



**ASX Announcement**  
**22 August 2019**

## **IDP Education announces record performance for the 2019 financial year**

IDP Education Limited (ASX: IEL) today announced record results for the 2019 financial year (FY19).

For the twelve months to 30 June 2019, the company reported total revenue of \$598 million, an increase of 23 per cent compared to FY18. Earnings before interest, tax, depreciation and amortisation (EBITDA) was \$115 million, representing an increase of 29 per cent compared to FY18.

Andrew Barkla, IDP Chief Executive Officer and Managing Director, said the year's financial performance reflected IDP's focus on its customers and the delivery of its vision.

"IDP's solid growth continued this year as we delivered quality services for students, education institutions and English language test takers around the world," Mr Barkla said.

"FY19 saw us progress to the next phase in realising our vision to build a global platform and connected community to guide customers along their journey to achieve their lifelong goals."

### **IDP's operational and financial highlights during FY19 included:**

- Record full year revenue and earnings with growth in each of the company's core product categories
- Student Placement volumes increased by 25 per cent
- Student Placement network expanded in Nepal, Pakistan, India and Canada
- Twelve per cent increase in English Language Testing (IELTS) volumes across the network
- The significant growth of Student Placement and IELTS volumes in India contributed to overall record business performance
- Computer-delivered IELTS now available at 124 IDP test centres around the world
- Hotcourses Group successfully integrated into IDP as a rebranded B2B division, IDP Connect
- Strong cash generation which resulted in a balance sheet with only \$4.4m of net debt

"In Student Placement, our improved digital capability contributed to us delivering double-digit volume growth this year," Mr Barkla said.

IDP's English Language Testing stream (IELTS) also had a positive year, building on its position as the world's most trusted English language test for study, work and migration.

"The roll-out of computer-delivered IELTS and the expansion of our network to Ireland, Poland, Chile and Peru assisted IDP to deliver a record 1.28 million IELTS tests, an increase of 12 per cent on last year," Mr Barkla said.

## Results overview

Twelve Months to 30 June	Full Year Actuals		Growth		Constant Currency Growth (%)**
	FY19*	FY18	\$m	%	
English Language Testing	359.6	306.8	52.8	17%	15%
Student Placement	170.3	122.7	47.6	39%	36%
- Australia	104.3	80.6	23.8	30%	29%
- Multi-destination	65.9	42.1	23.8	57%	48%
English Language Teaching	27.5	22.2	5.3	24%	15%
Digital Marketing and Events	36.8	31.9	4.9	15%	12%
Other	4.0	3.6	0.4	12%	6%
<b>Total Revenue</b>	<b>598.1</b>	<b>487.2</b>	<b>111.0</b>	<b>23%</b>	<b>20%</b>
Direct Costs	264.1	217.7	46.4	21%	19%
Gross Profit	334.1	269.5	64.6	24%	21%
Overhead costs	219.0	180.2	38.9	22%	19%
Share of Profit/(Loss) of Associate	0.0	-0.3	0.3	107%	107%
<b>EBITDA</b>	<b>115.0</b>	<b>89.0</b>	<b>26.0</b>	<b>29%</b>	<b>26%</b>
Depreciation & Amortisation	15.0	8.2	6.9	84%	81%
Amortisation of Acquired Intangibles	2.9	4.9	-2.0	-41%	-41%
<b>EBIT</b>	<b>97.1</b>	<b>75.9</b>	<b>21.2</b>	<b>28%</b>	<b>24%</b>
Net finance expense	-1.7	-2.1	0.3	15%	16%
Profit before tax	95.4	73.9	21.5	29%	25%
Income tax expense	29.1	22.4	6.7	30%	30%
<b>NPAT</b>	<b>66.3</b>	<b>51.5</b>	<b>14.8</b>	<b>29%</b>	<b>23%</b>
<b>NPATA ***</b>	<b>68.6</b>	<b>55.3</b>	<b>13.3</b>	<b>24%</b>	<b>19%</b>

\* IDP adopted AASB15 Revenue from Contracts with Customers from 1 July 2018. The financial information for FY19 has been presented on post AASB15 basis and comparatives have not been restated. The impact of AASB15 on the aggregate results for FY19 results is not significant but for completeness a comparison is provided on page 19 of the investor presentation that accompanies this announcement.

\*\* "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

\*\*\* NPATA is NPAT adjusted by adding back the non-cash post-tax charges relating to the amortisation of acquired intangible assets.

IDP's Board of Directors has declared a final dividend of 7.5 cents per share which is expected to be 45 per cent franked. The record date for the dividend will be 10 September 2019, with payment to be made on 26 September 2019.

Looking to FY20, Mr Barkla said the company's focus remains on growing the capabilities of its people and improving the IELTS customer experience.

"After significant technology infrastructure investment, we are now focused on building the skills, processes and capabilities of our global teams," Mr Barkla said.

"We are empowering teams to use data to make smarter decisions with our customers, so we can realise the full potential of our digital transformation.

"As we celebrate our 50<sup>th</sup> year of pioneering international education, we are excited by the opportunities ahead of us to help more customers achieve their study, work and migration goals."

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