

ASX announcement
3 June 2025

IDP Market and Trading Update

IDP Education Limited (ASX: IEL) provides the following market and trading update.

IDP's key destination markets continue to be impacted by policy uncertainty, which is negatively impacting the size of the international student market globally.

- **UK: heightened uncertainty following release of Immigration Policy White Paper, with further restrictions on student immigration expected**
- **Australia / Canada: restrictive policies remain post-election; further policy changes pending**
- **Canada: student demand continues to decline sharply due to ongoing policy volatility**
- **US: international student environment increasingly negative**

This continued uncertainty has impacted IDP student enrolment pipeline size and conversion rates in the important May and June pipeline build given the timing of the fall intake in the UK, Canada and the US, as well as the second semester intake in Australia.

In FY25, IDP's Student Placement volumes are now expected to decrease by c. 28% - 30%, and IDP's Language Testing volumes are now expected to decrease by c. 18% - 20% compared to FY24. The impact on revenue will be partially mitigated by continued strong average fee growth.

IDP now estimates that Adjusted FY25 EBIT¹ for FY25 will be in the range of \$115m - \$125m. The business has continued cost control initiatives since the half year, with Adjusted Overhead Costs² for H2 FY25 now expected to be approximately 5% below H2 FY24, despite IDP's negative operating leverage.

With policy uncertainty expected to continue into FY26 as well as the anticipated impact of FY25 enrolment pipeline on FY26 volumes, the business is completing a detailed review of longer-term cost, productivity, investment and commercial levers. An update on this work will be provided at the FY25 results announcement in August 2025.

IDP remains confident in the long-term growth drivers for the industry and is well placed to navigate the current challenging market conditions:

- **IDP is a market leader with global scale and unique offering**
- **Disciplined approach to costs aligned to short-term market conditions, with strategic long-term cost review underway**
- **Focused investment in quality and innovation to ensure IDP is well-placed to grow market share and position strongly for when market conditions improve**
- **Robust balance sheet with a strong cash position**

¹ Adjusted EBIT excludes acquired intangible amortisation, M&A related costs, unrealised FX Losses, provisions for credit losses and any restructuring charges associated with IDP's cost reduction program.

² Adjusted Overhead costs excludes M&A related costs, unrealised FX Losses, provisions for credit losses and any restructuring charges associated with IDP's cost reduction program.

When IDP reported its H1 FY25 results, it was noted that policy restrictions and uncertainty continued to impact the size of the international student market, and that the required conditions that need to exist for student volumes to improve are policy stability and a more welcoming rhetoric towards international students.

While elections have now been held in all key destination markets, policy uncertainty and negative rhetoric continues, while economic uncertainty has increased, as shown in Appendix 1. The visa data shows that for the first three quarters of FY25 aggregate international student volumes to the key four IDP destinations are down 28% versus the same period last year, with full year volumes expected to continue to deteriorate.

In response to this more challenging operating environment IDP is focused on:

1. Market share:

- IDP expects to continue to gain market share in key markets in Student Placement as the sector increases its focus on quality and IDP's unique services
- As market leader, we will look to leverage opportunities to support clients through changes in conditions in destination markets

2. Cost reduction:

- IDP has strengthened cost reduction actions to adapt expenses to the near-term revenue outlook
- In addition, IDP is completing a detailed review of longer-term cost, productivity, investment and commercial levers. An update on this work will be provided at the FY25 results.

3. Prioritised investment:

- IDP has a focused roadmap of digital and AI enabled product development across Student Placement and Language Testing that will underpin long-term volume and revenue growth, margin expansion and shareholder returns
- The business remains committed to the roadmap but will adjust the pace and scale to market conditions.

IDP remains confident in the long-term structural growth drivers for the international education market. Governments in all key destination countries are currently seeking to temporarily reduce migration levels, and economic and geopolitical uncertainty has increased. Despite this, IDP believes the long-dated structural growth drivers that underpin the economic and social importance of the international education industry, and immigration more broadly, will support the market's sustainable long-term growth trajectory.

With a clear strategy, an experienced global team, and a strong balance sheet, IDP remains well-placed to lead the sector through this period and emerge stronger when conditions improve.

Investor Call

IDP's Chief Executive Officer and Managing Director, Tennealle O'Shannessy, and Chief Financial Officer, Kate Koch, will today host a call to provide commentary on today's market update.

- Date: Tuesday 3 June 2025
- Time: 10.00am (AEST)

- All participants must pre-register for the call via this [link](#)

Detailed financial and operational performance will be provided at the Company's results announcement on 28 August 2025.

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

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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 1 – Summary of Key Regulatory and Economic Developments³

	Australia	UK	Canada	USA
H1 FY25 policy position	- Proposed cap legislation failed to pass - Visa processing rule changes (MD111) aligned to “soft cap” at 80% of proposed caps - Increased visa fees	- Stable policy with government focus on sustainable growth - Graduate Route maintained with restrictions on dependent visas - Positive rhetoric around importance of international students	- Post graduate work rights further restricted - Priority visa processing stream (SDS) removed - CY25 student caps reduced by 10% - Spousal work permits restricted	- No change in policy settings - Visa rejections up significantly - New government with policy plans yet to be articulated
H2 FY25 key policy developments	- Australian federal election held with Labor majority government elected - MD111 implemented, many institutions have reached 80% “soft cap” - Institutions increased review of “Genuine Student” requirements extended offer turnaround times leading to delayed enrolments	- Immigration White Paper released (12 May 2025), recommended: - Increasing salary thresholds - Increasing English language requirements 6% levy on higher education providers for international students - Reduction in Graduate Route from 24 months to 18 months - Tightened visa policies for selected countries	- Canadian federal election held with Liberal minority government elected - Student sentiment and demand reduced significantly in response to impact of restrictive policy settings - Reduced immigration targets for FY25-28	- Increased economic uncertainty including proposed global tariffs announced (2 April 2025) - Increased negative rhetoric towards international students (including Harvard University ban on international students (22 May 2025) and revocation of visas for Chinese students (29 May 2025) - Global pause in new visa appointments announced (27 May 2025)
Upcoming events	- Challenging immigration conditions - Communicated policy intention includes introducing student caps, increased visa fees and onshore agent commission ban	Uncertainty on form and timing of implementation of Immigration White Paper recommendations	- New government policy position not yet announced - New budget delayed, not expected until H1 FY26	Policy and economic uncertainty increasing
FY25 Q3 YTD Visa issuance versus prior period⁴	-10%	-9%	-65%	-27%

³ The information in this Appendix is not intended to be a comprehensive summary of all regulatory or policy announcements.

⁴ Source: *Department of Home Affairs*. Total international student visas issued offshore to the primary applicant up to 31 March 2025.
UK Home Office. Data is for student entry visas issued to main applicants located outside the UK up to 31 March 2025.
IRCC. New study permits issued up to 31 March 2025.
US Department of State. US student visas issued up to 31 March 2025.