

25 February 2016

iSelect on track to achieve full year earnings guidance

25 February 2016 (Melbourne): iSelect Limited (ASX: ISU) announces its results for the six months ended 31 December 2015 (H1 FY16).

H1 FY16 financial performance

- Revenue up 1% to \$66.2 million (H1 FY15: \$65.6 million)
- Gross profit down 37% to \$16.5 million (H1 FY15: \$26.4 million)
- Statutory earnings
 - EBITDA loss of \$3.6 million (H1 FY15: \$8.4 million profit)
 - EBIT loss of \$6.9 million (H1 FY15: \$5.1 million profit)
 - NPAT loss of \$4.2 million (H1 FY15: \$5.4 million profit)
- Normalised earnings (adjusting for restructuring and CEO exit costs)
 - EBITDA loss of \$1.4 million (H1 FY15: \$8.4 million profit)
 - EBIT loss of \$4.7 million (H1 FY15: \$5.1 million profit)
 - NPAT loss of \$2.6 million (H1 FY15: \$5.4 million profit)
- Strong balance sheet with no borrowings, \$102.5 million cash which allows a strategic and balanced approach to capital management
- Maiden interim fully franked dividend declared of 1.0 cent per share.

Commenting on the H1 FY16 result, iSelect Chief Executive Officer Scott Wilson: “iSelect’s financial performance over the first half of this financial year reflected substantial strategic and operational issues within the Health segment that are being addressed. At the same time, our Energy & Telecommunications and Life & General Insurance segments continued their growth trajectory.”

iSelect Health

For H1 FY16, iSelect Health generated the following results:

- Revenue down 16% to \$31.1 million (H1 FY15: \$36.9 million)
- EBITDA loss of \$2.0 million (H1 FY15: \$6.4 million profit).

Commenting on the performance of iSelect Health, Mr Wilson said: “We were disappointed by the result of iSelect Health in the first half that brought to light operational issues with that segment. Revenue was impacted by an irregular and material reduction in conversion. At the same time earnings were impacted by an off-trend and significant increase in staff costs. Since November, we have been addressing staffing levels and conversion rates through recruitment selection and training.”

iSelect Energy & Telecommunications

For H1 FY16, iSelect Energy & Telecommunications generated the following results:

- Revenue up 34% to \$17.5 million (H1 FY15: \$13.0 million)
- EBITDA of \$0.4 million (H1 FY15: \$0.6 million).

Commenting on the performance of iSelect Energy & Telecommunications, Mr Wilson said: "iSelect Energy & Telecommunications is a key growth segment for the company. Over the first half it generated strong revenue growth in both the energy and telecommunications verticals, and accounted for 26% of Group revenue, up from 20% in the prior corresponding period. Earnings were down slightly reflecting the growth investments made that will underpin the future performance of this segment."

iSelect Life & General Insurance

For H1 FY16, iSelect Life & General Insurance generated the following results:

- Revenue up 20% to \$13.3 million (H1 FY15: \$11.1 million)
- EBITDA up 25% to \$3.4 million (H1 FY15: \$2.7 million).

Commenting on the performance of iSelect Life & General Insurance, Mr Wilson said: "iSelect Life & General Insurance is another key growth segment. With a substantial improvement in conversion rate, the segment generated strong revenue and earnings growth across both verticals."

Strong balance sheet, with strategic and balanced approach to capital management

At 31 December 2015, iSelect had no borrowings and \$102.5 million of cash.

In light of iSelect's strong balance sheet and substantial cash balance, the Board initiated a prudent and appropriate capital management strategy to enhance shareholder returns while providing flexibility and supporting growth. To date the company has bought back 7,628,162 shares and currently has the capacity to buy-back a further 17,758,011 shares. The company will seek shareholder approval on 16 March 2016 to increase this capacity by an additional 25.5 million shares.

Maiden interim dividend declared

In line with the company's capital management strategy and reflecting the strength of iSelect's balance sheet, the Board has declared an interim fully franked dividend of 1.0 cent per share. This dividend has a record date of 3 March 2016 and payment date of 31 March 2016.

A full dividend policy will be outlined with the company's 2016 full year result.

Positive outlook for FY16

Commenting on the growth outlook for iSelect, Mr Wilson said:

"Having completed a strategic review that clearly identified operational issues that had hamstrung the business from reaching its potential, in November we put in place a series of actions to address those issues. This strategic refresh is already improving key business drivers like conversion rates that will underpin long term growth.

"We have put in place the right growth fundamentals with five immediate actions being undertaken over the near term. We have reset our contact centre, putting in place a robust

recruitment process and improving staff training. We are investing in iConnect, our proprietary scalable platform and rolling it out across the business, having had a noticeable uplift in the result of our Energy & Telecommunications segment with only 60% of the iConnect platform rollout to that segment completed. We are redefining our brand, and also further developing our core business and verticals while also expanding into new verticals.

“iSelect is a marketplace that matches customers’ unique and timely needs to the right products. On an annual basis we now receive 8 million unique visitors, generate 6 million comparisons, and complete more than 800,000 transactions involving over 12,500 products from 145 brand partners across 7 categories. iSelect now generates over 20% of all new to private health insurance policies and more than 8% of all new energy sales in Australia.

“Given the scale of iSelect’s marketplace, a strong balance sheet with no debt and over \$100 million cash, and with the progress being made to refocus the business back onto its key strengths, we are well placed to return to growth. iSelect is on track to achieve the company’s previous guidance of \$15 million to \$18 million normalised EBIT for the 2016 financial year.”

-ENDS-

Investor and analyst conference call

The Company will be holding an investor and analyst conference call at **9.30AM AEDT today**.

Dial in details:

Participants can dial +61-2 8038 5221 or 1800 123 296 (toll free) to join the call. When prompted, please enter **CONFERENCE ID: 5018 2252**

Website link:

Participants can access and register for the live event 15 minutes prior to the scheduled start time at the following link: <http://webcast.openbriefing.com/2686>

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About iSelect

iSelect is Australia’s leading online comparison service, providing Australian consumers with trusted product comparison and advice on more than 12,500 insurance, energy, personal finance and broadband products from over 145 partner brands. With a household brand that attracts 8 million unique visitors to its website every year, iSelect now distributes more than 20% of all new to private health insurance policies in Australia, and more than 8% of all new energy sales in Australia. Owing to its digitally enabled and customer-centric advice model, iSelect continues to grow its market-leading position in health insurance, energy, life insurance and personal finance comparison. For further information please visit www.iselect.com.au.