Sydney campus expansions - \$0.6m
 - Computers and office equipment - \$0.3m
 - Course development - \$0.2m

Cashflow movements (\$'000)





DEBT STRUCTURE

Gearing	31 Dec-19 \$'000	30 Jun-19 \$'000	Variance
Acquisition facility	4,500	1,200	3,300
Bank guarantee facility	1,001	1,001	-
Total gross debt	5,501	2,201	3,300
Cash and cash equivalents	3,186	4,689	(1,503)
Net cash / (debt)	(2,315)	2,488	(4,803)

Gearing ratio	31 Dec-19	30 Jun-19
Gearing ratio - gross debt ¹	35.2%	13.1%
Gearing ratio - net debt ²	18.6%	(20.6%)

¹ Calculated as debt / (debt + equity)

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

- \$6.5M earn-out payment for Ikon was paid in October 2019, funded \$3.5m from increase in CBA acquisition facility, \$1.3m from institutional placement and the remaining \$1.7m from internally generated cash
- UCW also has an undrawn working capital facility of \$0.5m



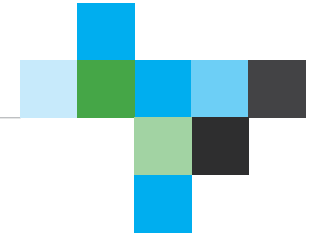
FY20 PRIORITIES AND OUTLOOK



FY20 PRIORITIES

- Integration of Ikon and ALG
- Continue ALG national course rollout
- Program development in Ikon and ALG
- Build organisational capacity with a focus on quality and compliance

Longer term UCW intends to recommence its acquisition program: targeting strategic acquisitions that can leverage the Group's campus, course and agent network



FY20 FULL YEAR OUTLOOK

Record revenue and EBITDA expected

Continued student growth expected

- 3Q20 ALG international enrolments of 2,458, up 31.9% on PCP
- Ikon Feb'20 intake expected to be in line with PCP (172 commencements)

Operating margin expected to improve

- Tempered by planned further investment in organisational capacity and corporatisation and integration of Ikon
- Skew in earnings to second half

Course rollout to continue

- Counselling and Yoga launched in Brisbane in 3Q20
- New higher education diploma and bachelor degree submitted for accreditation, on track for 2021 academic year launch

Corporate costs expected to remain relatively stable

- Further leverage expected to emerge at consolidated group level



APPENDICES

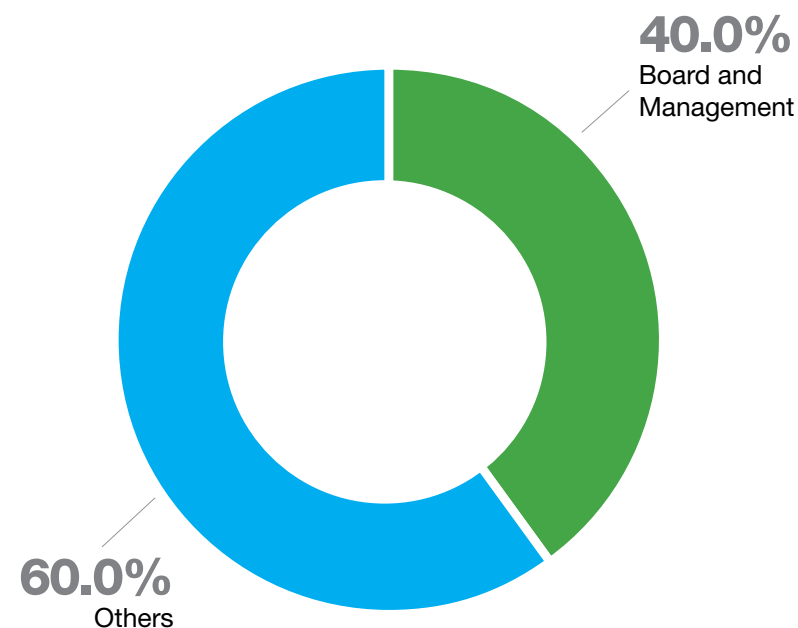


CAPITAL STRUCTURE

	Number	% Diluted
Ordinary shares	117,514,448	97.0%
Options ¹	800,000	0.7%
Performance rights ²	2,850,000	2.4%
Fully diluted	121,164,448	100.0%

	\$'000
Market capitalisation at \$0.225 per share ³	26,441
Cash	3,186
Debt ⁴	(5,501)
Enterprise value	28,755

Ownership⁵



¹ 400,000 options exercisable at \$0.29620 and 400,000 options exercisable at \$0.39620

² 1,600,000 performance rights approved at the November 2018 AGM, exercisable in 3 years, if the 90-day VWAP exceeds \$0.30 plus 1,250,000 performance rights approved at the November 2019 AGM exercisable in 3 years, if the 30-day VWAP exceeds the greater of \$0.35 and double the price at the time of issue

³ As at 24 February 2020

⁴ Includes bank guarantee facility

⁵ Vendors of ALG and Ikon exited the business during the period and are therefore no longer included in board and management



COURSE OFFERING

Higher Education (Degrees)	Job outcomes
Arts Therapy	Counselor or art therapist
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 higher education diploma and bachelor degree submitted for accreditation, on track for 2021 academic year launch

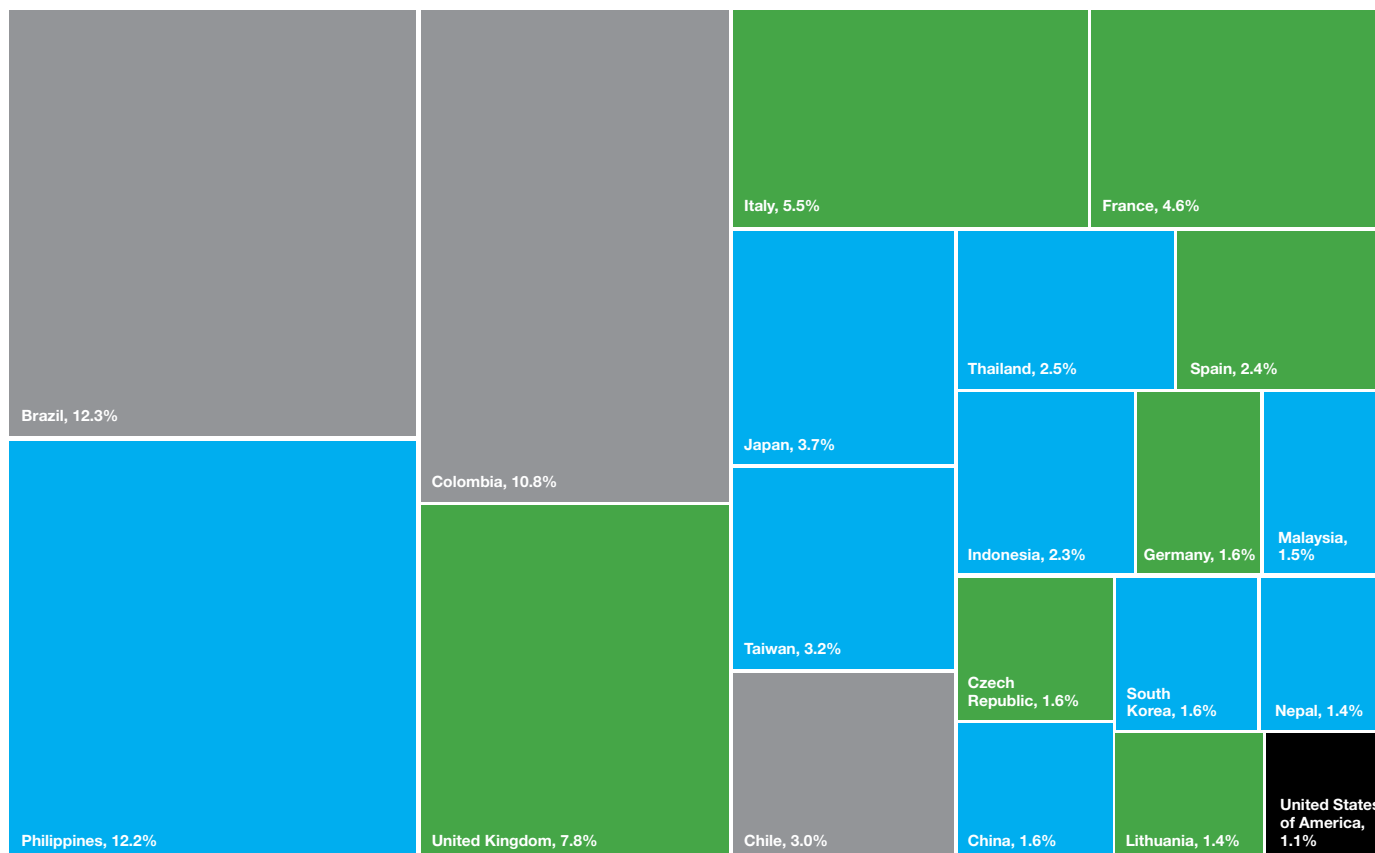


STUDENT DIVERSITY

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 82.2% of current enrolments
- > 300 active education agents in Australia and offshore
- 4.9% of enrolments are direct (ie. not through an education agent)

¹ As at 14 February 2020



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.



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