FY13 Results
Investor Presentation

29 August 2013

iSelect.com.au

Important Notice and Disclaimer

This document is a presentation of general background information about iSelect's activities current at the date of the presentation, 29 August 2013. It is information in a summary form and does not purport to be complete. It is to be read in conjunction with the iSelect Limited full year results filed with the Australian Securities Exchange on 29 August 2013.

It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

Forward looking statements

This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, which may cause actual results to differ materially from those expressed or implied in such statements.

There can be no assurance that actual outcomes will not differ materially from these statements. Further information on important factors that could cause actual results to differ materially from those projected in such statements is contained in iSelect's Annual Financial Report.

Non-IFRS information

Throughout this presentation, iSelect has included certain non-IFRS financial information. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. iSelect uses these measures to assess the performance of the business and believes that information is useful to investors. EBITDA, EBIT, Operating Cash Conversion and Revenue per Sale (RPS) have not been audited or reviewed. For a reconciliation of IFRS compliant profit for the period, refer to slide 15 of this presentation.

Today's Agenda

FY13 in Review	Matt McCann, Chief Executive Officer
Financial Information	David Chalmers, Chief Financial Officer
Trading Update and Outlook	Matt McCann, Chief Executive Officer

FY13 in Review

Matt McCann
Chief Executive Officer

iSelect is a leading online-driven comparison service that compares insurance, household utilities and financial products

iSelect
The home of comparison

Health | Life | Car | Home Loans | Broadband | Energy | InfoChoice.com.au Money

Free comparison offering driven by consumer needs

- ✓ **Free** for consumers
- ✓ **Easy to use** and purchase from
- ✓ **Range of products** across multiple product markets

Attractive and cost effective acquisition source

- ✓ **Products from 120+** product providers
- ✓ **Strong lead generation** capabilities

3.3 million leads
in FY13 (ex. Money)

↓

Over 200,000 sales transactions
(ex. Money)

Supported by unique and sophisticated technology platform

- ✓ **Proprietary algorithms**
- ✓ **iConnect** provides intelligent consultant and consumer matching

Pleasing result versus prospectus earnings forecast
with newer businesses outperforming expectations

- Sales volumes in line with expectations
- Revenue below prospectus forecast, mainly driven by decline in average price of policies sold in Health in 2H
- EBITDA ahead of prospectus forecast
  - FY13 EBITDA (excluding IPO costs) of $26.5m ahead of forecast $26.0m
  - Strong contribution from Household Utilities and Financial (HU&F) segment
- Operating cash conversion of 17 %, in line with prospectus forecast[3]
- As outlined in the prospectus, we are continuing to pursue a number of growth strategies, therefore no FY13 dividend will be paid

Group Financial Highlights

$m 30 June FYE	**FY13** Actual	**FY13** Prospectus	**Change** (%)
Sales volume[1] ('000)	201.0	201.4	(0.2 %)
Revenue	118.0	121.6	(2.9 %)
Gross profit	56.9	59.8	(4.9 %)
NPAT	13.4	13.4	(0.4 %)
Basic EPS (c)	6.6	n/a	n/a
NPAT (ex IPO costs)[2]	14.4	14.5	(0.8 %)
EPS (ex IPO costs)[2] (c)	7.1	n/a	n/a
EBITDA	25.0	24.9	0.3 %
EBITDA (ex IPO costs)[2]	26.5	26.0	1.7 %
Operating cash conv'n[3]	17 %	17 %	(0.6 %)

1. Excluding the Money business unit to enable comparison to iSelect's prospectus. Including Money, volumes were ahead of expectations in FY13
2. FY13 results contain $1.5m in expensed IPO costs ($1.0m net of tax). The prospectus forecast included $1.1m of expensed IPO costs. Refer to slide 15 for a full reconciliation
3. Operating cash conversion is defined as operating cash flow divided by EBITDA

Revenue diversification continues with a strong performance from our newer businesses in FY13

- Sales volume up 19 %[1] with strong contribution from HU&F segment
- Revenue increased 5.5 %, with sales volume growth offset by 12.1 % decline in group average RPS
  - Contribution of higher volume / lower value per sale businesses (e.g. Energy)
  - 2H decline in Health RPS in FY13
- Excluding IPO costs, EBITDA margin increased to 22.4 % (FY12: 21.5 %)
  - Turnaround in HU&F profitability
- Operating cash flow improvement due to change in provider mix and contribution from new businesses (upfront fees)
- Strong balance sheet to provide flexibility to fund growth

Group Financial Highlights

$m 30 June FYE	FY13 Actual	FY12 Actual	Change (%)
Sales volume[1] ('000)	201.0	169.1	18.9 %
Revenue	118.0	111.9	5.5 %
Gross profit	56.9	55.0	3.5 %
NPAT	13.4	12.9	3.4 %
Basic EPS (c)	6.6	7.8	(15.4 %)
NPAT (ex IPO costs)[2]	14.4	n/a	n/a
EPS (ex IPO costs)[2] (c)	7.1	n/a	n/a
EBITDA[2]	25.0	24.1	3.8 %
EBITDA (ex IPO costs)[2]	26.5	n/a	n/a
Operating cash conv'n[3]	17 %	(2 %)	n/a
Net (debt) cash	85.3	(15.0)	n/a

1. Excluding Money to enable comparison to iSelect's prospectus
2. FY13 results contain $1.5m in expensed IPO costs ($1.0m net of tax). The prospectus forecast included $1.1m of expensed IPO costs. Refer to slide 15 for a full reconciliation
3. Operating cash conversion is defined as operating cash flow divided by EBITDA

Conditions in the private health insurance (PHI) market
have been challenging in light of recent regulatory changes

- Fundamentals of PHI industry remain strong – positive trends in membership
- Several announced regulatory changes affecting PHI
  - Means-testing of the 30 % Australian Government rebate
  - Changes to the Medicare Levy Surcharge
  - Removal of the rebate on Lifetime Health Cover loading
- Record year for sales volume in Health for iSelect, despite challenging conditions in 1H
- Sales volume performance in 2H was broadly in line with expectations
- Partially offset by a year on year decline in average RPS due to sales mix shift toward lower priced policies
  - Consumers are purchasing lower priced products: many more lower priced products now in the market
  - Increase in proportion of Singles (vs. Couples and Families) policies sold in FY13 vs. FY12
  - Majority of sales continue to be in the 'New to PHI' segment rather than 'Switch'

Dynamics across our other underlying markets are varied, with increasing competition amongst providers a key theme

Car Insurance	New insurers are emerging, providing alternatives to 'traditional' brands
Life Insurance	Competition for distribution amongst the major insurers continues
Energy	Incentives for consumers to seek a better deal with price rises above CPI
Money	Shift toward credit products from savings products in low interest rate climate
Home Loans	Low interest rates starting to stir the housing market

Earnings diversification continues with a strong contribution from the Household Utilities and Financial segment

Health and Car Insurance – solid performance despite challenging 2H dynamics in Health

- Revenue and EBITDA impacted by Health performance in the second half
- Underlying financial sales volumes in Health up approximately 5 % YoY
- YoY improvement in underlying profitability in Car
- FY12 result included several (previously disclosed) non-recurring items[1]

$m	FY13A	FY13P	Δ	FY12A	Δ
Revenue	93.1	97.3	(4 %)	98.0	(5 %)
EBITDA	36.5	37.3	(2 %)	40.4	(10 %)
Margin	39.2 %	38.4 %	2 %	41.3 %	(5 %)

Household Utilities and Financial – providing strong platform for growth in FY14

- Strong contribution from all business units
- Demonstrates transferability of iSelect business model into new markets
- First full year contribution from Energy and Money
- Substantial outperformance of prospectus forecast EBITDA: margin improvement in Life and Money

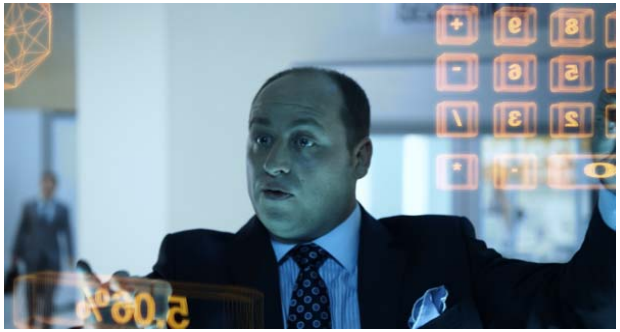
$m	FY13A	FY13P	Δ	FY12A	Δ
Revenue	24.9	24.3	3 %	13.9	79 %
EBITDA	3.1	0.8	279 %	(5.6)	n.m
Margin	12.3 %	3.3 %	269 %	n.m	n.m

1. FY12 Revenue and EBITDA include one-off impact of the change in revenue estimation in Health (+$4.2m) and a one-off decrement of expected future cash flows of $3.4m relating to one of iSelect's car insurance product providers

Note: Segment results exclude unallocated overheads (FY13: $13.1m (ex. IPO costs) or $14.6m (inc. $1.5m IPO costs), FY13 Prospectus: $12.1m, FY12: $10.8m)

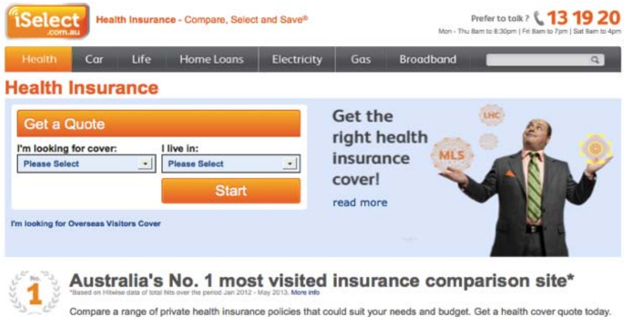
Creating an exceptional end-to-end customer experience
remains a key focus for iSelect

Engaging creative platform consolidates brand position



- Successful creative platform refresh in FY13
- Strong brand awareness, particularly in Health

Exceptional integrated online experience



- Continual enhancements to web experience
- Mobile and tablet-specific enhancements are a key opportunity moving forward

Strong consumer to consultant experience

- iConnect platform continues to drive conversion in H&C
- Rollout continues across other business units

FY13 Performance Highlights

Key Performance Drivers – iSelect Group (ex Money)

Leads ('000s)

	FY12A	FY13A	FY13P
Leads	2,945	**3,317**	3,306

- 12.6 % YoY lead growth
- FY13A in line with prospectus forecast

- Lead volumes driven by brand and organic search positions
- Over 60 % of FY13 web visits came direct to website or from organic search

Conversion (%)

	FY12A	FY13A	FY13P
Conv'n	5.7 %	**6.1%**	6.1 %

- 5.5 % YoY uplift in conversion rate
- FY13A in line with prospectus forecast

- Conversion improvement has continued with the continued rollout of iConnect platform
- HU&F segment converting above expectations

Sales ('000s)

	FY12A	FY13A	FY13P
Sales	169	**201**	201

- 18.9 % YoY sales volume growth
- FY13A in line with prospectus forecast

- Record year, driven by growth in lead generation and conversion ratio, as well as full year Energy contribution
- Significant growth in HU&F sales volumes YoY
- Underlying financial sales in Health up ~5 % YoY

Revenue Per Sale (RPS - $)

	FY12A	FY13A	FY13P
RPS	$642	**$564**	$581

- 12.1 % YoY decrease in RPS
- FY13A below prospectus forecast: 2H Health

- Contribution from new (typically higher volume, lower RPS) businesses is increasing, lowering average RPS across the group
- RPS trends in business units are generally positive
- Health impacted by product mix shift in 2H FY13

Note: All key performance metrics above exclude the Money business unit, which runs a lead generation business model whereby consumers are able to click-through to product providers via third party affiliate arrangements which do not register as a visit to the InfoChoice website. As a result, the click-through is recorded without registering a corresponding lead. Therefore lead and conversion metrics are not meaningful for the Money business unit

Financial Information

David Chalmers
Chief Financial Officer

Pleasing result versus prospectus forecast
with strong contribution from new businesses

Income Statement $m, 30 June FYE	FY13 Actual	FY13 Prospectus	Change (%)
Upfront fee revenue	74.8	73.8	1.4%
Trail commission revenue	43.2	47.8	(9.5%)
Revenue	**118.0**	**121.6**	**(2.9%)**
Gross profit	**56.9**	**59.8**	**(4.9%)**
Margin (%)	*48.2%*	*49.2%*	*(2.0%)*
EBITDA	**25.0**	**24.9**	**0.3%**
Margin (%)	*21.2%*	*20.5%*	*3.3%*
EBIT	**19.9**	**20.0**	**(0.9%)**
Margin (%)	*16.8%*	*16.5%*	*2.1%*
Net interest	(1.7)	(1.3)	28.9%
Income tax expense	(4.8)	(5.3)	(9.6%)
NPAT	**13.4**	**13.4**	**(0.4%)**
Margin (%)	*11.3%*	*11.0%*	*2.6%*
Reported EPS (c)	**6.6**	**n/a**	**n/a**
Results excluding IPO costs[1]			
EBITDA	**26.5**	**26.0**	**1.7%**
NPAT	**14.4**	**14.5**	**(0.8%)**
EPS	**7.1**	**n/a**	**n/a**

Comments

- Revenue result impacted by adverse product sales mix shift in Health in 2H
- Earnings broadly in line with prospectus forecast
- On a like-for-like basis (excluding IPO costs), EBITDA was ahead of prospectus forecast
  - Strong contribution from HU&F partially offset impact of sales mix shift in Health
  - Focus on overhead cost control

1. FY13 results contain $1.5m in expensed IPO costs ($1.0m net of tax). The prospectus forecast included $1.1m of expensed IPO costs. Refer to slide 15 for a full reconciliation

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Growth from new businesses has also been a key driver of year-on-year revenue and EBITDA growth

Income Statement $m, 30 June FYE	**FY13** Actual	**FY12** Actual	**Change** (%)
Upfront fee revenue	74.8	57.3	30.5%
Trail commission revenue	43.2	54.6	(20.9%)
Revenue	**118.0**	**111.9**	**5.5%**
Gross profit	**56.9**	**55.0**	**3.5%**
Margin (%)	*48.2%*	*49.1%*	*(1.9%)*
EBITDA	**25.0**	**24.1**	**3.8%**
Margin (%)	*21.2%*	*21.5%*	*(1.5%)*
EBIT	**19.9**	**20.0**	**(0.9%)**
Margin (%)	*16.8%*	*17.9%*	*(6.0%)*
Net interest	(1.7)	(0.9)	89.7%
Income tax expense	(4.8)	(6.2)	(22.8%)
NPAT	**13.4**	**12.9**	**3.4%**
Margin (%)	*11.3%*	*11.6%*	*(1.9%)*
Reported EPS (c)	**6.6**	**7.8**	**(15.4%)**
Results excluding IPO costs[1]			
EBITDA	**26.5**	**n/a**	**n/a**
NPAT	**14.4**	**n/a**	**n/a**
EPS	**7.1**	**n/a**	**n/a**

Comments

- Revenue up 5.5%, with a significantly higher proportion of upfront fee revenue vs. FY12
- Strong year on year growth in HU&F
  - Revenue up 79% YoY to $24.9m
  - $8.6m improvement in EBITDA, mainly driven by strong growth in Life and Energy
- Overheads broadly flat YoY

1. FY13 results contain $1.5m in expensed IPO costs ($1.0m net of tax). The prospectus forecast included $1.1m of expensed IPO costs. Refer to slide 15 for a full reconciliation

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Income statement reconciliation
Prospectus guidance vs. reported result

- The following table details adjustments made to the reported results for FY13 to reflect the guidance provided in the prospectus. Our 'headline' prospectus earnings guidance excluded expensed IPO costs

$m 30 June FYE	FY13 Reported vs. Guidance Basis			FY13 Prospectus			
	FY13 Actual (inc. IPO costs) (A)	FY13 IPO Cost Adjustments (B)	FY13 Guidance Basis (Adjusted) (A) + (B)	FY13 Prospectus (inc IPO costs)[2] (C)	FY13 IPO Cost Adjustments (D)	FY13 Prospectus (ex IPO costs)[1] (C) + (D)	FY12 Reported / Guidance Basis
Operating revenue	118.0	-	118.0	121.6	-	121.6	111.9
Cost of sales	(61.2)	-	(61.2)	(61.8)	-	(61.8)	(57.0)
Gross profit	**56.9**	**-**	**56.9**	**59.8**	**-**	**59.8**	**55.0**
Overheads	(30.4)	-	(30.4)	(33.8)	-	(33.8)	(30.9)
IPO costs	(1.5)	1.5	-	(1.1)	1.1	-	-
EBITDA	**25.0**	**1.5**	**26.5**	**24.9**	**1.1**	**26.0**	**24.1**
D & A	(5.2)	-	(5.2)	(4.9)	-	(4.9)	(4.1)
EBIT	**19.9**	**1.5**	**21.3**	**20.0**	**1.1**	**21.1**	**20.0**
Net finance cost	(1.7)	-	(1.7)	(1.3)	-	(1.3)	(0.9)
PBT	**18.2**	**1.5**	**19.6**	**18.7**	**1.1**	**19.8**	**19.1**
Income tax expense	(4.8)	(0.4)	(5.2)	(5.3)	-	(5.3)	(6.2)
NPAT	**13.4**	**1.0**	**14.4**	**13.4**	**1.1**	**14.5**	**12.9**
Basic EPS (cents)[3]	6.6	0.5	7.1	n/a	n/a	n/a	7.8

1. Refer to page 57 of iSelect's prospectus for the detailed forecast income statement, which excludes any expensed IPO costs
2. Refer to page 60 of iSelect's prospectus for forecast earnings, adjusted for a forecast $1.1m in expensed IPO costs
3. Based on weighted average shares on issue of 201.8m in FY13

Operating cash conversion improved to 17% in FY13,
in line with the prospectus forecast

Statement of Cash Flows $m, 30 June FYE	FY13 Actual	FY13 Prospectus	FY12 Actual
Operating cash flow	**4.2**	**4.2**	**(0.4)**
Capital expenditure	(4.4)	(3.3)	(13.4)
Acquisition of business	-	-	(31.3)
Investing cash flow	**(4.4)**	**(3.3)**	**(44.8)**
Cash flow before financing	**(0.2)**	**0.9**	**(45.1)**
Net interest	(3.4)		(0.6)
Net proceeds from borrowings	(35.0)		35.0
Net proceeds from share issue	119.3		13.2
NIA facility	(15.4)		0.0
Financing cash flow	**65.5**		**47.6**
Net movement in cash	**65.3**		**2.5**
EBITDA	**25.0**	**24.9**	**24.1**
Operating cash conversion	**17%**	**17%**	**(2%)**
Δ in trail commission receivable	(15.5)	(18.6)	(30.0)

Comments

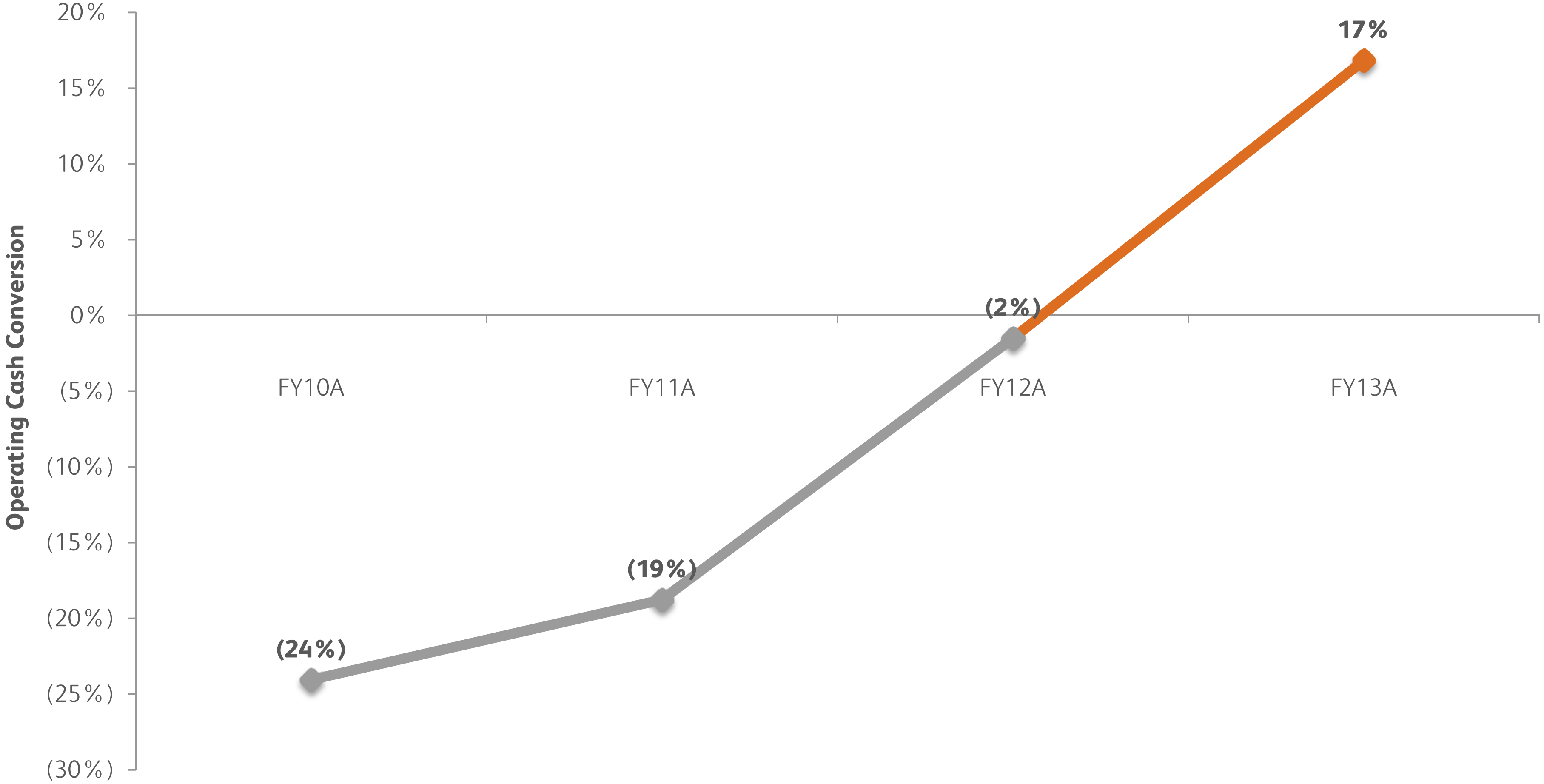
- Significant improvement in operating cash conversion vs. FY12
  - Provider mix shift in Health
  - Contribution from new businesses
- Capex returning to run-rate levels
  - FY12 included $8m investment in new premises[1]
  - Investment in capital software development and technology continues
- Borrowings repaid with IPO proceeds
- $15.4m financing cash flow associated with the NIA facility

Note: Operating cash conversion defined as operating cash flow divided by EBITDA
1. Includes leasehold improvements of $6.6 million and computer and office equipment of $1.4 million

Improvement in cash conversion is expected to continue

as we build scale in newer businesses

Strong improvement in cash conversion versus prior years



Note: Operating cash conversion defined as Operating cash flow divided by EBITDA.

The group is now in a net cash position with financial flexibility to fund growth

Balance Sheet $m, 30 June FYE	**FY13** Actual	**FY12** Actual	**Change** (%)
Cash and cash equivalents	85.3	20.0	326%
Receivables	18.7	15.3	22%
Receivables – trail commission	107.0	91.5	17%
Receivables – NIA	15.4	-	n/a
Property, plant & equipment	7.0	9.4	(26%)
Intangible assets	38.7	37.0	5%
Other assets	2.2	1.2	92%
Total assets	**274.3**	**174.4**	**57%**
Payables	20.2	21.2	(5%)
Provisions	7.2	7.1	2%
Borrowings	-	35.0	(100%)
Net deferred tax liabilities	18.7	17.7	6%
Other liabilities	0.4	0.3	27%
Total liabilities	**46.5**	**81.4**	**(43%)**
Net assets	**227.7**	**93.0**	**145%**
Contributed equity	171.3	49.8	244%
Reserves	6.4	8.0	(19%)
Retained earnings	50.0	35.3	42%
Total equity	**227.7**	**93.0**	**145%**

Key observations

- $85.3m in cash after IPO proceeds and capital raising in October 2012
- Borrowings repaid in June with IPO proceeds
  - Group is now in a net cash position
- Trail receivable at $107m at 30 June, up $15.5m YoY
- IPO proceeds provide financial flexibility to support growth

Trading Update and Outlook

Trading Update
and Outlook

- Pleasing start to FY14 with solid year to date trading
  - Too early to form a view on whether the factors that drove the weakening of 2H FY13 revenue vs. our prospectus forecast will extend into 1H FY14
  - Net impact on overall top-line growth will largely depend on consumer adjustment to the new means-tested PHI landscape in 1H FY14
- We reaffirm our CY13 EBITDA forecast of $30 million (excluding IPO costs)
  - Notwithstanding the uncertainty in the PHI market in 1H FY14, we continue to see strong growth opportunities in newer businesses
  - Ability to manage the business efficiently in response to dynamic external factors
- Operational outlook for FY14
  - iConnect platform expected to continue to drive increase in conversion of leads to sales
  - Increasing traffic from mobiles and tablets present a second sales / channel opportunity
  - We continue to assess strategic growth opportunities

Questions