ASX announcement
20 August 2026

Strong operating execution and transformation progress
FY26 results resilient and in line with guidance

IDP Education Limited (IDP) (ASX: IEL) today announced its results for the 2026 financial year (FY26) and updated the market on progress of its transformation.

FY26 Financial Results

In FY26, international student volumes declined significantly as policy settings continued to reduce global student mobility. IDP maintained its commitment to quality, managing financial performance, reducing cost and progressing the transformation to position IDP for the future.

Market leadership and differentiated quality:

- Ongoing commitment to quality and trust: maintained student NPS[1] above 70, >90% of students surveyed trust or highly trust IDP[2]
- Added to >1,000 partners with 32 new quality education institutions, also 66 value expansions or contract inclusions
- Visa approval rates 7pp above market[3]
- Recognition remaining IELTS' greatest competitive advantage by test takers; IELTS now recognised by >13,500 recognising organisations

Resilient FY26 financial performance:

- Revenue of $795.4 million, down 9%[4] as lower volumes were partly offset by strong yield performance
  - Yield up 11% in Student Placement, up 7% in Language Testing
  - Student Placement volumes declined 27%, Language Testing volumes declined 8%, Language Teaching volumes increased 1%
- Disciplined cost control with direct costs down 8% and adjusted overhead costs[5] down 11%; delivered $32 million net reduction in overhead cost base[6], ahead of $25 million target
- Adjusted earnings before interest and tax (EBIT)[7] of $122.9 million, down 7% (within $120 million - $130 million range provided at H1 FY26 results)

Strong balance sheet, working capital discipline and cash conversion:

- Cash conversion 139%[8], improved 3 percentage points
- Net leverage ratio[9] of 1.0x, down from 1.4x with $341m undrawn facilities
- Share buyback of up to $50m announced

Ongoing transformation and strategic execution

- Disciplined cost control, simplification and strengthened foundations
  - Reduced headcount by approximately 1,250 roles (20%)
  - Rationalised IELTS footprint (~1,500 venues reduced to less than 600); transitioned to third party models
- Reinvested for growth and productivity
  - Delivered ~7% higher conversion with 13-point higher NPS[10] through FastLane

- Maintained gross profit margins in constrained volume environment through reduced cost to serve and productivity
- Expanded and diversified revenue streams
    - Expanded into 13 China IELTS centres
    - Launched new Student Placement destinations in Malaysia and UAE
    - Grew Average Revenue per User +24% for Student Essentials

Transformation progress

In FY26 IDP made strong progress on its multi-year transformation to reduce cost and simplify the business while investing in technology, data and AI to create a more efficient, technology-enabled business.

IDP delivered a $32 million net reduction in the cost base[11], ahead of the $25 million target set. A further $15 million net reduction in the cost base has been identified for delivery in FY27, weighted to the second half. Simplification of the operating model and systems and processes is also progressing well.

In the next phase of the transformation, IDP is continuing to invest in the quality of Student Placement advice and AI empowered counsellors, supported by richer student profiles and proprietary outcome data. This is giving more students confidence in their match and lifting conversion, while delivering higher value, pre-qualified students to university partners. IDP's ERP-led modernised core systems will improve productivity, flexibility and lower cost to serve, while providing the foundation for new revenue streams.

Commenting on the announcement, Tennealle O'Shannessy, IDP Chief Executive Officer and Managing Director, said:

"Our focus this year has been to manage financial performance whilst progressing the multi-year transformation program to reduce cost, simplify the business and position for future growth. The team has executed well in a dynamic operating environment with a focus on profitable revenue, and an ongoing commitment to quality and yield.

"Our working capital discipline and focus on cash generation has supported balance sheet deleverage as well as ongoing investment and active capital management.

"Our market-leading position, trusted brands, longstanding university partnerships and proprietary data position IDP strongly for the future. As universities place increasing importance on student quality, compliance and enrolment certainty, and students rely more on trusted advice to navigate an increasingly complex international education landscape, IDP's trusted role continues to grow. This positions us to deepen our relationships with students and university partners, capture more value across the student placement journey, and drive sustainable growth through a higher-quality, more resilient earnings profile."

FY27 outlook

IDP's focus is on continuing to manage financial performance whilst delivering on our transformation priorities to position the business for the future.

IDP expects Adjusted EBIT[12] of $95 million - $115 million.

Underlying assumptions:

- Planning for market volumes[13] down 20% - 30% versus FY26

- IDP expects revenue outperformance driven by a focus on profitable growth and average yield improvements
  - Student Placement and English Language Testing yields to grow at mid-single digit percentages
- Transformation to deliver $15 million net reduction in overhead cost base

Net leverage ratio is expected to remain at or below 1.5x throughout FY27.

Working capital discipline and capital management

A significant area of focus in FY26 has been on improving working capital and cash generation and reducing leverage. Cash conversion was 139%, combined contract assets and trade receivables reduced 56% and the net leverage ratio reduced from 1.4x to 1.0x. This has provided opportunity for continued investment in the business as well as active capital management. In June the Board of Directors announced a share buy-back program of up to $50 million of issued capital, reflecting confidence in IDP's transformation strategy and intrinsic value. The buy-back reflects an efficient use of capital and an opportunity to enhance shareholder returns whilst maintaining the Board of Directors' commitment to having a strong balance sheet.

In line with the capital management framework, the Board of Directors declared a final dividend of 6 cents per share (unfranked) taking full-year declared dividends to 9 cents per share (partly franked). The final dividend will be paid on 24 September 2026 with a record date of 10 September 2026.

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

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About IDP Education

IDP is a global leader in international student placement and a proud co-owner of the world's most popular high-stakes English language test, IELTS. We specialise in combining human expertise with digital technology to help people get accepted into their ideal course, take an English language test or learn English in our schools. Our teams work side-by-side with our customers through every step, from course search to starting their dream course or career.

We partner with more than 1,000 quality universities and institutions across Australia, Canada, Ireland, New Zealand, the UK and the USA. Our data insights are relied upon by organisations around the world to help ensure policies are informed by the diverse needs, challenges and motivations of students.

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.

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[1] Student Placement Net Promoter Score as recorded by IDP's Student NPS Program July 2025 to June 2026, n=24,569.
[2] Student Placement trust survey as part of IDP's Student NPS Program July 2025 to June 2026, n=24,569.
[3] Calculated as the percentage point difference in approval rate for IDP students vs market, covering Australia, the UK and Canada.
[4] Financial numbers in this announcement are disclosed on a constant currency basis. Results relate to FY26, compared to the prior corresponding period.
[5] Adjusted to exclude specific credit loss provision for customers in countries subject to foreign exchange control, costs associated with customer remediation, costs associated with restructuring, unrealised and/or volatile FX impact, merger, acquisition and integration expenses.
[6] Net reduction in cost base represents savings net of budgeted annual cost inflation related to staff cost and currency.
[7] On an unadjusted basis EBIT was down 42% to $61.8 million.
[8] Cash conversion calculated as Gross Operating Cash Flow (GOCF) divided by Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA). GOCF calculated as Operating Cash Flow less Net Interest less Income Tax paid.
[9] Borrower Group Net Leverage Ratio divides borrower group net debt as at 30 June 2026 by pre-AASB16 reported EBITDA for the twelve months to 30 June 2026 plus add back of Transformation Costs.
[10] NPS compared to NPS for all students surveyed for the IDP NPS in FY26.
[11] Net reduction in cost base represents savings net of budgeted annual cost inflation related to staff cost and currency.
[12] EBIT (Adjusted) excludes acquired intangible asset amortisation, M&A related expenses, unrealised FX losses / gains, credit loss provision for customers in countries subject to foreign exchange controls and costs associated with business restructuring.
[13] Market volumes are the total number of new international students commencing study in IDP's six key destination markets. Based on no further change in key immigration and visa policy settings.