

ASX Announcement  
20 August 2020

**IDP Education FY20 results:  
Digital strategy and disciplined capital management helping IDP navigate external disruptions**

IDP Education Limited (ASX: IEL) today announced its results for the 2020 financial year (FY20).

For the twelve months to 30 June 2020, the company reported \$107.8 million earnings before interest and tax (EBIT), representing an increase of 11 per cent compared to FY19. The net profit after tax and amortisation (NPATA) was \$70.4 million, up three per cent on the year prior.

Andrew Barkla, IDP Chief Executive Officer and Managing Director, commended IDP's global team for delivering solid results.

"Our results reflect strong momentum in the first of the half year, followed by a pivot towards disciplined capital management and product innovation in the second half," Mr Barkla said.

"Our recent investment in digital talent and our technology platform has enabled us to respond to COVID-19 restrictions with agility and customer centricity," he said.

Key highlights of the year included:

- Accelerated digital strategy delivery, resulting in an industry-leading virtual counselling and event platform
- Rapid roll-out of IELTS Indicator, an online IELTS test to help students progress applications where in-centre testing was suspended
- An increase in student placement volumes of three per cent to 51,000 - underpinned by a 28 per cent increase in multi-destination volumes
- Strong B2B client orders, reflecting the industry's demand for data-driven insights
- Balance sheet enhanced by the \$254 million equity raise and \$175 million working capital facility
- Disciplined cost control measures that delivered \$35 million in overhead savings in H2 compared with H1
- Cash balance of \$307 million as of 30 June

Mr Barkla said although many international students' plans were on hold due to travel restrictions, demand for international education remained strong.

"Gaining an international education is a lifelong aspiration. Our research shows 74 per cent of IDP students with current university offers are holding on to their study goals," Mr Barkla said.

Similarly, IDP's English Language Testing stream (IELTS), is regaining momentum after a near-global shutdown of its network due to social distancing requirements.

"While IELTS volumes were impacted in the second half of FY20, we are encouraged to see our testing centre network has safely reopened in 53 of the 55 countries in which we operate," Mr Barkla said.

## Results overview

| Twelve Months to 30 June             | Full Year Actuals |              | Growth       |            | Constant Currency Growth (%)** |
|--------------------------------------|-------------------|--------------|--------------|------------|--------------------------------|
|                                      | FY20*             | FY19         | \$m          | %          |                                |
| English Language Testing             | 325.5             | 359.6        | -34.1        | -9%        | -14%                           |
| Student Placement                    | 190.6             | 170.3        | 20.3         | 12%        | 11%                            |
| - Australia                          | 90.4              | 104.3        | -13.9        | -13%       | -14%                           |
| - Multi-destination                  | 100.2             | 65.9         | 34.3         | 52%        | 48%                            |
| English Language Teaching            | 28.5              | 27.5         | 1.0          | 4%         | -3%                            |
| Digital Marketing and Events         | 38.2              | 36.8         | 1.5          | 4%         | 1%                             |
| Other                                | 4.3               | 4.0          | 0.3          | 7%         | 1%                             |
| <b>Total Revenue</b>                 | <b>587.1</b>      | <b>598.1</b> | <b>-11.0</b> | <b>-2%</b> | <b>-5%</b>                     |
| Direct Costs                         | 241.9             | 264.1        | -22.2        | -8%        | -12%                           |
| Gross Profit                         | 345.2             | 334.1        | 11.1         | 3%         | 0%                             |
| Overhead costs #                     | 196.2             | 219.0        | -22.8        | -10%       | -14%                           |
| Share of Profit/(Loss) of Associate  | -0.3              | 0.0          | -0.3         | -1806%     | -1636%                         |
| <b>EBITDA #</b>                      | <b>148.6</b>      | <b>115.0</b> | <b>33.6</b>  | <b>29%</b> | <b>25%</b>                     |
| Depreciation & Amortisation #        | 37.7              | 15.0         | 22.7         | 151%       | 145%                           |
| Amortisation of Acquired Intangibles | 3.2               | 2.9          | 0.3          | 11%        | 6%                             |
| <b>EBIT</b>                          | <b>107.8</b>      | <b>97.1</b>  | <b>10.6</b>  | <b>11%</b> | <b>7%</b>                      |
| Net finance expense #                | -5.2              | -1.7         | -3.4         | -198%      | -192%                          |
| Profit before tax                    | 102.6             | 95.4         | 7.2          | 8%         | 4%                             |
| Income tax expense                   | 34.8              | 29.1         | 5.7          | 20%        | 18%                            |
| <b>NPAT</b>                          | <b>67.8</b>       | <b>66.3</b>  | <b>1.5</b>   | <b>2%</b>  | <b>-2%</b>                     |
| <b>NPATA ***</b>                     | <b>70.4</b>       | <b>68.6</b>  | <b>1.7</b>   | <b>3%</b>  | <b>-1%</b>                     |

\* IDP adopted AASB16 Leases from 1 July 2019. The financial information for FY20 has been presented on post AASB16 basis and comparatives have not been restated. The impact of AASB16 on the aggregate results for FY20 is detailed on page 22 of the accompanying investor presentation.

\*\* "Constant Currency Growth" is calculated by restating the prior comparable period's financial results using the actual FX rates that were recorded during the current period

\*\*\* NPATA is NPAT adjusted by adding back the non-cash post-tax charges relating to the amortisation of acquired intangible assets.

IDP's Board of Directors has decided not to declare a full-year dividend. The interim dividend that was deferred in March will be paid on 24 September 2020.

Looking to FY21, Mr Barkla said the company's focus remains on accelerating IDP's rebound and capturing market opportunities.



"Throughout this period of disruption, we continued to execute on our vision of building the world's leading platform for international students," Mr Barkla said.

"Our global dataset and insights have been sought-after by policy makers and educators around the world. We will continue to share our insights to help the sector and ensure the interests and behaviours of students remain at the fore of all decision making."

Mr Barkla said international education will play a key role in helping the global community rebuild.

"The world needs educated and globally ambitious people now more than ever. We are proud of our role in helping connect the next generation of business leaders, doctors, nurses, planners, policy makers to their global study goals," Mr Barkla said.

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