

Investor Briefing

H1 FY17 Results

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20 FEBRUARY 2017

1. H1 FY17 Snapshot

2. The Numbers

3. Business Update

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LiFE

ADMIN

STORE

Open
24/7

H1 FY17 snapshot – a period of strong growth (vs H1 FY16)

- Operating cash flow the standout at \$9.8m vs previous outflow of \$5.7m
- Revenue up 18 % to \$78.0m
- EBIT of \$2.8m vs previous loss of \$6.9m
- Health segment revenue up 13 %
- Energy and Telecommunications a standout segment – revenue up 39 %
- NPAT of \$2.6m vs previous loss of \$4.2m
- Interim dividend of 1.5cps fully franked up 50 %

H1 FY2017 snapshot – growth across all key business drivers

UNIQUE VISITORS

↑ 300k
— TO —
4.5m

SALES UNITS

↑ 29 %
— TO —
212k

CUSTOMER LEADS

↑ 18 %
— TO —
2.0m

EBIT
↑ up \$9.8m
to \$2.8m

CONVERSION
rates up at
10.4 %

REVENUE/SALE
decreased by 5 % to
\$408

REVENUE
↑ 18 %
to \$78.0m



Broadband



Car



Credit
Cards



Energy



Health



Home &
Contents



Home
Loans



Life



Mobile
Phones



Travel
Insurance

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*All metrics exclude Money business and financial figures shown are on a reporting basis.

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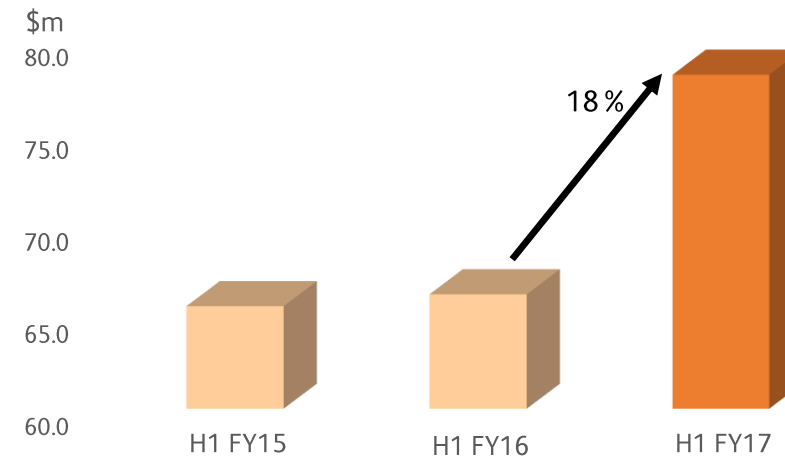


Strong growth across all key financial metrics

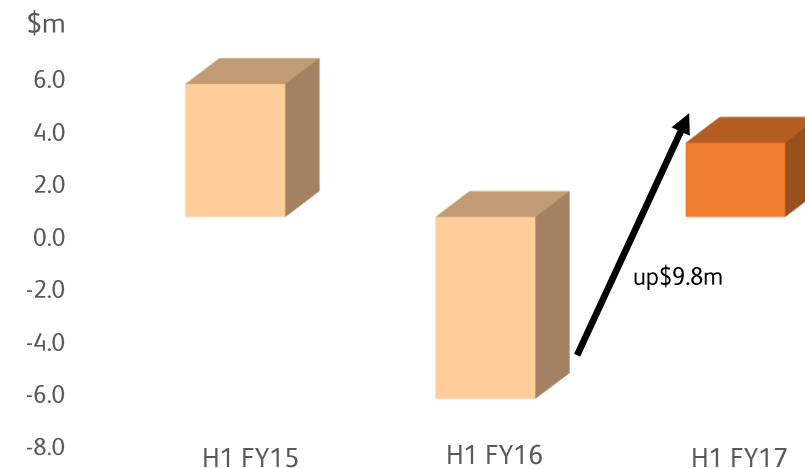
INCOME STATEMENT \$M	REPORTED		
	H1 FY17	H1 FY16	Change
REVENUE	78.0	66.2	18 %
EBITDA	5.9	(3.6)	+\$9.5m
EBIT	2.8	(6.9)	+\$9.8m
NPAT	2.6	(4.2)	+\$6.7m
EPS (cents per share)	1.1	(1.6)	2.7cps

- Strong revenue growth, particularly from Energy & Telco
- EBIT improved by \$9.8m, reflects Health return to H1 profitability and growth in Energy & Telco
- Cost management and focus on efficiencies continues
- Marketing investment driving top-line growth

Revenue



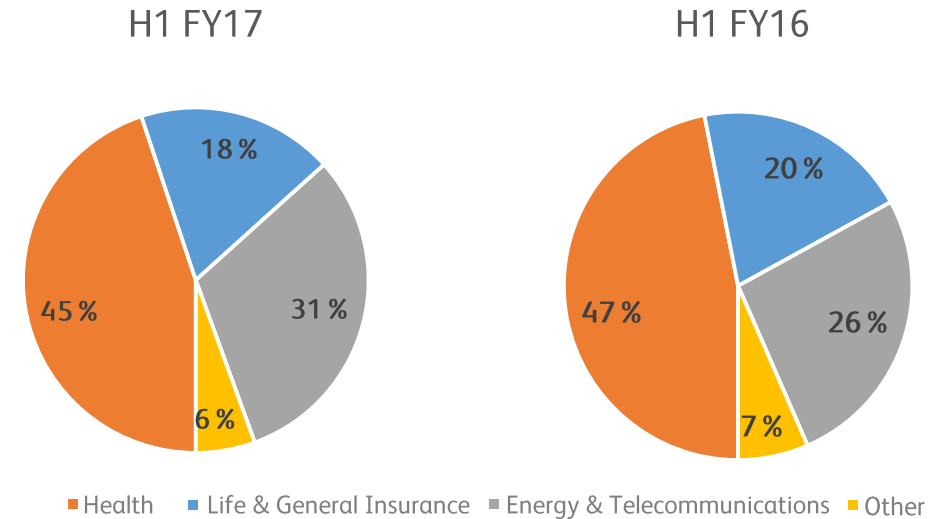
EBIT



Increased diversification of Group revenue

SEGMENT REVENUE - REPORTED (\$m)

Segment	H1 FY17	H1 FY16	Change
Health	35.0	31.1	13 %
Energy & Telecommunications	24.3	17.5	39 %
Life & General Insurance	14.4	13.3	8 %
Other	4.3	4.3	0 %
TOTAL	78.0	66.2	18 %

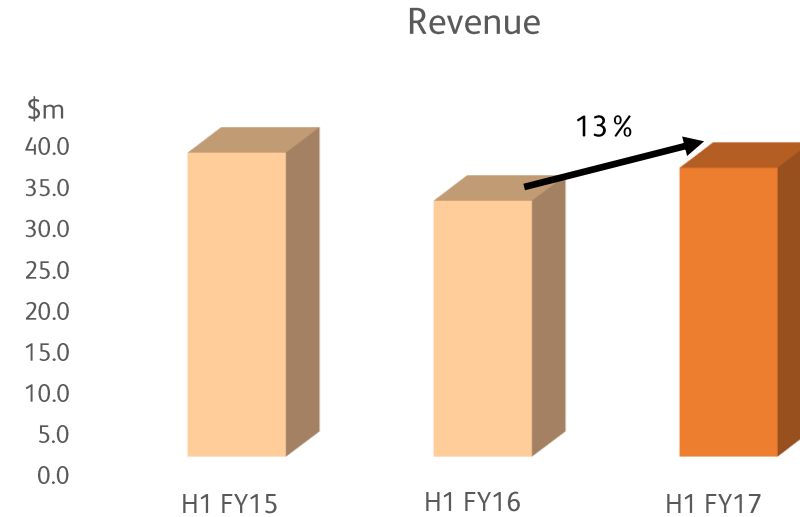


- Energy & Telco mix now 31 % (vs 26 % in H1 FY16)
- Increased diversification with 55 % of revenue from verticals other than Health (vs 53 % in H1 FY16)
- Upfront revenue now 87 % of total revenue (vs 78 % in H1 FY16)

Health segment shows strong results

REPORTED (\$m)

Health	H1 FY17	H1 FY16	Change
Revenue	35.0	31.1	13 %
EBITDA	5.2	(2.0)	+\$7.2m
Customer Leads (000s)	465	507	(8 %)
Sales Units (000s)	44	43	2 %
RPS \$	939	804	17 %
Conversion	9.5 %	8.5 %	1.0 pp

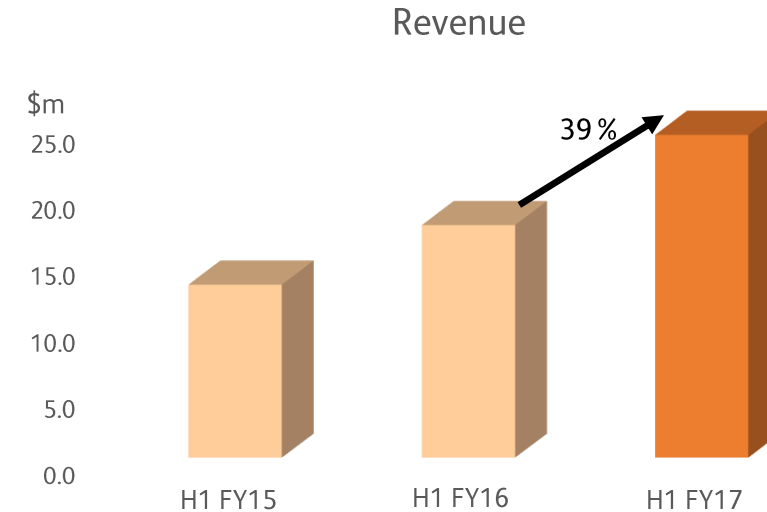


- Strong revenue improvement in first half performance up 13 % on H1's previous corresponding period
- EBITDA first half turnaround demonstrates successful focus on contact centre operations and marketing efficiencies
- Growth in RPS as a result of continued focus on customer needs
- **Health Cover Check Up** marketing campaign success – strategic investment targeting H1 revenue balancing
- Customer leads down due to softer external market, offset by higher conversion and RPS

Energy & Telecommunications - ongoing growth engine

REPORTED (\$m)

Energy and Telecommunications	H1 FY17	H1 FY16	Change
Revenue	24.3	17.5	39 %
EBITDA	1.4	0.4	260 %
Customer Leads (000s)	1,135	774	47 %
Sales Units (000s)	139	98	41 %
RPS \$	206	202	2 %
Conversion	12.3 %	12.7 %	(0.4 pp)



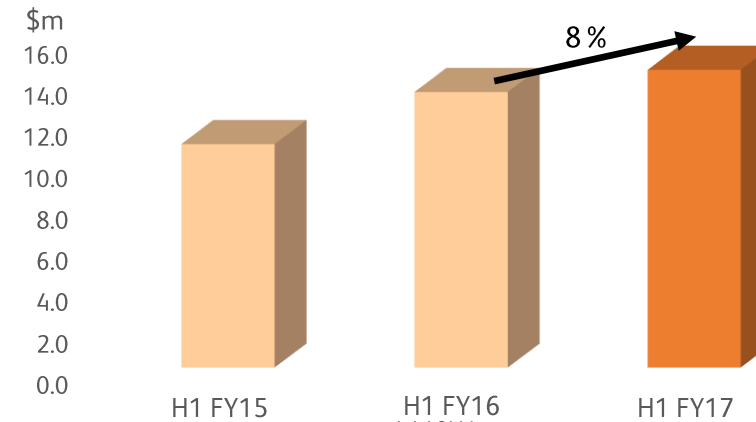
- Significant revenue growth up 39 % versus H1 FY16
- Strong customer lead performance up 47 % as a result of increased marketing investments
- Continued investment in headcount to capitalise on customer lead growth
- Steady RPS growth across the segment
- Continued growth expected in expanding market
- Conversion outcome reflects change in product mix

Life & General Insurance – continued growth

REPORTED (\$m)

Life and General Insurance	H1 FY17	H1 FY16	Change
Revenue	14.4	13.3	8 %
EBITDA	2.5	3.4	(26 %)
Customer Leads (000s)	347	360	(4 %)
Sales Units (000s)	28	22	30 %
RPS \$	486	611	(20 %)
Conversion	8.1 %	6.0 %	2.1pp

Revenue



- Revenue growth up 8 % on previous corresponding period, driven by conversion improvements
- Life margins compressed due to industry pressures and increasing investments in marketing and people
- Strong policy growth in general insurance
- RPS reduction reflects increasing contribution from Car
- Zurich joining Car Insurance panel

Strong balance sheet provides flexibility for growth options

31 DECEMBER 2016 BALANCE SHEET - REPORTED

\$m	31Dec'16	30June'16
Cash	73.2	87.6
Receivables	26.6	43.9
Trail commission receivable	101.7	103.7
Other	64.9	63.3
Total assets	266.4	298.5
Total liabilities	48.2	63.9
Net assets	218.2	234.6

CASH FLOW STATEMENT - REPORTED

\$m, HY - 31 DECEMBER 2016	H1 FY17	H1 FY16
Operating Cash flow	9.8	(5.7)
Capital Expenditure	(4.2)	(2.9)
Free Cash	5.6	(8.6)
Investing/Financing cash flow	(20.0)	40.6
Net movement in cash	(14.4)	32.0
Cash at beginning	87.6	70.5
Cash at end	73.2	102.5

- Strong cash balance at \$73.2m
 - Reduction in receivables as a result of renewed focus on working capital management
 - Reduction in trail commission receivable as a result of growth in upfront revenue businesses
 - Net assets reduced by \$16.5m, primarily due to the share buy back
-
- Operating cash flow improvement of \$15.6m vs H1 FY16
 - Strong operating cashflow and free cash balances from improved trading performance and focus on cash collections
 - Increase in capital expenditure as a result of investments made in Sales Force and Aspect projects
 - Financing outflow as a result of continued share buy back and dividend payments in H1 (totalling \$20.0m)

Continued capital management program

- On-market Buy-back continuing
 - 9.0 million shares bought back in H1 FY17 (\$16.4m)
 - Total of 32.0 million shares bought back since commencing buyback (\$38.8m)
- Interim FY17 **fully franked** dividend of 1.5 CPS – \$3.4 m (est.)
 - Record date: 27th February 2017
 - Dividend payment date: 24th March 2017

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Corporate Strategy

Vision

Australia's Life Admin Store™

Corporate Strategy

Diversify

Efficient
Market
Place

Customer
First

Employer
of Choice

Platforms
and Tech

Initiatives

- Increase New Verticals
- Develop Leadership and Capability
- Diversify Customer Lead Sources
- Reduce Cost to Serve
- Expand Lifetime Value of Customer
- Investment in Best-in-class Platforms and Technologies

Levers & Tactics

Cost
Efficiency

Strategic
Partnerships

Organic
Growth

Inorganic
Growth

Increasing
Shareholder
Value

Delivering on strategy

Key Strategic Initiatives

Corporate Strategy

DIVERSIFY



Initiatives & Outcomes

- Non-health segments growing
- Launched new verticals – Travel Insurance, Credit Cards, Mobiles

EFFICIENT
MARKET
PLACE



- Expanded the iSelect market place – new partners & brands added
- iConnect rollout to marketing and commercial partnerships

CUSTOMER
FIRST



- Launched new contact centre in South Africa – expanding contact hours for customers
- Continued investment in brand, website functionality and product offering

EMPLOYER
OF CHOICE



- iSelect Academy – continued investment in learning and development

PLATFORMS
& TECH



- Salesforce CRM and Aspect customer experience platform rollout on track
- Expansion of the proprietary iConnect platform

Efficient Marketplace – 9 new Partners/Brands join iSelect in H1 FY17



Health



Energy



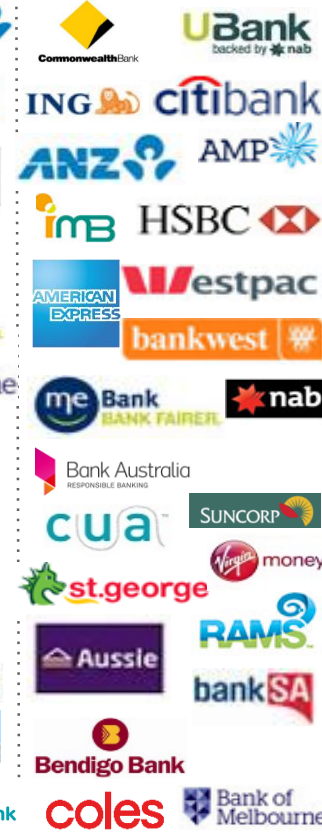
Life



Home Loans



Money



General Insurance



Telco & Entertainment

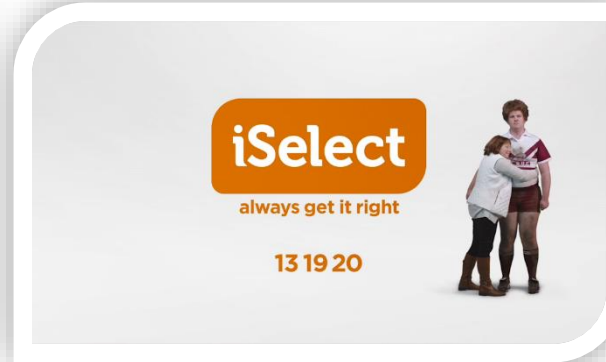
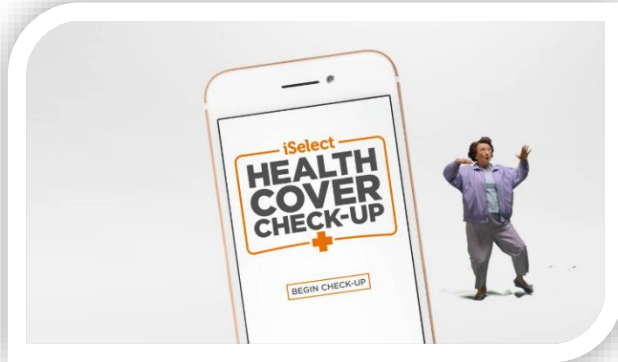


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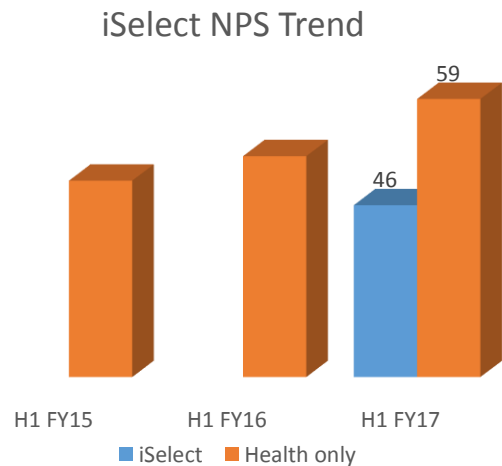
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Customer First – Brand and Marketing

Health Cover Check Up



iSelect Net Promoter score

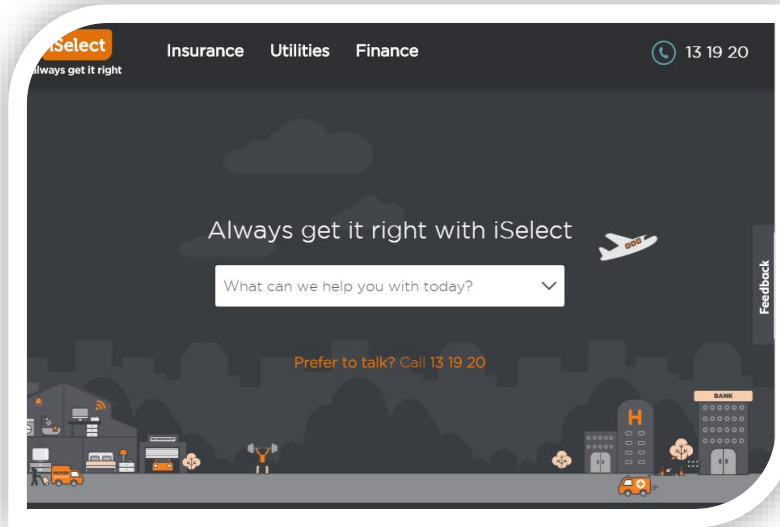


MFC Sponsorship



Customer First – Creating an effortless experience

New public-facing website



Global Top Level Domains Launched

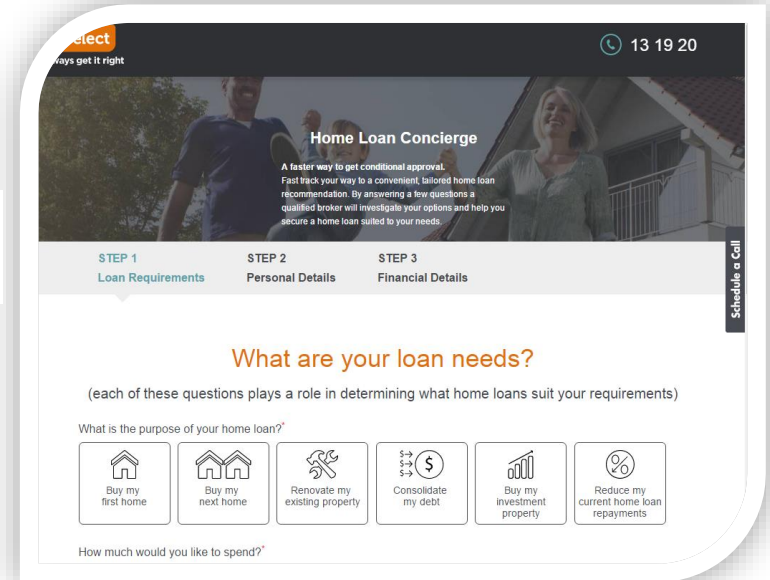
Global brand TLD “.iselect” as top level domain

- Allows customer-friendly domain names such as www.health.iselect; www.life.iselect
- Intuitive and direct navigation to iSelect product sites, mobile friendly
- Assists the journey towards a truly effortless customer experience

New products for customers



Home Loans Concierge



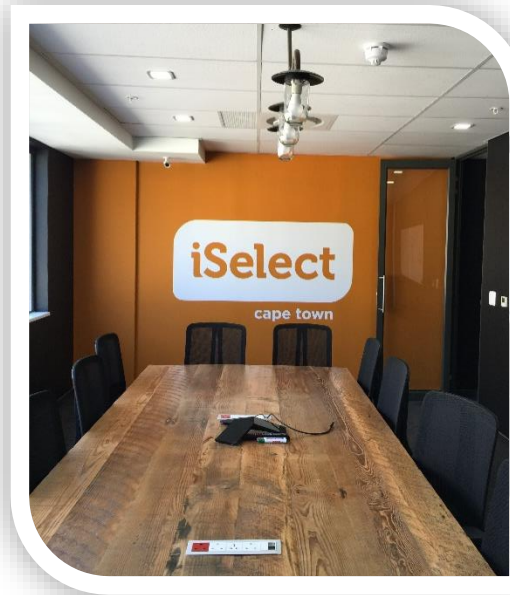
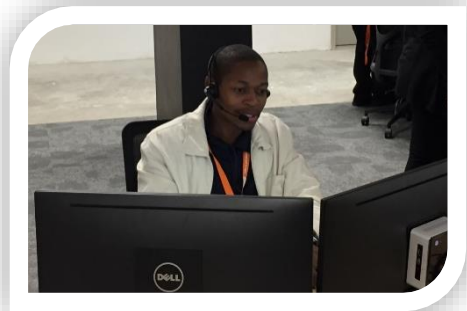
Home Loans Concierge launched

- Assists customers throughout their home loan journey
- Multiple banks on board – first in Australia
- Fully paperless digitised home loan approvals
 - Conditional approval in three hours
 - Removes up to 46 pages of documentation

Customer First – extending trading hours

New Contact Centre launched in South Africa

- Third iSelect contact centre based in Cape Town
- Will further enhance Australian customer experience with extended servicing hours
- Operating across Broadband, Car, Energy and Health verticals
- Structured as a long-term partnership with 3rd party provider – Merchants, South Africa (Dimension Data)
- Business continuity and cost efficiency benefits expected in FY18 & beyond



Platforms & Tech – iConnect rollout and expansion



Expansion of proprietary iConnect platform

- Two new iConnect modules developed for Marketing and Commercial partnerships
- iConnect now deployed to EnergyWatch and Mover segments

Proprietary iConnect platform leveraging
our big data

Platforms & Tech – Aspect & Salesforce rollout

[n=1]. Any channel, any device...



Generating strong operating cashflows, reaffirming EBIT guidance

H1 FY17: DELIVERING ON STRATEGY

- Strong growth across all key financial metrics
- Energy & Telco growth a standout – growth trajectory to continue
- 1.5cps fully franked interim dividend

H2 FY17: POSITIVE OUTLOOK FOR CONTINUED GROWTH

- Further expansion of iSelect marketplace – new partners, brands, verticals
- Further business investment – technology and marketing
- Balance sheet strength allows flexibility for growth options
- Continued growth expected in operating cash flow
- FY17 EBIT expected at upper end of \$21m - \$24m guidance range

Questions

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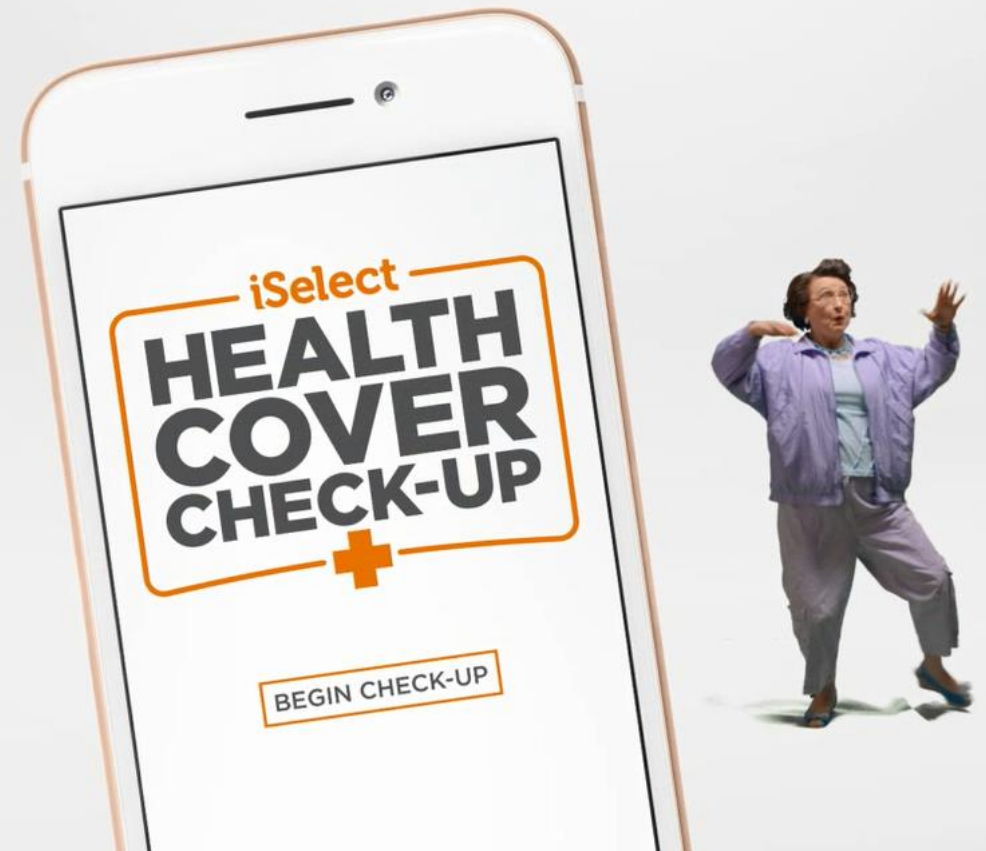
STORE

Open
24/7

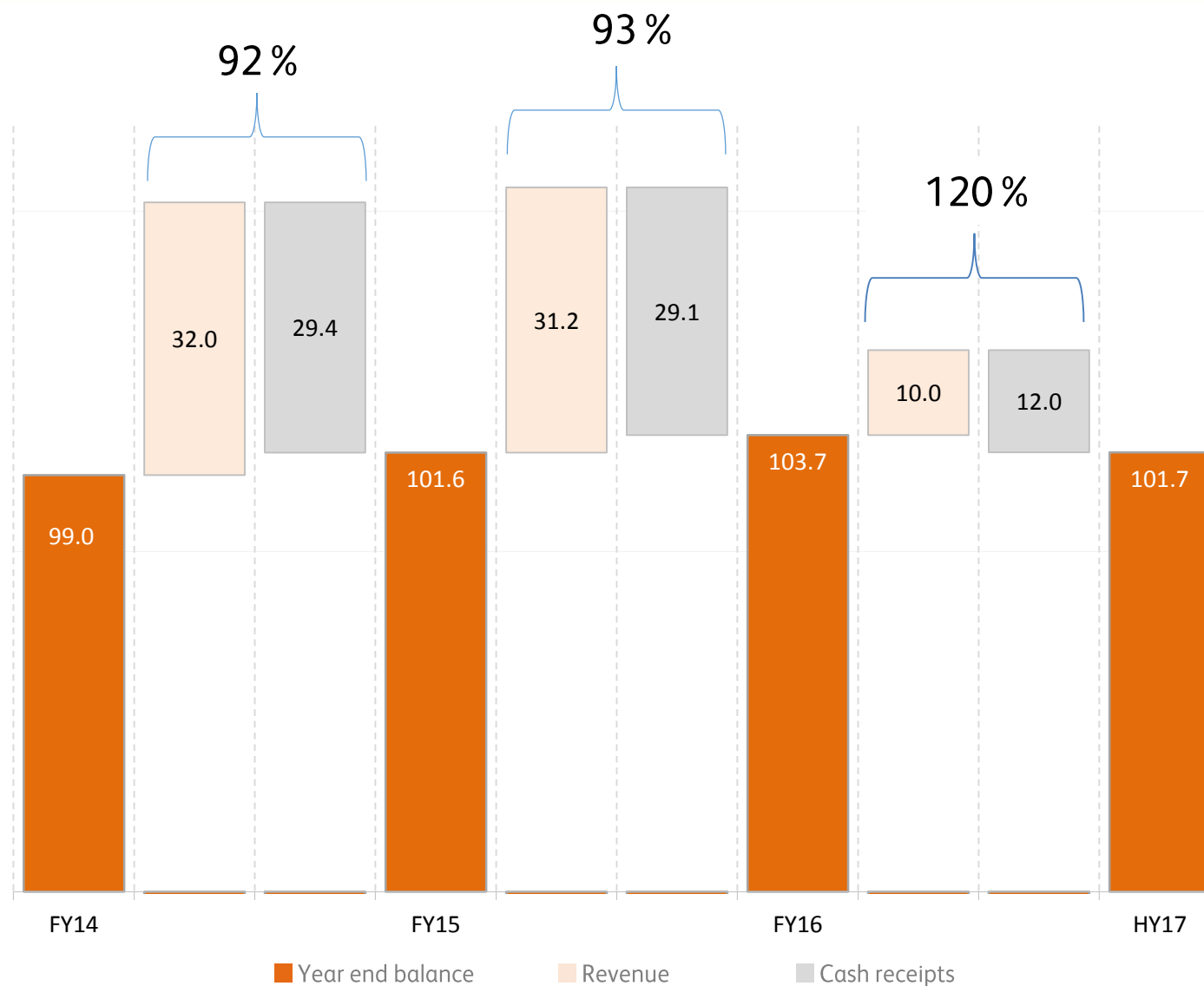
Appendix

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Trail book progression over time



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