

IDP Education Annual General Meeting

Chairman's Address for the 2020 Financial Year

Tuesday 20 October 2020

Good morning, thank you for joining us for today's Annual General Meeting.

My name is Peter Polson and I am the Chairman of your company.

It is fitting today's AGM takes place in a virtual environment, as much of what we will discuss today centres on themes of adaptation, technology, and connection.

I will shortly hand over to Andrew Barkla to discuss the operational highlights of the year. Before I do, I would like to provide an overview on IDP's performance in the year the world did not see coming.

In the financial year of 2020, IDP showed its true strengths.

This year IDP demonstrated its responsible management, sector leadership and compassion for its customers.

And while nobody could have foreseen a global pandemic, IDP had already been adapting to a new world, so our vision to create a global platform and connected community for international students suddenly became even more prescient.

This investment in new ways of working, our people and technology, allowed us to rapidly accelerate our transformation and seize new opportunities.

It was a year of two halves, or more accurately, a story of three quarters and one quarter.

After reporting record growth across all business lines at our February interim results, March saw the company adapt quickly as the world responded to the global pandemic.

Given we are operating in one of the sectors hardest hit by COVID-19, at the year end, we were pleased to report an 11 per cent increase in earnings before interest and tax, leading to a 3 per cent increase in net profit after tax and amortisation.

Importantly, we ended the year with a cash balance of \$307 million.

In light of the uncertainty, the Board of Directors made the prudent decision to not declare a full year dividend.

The H1 interim dividend of 16.5 cents per share was paid in September, after the board deferred the original March payment date.

While revenue was down 2 per cent on last year, it was our practical decisions and cost control measures that saw the company deliver a commendable outcome, while still retaining our global talent.

The early move to raise additional equity was widely applauded, and we were met with very strong demand by shareholders.

The capital raising will ensure that we are well placed to navigate the current period of uncertainty and capture market opportunity as it arises.

Accompanying our capital raise was a disciplined cost management program.

In March, cost control measures were rolled out across the business.

Remuneration reductions, led by our Board of Directors and our Global Leadership Team, helped to manage cashflow when revenue fell sharply during the last quarter of the year.

While asking our global teams to temporarily reduce salaries was a difficult decision, our focus throughout COVID-19 has been to keep our people together.

And this commitment to our people remains forefront. While our digital connected platform is the springboard to our future, the global teams who have built this platform are our single greatest asset.

Over the last five years we have built a talented and passionate global team who are constantly demonstrating agility in their day to day work.

We did not want to lose this team.

We are pleased to report that at year end, we have been successful in keeping our teams in place and salaries have been reinstated.

The only exception is our Board of Directors and Global Leadership team, who have continued with reduced remuneration.

While IDP and the wider international education sector faces challenges ahead, we know students are holding on to their study abroad goals.

Research conducted by our IDP Connect teams shows more than 70 per cent of students who hold current university offers are still aiming to commence their studies as planned.

The international education sector is an industry that is resilient to 'through the cycle' challenges.

That is because of the nature of international education. It is not a short-term purchase. It is a long term investment that changes the course of our customers' lives.

The role of our global teams in assisting people to become globally and socially mobile is not something we take for granted.

The world is slowly rebuilding, and while international student flows continue to rebound, we will continue to create new, adaptive ways to deliver for them via digital and other channels.

We need big thinkers, doctors, nurses, planners, and people with global perspectives to lead our communities.

This next generation of leaders are the customers of IDP today.

The importance of assisting our customers to achieve their goals is not lost on our global teams.

I would like to thank our global teams for their dedication this year. It is abundantly clear that it is this empathy and compassion for our customers that drove the innovation, responsible management and agility we saw this year.

We are proud to be by the side of our customers and higher education clients as our sector rebuilds.

To you, our shareholders, thank you for your support for our organisation, our sector, and our customers.

Thank you