

## **ASX / Media Release**

26 August 2015

Company Announcements  
Australian Securities Exchange  
20 Bridge Street  
Sydney

### **ECHOICE POSTS POSITIVE FY15 CASH EARNINGS IN YEAR OF MAJOR TRANSFORMATION**

eChoice Limited (ASX: ECO) today reported positive cash earnings for the financial year ending 30 June 2015, in a transformative 12 months that has seen the company appoint a new CEO, change its name to eChoice, and adopt a growth strategy focused on industry innovation and partnerships.

eChoice recorded cash operating EBITDA of \$9.8 million in FY15, in line with guidance. The company recorded a statutory net loss after tax of \$21.1 million, primarily due to the previously announced decision to reduce the value of intangibles on the balance sheet, which reflects the implementation of the new growth strategy now driving the eChoice business.

In the second half of FY15, eChoice made significant progress in its strategy to become the preferred distributor of financial products and services to brokers, consumers and partners. The strategy capitalises on eChoice's competitive advantage in technology, people and process to drive revenues, improve operating efficiency and grow shareholder returns.

As part of the new strategy, shareholders approved the change in name to eChoice in March 2015, reflecting the importance of digital marketing, distribution and business lead generation to the company's core business.

eChoice CEO Peter Andronicos said the financial results should be seen in the context of setting the business on a new growth path and the significant investment associated with this. The new strategy required a considered re-evaluation of resource allocation and the value of certain assets.

"This past year has been about transformation and renewal," Mr Andronicos said.

"We have removed obstacles to growth and put in place a strategy that more effectively capitalises on our competitive advantages by recognising where opportunities are strongest for generating shareholder returns. In particular, this strategy supports our focus on continued growth in the aggregation space."

### Key features of the FY15 results

- Cash operating EBITDA<sup>1</sup> \$9.8 million, in line with guidance; down 12.7% from FY14
- Revenue \$67.8 million, down 13.7% from FY14
- Settlement volumes similar to the prior year at \$3.0 billion; loan book declined to \$17.3 billion
- Net debt \$54.4 million, down \$1.9 million from the prior year
- Net loss after tax \$1.0 million (excluding \$20.1 million impairment), compared to loss of \$1.8 million in FY14
- Reduction in operating costs \$2.1 million compared to FY14

The company's strategy to become a dominant player in digital marketing and lead generation is enabling greater focus on the sale of mortgages and other financial products and services through eChoice's growing broker networks. This was evident in the shift of revenue mix toward aggregation.

Revenue from lead generation, sales of ancillary products, and other sources increased 43.5% to \$1.8 million on the prior year, including an increase in lead generation income of 23.1%. This reflects early successes in the roll-out of new business strategies and partnerships. Aggregation and direct settlements grew by an average of 11.0% month-on-month since the adoption of the new company name and business strategy in March 2015.

Mr Andronicos said the supply and sale of an expanding suite of financial products through brokers, using eChoice's expertise in digital marketing and sales, was an integral part of the company's future.

"We are now well positioned to aggressively grow our aggregation business while at the same time leverage our extensive industry expertise and specialist in-house talent in the digital space so that we become the dominant player in online mortgages and related financial services," he said.

"The launch earlier this month of firsthomebuyers.com.au through our now established partnership with Fairfax's Domain.com.au is another important milestone in that strategy."

Other strategic milestones during FY15 were:

- Change in the company name to eChoice in March 2015 to leverage the brand's 15-year history
- Board renewal and the restructuring of senior management
- Providing financial flexibility to deliver on strategies by extending the senior debt facility
- Cementing new alliance partnerships with product providers in specialist financing and insurance
- Support initiatives for our broker network such as the Concierge service and the Broker Academy
- Recruiting specialist industry professionals to drive key business divisions

Mr Andronicos said early results from the new strategy, such as the recent growth in settlements, were encouraging. "Momentum has been building across the key pillars of the business, which we are confident will ultimately drive improving revenue and profitability," he said.

For further information please contact:

**Dustine Pang**

Deputy CEO, CFO and Company Secretary

---

<sup>1</sup> Cash operating EBITDA represents operating Earnings Before Interest, Tax, Depreciation and Amortisation, adjusted for abnormal items including write-back for deferred consideration, share-based payments, acquisition costs and restructuring and the movement in the NPV net asset.