

# **IDP EDUCATION LIMITED ANNUAL GENERAL MEETING OF SHAREHOLDERS**

## **CEO AND MANAGING DIRECTOR'S ADDRESS BY ANDREW BARKLA**

**TUESDAY 23 OCTOBER**

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Thank you very much, Peter.

It is my pleasure to deliver the operational review for the financial year of 2018.

To begin, I would like to present an overview of our key reportable metrics.

For the 12 months to 30 June 2018, the company delivered total revenue of \$487 million. This represents an increase of 24 per cent compared to FY17.

Earnings before interest, tax, depreciation and amortisation (EBITDA) were \$89 million, which represents growth of 30 per cent compared to FY17.

This growth was seen across student placement, English language testing, English language teaching and our newest business stream, digital marketing and events.

However, as a business centred around delivering trusted advice to help individuals make life-changing decisions, we have two important metrics which have a significant impact on achieving performance goals.

These metrics are:

- Our customer satisfaction ratings
- And the engagement of our people.

I am pleased to advise that this year's customer survey shows almost nine in 10 students would recommend IDP to their family and friends.

Similarly, our global people engagement rating rose to 82 per cent.

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It is this unwavering focus on our customers' needs that is enabling our engaged team to deliver the ambitious, transformative projects Peter mentioned.

Looking at our English language testing business, this was the year we led the global introduction of **IELTS on computer**.

Through close collaboration with our IELTS partners, we are now offering test takers faster results, more test availability and an improved test day experience.

This new option is empowering customers to choose the test format that positions them best for success, and it is already proving popular around the world.

In student placement, we took significant steps towards building our **global platform and the connected community** that is allowing us to build long-term relationships with students throughout their journey.

At the end of the financial year our digital platform was live in four countries – Singapore, Australia, Thailand and Vietnam.

As of today, 20 countries are live on the platform, with the remaining countries on track to be live by the end of the financial year.

This digital platform is linking all our customer touchpoints together, so our teams can deliver timely and personalised support, wherever our students are in the world.

We also increased the services we offer students, and in doing so, have made ourselves more relevant throughout the extended customer journey.

Our new essential services, including health insurance, accommodation and financial products, are demonstrations of this.

In FY18, students took up 9,000 of these services as they settled into life in their new country.

Finally, FY18 saw us welcome **Hotcourses Group as an IDP company**.

Although we acquired Hotcourses Group in 2017, this was the year we began to harness the synergies of our two leading organisations coming together.

With market-leading UK brands such as Whatuni and Complete University Guide in their stable, Hotcourses Group's sites attracted more than 73 million visits in FY18, an increase of almost 10 per cent on the year prior.

This global traffic, combined with the insights from our connected digital platform, are enabling us to build the world's definitive dataset for the international education sector.

This is a significant asset as we develop new products for both our university clients and customers.

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I would like to point out that while we have made great progress in developing our digital capabilities, this has not diminished our physical network. Rather, the two are connected as part of our omni-channel support strategy.

To that end, this year we expanded our IELTS network to include Uzbekistan, Nigeria and Switzerland.

In student placement, we recently announced placement services for the Republic of Ireland, our sixth study destination.

We also expanded our on-shore support offices to New Zealand, providing students a welcome space to gather for advice and support once they start their studies.

I would now like to acknowledge IDP's strongest asset.

None of these achievements I have mentioned would be possible without the commitment and talent of our teams.

With the needs of our customers as our true north, IDP is made up of dynamic, passionate and smart people, who are truly engaged with our vision.

As with any significant organisational transformation, we acknowledged the requirement to develop the skills of our people. Notably, this year we invested significantly in customer experience, marketing and contact centre teams.

To identify and nurture talent from within our business, we introduced a leading Human Capital Management System that includes career progression planning and integrated learning systems. The system is built for mobile, so our people can connect, collaborate and learn across teams, functions and time zones – which is critical in a business whose customers are digital natives and globally mobile.

While the core values that differentiate IDP teams from our competitors remain steadfast, we are now more agile, outward facing and ready to embrace disruption and opportunities as they are presented.

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**So, looking ahead, the future is bright at IDP.**

We have started on a journey to make international education services more accessible and personal for the world's next generation of global learners.

In FY19 we will continue to focus on the roll-out of both computer-delivered IELTS and our global digital platform.

We will also leverage the synergies that come from combining IDP and Hotcourses Group to help our university and college partners achieve their student engagement goals.

When you combine our clear vision with the positive momentum we have gathered, we are well placed to deliver the world's leading platform that connects our customers to lifelong learning and career success.

That is something we can all be very proud of.

To you, our shareholders, and our global team, thank you for your support and for supporting this industry redefining journey.