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Market Update
Australian Securities Exchange
20 Bridge St
Sydney NSW 2000

Freedom Insurance Announces Improved Sales Performance – Upgrades FY17 Forecast

Following its successful listing on 1 December 2016, Freedom Insurance Group Limited (ASX: FIG) is pleased to provide an update on sales and the forecast for the current financial year (FY17).

The company has experienced continued strong sales performance driven by leveraging a decline in average lead generation costs in the initial months of the FY17 financial year. Following a review of the unaudited management accounts to 30 November 2016 completed today, the Board believes this sales performance will result in the company's FY17 full year financial results exceeding its prospectus forecast.

The revised FY17 full year Pro-forma and Statutory forecasts are set out below:

	Prospectus forecast (\$m)		Revised forecast (\$m)	
Sales ⁽¹⁾	49.2		55.1	
	Pro-forma FY17 ⁽³⁾	Statutory FY17	Pro-forma FY17 ⁽³⁾	Statutory FY17
Net Revenue	42.0	42.0	46.2	46.2
Operating costs	29.3	29.3	29.3	29.3
EBITDA	12.7	9.6	16.9	13.8
NPAT	8.4	6.2	11.4	9.3
Cash EBITDA ⁽²⁾	1.8	(1.3)	6.1	3.0

(1) Sales is the New Business Annual Premium Income being the total annualised premium for all new policies issued in the relevant period.

(2) Cash EBITDA shows EBITDA less the non-cash items (trail asset movement and clawback provision movement), as defined in the Prospectus dated 28 October 2016.

(3) The FY17 Pro-forma forecast presents Freedom's expected financial results on an ongoing operating basis. This is compared with the Statutory forecast which also allows for one-off IPO related costs.

The company achieved a reduction in its average lead generation costs in the financial year to date reflecting heightened competitive pressures amongst some of the company's lead generation suppliers, compared to its last six years of operation. The lower average cost-per-lead enabled the company to obtain a higher volume of leads, from within its existing budget, during the first five months of the year.

The higher forecast FY17 Net Revenue is driven by the company experiencing higher sales for the direct channel as a result of the greater volume of leads sourced. By maintaining total operating expenses in line with the prospectus forecast, the revised forecast improvement in Net Revenue is expected to directly lead to an increase in FY17 EBITDA. This has led to a similar increase in the forecast Cash EBITDA.

While reducing the costs of lead generation is a core competency, the company believes that average costs-per-lead will revert to levels broadly in line with previous expectations in the second half of the year.

The company will provide a further update regarding its operating performance at its Half Year financial results announcement in late February 2017.

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About Freedom Insurance

The Freedom Insurance Group is an Australian-based insurance business established in 2009 that specialises in the development, distribution and administration of risk life insurance products. Freedom focuses on developing and distributing straightforward life insurance products that are simple to understand and convenient for customers.

With the exception of risk underwriting, Freedom is involved in all aspects of the life insurance value chain: product design & manufacture; marketing & lead generation; distribution; and policy administration. Freedom Insurance Group listed on the ASX in December 2016 with the code FIG.