

A smiling woman with dark hair and glasses, wearing a brown sweater over a black turtleneck, holds a tablet. She is in a modern office with large windows and other people working in the background.

IDP Education

FY21 Financial Results

Important Notice and Disclaimer

Disclaimer

The material in this presentation 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 presentation. 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 presentation, 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.

Note: All financial amounts contained in this presentation are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and the sum of components in tables contained in this presentation are due to rounding.



1 Business Update

FY21 performance summary

Business model resilience, our digital advantage and decisive capital management underpin a solid result in a heavily COVID-19 impacted year

Revenue

↓ \$529m

Down 10%

EBIT (Adjusted)*

↓ \$71.8m

Down 35%

NPAT (Adjusted)*

↓ \$45.0m

Down 36%

Cash Balance

→ \$307m

Flat v 30 June 2020

Student Placement

↓ 38,100

APFs**, down 25%

English Language Testing

↑ 1.15m

IELTS tests, up 5%

English Language Teaching

↓ 74,000

Courses, down 22%

Digital Marketing

↑ \$30m

Revenue, up 8%

* Adjusted EBIT and NPAT excludes merger and acquisition expenses which related to the acquisition of the British Council's Indian IELTS operations and intangible asset amortisation generated from business combinations

** APF is Application Processing Fee, being the fee IDP Education receives from its client education institutions for placing students into a course



Recovery Underway

Emerging from FY21 with a strong balance sheet and rising demand

Resilient Business

The resilience and aspirational nature of our customers is reflected in our results

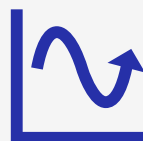
Industry Leadership

Our innovation agenda ensures more personalised customer connections and reinforces our brand positioning



\$307m

Cash on balance sheet at 30 June 2021



5% increase

in IELTS testing volumes in FY21



NPS of 58

Almost 9 out of 10 students recommend IDP



Strategically positioned to grow IELTS market share



100 new computer delivered test centres in FY21



50 new websites and a preparation hub to support test takers



Acquired sole distribution rights in high growth India market



New technology architecture to drive product innovation



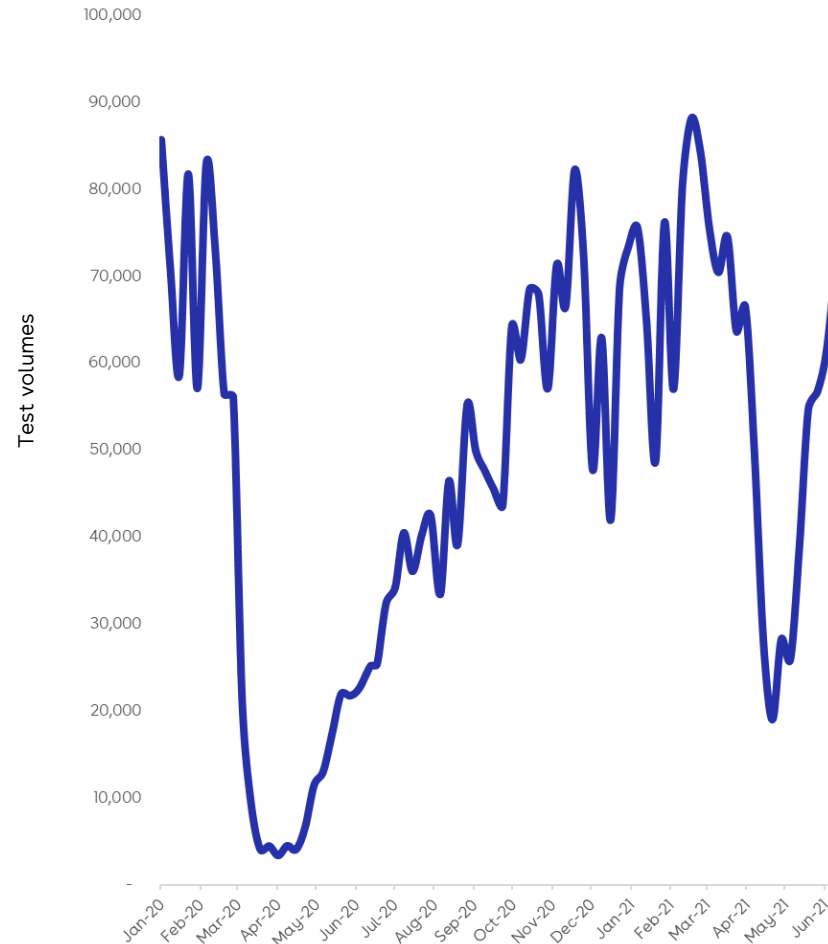
Milestone reached as IELTS accepted by 11,000 organisations

IELTS™

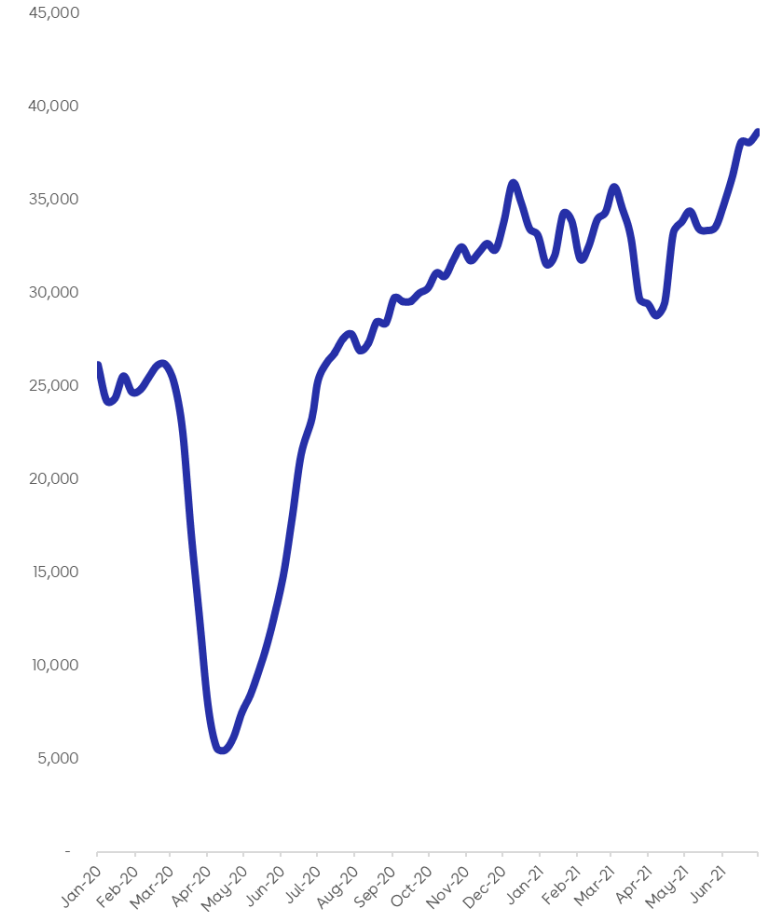
- IELTS volumes continuing upwards trend as testing centres reopen
- Indian volumes rebounding strongly
- Smaller computer-delivered testing centres providing flexibility in COVID-19 environment
- Computer-delivered IELTS available in 284 centres (100 new centres added in FY21)

Testing volumes

Paper based (four weekly rolling totals)



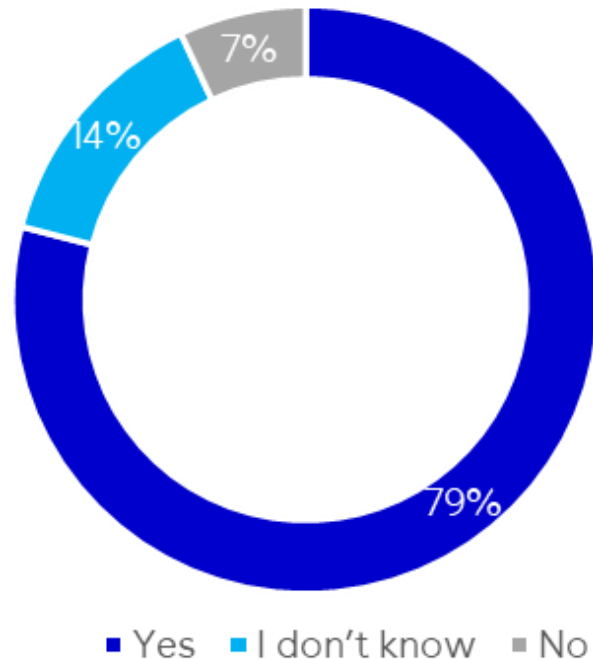
Computer-delivered (four weekly rolling totals)



Student intentions are strong

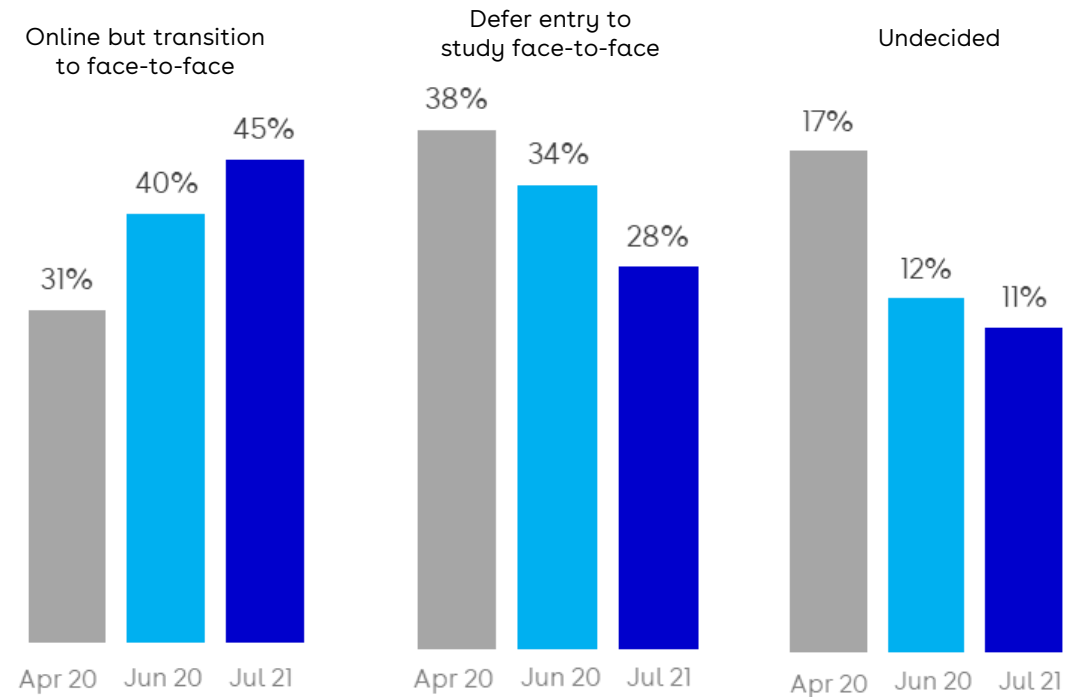
IDP Connect research* shows students are holding on to their study intentions

Intention to commence study as planned



79% of students with current offers are holding on to their plans

Preference of delivery mode



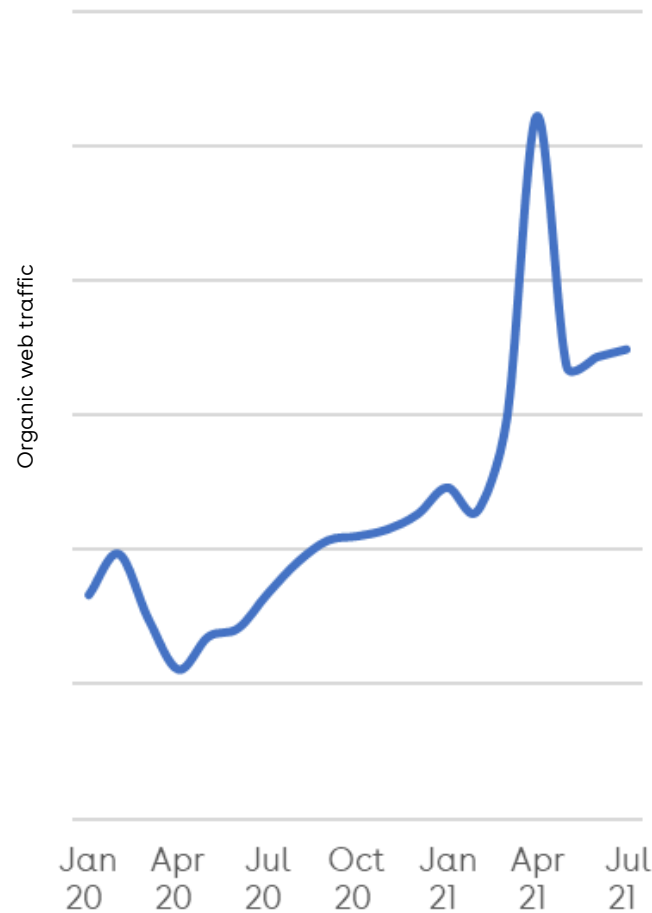
Students are warming to the blended model of online start then moving to face-to-face

Desire for study abroad remains strong

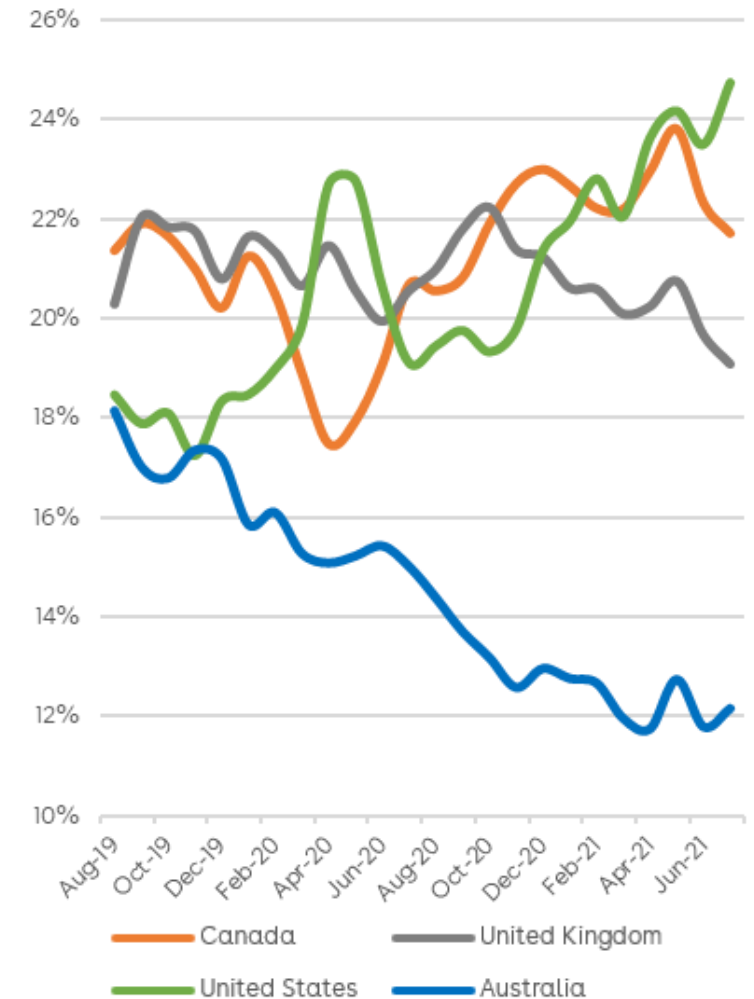
- Structural growth drivers for student placement and IELTS remain in place
- 100m total web visits in FY21
- Organic web traffic on IDP sites up 45% vs FY20
- Search interest strongest for Northern Hemisphere countries

Global platform: Search behaviour insights

Organic web traffic on IDP websites*



Student Search by Destination**



* Total organic web traffic across 30 IDP.com global and country specific websites

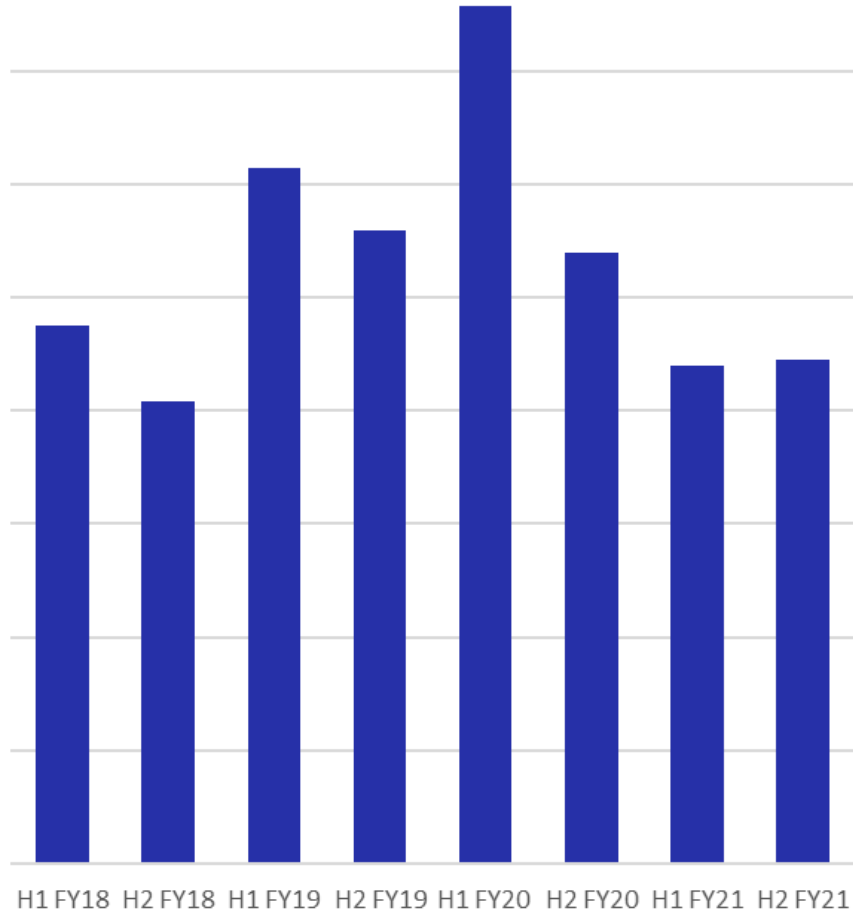
** Percentage of search interactions on Hotcourses websites

Qualified student placement leads

Strong lead growth for Northern Hemisphere countries

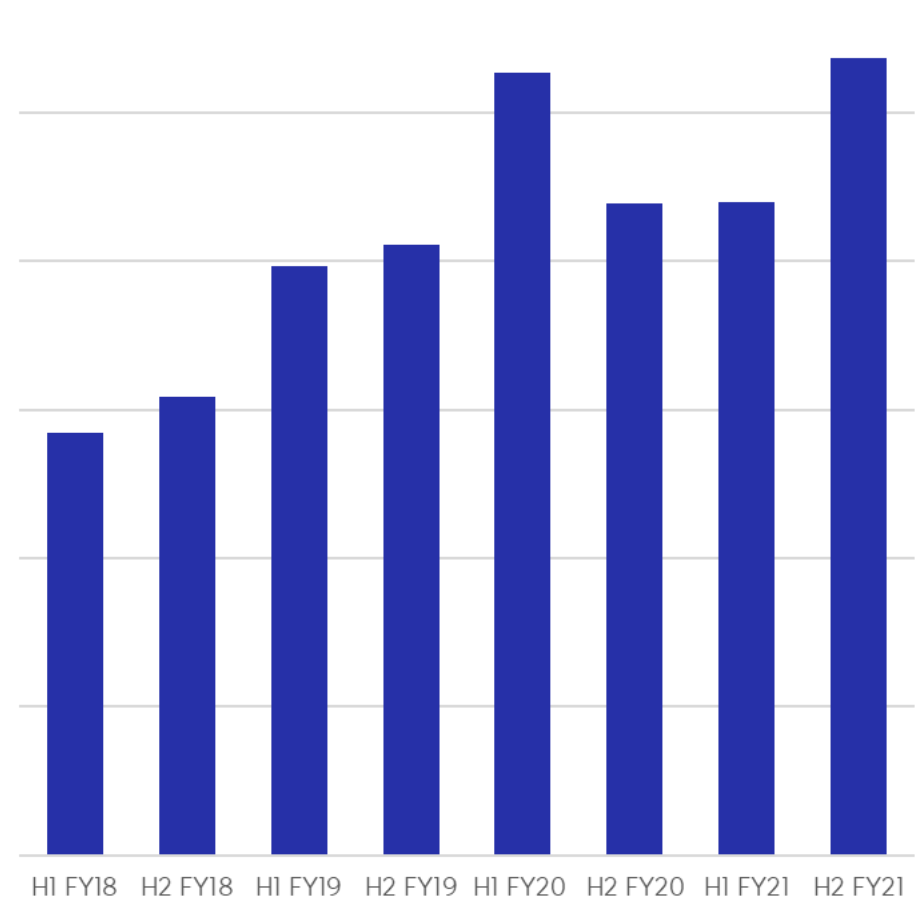
Australia and New Zealand

Qualified student placement lead volumes



UK, Canada, USA and Ireland

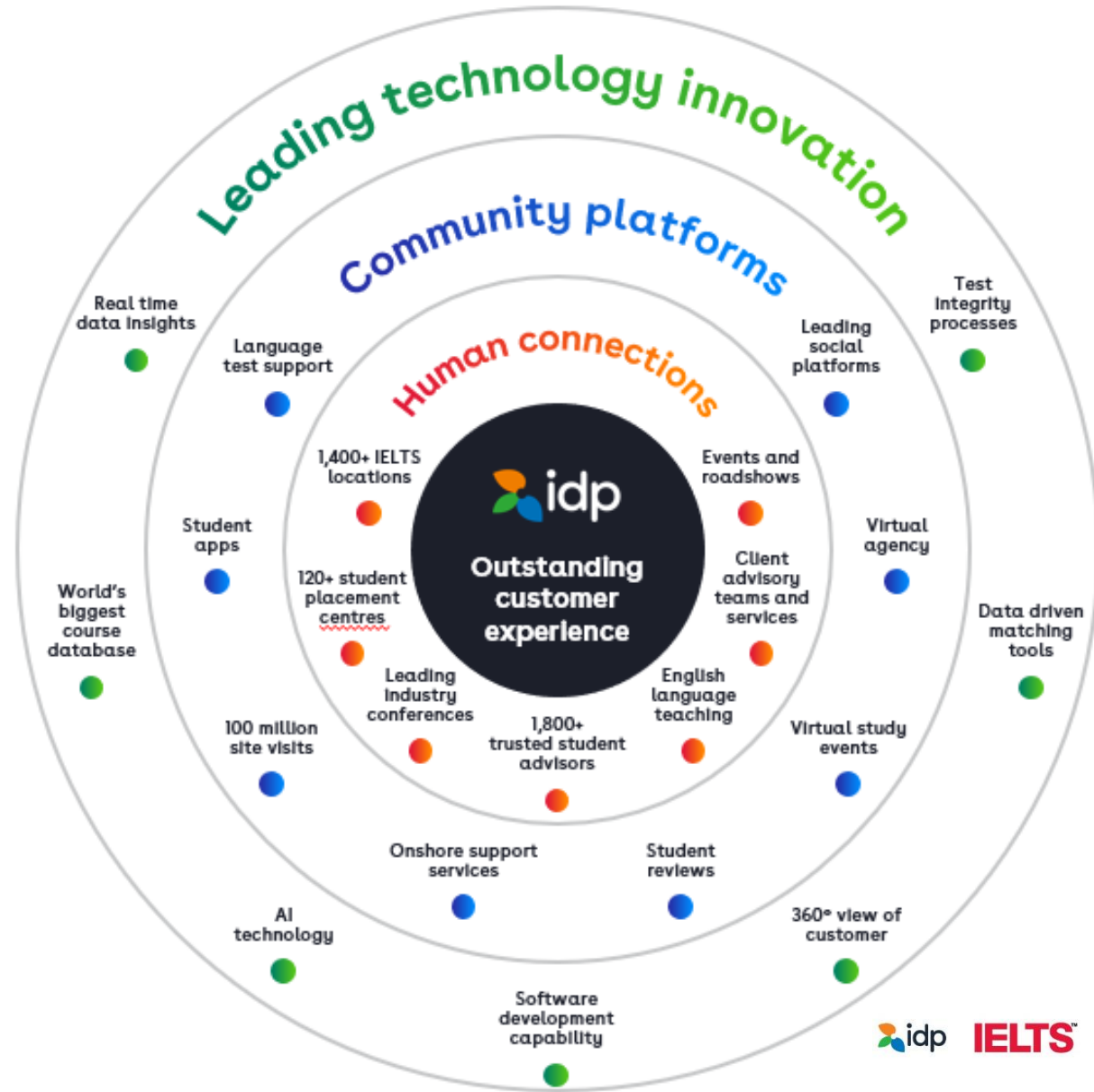
Qualified student placement lead volumes





Connected community

- Trusted human support
- Delivered on a global platform
- Underpinned by leading technology innovation



Delivered through our trusted suite of brands



Our Innovation Agenda

We have an extensive product roadmap for FY22

Students



Completed

- An integrated digital platform across all touch points
- Student app with +300k downloads
- Sophisticated course matching tools

FY22 Priorities

- An innovative new model combining data and human-centred expertise

Clients



Completed

- Expanded digital offering
- Data insights and strategic consulting services

FY22 Priorities

- Earlier access to our global network of quality students to drive volume, efficiency and diversity

Test Takers



Completed

- Additional delivery mechanisms via CD IELTS and IELTS Indicator
- Video call speaking to drive examiner scalability

FY22 Priorities

- More test types and other delivery mechanisms via a modernised technology platform

2 Financial Results

FY21 Overview

Revenue decline of 5% and EBIT (Adjusted) decline of 31% on a constant currency basis

Income Summary Statement

Twelve Months to 30 June	Full Year Actuals		Growth		Constant Currency Growth (%)**
	FY21	FY20*	\$m	%	
English Language Testing	325.6	325.5	0.1	0%	8%
Student Placement	143.3	190.6	-47.3	-25%	-22%
- Australia	59.7	90.4	-30.7	-34%	-34%
- Multi-destination	83.5	100.2	-16.6	-17%	-11%
English Language Teaching	20.2	28.5	-8.3	-29%	-23%
Digital Marketing and Events	36.4	38.2	-1.8	-5%	-2%
Other	3.2	4.3	-1.1	-25%	-20%
Total Revenue	528.7	587.1	-58.4	-10%	-5%
Direct Costs	230.9	241.9	-11.0	-5%	1%
Gross Profit	297.8	345.2	-47.4	-14%	-8%
Overhead costs	195.4	199.7	-4.3	-2%	3%
Share of Profit/(Loss) of Associate	-0.7	-0.3	-0.4	-128%	-166%
EBITDA	101.7	145.2	-43.5	-30%	-25%
Depreciation & Amortisation	35.8	33.9	1.9	6%	14%
Amortisation of Acquired Intangibles	1.8	3.2	-1.4	-45%	-43%
EBIT	64.1	108.1	-44.0	-41%	-36%
EBIT (Adjusted) ***	71.8	111.3	-39.5	-35%	-31%
Net finance expense	-5.3	-5.2	-0.1	-2%	-11%
Profit before tax	58.9	102.9	-44.0	-43%	-38%
Income tax expense	19.4	34.9	-15.5	-44%	-41%
NPAT	39.5	68.0	-28.6	-42%	-37%
NPAT (Adjusted) ***	45.0	70.6	-25.6	-36%	-31%

* During the year, the Group revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements, in particular AASB 138 Intangible Assets. Historical financial information has been restated to account for the impact of the change. The impact of the IFRIC agenda decision on the aggregate results for FY21 is presented on page 24

** "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

*** EBIT (Adjusted) and NPAT (Adjusted) excludes merger and acquisition expenses which related to the acquisition of the British Council's Indian IELTS operations and intangible asset amortisation generated from business combinations

- Total revenue down 5% vs pcp on a constant currency basis
- IELTS revenue was flat for the year with good momentum in test volumes in Q3 reversed in Q4 with lockdowns in parts of South Asia
- Multi-destination revenue down 17% vs pcp. UK volume up 4% the highlight, with Canada and the USA down vs pcp as border closures for part of the year had an impact along with slow visa processing
- Australian student placement impacted by border closures with revenue down 34%
- Digital Marketing revenue was up 13% vs pcp on a constant currency basis
- No final dividend declared leaving full-year payment at 8 cps
- The results for FY21 include \$6.0m of expenses associated with the acquisition of the British Council's Indian IELTS operations which was announced on 1 July 2021
- Excluding these one-off M&A costs and the amortisation charges for acquired intangibles the adjusted key earnings are:
 - EBITDA: A\$107.6m (-20% on a constant currency basis)
 - EBIT: A\$71.8m (-31% on a constant currency basis)
 - NPAT: A\$45.0m (-31% on a constant currency basis)

Key Operating Metrics

A solid performance by IELTS highlighting the resilience of testing

Summary of Key Operational Metrics

Twelve Months to 30 June	Full Year Actuals		Growth		Constant Currency Growth (%)*
	FY21	FY20	'000s / \$	%	
Volumes (000s)					
English Language Testing	1,149.4	1,095.6	53.8	5%	
Student Placement	38.1	51.0	-12.8	-25%	
-Australia	14.5	24.2	-9.7	-40%	
-Multi-destination	23.6	26.8	-3.2	-12%	
English Language Teaching Courses	73.9	94.4	-20.5	-21.7%	
Average Test Fee (A\$)					
English Language Testing Fee	283	297	-14	-5%	3%
Average Application Processing Fee (A\$)					
Student Placement APF	3,760	3,740	20	1%	4%
-Australia APF	4,128	3,742	386	10%	10%
-Multi-destination APF	3,535	3,738	-203	-5%	1%
Average Course Fee (A\$)					
English Language Teaching Course fee	273	302	-29	-9%	-2%

* "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

Volumes

- IELTS volumes were at pre-pandemic levels for Q3 but the second wave of infections in South Asia in Q4 pulled back full year growth to 5% vs pcp
- Student placement volumes down 25% with Australia down 40% impacted by the continuing border closure
- UK volumes up 4% as borders remained open and many students travelled despite courses being online most of the year
- Canada volumes down 12% as the borders remained closed until the end of October and delays in visa processing slowed enrolments

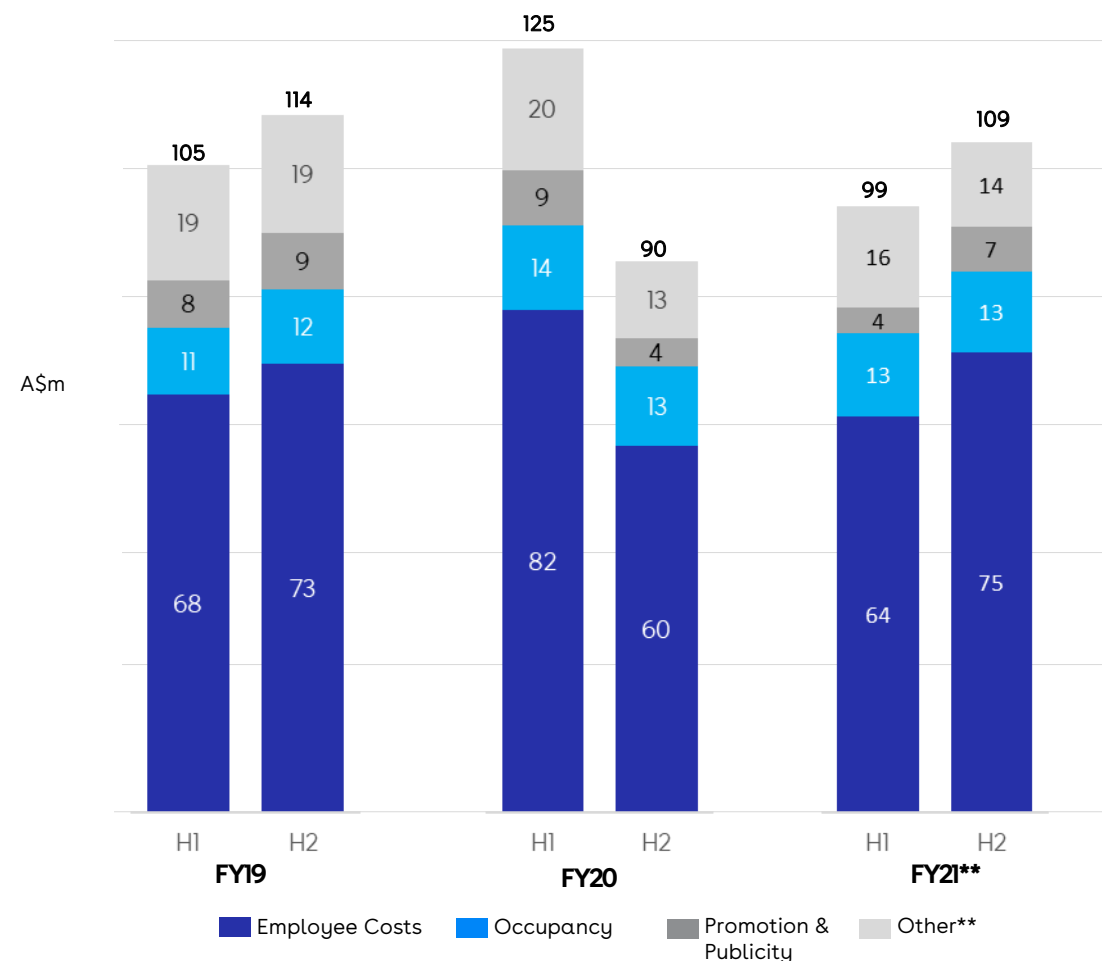
Average Price

- IELTS average price increased by 3% on a constant currency basis. Local currency price increases were offset by a stronger A\$ to deliver a 5% decline on a reported basis
- The increase in average fee for Australian student placement of 10% included an increase in commission rates negotiated with clients, a favourable study sector mix, an increase in client bonuses and a lower credit note provision

Investing for future Growth

Increasing overheads reflect the investments being made following two periods of disciplined cost controls

Overhead Costs Over Time*



- Cost control measures were relaxed slightly during the second half of FY21 to ensure the emerging growth opportunities were being captured
- Overhead costs per month (preAASB16) averaged A\$18m in H2 FY21** v A\$16m in H1 FY21 and A\$15m in H2 FY20
- Marketing spend increased by 74% in H2 v H1 reflecting a focus on building the pipeline for future intakes
- Employee costs returned to pre-pandemic levels in H2 FY21 as voluntary wage reductions ended and broad-scale hiring recommenced.
- During the period IDP also commenced a repayment program to “make-good” staff who took voluntary wage reductions during CY20
- Travel expenses remain subdued with total travel costs for FY21 down 90% on FY20 levels

* Presented on a pre-AASB16 and pre-SaaS accounting policy change (AASB138) to ensure consistency over time

** Excludes the A\$6.0m of one-off M&A expenses related to the acquisition of the British Council’s Indian IELTS operations

Consolidated Balance Sheet

Strong Balance sheet with \$307m of cash at 30 June 2021 and access to undrawn working capital facilities totalling \$75m

As at 30 June 2021, A\$ million	30-Jun-21	30-Jun-20*	Change
Current assets			
Cash and cash equivalents	306.9	307.1	-0.2
Trade and other receivables	72.4	68.4	4.0
Contract assets	31.9	23.6	8.3
Other current assets	20.6	30.1	-9.5
Current assets	431.8	429.2	2.6
Non-current assets			
Intangible assets	109.5	115.1	-5.6
Rights-of-use assets	79.4	82.6	-3.2
Other non-current assets	74.7	65.4	9.3
Non-current assets	263.6	263.1	0.5
Total assets	695.4	692.3	3.1
Current liabilities			
Trade and other payables	93.0	57.3	35.7
Dividends payable	0.0	42.0	-42.0
Contract liabilities	41.8	37.8	4.0
Lease liabilities	17.9	17.3	0.6
Current tax liabilities	1.8	3.7	-1.9
Other current liabilities	16.3	12.2	4.1
Current liabilities	170.8	170.3	0.5
Non-current liabilities			
Borrowings	56.7	59.8	-3.1
Lease liabilities	68.5	67.3	1.2
Other non-current liabilities	11.4	11.6	-0.2
Non-current liabilities	136.6	138.7	-2.1
Total liabilities	307.4	309.0	-1.6
Total equity	388.0	383.3	4.7

Cash

- Cash balance of A\$307m remains flat relative to 30 June 20
- Cash outflows during the period included the \$42m FY20 interim dividend which was deferred and was paid in September 2020

Contract Assets

- Movement in contract assets primarily reflects increased student placement revenue during the period relative to H2 FY20

Borrowings

- Drawn borrowings balance as at 30 June 21 of A\$56.7m primarily reflects Hotcourses acquisition facility

BC India IELTS Acquisition

- Completed on 30 July funded via \$100m new debt facility with the balance using existing cash.

* During the year, the Group revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements, in particular AASB 138 Intangible Assets. Historical financial information has been restated to account for the impact of the change.

3 Summary



Summary

Strong financial position

- FY21 results highlight the resilient nature of our diversified business model that has weathered lockdowns and border closures

Held together our talent

- We have our talented teams in place to fulfil on the industry rebound and continue to drive our product and service innovation

Recovery underway

- Recovery in IELTS volumes and a rebound in student qualified leads reflects robust demand

Strategically Positioned

- Successfully completed acquisition in strategic IELTS growth market

Industry leadership

- We continue to innovate unique product and service offerings to drive long term growth and ensure industry leadership



4 Appendices

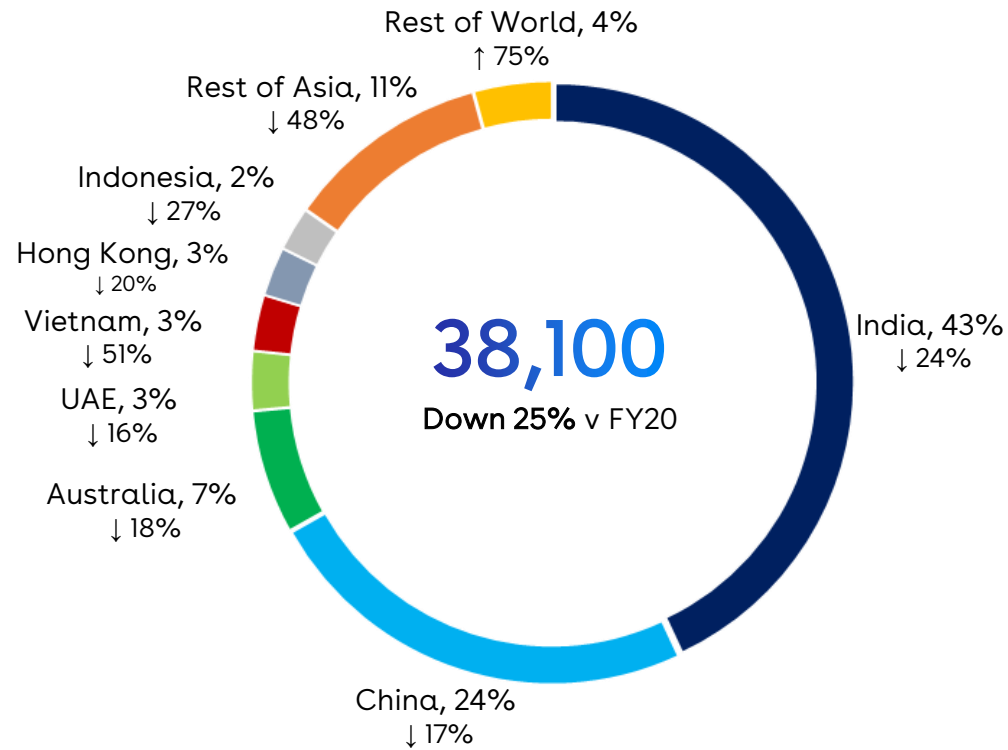
HAJI LANE

10

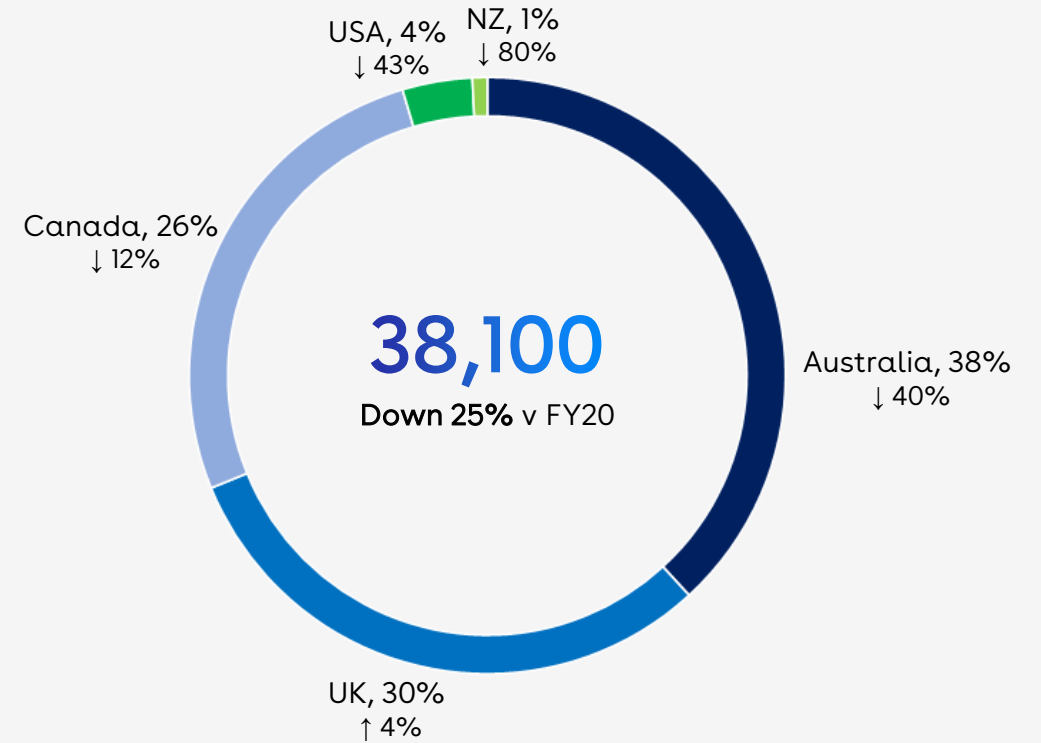
Student Placement Volumes

25% decrease in volumes due to COVID-19 challenges

Number of course enrolments by source market (FY21)



Number of course enrolments by destination market (FY21)



Segmental Earnings

Revenue and EBIT by Geographic Segment

Twelve Months to 30 June	Full Year Actuals		Growth	
	FY21	FY20	\$m	%
Revenue				
Asia	316.2	389.2	-73.0	-19%
Australasia	45.9	57.4	-11.5	-20%
Rest of World	166.6	140.5	26.1	19%
Total Revenue	528.7	587.1	-58.4	-10%
EBIT				
Asia	76.6	127.1	-50.5	-40%
Australasia	9.2	9.7	-0.5	-6%
Rest of World	39.0	29.4	9.6	33%
Total EBIT pre corporate costs	124.8	166.3	-41.4	-25%
Corporate costs	-60.7	-58.2	-2.5	-4%
Total EBIT	64.1	108.1	-44.0	-41%

- The decline in revenue in Asia was greater than the group average due to a 26% reduction in student placement revenue. IELTS revenue declined by 10% due to the lockdowns particularly in the second half in India. The 29% decrease in ELT revenue from our Cambodian and Vietnamese schools also contributed to the decline.
- China performed better than the rest of Asia with a decline in revenue of 12% as Chinese student enrolments were supported by a stronger uptake of online commencement options.
- The onshore Australian market was impacted by a decline in the number of international students remaining in Australia and the associated reduction in the size of the IELTS testing market
- The relatively strong result in the Rest of World segment reflects the rebound in IELTS volumes in Canada and the Middle East. Canadian IELTS volumes benefitted from the launch of new immigration programs by the Canadian government in May 2021.

AASB16

Summary Income Statement pre and post AASB16

Twelve Months to 30 June	FY21		FY20*	Growth (FY21 pre AASB 16 vs. FY20 pre AASB 16)		Constant Currency Growth (%) **
	Post AASB16 *	Pre AASB 16	Pre AASB 16	A\$m	%	(FY21 pre AASB 16 vs. FY20 pre AASB 16)
Total Revenue	528.7	528.7	587.1	-58.4	-10%	-5%
Direct Costs	230.9	233.8	244.5	-10.8	-4%	1%
Gross Profit	297.8	295.0	342.6	-47.6	-14%	-8%
Overheads						
- Employee benefits expenses	140.3	140.3	143.2	-2.8	-2%	4%
- Occupancy expense	7.3	26.5	27.1	-0.6	-2%	6%
- Promotion and publicity expense	11.6	11.6	13.5	-1.9	-14%	-10%
- Other expenses	36.2	36.2	34.9	1.3	4%	6%
Total Overheads	195.4	214.6	218.7	-4.0	-2%	4%
Share of Profit/(Loss) of Associate	-0.7	-0.7	-0.3	-0.4	-128%	-166%
EBITDA	101.7	79.6	123.6	-44.0	-36%	-31%
Depreciation & Amortisation						
- Lease Related	20.8	0.0	0.0	0.0	0%	0%
- Other expenses	15.0	15.0	12.8	2.2	17%	24%
Total Depreciation & Amortisation	35.8	15.0	12.8	2.2	17%	24%
Amortisation of Acquired Intangibles	1.8	1.8	3.2	-1.4	-45%	-43%
EBIT	64.1	62.9	107.6	-44.7	-42%	-37%
EBIT (Adjusted) ***	71.8	70.6	110.8	-40.3	-36%	-31%
Net Finance Expense						
- Lease Related	-3.9	0.0	0.0	0.0	0%	0%
- Other expenses	-1.4	-1.4	-0.7	-0.7	-95%	-93%
Total net finance expense	-5.3	-1.4	-0.7	-0.7	-95%	-93%
Income tax expense	19.4	20.0	35.2	-15.2	-43%	-40%
NPAT	39.5	41.5	71.8	-30.2	-42%	-37%
NPAT (Adjusted) ***	45.0	47.1	74.3	-27.2	-37%	-31%

- IDP adopted AASB16 Leases from 1 July 2019
- Pre-AASB16 overheads increased by 4% on a constant currency basis as the cost saving initiatives were ended in H2 and investment in marketing and headcount commenced
- FY21 Post AASB16 overhead costs were \$19.2m lower than Pre-AASB16 expense as the office rental expenses were moved to the balance sheet. The future lease commitments were capitalised and will be amortised over the life of the leases
- The amortisation of the right of use assets (leases) of \$20.8m excludes the deemed finance cost of \$3.9m for those leases

* During the year, the Group revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements, in particular AASB 138 Intangible Assets. Historical financial information has been restated to account for the impact of the change. The impact of the IFRIC agenda decision on the aggregate results for FY21 is presented on page 24

** "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

*** EBIT (Adjusted) and NPAT (Adjusted) excludes merger and acquisition expenses which related to the acquisition of the British Council's Indian IELTS operations and intangible asset amortisation generated from business combinations

Software-as-a-Service arrangements

Summary Income Statement - SaaS IFRIC agenda decision

Twelve Months to 30 June	FY21*		FY20	Growth (FY21 pre SaaS vs. FY20 pre SaaS)		Constant Currency Growth (%) ** (FY21 pre SaaS vs. FY20 pre SaaS)
	Post SaaS accounting policy change	Pre SaaS accounting policy change	Pre SaaS accounting policy change	A\$m	%	
Total Revenue	528.7	528.7	587.1	-58.4	-10%	-5%
Direct Costs	230.9	230.9	241.9	-11.0	-5%	1%
Gross Profit	297.8	297.8	345.2	-47.4	-14%	-8%
Overheads						
- Employee benefits expenses	140.3	139.9	142.1	-2.3	-2%	4%
- Occupancy expense	7.3	7.3	8.1	-0.8	-10%	-3%
- Promotion and publicity expense	11.6	11.5	13.5	-1.9	-14%	-10%
- Other expenses	36.2	35.6	32.6	3.0	9%	12%
Total Overheads	195.4	194.3	196.2	-2.0	-1%	4%
Share of Profit/(Loss) of Associate	-0.7	-0.7	-0.3	-0.4	-128%	-166%
EBITDA	101.7	102.8	148.6	-45.8	-31%	-26%
Depreciation & Amortisation	35.8	39.0	37.7	1.3	3%	10%
Amortisation of Acquired Intangibles	1.8	1.8	3.2	-1.4	-45%	-43%
EBIT	64.1	62.1	107.8	-45.7	-42%	-38%
EBIT (Adjusted) ***	71.8	69.8	111.0	-41.2	-37%	-32%
Net finance expense	-5.3	-5.3	-5.2	-0.1	-2%	-11%
Profit before tax	58.9	56.8	102.6	-45.8	-45%	-40%
Income tax expense	19.4	18.8	34.8	-16.0	-46%	-43%
NPAT	39.5	38.0	67.8	-29.8	-44%	-39%
NPAT (Adjusted) ***	45.0	43.6	70.4	-26.8	-38%	-33%

* During the year, the Group revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements, in particular AASB 138 Intangible Assets. Historical financial information has been restated to account for the impact of the change.

** "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.

- During the year, the Group revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements, in particular AASB138 Intangible Assets
- The table opposite shows pre-SaaS IFRIC agenda decision comparative information
- Intangible Assets capitalised prior to FY20 that included a SaaS arrangement that would have been expensed immediately under the interpretation of AASB138 were reversed with the depreciation related to that intangible asset reversed and the net financial impact adjusted through retained earnings
- FY20 and FY21 income statements were restated with SaaS arrangements expensed as they were incurred and depreciation for those expenses reversed
- FY20 opening retained earnings was reduced by \$9.8m after reversing the capital expenditure, the depreciation and the tax impact
- FY20 Income statement was restated with an increase in EBIT of \$0.3m
- FY21 Income statement after restatement had EBIT increase by \$2m from lower depreciation and higher overheads

Cashflow

Reprioritised capital expenditure to strategic programs in line with digital transformation vision

Summary of cash flow

Twelve Months to 30 June	Full Year Actuals		Growth	
	FY21	FY20*	\$m	%
EBITDA	101.7	145.2	-43.5	-30%
Non-cash items	4.2	1.9	2.3	121%
Change in working capital	25.5	-35.4	60.9	-172%
Income Tax Paid	-11.6	-31.6	20.0	-63%
Net interest paid	-2.9	-4.9	2.0	-41%
Operating cash flow	116.9	75.2	41.7	55%
Payments for investment in associates	-0.2	-1.8	1.6	-89%
Capital Expenditure	-19.5	-19.0	-0.5	3%
Net cash flow before Financing	97.2	54.4	42.8	79%
Issue of new shares net of transaction costs	0.0	249.0		
Proceeds from exercise of share options	0.4	0.6	-0.2	-33%
Payments for Treasury Shares	-9.5	-17.9	8.4	-47%
Proceeds from Borrowings	56.7	14.0	42.7	305%
Repayment from Borrowings	-61.6	-14.0	-47.6	340%
Repayment of lease liabilities	-17.4	-15.5	-1.9	N/A
Dividend Payments	-64.3	-19.1	-45.2	237%
Effect of FX on cash holdings in foreign currency	-1.7	-0.5	-1.2	240%
Net Cash Flow	-0.2	251.0	-251.2	-100%

- GOCF** of \$131m reflects 129% conversion from reported EBITDA
- Capital expenditure was steady on FY20 levels with a reduction in spend on Student Placement offices, CD IELTS and English Language schools offset by increased investment on strategic initiatives such as the modernisation of the IELTS technology platform and the ongoing digital transformation of student placement.
- The reduction in working capital as at 30 June 2021 reflects increased business activity relative to last year with higher accounts payable and accruals balances driven primarily by IELTS.

* During the year, the Group revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements, in particular AASB 138 Intangible Assets. Historical financial information has been restated to account for the impact of the change.

** Gross Operating Cash Flow (GOCF) calculated as Operating Cash Flow less Net Interest less Income Tax paid

