

**ASX announcement**

18 December 2025

**IDP announces a voluntary change in revenue recognition accounting policy**

IDP Education Limited (IDP) (ASX: IEL) today announced its application of a voluntary change in revenue recognition accounting policy that will see Student Placement revenue recognised across all jurisdictions at census date.

This change will result in revenue being recognised at a later point in time for Australia and the UK compared to historical practice, aligning the timing of revenue recognition to Canada, the United States, Ireland and New Zealand which remain unchanged. This change is being adopted for FY26 financial statement reporting, with restatements of FY25 comparatives where appropriate.

The updated accounting policy results in a more consistent approach to Student Placement revenue recognition across all jurisdictions and recognises that considerations related to Student Placement performance obligations have evolved over time, with students now requiring greater support from IDP to assist them arriving in their study destinations and commencing courses.

**Impact on FY25 financial statements**

The key impacts on IDP's financial statements for FY25 are summarised below:

- Increase in revenue and net profit after tax of \$9.2m and \$5.2m respectively (reflecting revenues from the higher volume FY24 period being recognised in FY25 exceeding revenues from the lower volume FY25 period moving into FY26)
- Decrease in net assets on balance sheet of \$68.8m as at 30 June 2025 (reflecting a shorter time period of contract assets on the balance sheet)
- Decrease of retained earnings and equity by \$68.8m as at 30 June 2025 due to the in year profit impact and retrospective application of the accounting policy change.

More detail on the impacts on the FY25 financial statements are detailed in the Appendix.

**Reaffirmation of FY26 Adjusted EBIT guidance**

This change in accounting policy is expected to decrease FY26 Revenue and Adjusted EBIT by approximately \$2m. IDP reaffirms its previously issued FY26 Adjusted EBIT guidance of \$115m - \$125m, including the impact of this accounting policy change. The change in accounting policy is not expected to impact operating cash flows, capital management or banking covenants.

This announcement was authorised for release by the Board of Directors of IDP.

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**About IDP Education**

IDP is a global leader in international Student Placement and a proud co-owner of the world's most popular high-stakes English language test, IELTS.

We specialise in combining human expertise with digital technology to help people get accepted into their ideal course, take an English language test or learn English in our schools. Our teams work side-by-side with our customers through every step, from course search to starting their dream course or career.

We partner with more than 1000 quality universities and institutions across Australia, Canada, Ireland, New Zealand, the UK and the USA. Our 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.

**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.

## Appendix

### Impact on IDP's financial statements for FY25

IDP has restated the affected financial statement line items to reflect census date<sup>1</sup> as the timing of recording revenue across all destination markets.

The impact on IDP's financial position and performance for H1 FY25 and FY25 is outlined below.

- H1 FY25:
  - Decrease of retained earnings and equity by \$74.0m as at 1 July 2024 (opening balance sheet)
  - Increase of revenue and net profit after tax by \$8.8m and \$6.7m respectively for H1 FY25
  - Decrease of retained earnings and equity by \$67.3m as at 31 December 2024 (closing balance sheet)
- FY25
  - Increase of revenue and net profit after tax by \$9.2m and \$5.2m respectively for FY25
  - Decrease of retained earnings and equity by \$68.8m as at 30 June 2025.

This impact is because recognising revenue at a point in time (i.e. census date) delays revenue recognition for Australia and the UK compared to how it has been recognised historically.

Each of the affected financial statement line items for the half-year ended 31 December 2024 and year ended 30 June 2025 are detailed below. The restatement has no impact on the consolidated statement of cash flows.

#### ***Impact on statutory consolidated statement of profit and loss (increase/(decrease))***

	H1 FY25			H2 FY25			Full year FY25		
	Previously reported	Adjustments	Restated	Previously reported	Adjustments	Restated	Previously reported	Adjustments	Restated
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Revenue	475.4	8.8	484.2	406.8	0.4	407.2	882.2	9.2	891.4
Expenses	(351.7)	0.9	(350.8)	(377.4)	(2.6)	(380.0)	(729.1)	(1.7)	(730.8)
Income tax expenses	(22.9)	(3.0)	(25.9)	1.4	0.7	2.1	(21.5)	(2.3)	(23.8)
<b>Profit for the period</b>	<b>59.7</b>	<b>6.7</b>	<b>66.4</b>	<b>(14.2)</b>	<b>(1.5)</b>	<b>(15.7)</b>	<b>45.5</b>	<b>5.2</b>	<b>50.7</b>
<b>Basic EPS (cents per share)</b>	<b>21.39</b>	<b>2.41</b>	<b>23.80</b>				<b>15.99</b>	<b>1.87</b>	<b>17.86</b>

<sup>1</sup> Census date is the last day to withdraw from a university course or unit without financial penalty or impact on academic record.

***Impact on statutory consolidated statement of financial position (increase/(decrease))***

	1 July 2024			31 December 2024			30 June 2025		
	Previously reported	Adjustment s	Restated	Previously reported	Adjustment s	Restated	Previously reported	Adjustments	Restated
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Contract assets – current	142.6	(96.3)	46.3	204.8	(80.0)	124.8	130.6	(91.9)	38.7
Trade and other receivables – current	172.2	(0.8)	171.4	122.3	0.4	122.7	124.7	0.0	124.7
Contract assets – non-current	5.8	(5.8)	-	15.4	(15.4)	-	6.2	(6.1)	-
Deferred tax assets	29.6	31.7	61.3	33.8	28.8	62.6	42.7	29.3	72.0
<b>Total assets</b>	<b>1,256.4</b>	<b>(71.2)</b>	<b>1,185.2</b>	<b>1,388.5</b>	<b>(66.2)</b>	<b>1,322.3</b>	<b>1,279.4</b>	<b>(68.7)</b>	<b>1,210.7</b>
Trade and other payables	175.8	(12.9)	162.9	176.7	(13.0)	163.7	186.3	(11.2)	175.1
Contract liabilities	61.0	15.7	76.7	59.6	14.1	73.7	64.0	11.3	75.3
<b>Total liabilities</b>	<b>733.0</b>	<b>2.8</b>	<b>735.8</b>	<b>807.6</b>	<b>1.1</b>	<b>808.7</b>	<b>744.9</b>	<b>0.1</b>	<b>745.0</b>
Opening retained earnings as at 1 July 2024	248.3	(74.0)	174.3	248.3	(74.0)	174.3	248.3	(74.0)	174.3
<b>Equity</b>	<b>523.4</b>	<b>(74.0)</b>	<b>449.4</b>	<b>580.9</b>	<b>(67.3)</b>	<b>513.6</b>	<b>534.5</b>	<b>(68.8)</b>	<b>465.7</b>

The restated contract assets relate to students enrolled at census date for which IDP is yet to issue invoices to educational institutions as at the balance sheet dates.

The increase in contract liabilities relates to invoices issued to Australian educational institutions prior to census date.

The decrease in trade and other payables reflects the impact on Student Placement commissions payable.

Current tax balances have been adjusted to recognise the tax impact of the change in revenue recognition policy.

The net effect on opening retained earnings is a reduction due to revenue being recognised at a later point in time compared to historical practice. The effect on profit for H1 FY25 and FY25 is a net increase due to higher revenue being restated from the previous period to the current period than the revenue being restated from the current period to the next period in a declining volume environment.

## **Background on IFRS 15 Revenue Recognition**

Since the adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) in FY19, IDP recognised Student Placement revenues upon Electronic Confirmation of Enrolment (eCOE) for Australia and Confirmation of Acceptance of Studies (CAS) for the United Kingdom (UK) while recognising revenue at census date for Canada, the United States (US), Ireland and New Zealand. The difference in timing reflected differences in the regulatory framework of each destination country.

The updated accounting policy results in a clearer and more consistent approach to Student Placement revenue recognition across all jurisdictions, recognising the more dynamic market conditions that are prevailing across the education placement sector. Considerations of Student Placement performance obligations have evolved over time, resulting in students requiring greater support from IDP to assist them arriving in their study destinations and commencing courses.