



IDP EDUCATION ANNUAL GENERAL MEETING

CEO AND MANAGING DIRECTOR'S ADDRESS FOR THE 2021 FINANCIAL YEAR

BY ANDREW BARKLA

Tuesday 19 October 2021

Thank you, Peter.

Good morning, everyone.

It is my pleasure to present the operational update for the financial year of FY21.

As Peter has explained, we are emerging from FY21 with a strong balance sheet and took critical steps to further strengthen our leadership position in preparing the industry for recovery. Importantly, we kept our talented teams together to fulfil on the industry rebound and continue to drive our product and service innovation.

Customer intent to study, work and migrate abroad remains very resilient, and we're seeing that as we come into this year. Strategically, we are focusing on rebounding and accelerating our leadership position in the year ahead.

We saw strong demand for IELTS, with a 5% increase in test volumes vs FY20. We administered 1.15m tests last year, which reflects the resilience of our customers. And in fact, we were on track to deliver around 10% growth in IELTS, but unfortunately were impacted by the devastating second wave of COVID-19 in India. Our customers, our staff and their family members were heavily impacted by COVID-19 and our thoughts are with those that lost loved ones during the past year.

Despite the huge disruptions caused by the pandemic, I am pleased to report that we are seeing a continued recovery in volumes across the network. We had a strong performance in the first quarter of FY22 with IELTS volumes up 84% on the same period last year.

Our growth is being aided by our ongoing strategic expansion of the IELTS network. During FY21 we added an additional 100 new computer-delivered test centres which has assisted in providing operational flexibility when government restrictions limited the delivery of paper-based testing in large venues.

Understandably, given continued border restrictions, our Student Placement volumes were down 25% on the year prior, with the number of students enrolling in Australian institutions suffering the biggest decline. Northern Hemisphere study destinations fared much better with the UK reporting a 4% increase in volumes with students travelling to the UK to commence their studies, despite ongoing restrictions. Underlying demand for IDP's other key destination Canada, continues to grow, however border closures and delays in visa processing meant overall volumes were down 12% for the year.

We are seeing strong signs of recovery and we have started the year well with finalised student volumes to our Northern Hemisphere destinations up 120% in the first quarter of

FY22 versus the same period last year. Australia remains relatively weak with students waiting for clearer signs of borders reopening. Finalised student volumes to Australia were down 24% in Q1 FY22 versus the same period last year.

Digital marketing performed very strongly through our IDP Connect business, with revenue up 8%, which reflects the trust and the innovation that we have in our data insights services and our digital marketing services to help our clients prepare for the rebound that they are so eagerly focused on.

Our data insights and consultancy services grew 110% year-on-year, and our leading Crossroads research proved a crucially important resource for institutions, industry and governments. This again highlighted the value of our unique global dataset and research expertise.

For English language teaching, we experienced a 22% reduction on courses delivered due to school closures during lockdown. However, the team seamlessly transformed the business from physical to virtual. As a testament to their efforts and success, our schools in Cambodia took home the 'Language Educator of the Year' title at the recent PIEoneer Awards, and we are proud of how they have made online learning available to thousands of students during the pandemic.

As we look ahead to the recovery, we have consistently seen through our research that students are holding onto their study intentions with increasing determination. IDP Connect Crossroads research shows that 79% of students with current offers are holding on to their plans, and they are also warming to the blended model of online starts, then moving to face-to-face.

Students' determination to arrive safely and commence their studies on campus is also reflected in their overwhelming willingness to comply with vaccination and quarantine policies. IDP is by our students' sides throughout this time, and together with our clients we are confident that we will reignite opportunities for more of our students.

IELTS has a phenomenal brand recognition as the number 1 high stakes English language test. We are now strategically positioned to help more individuals pursue their work, migration or study ambitions with IELTS, and by working collaboratively with the British Council and Cambridge we are well-placed to grow our market share.

In FY21 our IDP IELTS footprint grew with 100 new computer delivered test centres. We added 50 new websites and have a real focus on improving the customer experience.

A strategic breakthrough this year was our agreement with British Council in India, which saw IDP take on sole distribution of IELTS in that market. By doing so, we are able to provide an improved customer experience for test takers and bring IELTS to more people in India. India is the largest IELTS market globally by volume and has exhibited one of the highest country growth rates in recent years. Now, with a united team of IELTS experts in India, a long-term strategy and a clear purpose, we are set to improve the customer experience in this key global region.

A key milestone achieved this year was IELTS acceptance by 11,000 organisations. We continued to make significant investments in modernising our IELTS platform, and we now have an opportunity to bring a portfolio of new innovative products and services to that platform, which will support our customers and recognising organisations.

We have now delivered the global platform that we set out to build, which has brought together human connections and digital innovation. In FY21, we're proud that our global platform flourished and grew into a connected community. This means we are now home

to the world's largest community of students, customers, trusted counsellors and institutions.

New community platforms and virtual and face-to-face services such as events and counselling, and key human conversations that matter, ensure our customers are heading into their international education journey with confidence and clarity. By combining IDP's trusted counsellors with data-driven solutions, our customers will also get into their ideal course faster. The success of our technology is reflected in our customers' feedback, with close to 9 in 10 students saying they would recommend IDP to family and friends.

At the same time, our clients will more efficiently select the students that are best positioned to thrive at their institution. This rapid innovation was replicated across all business lines. We continue to improve our IELTS online support and preparation tools for IELTS to give test takers the confidence to achieve their best score.

As the connections between our community continues to deepen, powered by leading data and technology innovation, we are excited to unlock opportunities for our customers and transform the international education industry.

Before I hand back to Peter, I would like to take this opportunity to thank you, our shareholders, for the support you have given IDP this past year.

Our teams have worked under challenging conditions as many grappled with the far-ranging consequences of the pandemic. What rose to the surface throughout the year was the IDP spirit. Our teams came together to ship oxygen concentrators from region to region, donated funds and led initiatives to show support, care and compassion. It was a true reflection of our global connected community.

At IDP, we are driven by a strong sense of purpose. We are well-positioned to drive the sector's recovery and we are committed to setting the global standard. IDP will ensure that our new technology empowers our customers, partners and people, and brings our communities together.

We are committed to ensuring our data and insights continue to inform customer-focused strategies at IDP and across the industry, and are a catalyst for positive change.

With a team of experts in place worldwide, IDP is ready to respond to new opportunities, and help our customers reignite their global ambitions.

Thank you.