



ASX Announcement

25 August 2022

Record financial results as IDP leads sector recovery

IDP Education (ASX: IEL) today announced its results for the 2022 financial year (FY22).

For the 12 months to 30 June 2022, the company reported total revenue of \$793 million, an increase of 50 per cent compared with the same period in FY21.

Adjusted earnings before interest and tax (EBIT) was \$163 million, an increase of 127 per cent compared with FY21.

Andrew Barkla, IDP Chief Executive Officer and Managing Director, said the record result reflects IDP's unwavering commitment to delivering its ambitious strategy and decision to retain its global teams through the pandemic.

"This year, as global mobility resumed, IDP customers reignited their international dreams. When they did, our teams were by their side with new innovations that helped them fast-track their goals," Mr Barkla said.

"Importantly, we strengthened our relationships with our customers, evidenced by a four-point increase in our global Net Promoter Score across the year," he said.

Mr Barkla said the growth demonstrates IDP's diverse, omni-channel strategy with expansion in both its geographic footprint and its digital platform.

"In addition to expanding our IELTS and student placement office network in key growth markets, we also delivered new data-driven study application services that will move our industry forward," he said.

IDP's operating and financial highlights for FY22 included:

- Placed students into a record 55,400 courses, with growth across all destinations
- Highest ever IDP IELTS testing volumes of almost 1.92 million tests, a 67 per cent increase on FY21 levels
- Successfully integrated the British Council's IELTS operations in India with financial synergies significantly ahead of plan
- Delivered record EBIT (Adjusted) and NPAT (Adjusted)* margins evidencing the operational leverage in the business model
- Expanded geographic footprint with more than 101 new computer-delivered IELTS centres and 29 student placement offices opened
- Introduced FastLane, the next generation student of recruitment services, delivered through IDP's global platform
- Launched IELTS Online, enabling greater choice and flexibility for test takers
- Dividend of 13.5 cps declared for H2 FY22 taking FY22 dividends to 27.0 cps

In student placement, FY22 saw IDP launch new services to make the complicated process of applying to a university faster, easier, and more accurate.

* Adjusted EBIT and NPAT excludes merger and acquisition expenses which related to the acquisition of the British Council's Indian IELTS operations and acquired intangible amortisation and consultancy and professional expenses incurred in shareholders' restructure project

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"This year we launched FastLane, an innovative new service that harnesses IDP's unrivalled global dataset and client relationships to enable students to receive real-time in-principle offers from leading institutions," Mr Barkla said.

"FastLane is an example of the next generation services IDP is delivering for students and clients as a result of our investment in digital infrastructure, data science capabilities and service excellence," he said.

In its English language testing business, IELTS volumes increased 67 per cent, largely driven by IDP's acquisition of the British Council's India operations.

"This year we added more than 101 new computer-delivered centres to our global network and introduced IELTS Online, reiterating our commitment to customer accessibility, flexibility and choice," Mr Barkla said.

Summary Income Statement (A\$m)

Twelve Months to 30 June	Full Year Actuals		Growth		Constant Currency Growth (%)**
	FY22	FY21*	\$m	%	
English Language Testing	511.4	325.6	185.7	57%	56%
Student Placement	215.4	143.3	72.1	50%	46%
- Australia	81.8	59.7	22.1	37%	37%
- Multi-destination	133.5	83.5	50.0	60%	53%
English Language Teaching	20.6	20.2	0.4	2%	0%
Digital Marketing and Events	43.3	36.4	6.8	19%	17%
Other	2.7	3.2	-0.5	-14%	-15%
Total Revenue	793.3	528.7	264.6	50%	48%
Direct Costs	333.9	230.9	103.0	45%	44%
Gross Profit	459.5	297.8	161.6	54%	51%
Overhead costs	261.2	195.4	65.8	34%	32%
Share of Profit/(Loss) of Associate	-1.1	-0.7	-0.4	-53%	-67%
EBITDA	197.1	101.7	95.4	94%	87%
Depreciation & Amortisation	36.8	35.8	1.0	3%	2%
Amortisation of Acquired Intangibles	1.4	1.8	-0.3	-19%	-20%
EBIT	158.9	64.1	94.7	148%	135%
EBIT (Adjusted) ***	163.2	71.8	91.4	127%	117%
Net finance expense	-6.7	-5.3	-1.5	-28%	-28%
Profit before tax	152.1	58.9	93.3	158%	144%
Income tax expense	49.3	19.4	29.9	154%	154%
NPAT	102.8	39.5	63.4	161%	139%
NPAT (Adjusted) ***	106.6	45.0	61.6	137%	120%

* During FY21, the Group revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements, in particular AASB 138 Intangible Assets. Historical financial information has been restated to account for the impact of the change.

** "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

*** Adjusted EBIT and NPAT excludes merger and acquisition expenses which related to the acquisition of the British Council's Indian IELTS operations and acquired intangible amortisation and consultancy and professional expenses incurred in shareholders' restructure project

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Mr Barkla, who will step down as IDP's Chief Executive Officer and Managing Director in September, commended IDP's global team for the result.

"This year, IDP's team of experts evolved our services and further cemented us as the global leader in our sector," Mr Barkla said.

"I am immensely proud of my 5,000 IDP colleagues. With their expertise, IDP is leading our sector's sustainable recovery and helping more people access global opportunities," he said.

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About IDP Education

IDP is a leader in global education services. As an Australian listed company, IDP operates in more than 50 countries and its websites attract 100 million visits a year.

IDP specialises in combining human expertise with a leading digital platform to help people get accepted into their ideal course, take an English language test or learn English in their schools.

IDP's teams work side by side with their customers every day, at every step - from course search through to starting their dream course or career.

IDP's data insights are relied upon by organisations around the world to help ensure policies are informed by the diverse needs, challenges and motivations of students.

Most of all, IDP is proud of its people. It is their trusted people and processes that help their customers turn their study or English goals into a launchpad for their career.

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