

## **IDP EDUCATION LIMITED**

### **ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**Tuesday 24<sup>th</sup> October 2017,**

#### **CHAIRMAN'S ADDRESS**

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Good morning everyone. My name is Peter Polson, Chairman of your company.

Thank you for joining us today for our second Annual General Meeting as a publicly listed company.

Before I hand over to our CEO Andrew Barkla to deliver the review of our 2017 financial year results, I would like to share some comments on behalf of your Board that speak to our vision, our performance and our people.

IDP has been an Australian success story for almost half a century, and this success has certainly continued in FY17.

This year we delivered another record year of revenue and earnings.

More importantly, we took significant steps towards transforming our customers' experience through our digital transformation program. I will talk more on that in a moment.

From a financial perspective, we saw growth in all three of our key business streams of student placement, English language teaching and English language testing. This resulted in total group revenue of \$394.2m, a 9 per cent increase on FY16.

Importantly for you, our shareholders, for the financial year we recorded total net profit after tax of \$41.5m. This strong profitability allowed us to declare total dividends of 12.5 cents per share for the financial year which represented a payout ratio of 75 per cent.

In terms of capital growth our share price has performed strongly during the year with the closing price as at 30 June of \$5.09 representing a 24 per cent increase from the closing price on 30 June 2016.

This combined dividend and capital growth translates into a total shareholder return since the IPO of approximately 100 per cent.

This year, with the mobility of the world's people featuring heavily in domestic and international debates and policy in our key markets, IDP's diversified business model provided a level of resilience for our business, and more importantly, options for our customers.

While macro-economic, political and regulatory drivers were largely favourable for our sector this year, we understand that this can change and we need to be prepared to respond to

market shifts and the expectations of our students. This is where our digital strategy comes into play.

Large-scale organisations around the world are investing in technology to drive innovation in the way they deliver their services.

IDP is also doing this, however what differentiates our digital transformation program is our opportunity to combine almost 50 years of insights with the human-centred advice and genuine compassion of our counselling teams.

By bringing together technology, data and our trusted advice, we will deliver customised, individual support for our students at all stages of their international education journey.

That's the difference. Our transformation is about using technology to make the knowledge and expertise of our people shine.

Your Board of Directors has strongly endorsed this vision and the resulting investment in innovation.

Together we are committed to building the world's leading global platform that supports international students in achieving their learning and career goals.

This strategy aligns with wider industry trends, as consumer expectations and behaviours rapidly evolve.

As an organisation that can borrow from both the maturing online commerce sector, and the rising advancements in EdTech, IDP is well positioned to continue to lead the international education services industry with new delivery models for student placement.

The impetus for this transformation is the need to give our customers more choices.

With a decision and investment as important as international education, it is imperative our customers have access to the information and services they need, at a time and channel that best works for them.

We understand that this level of innovation takes courage, a communal understanding of the end goal and an unrelenting commitment to our customers.

Our CEO, Andrew Barkla, has been instrumental in delivering this new vision and fostering a global team of skilled, insightful and proud people across the world.

On behalf of the Board, I would like to thank Andrew, our global leadership team and our staff around the world for their commitment and hard work.

I would also like to thank my fellow directors, our institutional clients, our customers and you, our shareholders.

What we do at IDP is special. We help young, inspirational people achieve their global goals. The importance of getting our services right is not lost on any of our staff or our Board.

Heading into FY18, we are excited by our opportunity to build out our global platform on the foundations we have laid this year.

Thank you for your support.

I would now like to hand over to Andrew to discuss our operational review.