

ASX announcement
23 February 2023

H1 FY23 results: Record results for IDP as international student volume growth accelerates

IDP Education Limited (ASX: IEL) today announced its results for the first half of the 2023 financial year (H1 FY23).

For the six months to 31 December 2022, the company reported total revenue of \$502 million, an increase of 26 per cent compared with the same period in FY22.

Adjusted earnings before interest and tax (EBIT) was \$123 million, an increase of 53 per cent compared with the same period in FY22.

Tennealle O'Shannessy, IDP's newly appointed Chief Executive Officer and Managing Director, said the record results reflected strong global demand for international education and IDP's commitment to its multi-year strategy.

"In H1, as students and skilled workers travelled to key IDP destinations in record numbers, IDP teams were by their side with innovations to help them achieve their goals," Ms O'Shannessy said.

IDP's operational and financial highlights during H1 FY23 included:

- Revenue increase of 26 per cent to \$502 million
- Adjusted NPAT increase of 59 per cent to \$84.4 million
- Strong revenue growth across all product lines, highlighted by a 63 per cent increase in student placement revenue
- Student placement volume growth of 53 per cent
- All student placement destination markets performed strongly during the period with Australian placements up 128 per cent to 15,200
- Global IELTS volumes increased by 5 per cent, consolidating on a very strong FY22
- The completion of the strategic acquisition of Intake Education, a student placement agent with strong operations across Africa and Asia
- IDP's sector-leading FastLane innovation saw strong adoption with more than 7,000 students who had used the feature receiving formal course offers (as at February 2023)

Ms O'Shannessy said international education's strong rebound demonstrated that customers' aspirations were aligning with the Canadian, UK and Australian governments' goals of attracting students and skilled workers.

"While all our destination countries performed well, the reopening of Australia's borders in late 2021 triggered a strong recovery, indicating the underlying attractiveness of Australia as a study destination," she said.

IELTS also delivered continued growth as customers embraced new ways to take the world-leading English test.

"As we continue our focus on enhancing our customer experience, this period saw the IELTS partners introduce IELTS Online in more than 40 countries in addition to expanding our physical global test centre network," she said.

IDP Connect, the company's business-to-business operations, continued to build relationships with leading institution clients around the world.

"A highlight of the period was the strategic acquisition of Intake Education, which will enable our university and institution clients to reach more students across a greater geographic footprint - particularly across Africa," Ms O'Shannessy said.

Results overview

Six Months to 31 December	Half Year Actuals		Growth		Constant Currency Growth (%)*
	H1 FY23	H1 FY22	\$m	%	
English Language Testing	285.4	256.7	28.7	11%	10%
Student Placement	172.8	106.2	66.6	63%	64%
- Australia	64.4	26.6	37.8	142%	142%
- Multi-destination	108.4	79.6	28.8	36%	38%
English Language Teaching	15.7	8.7	7.0	80%	65%
Digital Marketing and Events	26.5	23.8	2.6	11%	14%
Other	1.5	1.3	0.2	16%	13%
Total Revenue	501.8	396.8	105.0	26%	26%
Direct Costs	190.7	177.7	13.0	7%	8%
Gross Profit	311.1	219.1	92.0	42%	39%
Overhead costs	167.1	122.0	45.1	37%	36%
Share of Profit/(Loss) of Associate	0.0	-0.6	0.5	93%	93%
EBITDA	144.0	96.6	47.4	49%	44%
Depreciation & Amortisation	23.5	17.8	5.7	32%	30%
Amortisation of Acquired Intangibles	0.4	0.9	-0.5	-52%	-49%
EBIT	120.1	77.9	42.2	54%	48%
EBIT (Adjusted) **	123.2	80.7	42.5	53%	47%
Net finance expense	-5.2	-3.0	-2.2	-71%	-71%
Profit before tax	114.9	74.8	40.0	54%	48%
Income tax expense	32.7	24.0	8.7	36%	37%
NPAT	82.1	50.8	31.3	62%	52%
NPAT (Adjusted) **	84.4	52.9	31.5	59%	51%

* "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

** EBIT (Adjusted) and NPAT (Adjusted) excludes merger and acquisition expenses which related to the acquisition of Intake Education and acquired intangible amortisation (H1 FY23) and consultancy and professional expenses incurred in shareholders' restructure project (H1 FY22)

The Board of Directors declared a 21 cents per share interim dividend, representing approximately 71 per cent of the first half net profit after tax.

Looking forward, Ms O'Shannessy said IDP will continue the execution of its proven, multi-year strategy.

“With an unwavering focus on our customers, and a clear strategy of combining our trusted human expertise with unrivalled technology systems, IDP is well-positioned to strengthen its industry leadership throughout 2023,” she said.

For further information, please contact

Investors & Analysts

Craig Mackey
IDP Education Limited
+61 3 9612 4400

Media

Rhys Ryan
Porter Novelli
+61 4 2722 7719

Disclaimer

The material in this announcement has been prepared by IDP Education Limited (ASX: IEL) ABN 59 117 676 463 (“IDP Education”) and is general background information about IDP Education’s activities current as at the date of this announcement. The information is given in summary form and does not purport to be complete. In particular you are cautioned not to place undue reliance on any forward looking statements regarding our belief, intent or expectations with respect to IDP Education’s businesses, market conditions and/or results of operations, as although due care has been used in the preparation of such statements, actual results may vary in a material manner. Information in this announcement, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice.

Non-IFRS Financial Information

IDP Education uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are collectively referred to as non-IFRS financial measures. Although IDP Education believes that these measures provide useful information about the financial performance of IDP Education, they should be considered as supplemental to the measures calculated in accordance with Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way IDP Education calculates these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.