

ASX Announcement
11 February 2016



IDP Education posts record H1 Result

IDP Education Limited (ASX: IEL) today announced its financial results for the first half of the 2016 financial year (H1 FY16).

For the six months to 31 December 2015, the Company reported total revenue of \$181.6 million, an increase of 24.6% compared to the same period in FY15. Earnings before interest, tax, depreciation and amortisation (EBITDA) was \$32.6 million which represents growth of 19.8% compared to the same period in FY15.

IDP Education Chief Executive Officer and Managing Director, Andrew Barkla said the first half results reflected a continuation of the Company's strong underlying organic growth profile across each of its product categories – Student Placement, English Language Testing and English Language Teaching.

According to Mr Barkla, IDP Education's operational and financial highlights during H1 FY16 included:

- A successful IPO with the Company listing on the ASX on 26 November 2015
- Record half year revenue and earnings with double-digit revenue growth in each of the Company's core product categories
- Very strong performance from Student Placement with the highlight being a 121% increase in revenue from the placement of students to UK, USA, Canada and New Zealand (IDP Education's "Multi-destination" countries)
- Revenue from IDP Education's Australian student placement business up 18% driven by solid growth in both volumes and average fees
- English Language Testing performing strongly with revenue from IDP Education's global IELTS operations up 18.4% on H1 FY15
- Strong cash generation which resulted in a balance sheet with \$13.3m of net cash as at 31 December 2015

In reporting its H1FY16 result IDP Education also reconfirmed its FY16 forecast which was detailed in its IPO prospectus dated 12 November 2015. The Company is on-track to deliver full year EBITDA and Net Profit After Tax (NPAT) of \$58.7m and \$35.5m for FY16.

In Student Placement, the Company's 'multi-destination' strategy is delivering strong results with placement volumes to the UK, USA, Canada and New Zealand up 76% relative to H1FY15. Mr Barkla commented that the "growth and diversification benefits of the multi-destination strategy is clearly evident in the result with our China and Indian businesses in particular delivering exceptional results for students going to UK, USA, Canada and New Zealand in addition to our traditional destination of Australia. Our volumes to the UK in particular from China have grown strongly despite the impact of tighter UK government policies on the broader industry".

In English Language Testing, IDP Education's IELTS volumes were up 5.9% for the half reflecting the benefits of a broadly diversified global portfolio of testing locations and recognising organisations. IDP Education's IELTS operations in Asia experienced strong growth during the half with India in particular benefiting from surging demand for migration into key English speaking countries.

IDP Education's English Language teaching business posted revenue growth of 37.9% with Cambodia performing strongly following the opening of a new campus in Phonm Penh in December 2014.

Mr Barkla noted that "each of IDP Education's businesses are exposed to the strong structural growth trends in international education and the central role English plays in the global mobility of people.

IDP Education’s broad global footprint and diverse business model means it is uniquely placed to benefit from these trends.”

Results Overview

Six months to 31 December	Half Year Actuals		Growth	
	H1 FY15 (Pro-forma*)	H1 FY16	\$	%
English Language Testing	98.2	116.3	18.1	18.4%
Student Placement (“SP”)				
- Australia (“AU”)	26.0	30.7	4.7	18.2%
- Multi-destination (“MD”)	8.2	18.1	9.9	120.8%
English Language Teaching	7.6	10.5	2.9	37.9%
Other	5.8	6.0	0.2	3.6%
Total revenue	145.8	181.6	35.8	24.6%
Direct Costs	72.2	86.7	14.5	20.0%
Gross Profit	73.6	94.9	21.3	29.0%
Overhead costs	46.3	62.2	15.9	34.4%
EBITDA	27.2	32.6	5.4	19.8%
Depreciation and Amortisation	3.3	4.0	0.7	21.2%
EBIT	24.0	28.7	4.7	19.5%
Net interest Income	0.1	0.2	0.1	141.5%
Profit before tax	24.2	28.8	4.6	18.9%
Income tax expense	7.7	8.5	0.7	9.6%
NPAT	16.5	20.3	3.8	23.2%

* H1 FY15 financials are presented on a pro-forma basis consistent with the prospectus dated 12 November 2015. Adjustments to H1 FY15 statutory results as presented in the in the Appendix 4D are \$0.5m for public company costs and \$0.2m for net interest adjustment.

Note that all financial amounts contained in this announcement are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and the sum of components are due to rounding.

About IDP Education

IDP Education is a global leader in international student recruitment and a co-owner of IELTS, a leading English language proficiency test. Headquartered in Melbourne, Australia, IDP Education is 50% owned by 38 Australian universities through Education Australia Limited, with the remaining 50% traded on the ASX. IDP Education employs more than 1,600 full time equivalent staff globally, has 89 student recruitment offices in 30 countries and over 400 IELTS test locations in over 50 countries. It also owns and operates 10 English language schools in Cambodia, Vietnam and Thailand. For further information on IDP Education, visit www.idp.com.

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Disclaimer

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