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Lodgement of Market Briefing

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## Market Briefing

**iSelect CEO on FY2016 results and growth outlook**

**Interview with Scott Wilson (CEO)**

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*In this Market Briefing interview, Scott Wilson, iSelect's CEO, gives an update on the company's FY2016 result and growth outlook, including:*

- *Strong rebound in profit after tax*
- *The implementation of a revitalised operation strategy*
- *The company's vision to become "Australia's Life Admin Store"*
- *Strong balance sheet supporting future capital initiatives*
- *Key strategic priorities for FY17*
- *Outlook for FY2017.*

### Market Briefing

***FY2016 saw iSelect's earnings rebound strongly from FY2015, rising 34%. What were the key drivers of this result?***

**Scott Wilson**

We are very pleased with the strong growth that we have experienced. The successful execution of our growth strategy drove top line revenue, which was up 9% to \$171.9 million. We also achieved our normalised EBIT guidance of \$16.9 million and delivered reported NPAT of \$12.9 million, up 34%.

The business has been completely reset over the last ten months or so, with a highly experienced and entrepreneurial management team now in place, a revised business strategy and operational structure and the launch of the new "Always get it right" brand platform. It was the hard work and dedication of our talented 700+ team, combined with our innovative and resilient business model, that drove growth throughout the business during FY2016.

Our diversification strategy has culminated in the recent successful launch of our new credit card vertical business and the imminent launch of travel insurance and mobile phones. Complimenting this expansion is the continued growth of our energy, telecommunications, life and general insurance businesses which have underpinned the company's stability and built a strong platform for future growth

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***During FY2016 there have been some material changes to the management team, including a new CFO and CMO. There has also been a resetting of the group strategy and the operational structure. How will these changes impact the future prospects for the Group?***

#### Scott Wilson

Our business continues to evolve in a rapidly changing landscape, we are a disrupter in a disruptive industry and must remain nimble enough to adapt to change. We have a great culture and a steadfast vision to become “Australia’s Life Admin Store”.

To execute our transformational strategy, we have appointed some highly experienced and credentialed executives to help steer the business in the direction of continued growth. Specifically, Darryl Inns has been brought on board as Chief Financial Officer and Geraldine Davys has returned to iSelect to take up the role of Chief Marketing Officer.

Since I took over as CEO in October last year, we’ve been focused on stabilisation and now growth. I am confident that we are now on the right path with the right people and right processes in place. I am very excited and believe the future prospects of the business look very bright.

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***The business is continuing to diversify its product offering with the development of new verticals. Can you talk about this in the context of your strategic direction?***

#### Scott Wilson

To truly become “Australia’s Life Admin Store” we need to help our customers take care of all those boring but important financial decisions that are just too easy to keep putting off. Whether it be refinancing your home loan or reviewing your private health insurance, people know they should do it but just don’t get around to it because it’s too hard. We want iSelect to become the ‘one-stop-shop’ to help you get these important decisions sorted, quickly and easily.

The exciting thing about our “Life Admin Store” is it offers an incredible amount of scope to diversify into new verticals. We’ve recently launched Credit Cards and Travel Insurance and Mobile Phones are launching very soon. But there is scope for so many more business offerings. We’re looking at a range of possibilities. Some are obvious – like pet insurance or superannuation – but we’re also looking outside the square. Basically, we’re open to comparing and selling any complex financial product.

Expanding into new verticals also enable us to optimise cross-sell opportunities throughout the business, delivering synergistic benefits and driving further growth.

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***Can you explain the logic and implementation of the “Australia’s Life Admin Store” and how this will ultimately add value to shareholders?***

#### Scott Wilson

People know iSelect as an online comparison website, primarily for health insurance. But we know we are much more than that. Obviously we do much more than just health insurance but we are also much more than just another comparison website. Our highly-trained experts at iSelect HQ help customers to choose and buy from thousands of available policies, products and plans, and most of our sales are done after an in-depth telephone consultation, not online.

So if we aren't just a comparison website, what are we? This question led us to the vision of becoming "Australia's life admin store". Using the word store suggest you can buy (not just compare) and also reminds customers we are more than just a website. And we get that the products we sell aren't exciting. No one compares life insurance for fun. But they are important. And we felt that "Life Admin" captures all those boring but important tasks that it's easy to keep putting off. And crucially, it's a broad category that enables us to grow as we expand into new verticals or life admin categories.

By creating "Australia's Life Admin Store" we will be able to drive our growth and cross-sell strategy, the natural outcome of this will be the creation and enhancement of shareholder value

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***Can you talk about how you enhance your competitive advantage by leveraging your data via iSelect's proprietary iConnect platform?***

### Scott Wilson

For us, creating a competitive advantage is about leveraging the right data and using it to create an enhanced value proposition for our customers. Our business is all about putting the customer first and our iConnect platform has been carefully created to do just that.

Our user friendly website and efficient call centre is the face of iConnect, creating an effortless customer experience from first contact until product purchase and after sales support.

By understanding our customers and creating value-added solutions to their everyday needs, we are able to target the right customers and provide them with the right products. This drives our business by enhancing the customer experience.

We will also shortly be announcing a new customer engagement partner who will build upon our existing iConnect platform to completely revolutionise the way we communicate and engage with our customers, resulting in best-in-class experience.

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***iSelect appears to have a clear focus on growth. Can you articulate the strategic focus for the group and what milestones we should measure success by?***

### Scott Wilson

While our focus is on growth, we are focused on targeted growth rather than growth for growth's sake.

We continue to look for organic growth opportunities which will enhance the customer experience and value proposition, we continue to achieve this through expansion into new markets as well as growing our current verticals in telco and energy. In addition, we will continue to explore targeted inorganic growth options that complement our strategic priorities. By focusing on both these growth opportunities we will be able to drive returns, enhance the customer experience and create shareholder value.

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***The balance sheet ends the period in very good shape with a significant amount of cash, despite the investments made and the ongoing buyback. What are your plans and can you outline your capital management strategy?***

### Scott Wilson

Over the last few years we have continued to manage capital carefully. As part of these actions we have committed surplus funds to buying back shares. We will continue to invest in the business as we execute our strategy – particularly in technology and marketing – and, as mentioned above, explore targeted inorganic growth options.

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***What will be the key priorities and focus for the company over the next 12 months?***

### Scott Wilson

Our focus is on continuing to diversify our product and improve our service offering.

We will continue the current momentum in our Health offering whilst leveraging the ongoing growth in Telco and Energy verticals. This, along with expansion into new markets, will enable the business to truly become “Australia’s Life Admin Store”.

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***In closing what is the outlook for the FY2017?***

### Scott Wilson

We are very excited as we look ahead into FY17. Our relentless focus on delivering excellent customer service, coupled with a robust balance sheet positions us strongly to grow value for our customers and shareholders. Our transformational program and unrivalled product and service offering combined with our continued investment in technology into FY2017, provides us with an exceptional platform from which to grow and attract more customers.

We continue to remain very upbeat about our future outlook and the growth opportunities available to the company. We have a committed team of more than 700 talented individuals, a strong balance sheet and strategic expansion strategy that will continue to deliver value and grow the business.

## Market Briefing

Thank you, Scott.

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