



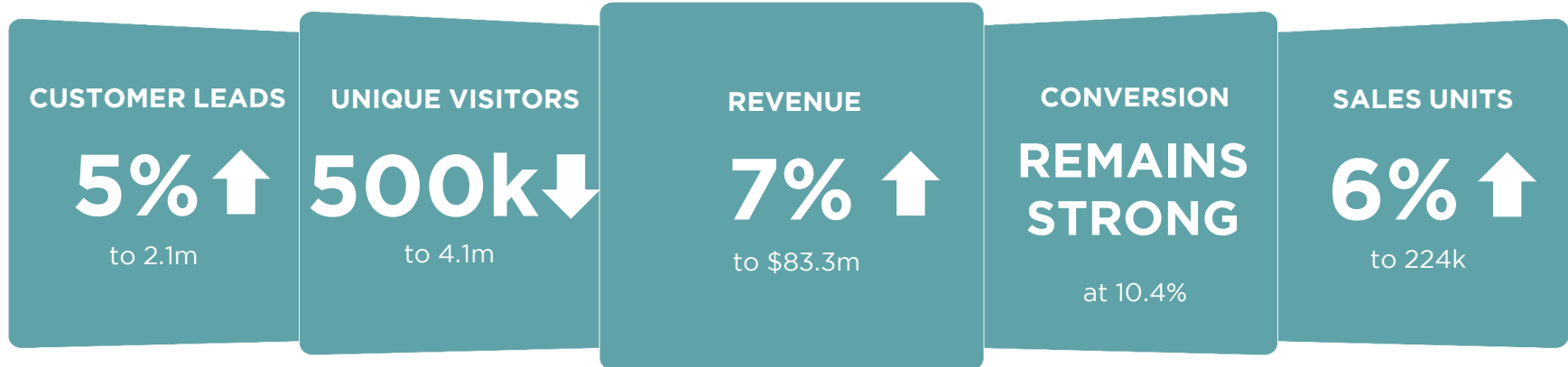
iSelect

H1 FY18 RESULTS

16 February 2018

“Growing revenues underpinned business investment and increased underlying earnings.”

Increased sales units fuelled by growing number of leads



- General Insurance (GI) delivered strong growth from new verticals (Travel, Home & Contents, and Pet)
- Energy market strong given pricing dynamics
- Telco market growth underpinned by NBN rollout

- Marketing investment too focused on digital channel (vs demand creation via traditional channel)
- Health market softened
- InfoChoice declining UVs
- Positive growth in GI

- Strong Revenue growth in Energy & Telco with attractive market growth dynamics set to continue
- Expanding Health Revenue Per Sale (RPS) delivering continued revenue growth
- GI revenue growth from expanding offer

- Energy & Telco underpinned by Cape Town improvements
- Health temporarily suppressed as Cape Town comes on-stream (same experience as Energy & Telco)
- Life market challenges continue to negatively impact

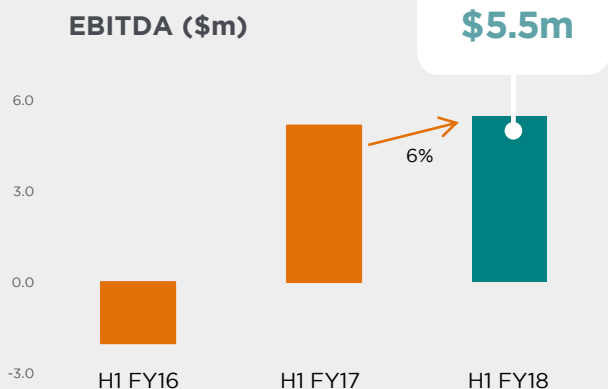
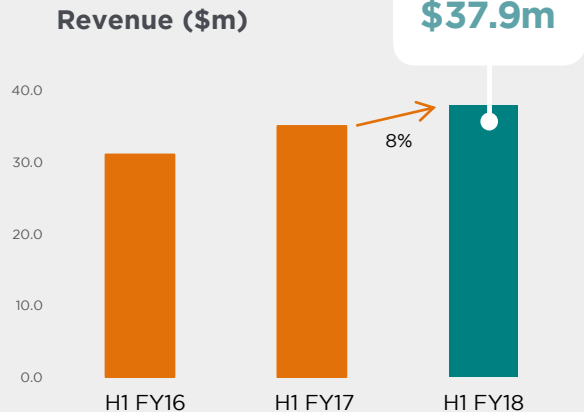
- Strong growth in GI from new verticals
- Continued strong growth in Energy & Telco

Underlying EBIT up 23% to \$3.5m

INCOME STATEMENT	REPORTED		
\$m,	H1 FY18	H1FY17	Change
Revenue	83.3	78.0	7%
Gross Profit	23.3	25.2	(7%)
Overheads	(19.5)	(19.3)	(1%)
EBITDA	3.9	5.9	(34%)
Depn. and Amort.	(3.4)	(2.8)	(18%)
Loss from associates	(0.2)	(0.2)	(1%)
EBIT	0.3	2.8	(89%)
Net interest income	0.3	0.9	(64%)
Income tax (expense)/benefit	(0.1)	(1.1)	(87%)
NPAT	0.5	2.6	(81%)
Underlying EBITDA	7.0	5.9	20%
Underlying EBIT	3.5	2.8	23%

- Revenue up: strong performance in Health and Energy & Telco
- Gross profit down: Connected Home (Nest) losses and increased marketing investment in digital channel
- Overheads stable: business restructuring to yield savings from H2 FY18
- Increased D&A in line with uplift in technology investment
- Interest income down: lower cash balance
- **Underlying earnings continue to grow faster than revenue: scale economies flowing through**
- Underlying earnings: adjusted for \$3.2m of one-off costs
 - Business restructuring and iMoney acquisition costs: \$1.1m
 - Nest loss: \$1.8m
 - iMoney loss since acquisition (1 December 2017): \$0.3m

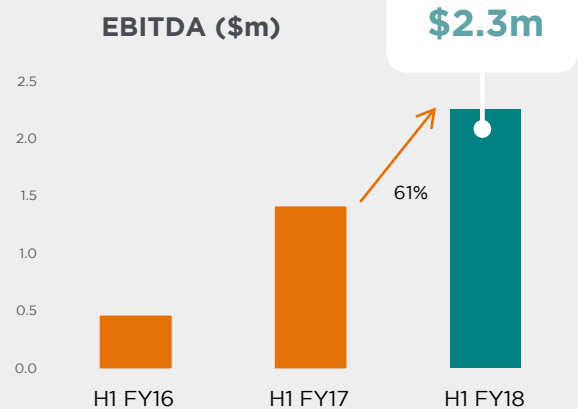
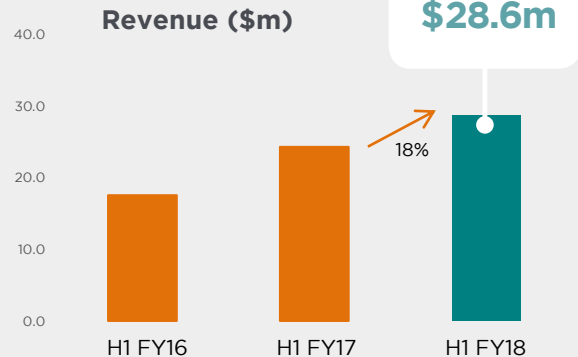
Health – continued growth



UNDERLYING (\$m)

Health	H1 FY18	H1 FY17	Change
Revenue	37.9	35.0	8%
EBITDA	5.5	5.2	6%
Customer Leads (000s)	442	465	(5%)
Sales Units (000s)	40	44	(10%)
RPS \$	1,052	939	12%
Conversion	9.0%	9.5%	(0.5 pp)

- Revenue up: strong performance in RPS despite challenging market
- EBITDA up: slightly less than revenue due to increased marketing investment across competitive landscape
- Customer leads down: decline in market demand, especially “new to category”
- Sales units down: lower customer leads and a move towards a higher mix of combined cover policies
- RPS up: continued focus on targeting “switchers” that typically have a higher Gross Written Premium (GWP)
- Conversion stable: Cape Town capacity building

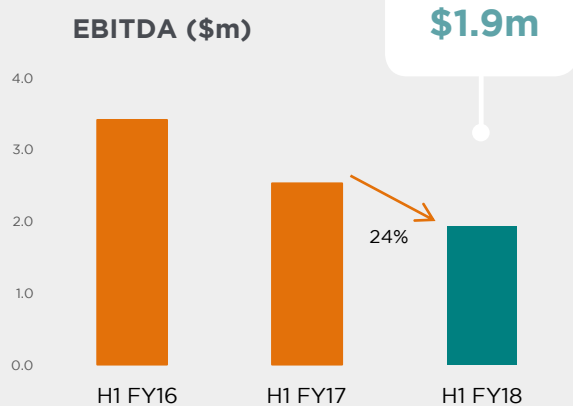
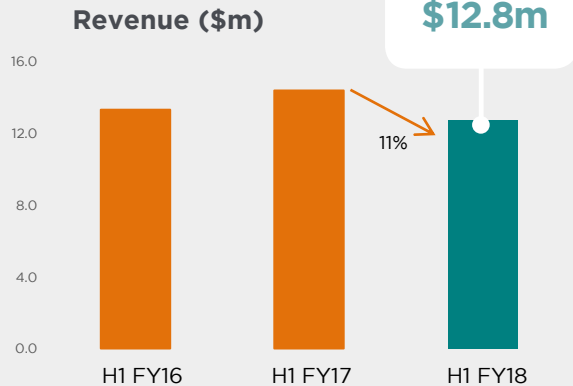


Energy & Telco – strong growth; scale benefits flowing

UNDERLYING (\$m)

Energy and Telecommunications	H1 FY18	H1 FY17	Change
Revenue	28.6	24.3	18%
EBITDA	2.3	1.4	61%
Customer Leads (000s)	1,179	1,135	4%
Sales Units (000s)	150	139	8%
RPS \$	228	206	11%
Conversion	12.7%	12.3%	0.4 pp

- Revenue up: lead growth, improved conversion and growth in RPS
- EBITDA up substantially: scale benefits flowing through
- Customer leads up: increased Energy demand (particularly Energy Watch) and NBN rollout
- Sales units up: increased number of leads and higher conversion (NBN represents 51% of total Broadband sales)
- RPS up: improved partner mix and customer segmentation
- Conversion up: continued focus onshore coupled with Cape Town improvements



Life & GI - underperformed due to challenging market

UNDERLYING (\$m)

Life and General Insurance	H1 FY18	H1 FY17	Change
Revenue	12.8	14.4	(11%)
EBITDA	1.9	2.5	(24%)
Customer Leads (000s)	453	347	31%
Sales Units (000s)	34	28	21%
RPS \$	353	486	(27%)
Conversion	7.5%	8.1%	(0.6pp)

- Revenue down: near-term decline in overall Life market
- Customer and sales leads up: strong performance from GI verticals (Car, Home & Contents, Travel, and Pet)
- RPS down and Conversion down: greater mix of revenue from GI verticals
- Restructured Life business to support higher inflows and increased efficiencies

Strong balance sheet with \$34.2m cash

CASH FLOW STATEMENT - REPORTED

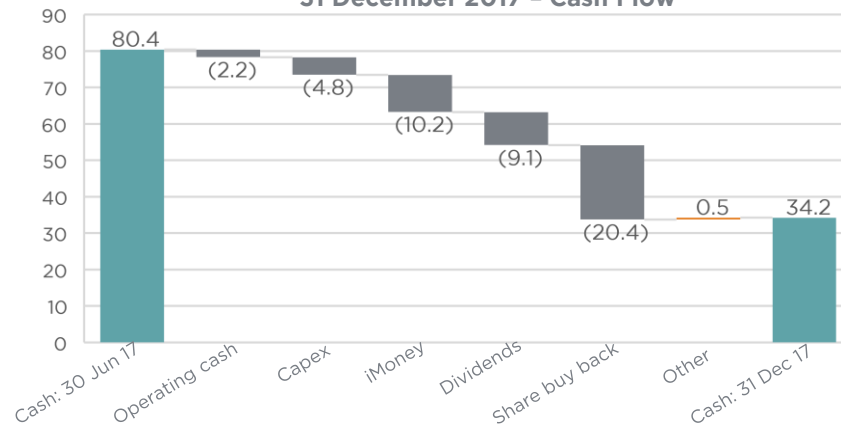
(\$m)	H1 FY18	H1 FY17
Operating Cash flow	(2.2)	9.8
Capital Expenditure	(4.8)	(4.2)
Free Cash	(7.0)	5.6
Investing/Financing cash flow	(39.3)	(20.0)
Net movement in cash	(46.2)	(14.4)
Cash at beginning	80.4	87.6
Cash at end	34.2	73.2

31 DECEMBER 2017 BALANCE SHEET - REPORTED

(\$m)	31 Dec 17	30 Jun 17
Cash	34.2	80.4
Receivables	29.1	34.6
Trail commission receivable	118.5	112.8
Other	81.5	68.2
Total assets	263.3	296.0
Total liabilities	63.9	70.8
Net assets	199.4	225.2

- Historically strong cash generative H2

31 December 2017 - Cash Flow



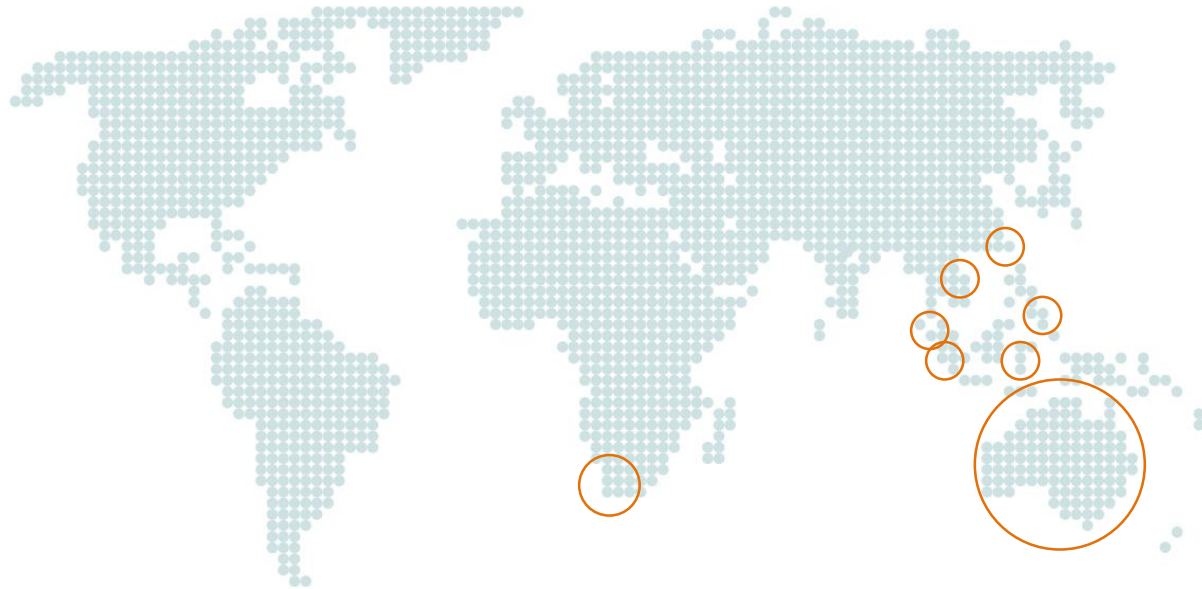
- Operating cashflow: Nest losses; mix changing as more Life trail commissions sold
- Investing / financing cash flow: acquisition of controlling interest in iMoney, business reinvestment, and \$29.5m capital management initiatives
- Capex of \$4.8m relating to technology investments
- Receivables down: cash receipts from seasonal June trading
- Trail book grew: Life business shift to hybrid commission model and provider mix changes

Capital management strategy

- Dividend policy: 50-80% of FY reported NPAT subject to availability of franking credits and reserves
- Interim H1 FY18 fully franked dividend of 1.5 CPS – \$3.2m
 - Record date: 23 February 2018
 - Payment date: 30 March 2018
 - Consistent with H1 FY17 fully franked dividend of 1.5 CPS
- On-market buy-back
 - 12.2m shares bought back (\$20.5m)
 - Total of 46.3m shares bought back since commencing buy-back (\$63.4m)
 - Given attractive organic growth opportunities available (including iMoney), the buy-back has been paused
 - Board remains focused on optimising capital structure while providing flexibility for growth

**“Marketplace growth underpinned by
technology initiatives.”**

iSelect Group



iSelect's marketplace provides a premium mix of partners

INSURANCE



UTILITIES



MONEY



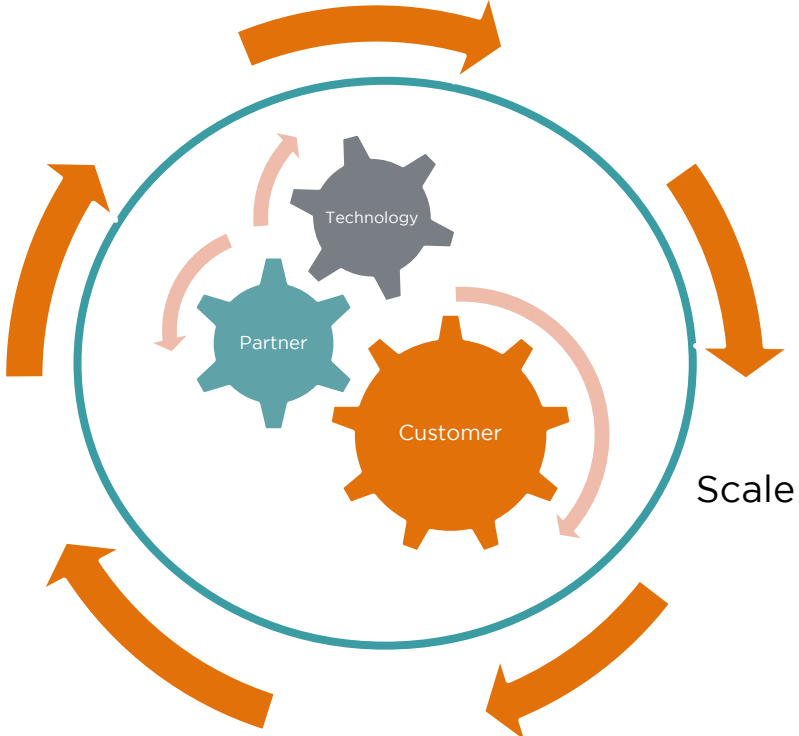
iSelect's marketplace builds itself

Partners

- More providers join as volume grows
- Attractive and cost effective acquisition channel
- Increased number of providers support higher conversion rates

Technology

- Leads prioritised and directed by "Big data" mining key words and user data
- Real-time intelligent matching of customers with consultants via iConnect
- Dynamic / live management of leads to consultant performance



Customers

- Brand awareness delivers lower cost customer leads
- Expanding number of products offerings is increasing the cross sales revenue & products per customer
- Move from transactional to relationship engagement is growing share of wallet

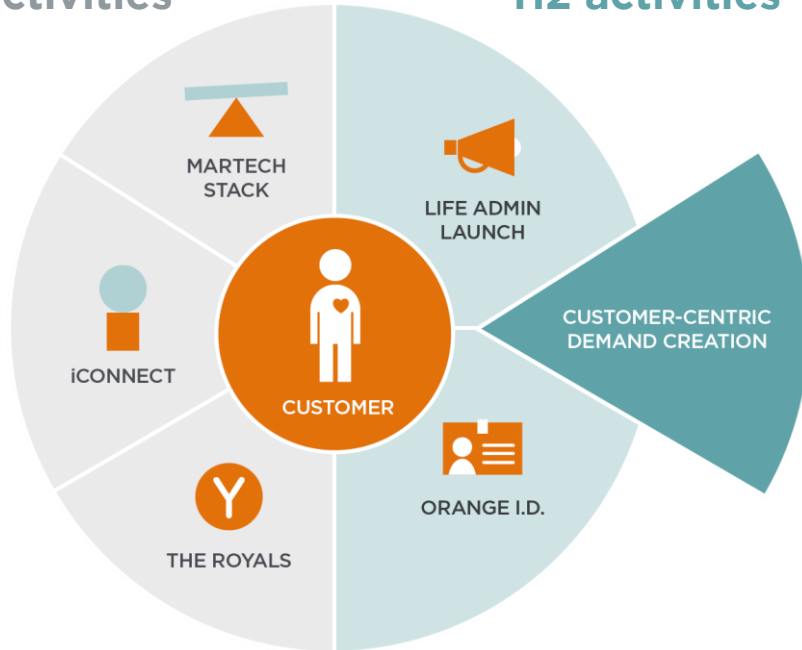
New partners in H1



Resetting marketing approach

H1 activities

H2 activities



- Investment and implementation of a Marketing Technology stack in H1 – enabling customer first marketing solutions and automation at scale
- R&D investment undertaken to develop and deploy iConnect for marketing in H2
- Appointment of new creative agency partner – The Royals
- H2 activities (particularly marketing) will address challenging H1 Health market
- Orange ID to be deployed in H2
 - Enables single customer view across platforms – unlocks ability to view and value customers differently and target marketing investment accordingly, delivering more efficient and effective marketing
- Trusted Life Admin partner launch in H2
 - Reinforces relationship over transactional approach, targeting multiple product occasions

Rapidly evolving competence in machine learning



RAPID PROTOTYPING: CALL CENTRE

- Single isolated models
- Ad-hoc methodology
- Basic algorithms
- Prioritising calls
- Routing calls
- Optimising time to call
- Retention



CONSOLIDATING: WEBSITE

- Service based architecture
- Centralised infrastructure
- Reproducible methodology
- Advanced algorithms
- Embedding into the enterprise tech landscape
- Experience personalisation
- Product recommendations



LEVERAGING: MARKETING

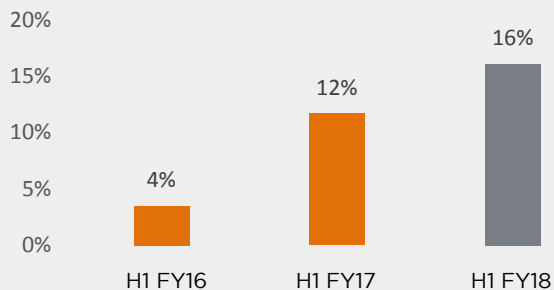
- N=1 targeting
- Integrated with cutting-edge digital attribution systems
- Channel optimisation
- Automated learning
- Lifetime customer value
- Next best action & Cross Sell
- Connecting advertising data



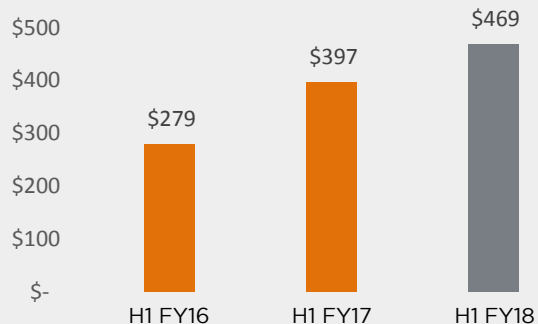
ACCELERATING: PRODUCTS

- Migration to the cloud
- Real-time streaming
- Machine Learning at the edge (closer to the customer's device)
- Machine Learning tightly coupled with User/Customer Experience (UX/CX) design
- Optimising product mix
- Modelling product supply and demand
- Product development

Cross sales revenue % of total group revenue



Average Revenue per cross sale



Move from transactional to relationship engagement is growing share of wallet

- Cross sales revenue % up: continuous focus on cross-sales coaching
 - Cross-sales (hybrid) teams: Movers, Car/Health, Energy/Health, Car/Home & Content
 - Cross-sales ability integration in Sales Force and Aspect
- Operational focus on increasing product sales per customer while further growing RPS

“One easy call” – optimising digital, multi product engagement



Trusted Life Admin partner - first “moment” focused on optimising customer experience at each interaction

- Customer experience: 1x easy phone call... assistance on 7x products
- Higher yield / lower cost of acquisition: scaling sales team increases multi-product sales
- Marketing: delivering increased relevance (next best product), stickiness and lifetime value
- Bundling: optimising iConnect to give customers personalised recommendations utilising cross vertical product bundles/packages
- Increasing “mover” share of marketplace: optimising lead base

1.96 products per customer for movers
1.45 products per customer for non-movers

iMoney presents a unique SE Asian growth opportunity

iMoney is the largest regional consumer product comparison site in South-East Asia

- Increased minority stake to majority ownership (74.8%) in December 2017
- iMoney operates in South-East Asia's high-growth markets underpinned by attractive structural trends
 - Malaysia, Singapore, Indonesia and the Philippines
 - Rapidly expanding credit and technology-savvy middle class
 - Combined audience of almost 200m internet users, with accelerating internet penetration rates
 - GDP growth rates averaging around 4% and up to 6.5% per annum
- iMoney is in a high-growth phase, with revenue having increased by an average of over 80% pa over the past three years



iMoney presents a unique SE Asian growth opportunity

- iMoney is aligned with iSelect’s core product and service competencies
 - iMoney’s business model is the same as iSelect’s
 - Unique, technology driven and largely end-to-end service for customers in personal financial services, insurance and broadband/telco products
- iSelect’s IP – proprietary iConnect technology platform and operational/marketing expertise – being implemented into iMoney
 - Increase iMoney’s conversion rates and RPS
 - Increase iMoney’s customer engagement

THE OPPORTUNITY – LIFT REVENUE / UV

	iMoney	iSelect
Unique Visitors (UVs)	10.4m	9.8m
Revenue per UV	A\$0.30	A\$18.90

- Commenced 6-month integration plan:
 - iConnect and other technology enhancements
 - standardised sales training
 - governance structures
 - finance/legal
 - marketing efficiencies

“We are focused on executing our growth strategy, and see a positive outlook for H2 FY18.”

Key initiatives for H2 FY18

INITIATIVE	EXPECTED OUTCOME
Launch refreshed brand	Growth in customer numbers and products per customer
New marketing approach	Improved marketing return on investment; growth in customer numbers and products per customer
Leverage benefits from new internal systems and processes	Maintain strong customer leads, conversion rates and sales units
Further technology investment	Support “relationship” approach to customers, and grow products per customer
Enhanced customer facing web technology platform	Improved customer experience and increased mix of digital self serve sales

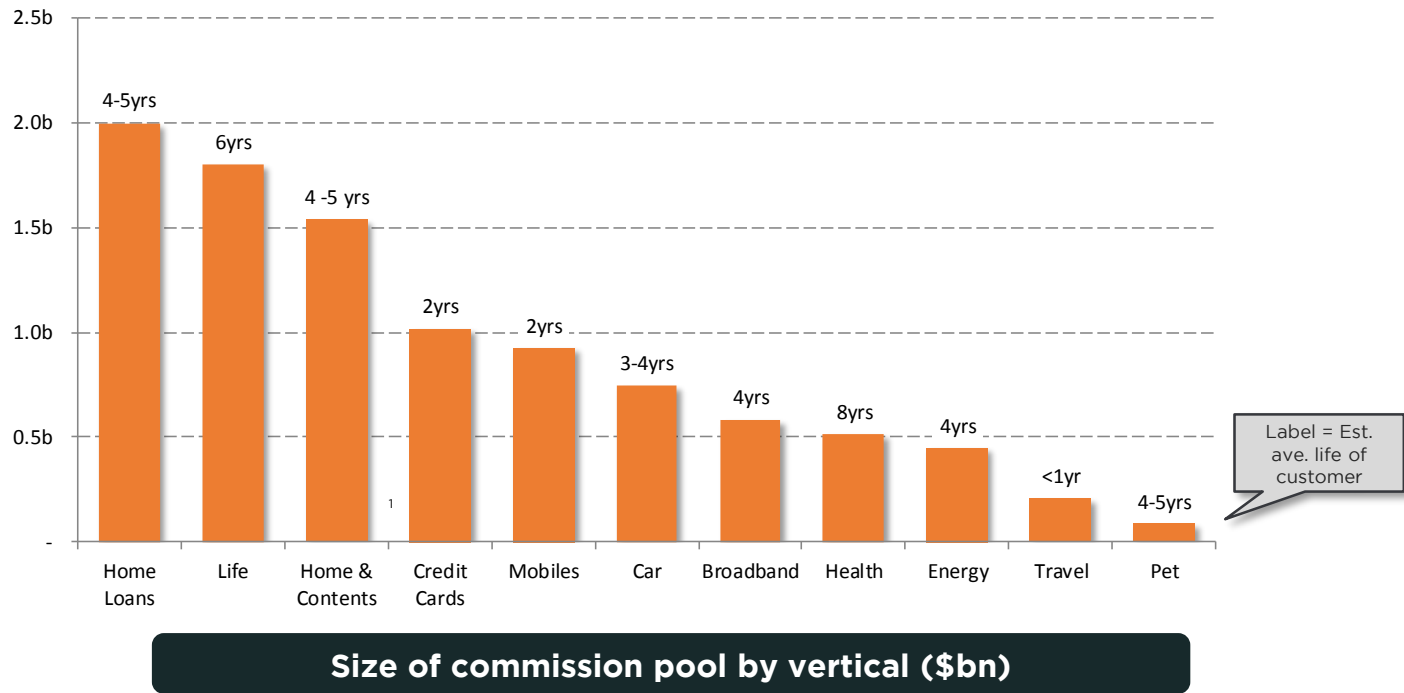
Outlook for H2 FY18

- Health: continued growth
 - Increased competition expected over March rate rise period
 - Broader Private Health Insurance (PHI) market expected to return to growth
 - Operational focus on higher value “switchers”, with “new to PHI” expected to return to growth in FY19
- Life & GI: level out
 - Operational initiatives begin to deliver and new verticals continue to grow
 - Strong growth in multi-product occasion, Home & Contents and Travel
- Energy & Telco: continued strong growth
 - Operational focus on “movers”
- Successful delivery of key initiatives and continued market growth underpin FY18 guidance of \$26m-\$29m in underlying EBIT

Questions

Appendix

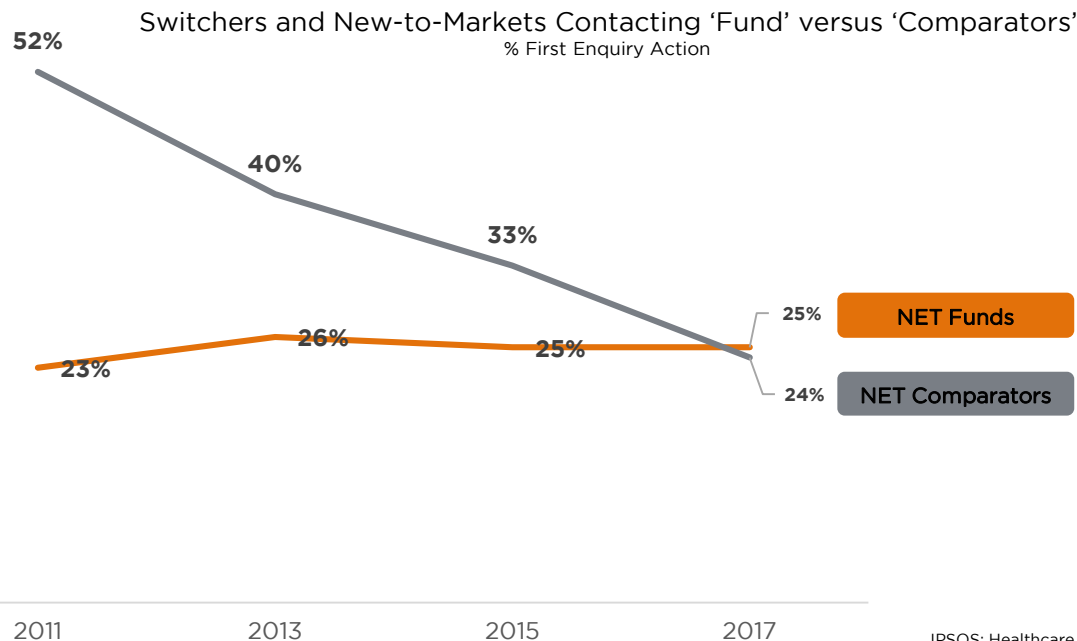
Total addressable market (TAM) c\$10bn



¹ iSelect operates a 'broker model' in Home & Contents which ensures iSelect maintains relationship with customer and receives ongoing commissions

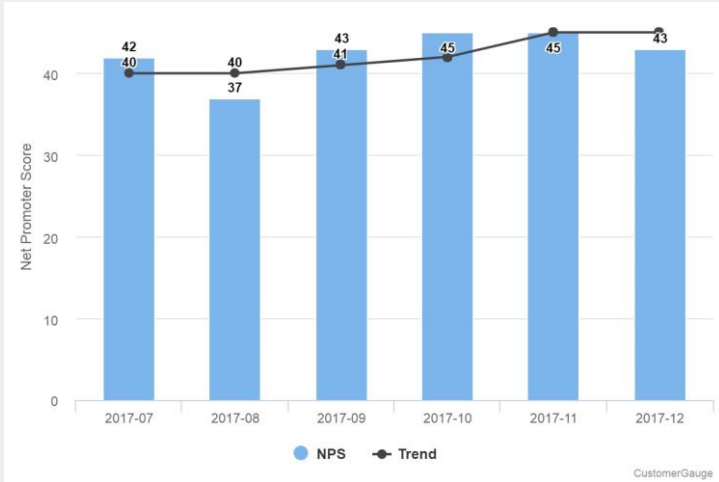
Customers' usage of comparator sites increasing

Comparators eclipse funds as 1st enquiry action



- Around 26%* of new joins via intermediaries (includes switchers)
- Half (48%) 'touch' a comparator during the purchase process
- Any fund not dealing with intermediaries is limited to 74% of available market

iSelect Net Promoter Score



H1 FY18 includes the addition of Life Insurance & Home Loans as well as South African call centre.

Customer engagement remains high

Marketing metrics demonstrating success

81%

EFFORTLESS SCORE*

* iSelect customers who said we made it "easy or very easy to handle my request", even if they didn't buy a product

94%

PROMPTED BRAND AWARENESS

30% say iSelect would be their first choice when purchasing

Moving from a transactional to relationship based customer engagement

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