



ASX Announcement

23 August 2023

Record results, realising global opportunities

IDP Education (ASX: IEL) today announced its results for the 2023 financial year (FY23).

Key FY23 Highlights:

- Record revenue of \$982 million, up 24 per cent vs FY22; driven by strong student placement revenue growth of 63 per cent vs FY22.
- Adjusted EBIT* of \$228 million, up 40 per cent vs FY22 and Adjusted NPAT* of \$154 million, up 45 per cent vs FY22, demonstrating strong operating leverage in the business model.
- Record student placement volumes of 84,600, up 53 per cent vs FY22, driven by the Australian market growing 77 per cent vs FY22, and other study destinations growing at 39 per cent.
- Record IELTS volumes with 1.93 million tests administered by IDP during FY23.
- English language teaching course enrolments of 94,300, up 35 per cent vs FY22.
- Final dividend declared of 20 cents per share taking full-year declared dividends to 41 cents per share, which is an increase of 52 per cent vs FY22.

Tennealle O'Shannessy, IDP Chief Executive Officer and Managing Director, who joined IDP in February 2023, said that FY23 demonstrated the strength of IDP's leading market position, large and structurally growing markets, and its diversified business model.

"This strong performance reflects IDP's position as a leader in the growing global education services sector. This year, we helped more students and test takers than ever before as our customers realised their global ambitions for study, career and migration," Ms O'Shannessy said.

"We continue to execute strongly on our long-term strategy, and it is delivering results. We are focused on improving our customer experience, enhancing our deep human connections through technology, data and insights. Even with our increasing scale, we continue to strengthen our relationships with our customers, increasing our student Net Promoter Score by four points over the previous year."

FY23 saw continued strong execution of strategic priorities:

- Expanded physical scale with 46 offices added through organic expansion and via the acquisition of Intake Education.
- Increased digital scale with more than 860,000 downloads of the *IDP Live* app and 815,000 downloads of the *IELTS by IDP* app.

- Rapidly scaled the transformative FastLane service, increased the number of courses available to 4,200 up from 1,200. More than 17,500 students received formal offers via FastLane during FY23.
- Launched IELTS One Skill Retake, an innovative product that delivers a unique offering in high-stakes English language testing.
- Improved counsellor productivity by 24 per cent¹ vs FY22 through expanding centralised application processing hubs and leveraging proprietary sophisticated prioritisation and recommendation algorithms.
- Acquired Intake Education, which expands our student placement geographic footprint into strategically important African markets such as Nigeria, Ghana and Kenya.
- Acquired The Ambassador Platform, a student community technology platform, connecting prospective students with current or past students to provide a more complete picture of studying and living abroad.

“Our student placement strategy is focused on delivering differentiated customer experiences on an unmatched digital and physical scale. We are doing this by leveraging our unique data assets to create products and services that allow us to both delight our customers and increase productivity,” Ms O’Shannessy said.

“This is demonstrated through the scaling of FastLane, which harnesses IDP’s global dataset and client relationships to enable students to receive real-time in-principle offers from leading institutions.”

IDP administered a record number of IELTS tests during the year, representing one per cent growth versus FY22. A six per cent increase in the average test price versus FY22 underpinned a seven per cent increase in revenue for the English Language Testing business line.

Pleasingly, for the IELTS business, testing volumes and revenue outside of India continue to grow strongly at 18 per cent and 22 per cent, respectively, but revenue from IELTS in India fell five per cent during the year. This was due to weakness in the Canadian bound test-taker market where sentiment towards Canada declined, after multiple periods of rising demand.

“Our English Language Testing business, IELTS, is the world’s most recognised, reliable and secure English language test, using both expert human examiners and digital technology for the best customer experience. We remain focused on leveraging our leading brand, extensive physical and digital distribution, and customer-led product innovation to enhance our leading position,” Ms O’Shannessy said.

Ms O’Shannessy attributes the company’s success in FY23 to IDP’s global team. “Since joining IDP I’ve been impressed by the knowledge, expertise and passion that drives our employees to make a difference in the lives of our customers and help them realise global opportunities. I look forward to another great year ahead as we continue to deliver a compelling and differentiated offer to our customers.”

¹ Counsellor productivity defined as the number of students per counsellor that is enrolled during the period.



Summary Income Statement (A\$m)

Twelve Months to 30 June	Full Year Actuals		Growth		Constant Currency Growth (%)**
	FY23	FY22	\$m	%	
English Language Testing	545.5	511.4	34.1	7%	6%
Student Placement	351.2	215.4	135.8	63%	63%
- Australia	152.0	81.8	70.2	86%	86%
- Multi-destination	199.2	133.5	65.6	49%	49%
English Language Teaching	33.4	20.6	12.8	62%	50%
Digital Marketing and Events	47.8	43.3	4.5	10%	12%
Other	4.1	2.7	1.3	49%	45%
Total Revenue	981.9	793.3	188.6	24%	23%
Direct Costs	368.0	333.9	34.2	10%	10%
Gross Profit	613.9	459.5	154.4	34%	33%
Overhead costs	342.6	261.2	81.4	31%	31%
Share of Profit/(Loss) of Associate	-0.1	-1.1	1.0	90%	90%
EBITDA	271.2	197.1	74.0	38%	36%
Depreciation & Amortisation	48.8	36.8	12.0	33%	32%
Amortisation of Acquired Intangibles	1.6	1.4	0.2	14%	19%
EBIT	220.7	158.9	61.8	39%	37%
EBIT (Adjusted) *	227.8	163.2	64.6	40%	38%
Net finance expense	-13.4	-6.7	-6.6	-98%	-100%
Profit before tax	207.3	152.1	55.2	36%	35%
Income tax expense	58.2	49.3	8.9	18%	19%
NPAT	149.1	102.8	46.3	45%	42%
NPAT (Adjusted) *	154.2	106.6	47.6	45%	42%

* EBIT (Adjusted) and NPAT (Adjusted) excludes merger and acquisition expenses which related to the acquisition of Intake Education and The Ambassador Platform in FY23, the acquisition of the British Council's Indian IELTS operations in FY22 and consultancy and professional expenses incurred in shareholders' restructure project in FY22. It also excludes acquired intangible amortisation.

** "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

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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 80 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.

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.

Disclaimer

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