



IDP Education Macquarie Investor Conference

2 May 2016

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Agenda



I. Overview of IDP Education

II. Industry Trends

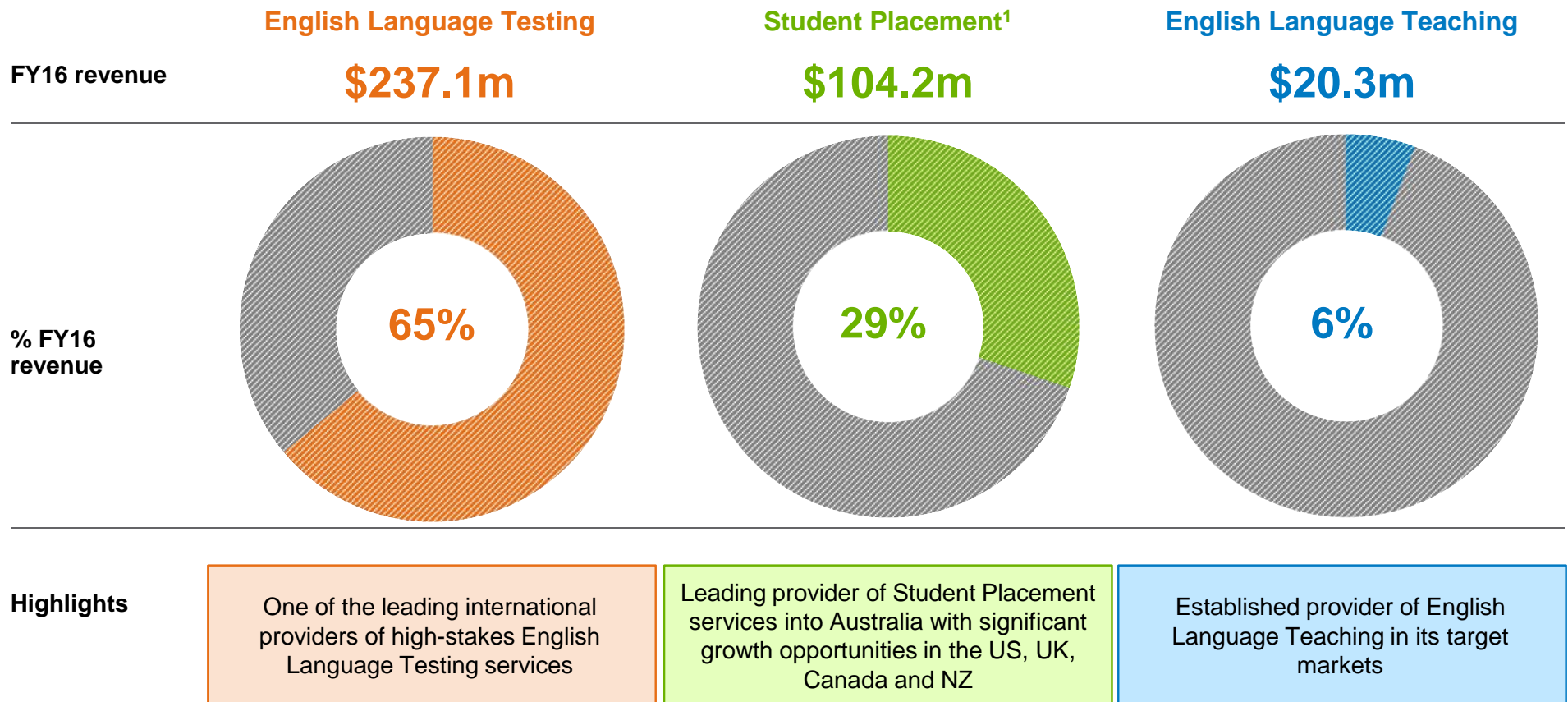
III. Our Digital Future

IV. The Student Journey

Appendix A. Financial Information

Introduction to IDP Education

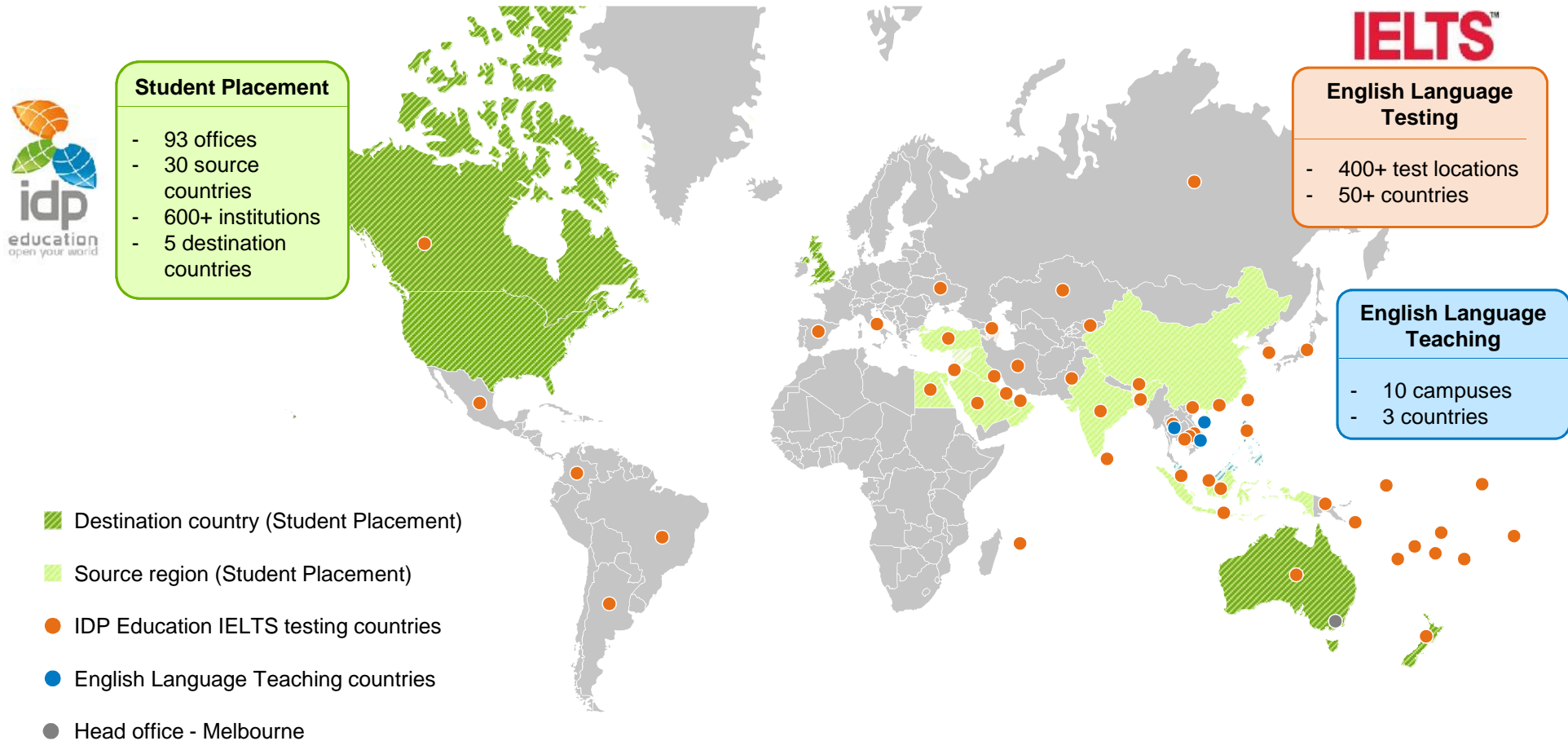
IDP Education is a leading provider of international Student Placement services, high-stakes English Language Testing services and operator of English language schools in South-East Asia



Note: 1 Student Placement revenue on this page includes revenue from events associated with Student Placement, contracted activities for developmental programs initiated by government or semi-government bodies, and other revenue.

Leading global provider with broad network and diverse business model






For Student Placement, IDP Education sources students through 93 offices across 30 countries, placing them into over 600 education institutions across 5 destination countries...



...as part-owner of IELTS, IDP Education has over 400 IELTS test locations in over 50 countries






Market Size and Trends

Our business is primarily driven by the flow of international students to the main English Speaking Destination Countries (“MESDC”)

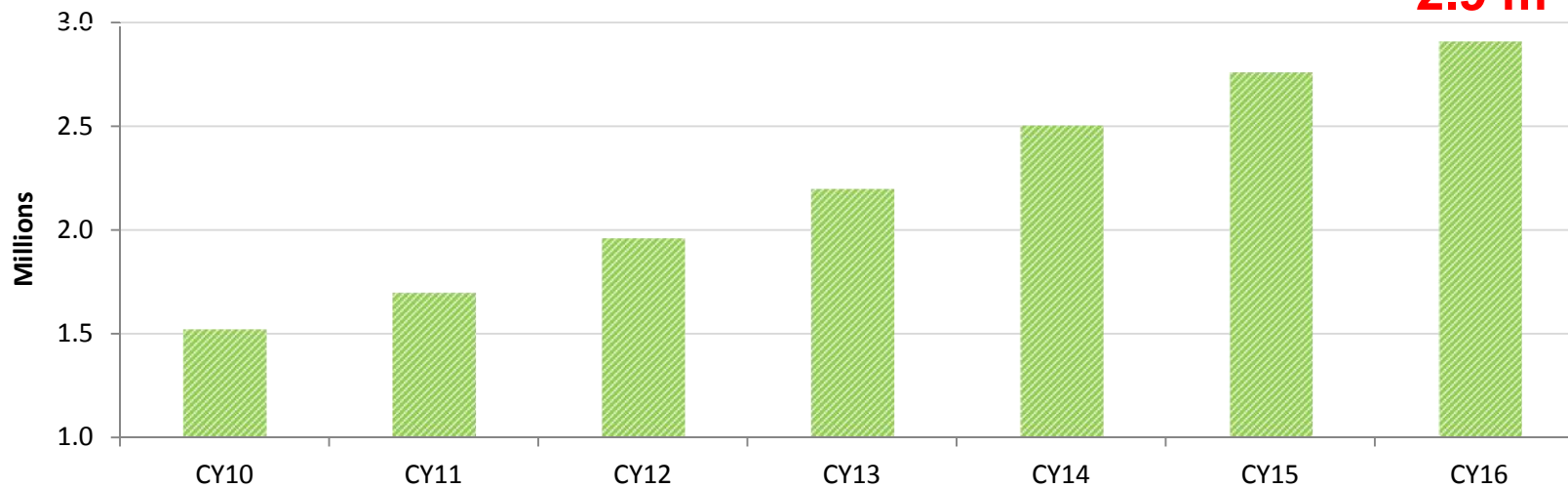
						TOTAL MESDC
Annual “Higher Ed” Commencements	~120,000	~230,000	~300,000	~100,000	~20,000	~770,000
Current Industry Growth Rates	+ 8-10%	+ 0%	- 0-5%	+ 5-10%	+ 0-5%	
Industry Conditions/Regulatory Settings	Positive	Neutral	Negative	Positive	Neutral	
IDP Volumes (FY16)	24,140	4,050	1,580	1,000	590	31,360
IDP Growth Rates (H1 FY17)	+4%	+36%	-29%	+105%	+39%	+13%
Agent Share	Agents in total represent about 40-70% of international HE student commencements depending on source and destination market dynamics. The remainder mainly apply direct as “DIY” students.					

IELTS remains the world's most popular high-stakes English language test

Recognised by over 10,000 organisations and is the only test accepted for work, study and migration by immigration authorities in Australia, United Kingdom, Canada and New Zealand

					
Required by Governments	✓	✓	-	✓	✓
Required by Education Providers	✓	✓	✓	✓	✓

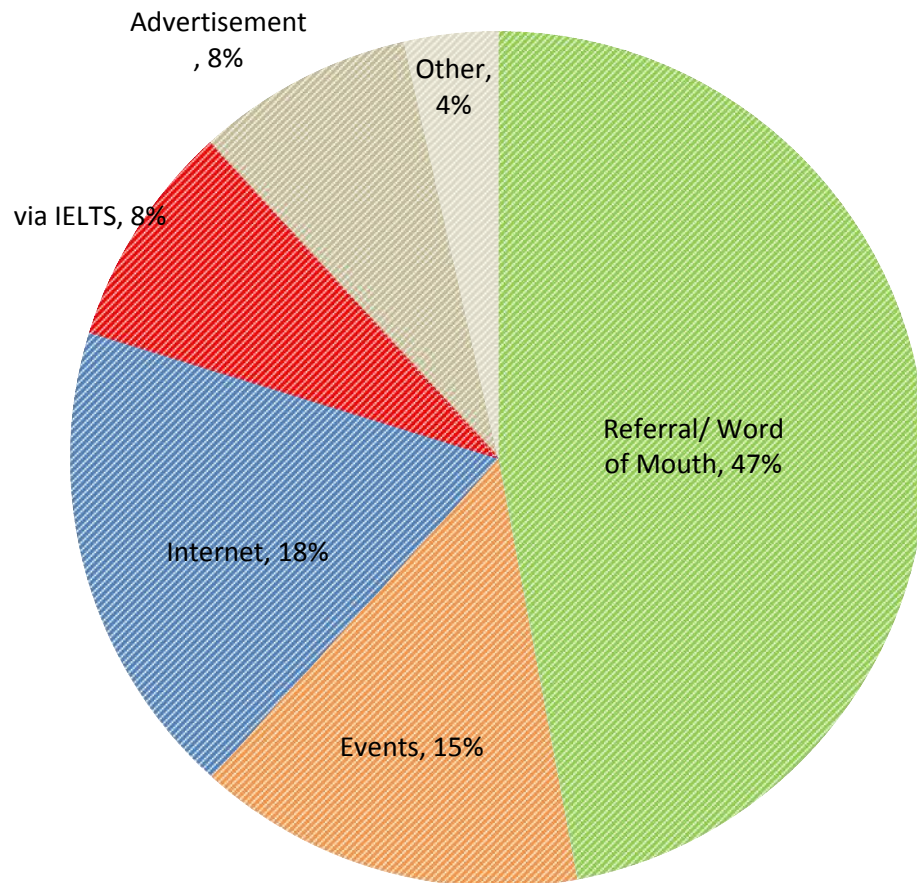
Total IELTS Global Volumes (IDP Education & the British Council)



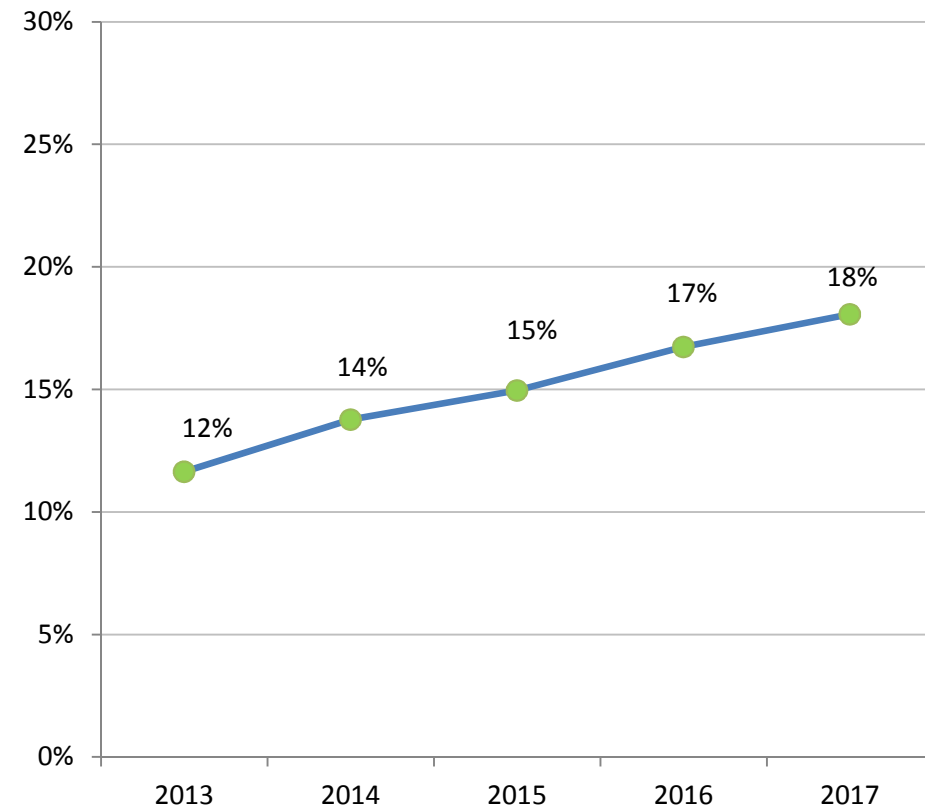
Student Placement Lead Generation

Strong reputation and physical presence with a relatively immature (but growing) digital offer

Lead Source (March 17)



Source of leads from the internet



Student Placement Customer Engagement

Competition currently driven by reputation (trust and professionalism), counsellor capability, accessibility of office network and client coverage

Study Abroad Event

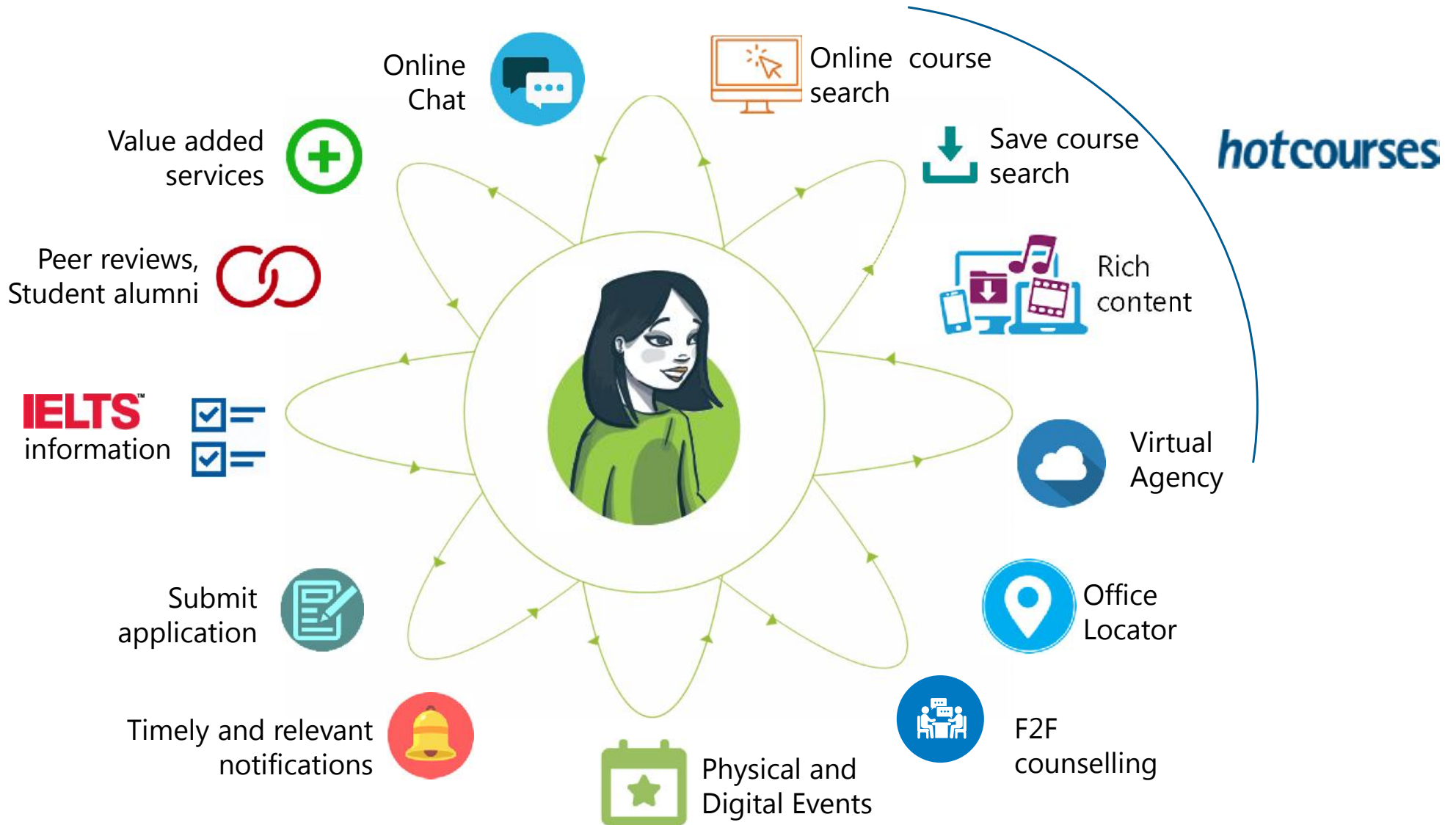


Face to Face Counselling



Our Digital Future

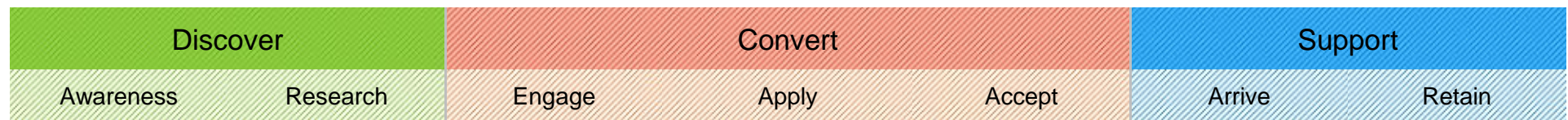
Investment in digital platform to deliver multi-channel customer engagement with more effective digital marketing, lead nurturing, conversion and support



The student journey

Our digital strategy will enhance our connectivity to our customers and expand our product offering across the entire student journey

The Student Journey



Discover study abroad

Search for real stories via social media
Research career and study options

Look for advice
Study English, prepare for IELTS

Attend events
O2O engagement with IDP through preferred channel

Make applications
Take an IELTS test

Receive offers
Make decision
Accept offer

Arranges
- Visa
- Accommodation
- Flights
- Insurance
- Telco
- Onshore support

Settle in
Establish social networks
Seek part time work

Further study
Asses career options
Internships
Job placement
Alumni/Referral



By servicing our customers across this digital journey we will have the definitive international student database with unrivalled insights into the flow and intentions of international students

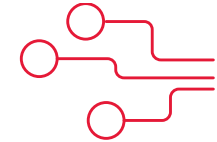
Our long term strategic vision

An increased focus on technology will deliver on the needs of our customers



Connected Community

The IDP Education international student platform will connect all participants in the industry and drive co-creation in a value-adding ecosystem



Technology

Technology will be a key enabler of our business going forward. We will extend our reach and our relevance through the use of customer centric technology

Build the global **platform** and **connected community** to guide **international students** along their **journey** to achieve their lifelong learning and **career aspirations**



International students

Our core mission is linked to the ambitions of the international student. This is aligned to our heritage and our values. IELTS is a key part of the international student journey



Journey

We will extend our relevance beyond the enrolment process and connect with the student's needs across their entire journey. Ultimately this may include connectivity to their career ambitions



Appendix A

Financial Information

Financial Summary

Income Statement Summary (A\$m)

	Twelve Months ended 30 June (A\$)				Growth (%)				Six months ended 30 Dec		
	FY13 *	FY14 *	FY15*	FY16	FY14	FY15	FY16	CAGR	H1 FY16	H1 FY17	Growth (%)
English Language Testing	148.7	175.8	213.5	237.1	18%	21%	11%	17%	116.3	118.7	2%
Student Placement	47.6	57.3	69.5	92.4	20%	21%	33%	25%	48.8	54.0	11%
-Australia	43.1	49.2	56.1	65.5	14%	14%	17%	15%	30.7	34.5	12%
-Multi-destination	4.5	8.1	13.4	27.0	80%	65%	101%	82%	18.1	19.5	8%
English Language Teaching	11.1	13.5	16.2	20.3	22%	20%	25%	22%	10.5	10.5	0%
Other	9.5	10.1	10.7	11.8	6%	6%	10%	7%	6.0	6.5	8%
Total Revenue	216.9	256.6	309.9	361.6	18%	21%	17%	19%	181.6	189.8	5%
Direct Costs	107.9	124.8	157.0	173.3	16%	26%	10%	17%	86.7	87.1	0%
Gross Profit	109.0	131.8	152.8	188.4	21%	16%	23%	20%	94.9	102.7	8%
Overhead costs	77.3	89.6	102.0	127.3	16%	14%	25%	18%	62.3	66.4	7%
EBITDA	31.9	42.4	50.7	61.1	33%	20%	20%	24%	32.6	36.4	12%
Depreciation and Amortisation	6.4	6.9	6.6	7.4	8%	-4%	12%	5%	4.0	2.5	-38%
EBIT	25.5	35.5	44.1	53.7	39%	24%	22%	28%	28.6	33.9	19%
Net interest Income	0.1	0.1	0.1	0.5	0%	0%	362%	67%	0.2	0.1	-50%
Profit before tax	25.6	35.6	44.2	54.1	39%	24%	22%	28%	28.8	34.0	18%
Income tax expense	9.5	10.8	13.9	14.2	14%	29%	2%	14%	8.5	9.9	16%
NPAT	16.1	24.8	30.3	39.9	54%	22%	32%	35%	20.3	24.1	19%

Key operating metrics

Summary of Key Operational Metrics

	Twelve Months ended 30 June				Growth (%)				Six months ended 30 Dec		
	FY13*	FY14*	FY15*	FY16	FY14	FY15	FY16	CAGR	H1 FY16	H1 FY17	Growth (%)
Volumes (000s)											
English Language Testing	609.7	705.1	825.9	857.2	16%	17%	4%	12%	423.5	436.9	3%
Student Placement	20.4	23.9	26.7	31.4	17%	12%	17%	15%	16.7	18.9	13%
-Australia	19.2	21.4	22.5	24.1	11%	5%	7%	8%	11.6	12.1	4%
-Multi-destination	1.2	2.5	4.2	7.2	108%	68%	72%	82%	5.1	6.8	33%
English Language Teaching students	n/a	57.2	60.3	68.8	n/a	5%	14%	n/a	34.8	37.4	7%
Average Test Fee (A\$)											
English Language Testing Fee	244	250	258	277	2%	3%	7%	4%	275	272	-1%
Average Application Processing Fee (A\$)											
Student Placement APF	2,331	2,398	2,602	2,947	3%	9%	13%	8%	2,925	2,865	-2%
-Australia APF	2,245	2,298	2,492	2,711	2%	8%	9%	6%	2,661	2,860	7%
-Multi-destination APF	3,678	3,262	3,189	3,735	-11%	-2%	17%	1%	3,518	2,873	-18%
Average Course Fee (A\$)											
English Language Teaching Course fee	n/a	236	268	295	n/a	14%	10%	n/a	300	282	-6%