

Investor Briefing

Full Year 2017 Results

iSelect

always get it right



A woman with dark hair, wearing a light-colored blazer, is looking down at a white smartphone she is holding in her hands. She is standing in front of a large window that looks out onto a city street with other people visible in the background. The scene is brightly lit by natural light from the window.

“Our focus on execution in FY17 clearly demonstrated the business’ scale and leverage, delivering strong growth in earnings and shareholder returns.”

Scott Wilson, Managing Director & CEO

FY17 – Growth across key business drivers

UNIQUE VISITORS

800k 

to 9.8 million

CUSTOMER LEADS

7% 

to 4.3 million

CONVERSION

0.6pp 

to 10.5%

SALES UNITS

13% 


to 449k

REVENUE

8% 

to \$185.1 million

OPERATING CASHFLOW

184% 

to \$30.6 million

EBIT

50% 

to \$22.5 million



Broadband



Car



Credit
Cards



Energy



Health



Home &
Contents



Home
Loans



Life



Mobile
Phones



Pet
Insurance



Travel
Insurance



Connected
Home

FY17 Snapshot – Returning to growth, driven by operational leverage

FY17 delivered strong growth in key financial metrics

- Operating cashflow up 184% to \$30.6m
- EBIT up 50% to \$22.5m
- Revenue up 8% to \$185.1m
- Strong cash position of \$80.4m after returning \$27.7m cash to shareholders

Diversified and scaled marketplace underpinning growth

- Health now stabilised, with revenue and EBITDA increasing
- Energy & Telco now delivering scale benefits

Increased dividend demonstrates confidence in the Company's outlook

- Increased total FY17 dividend by 120% to 5.5 cps fully franked

FY17 Snapshot – Customer first

Delivering on our ‘customer first’ promise

- New contact centre in Cape Town opened. Enhanced customer service with extended contact hours and continued cost-to-serve improvements
- Further diversification of marketplace with 11 new partner brands
- Expanded offering with 4 new verticals

Investment in technology supporting growth

- Salesforce – 7 CRMs rationalised to 2
- Aspect VIA – first stage implemented
- e-Commerce site developed with Nest for the Connected Home market
- iConnect – rollout continues

Focused execution delivering strategic outcomes



Corporate Strategy

DIVERSIFY



**EFFICIENT
MARKET
PLACE**



**CUSTOMER
FIRST**



**EMPLOYER OF
CHOICE**



**PLATFORMS &
TECH**



Initiatives & Outcomes

- Continued growth of non-health segments. 49% of revenue from non-Health; with Energy & Telco now 27% up from 23% in FY16
- New verticals launched: Travel Insurance, Credit Cards, Mobiles, Pet Insurance

- 11 new partner brands added across Health, Energy, Telco, Homeloans, General Insurance
- IBNA membership to broaden general insurance offering

- New Cape Town customer contact centre – providing extended contact hours
- Website refreshed and investment in brand
- #GetLifeRight Content Hub launched – guiding customers through their Life Admin®

- iSelect Academy launched enhancing onboarding & continuous professional development
- MyAcademy rolled out – online training portal where team members at all levels can access 24x7 CPD facilities

- Salesforce CRM deployed across the business (ex-Health). Single view of customer to be available to Consultants
- Aspect VIA – first phase implemented
- E-Commerce site launched for Nest sales

Growing the Marketplace – 11 new Partners/Brands



Health	Energy	Life	Home Loans	Money	General Insurance	Telco & Entertainment

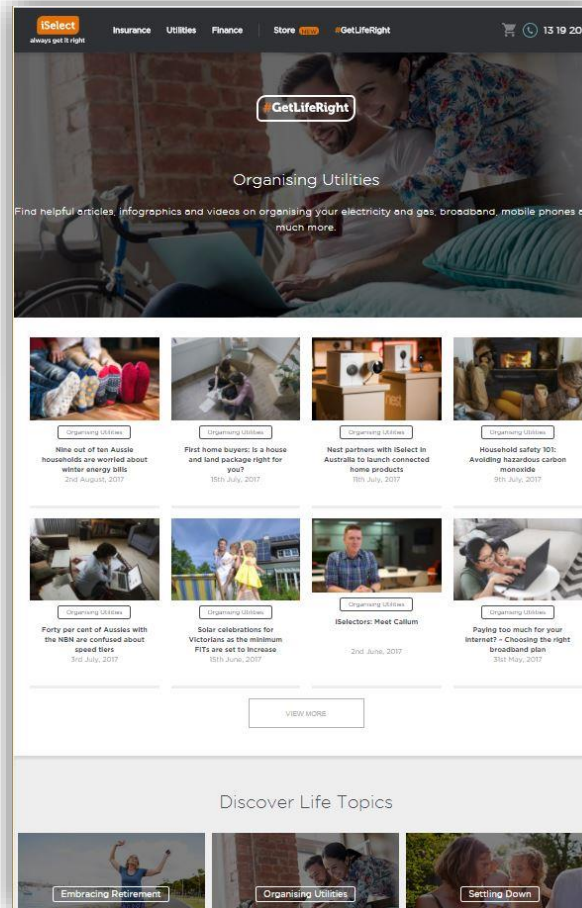
Customer First – Brand and Marketing

Continued investment in marketing & web engagement



June 2017 Lifetime Health Cover (LHC) campaign targeted new-to-industry Health Insurance customers

Launched **#GetLifeRight**: iSelect's Content Hub for Life Admin® information



Sponsorships for Brand enhancement, Social licence



Naming sponsor for Melbourne Football Club women's and men's teams



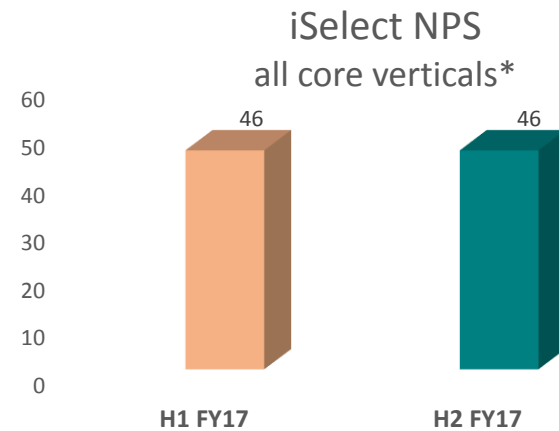
Major Sponsor - iSelect



Supporting causes

Customer First – Brand and Marketing

iSelect Net Promoter Score



* from H1 FY17 NPS is measured for all core iSelect verticals, previously only Health

Marketing metrics demonstrating success

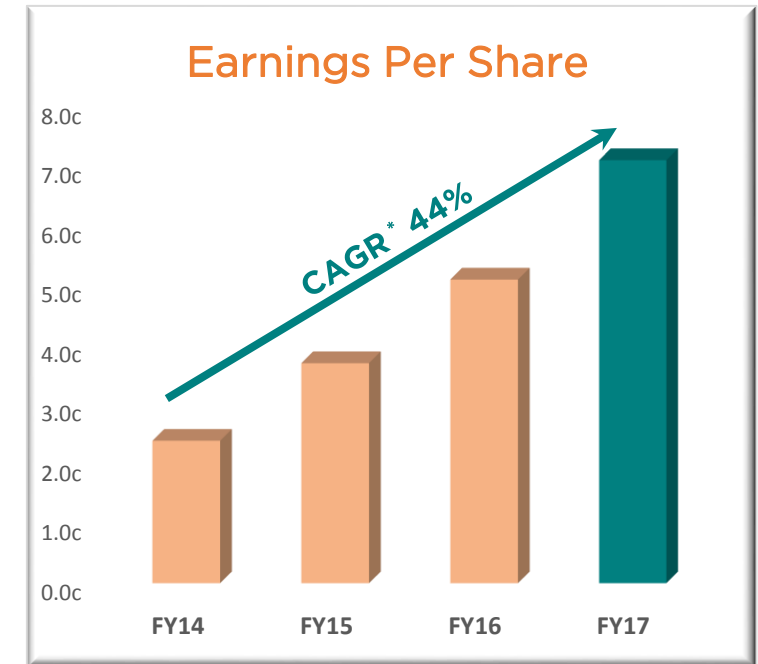
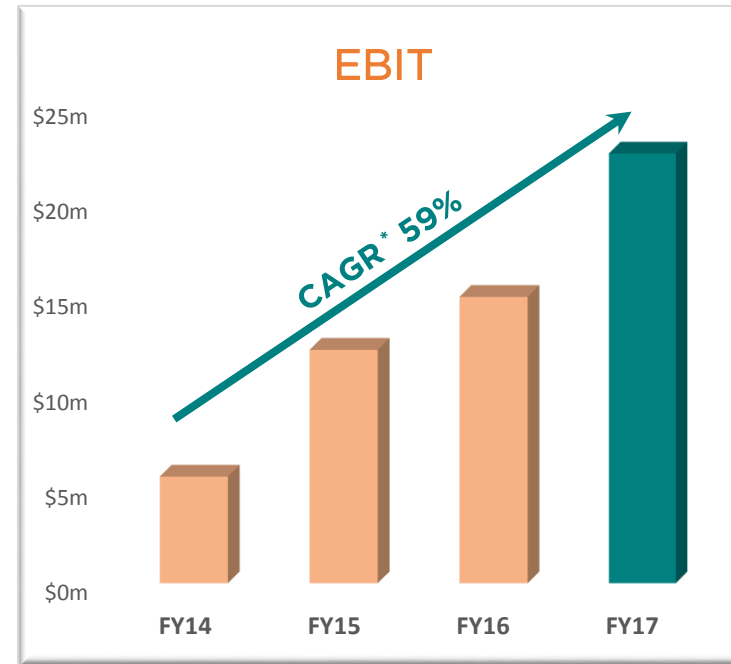
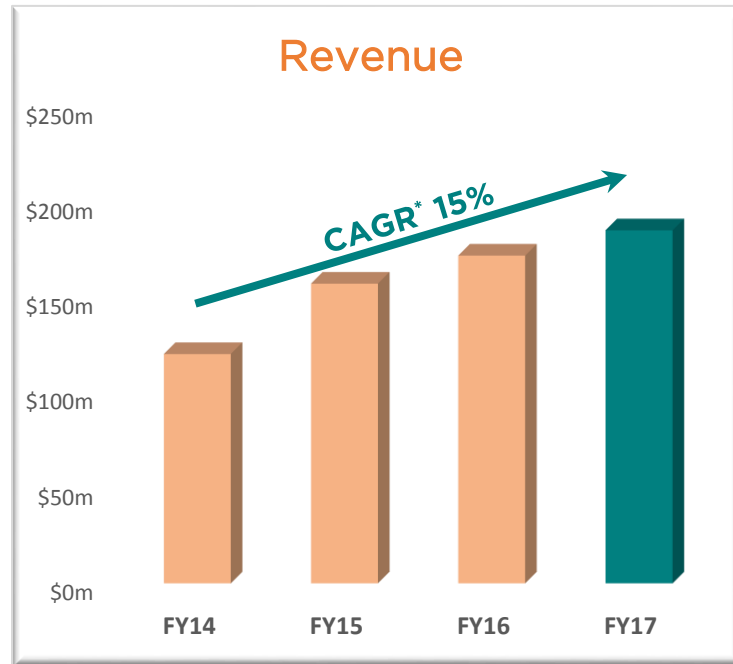
82% EFFORTLESS
SCORE *

* 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

A history of growth

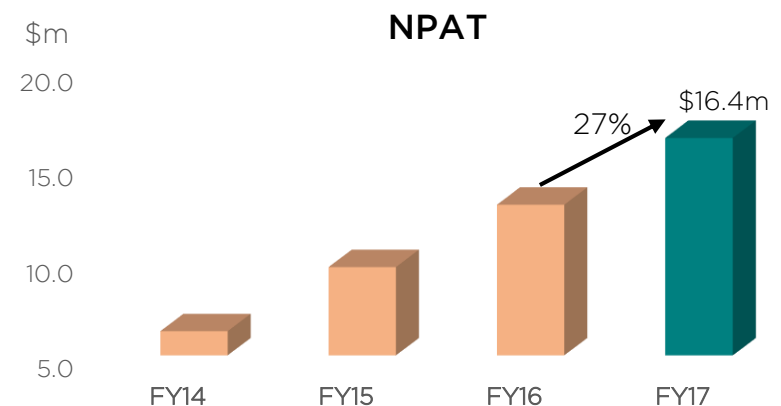
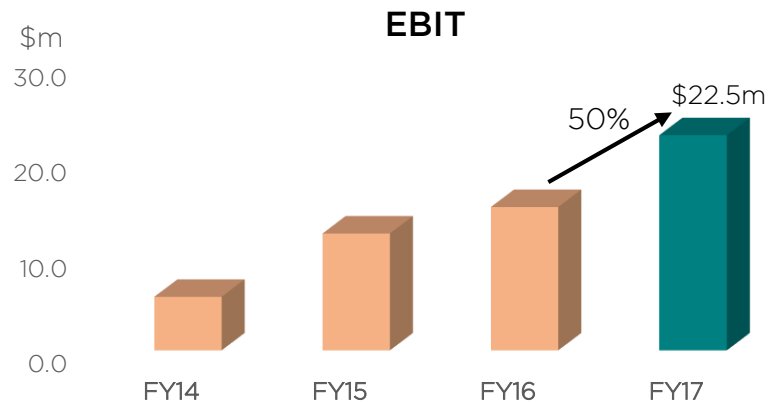
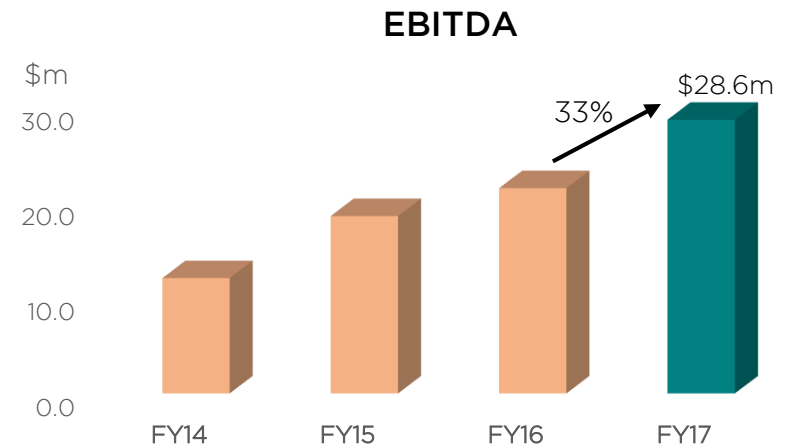
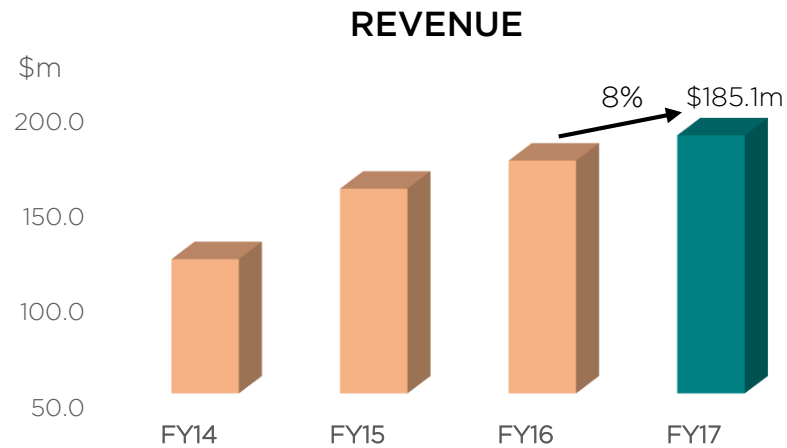


*Compound annual growth rate

A man and a woman are sitting on a bed, looking at a laptop. The man is pointing at the screen, and the woman is smiling. They are in a bright room with a brick wall and a bicycle in the background.

***“iSelect’s scalable platform
delivered enhanced returns in FY17.”
Darryl Inns, Chief Financial Officer***

FY17 earnings growing faster than revenues



- Solid revenue growth, underpinned by Non-Health verticals
- EBIT improved by 50%, due to benefits derived from cost efficiencies and controlled levels of investment

- Focus on cost and operating efficiency has driven a strong EBITDA result
- NPAT improvement of 27% with improved dividend payout ratio

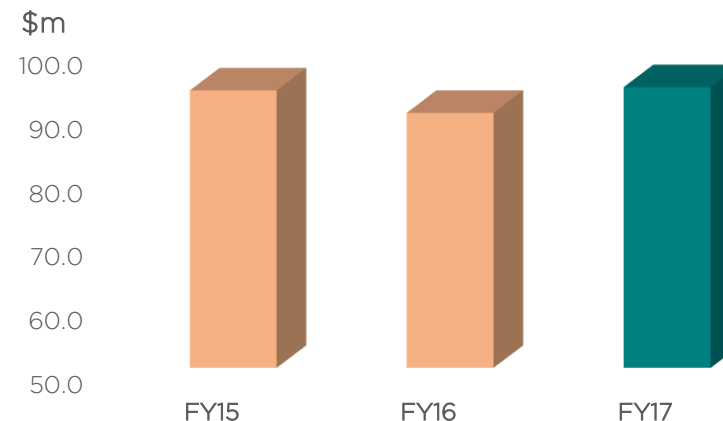
Health – now stabilised and returned to growth

REPORTED (\$m)

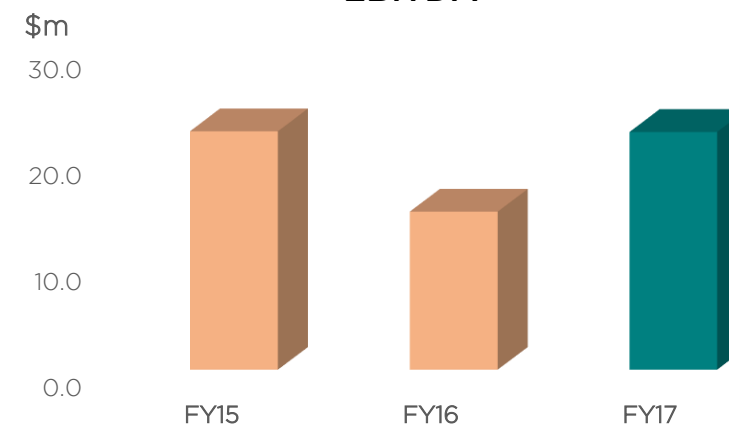
Health	FY17	FY16	Change
Revenue	94.0	90.0	4%
EBITDA	22.5	15.0	50%
Customer Leads (000s)	1,136	1,272	(11%)
Sales Units (000s)	108	117	(8%)
Avg RPS (\$)	997	894	12%
Conversion	9.5%	9.2%	0.3pp

- Solid year-on-year growth in challenging market conditions
- Significant EBITDA growth due to contact centre operational efficiencies – improved conversion rates and costs controlled
- Leads down on the prior period in line with the softening of the Health market
- Continued growth in RPS and Gross Written Premium (GWP) as focus shifted to changing customer mix

REVENUE



EBITDA



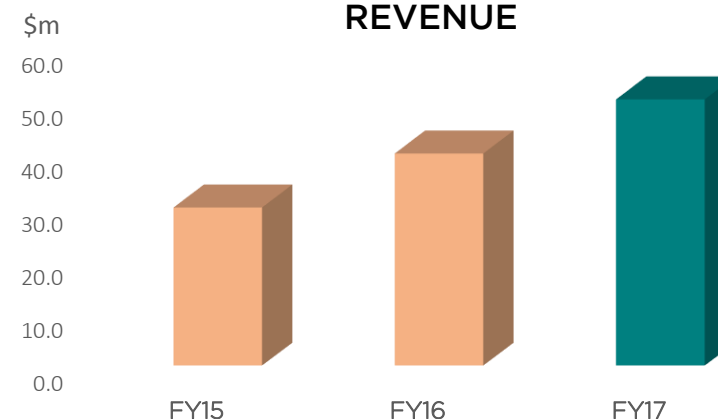
Energy & Telco – scale benefits beginning to flow

REPORTED (\$m)

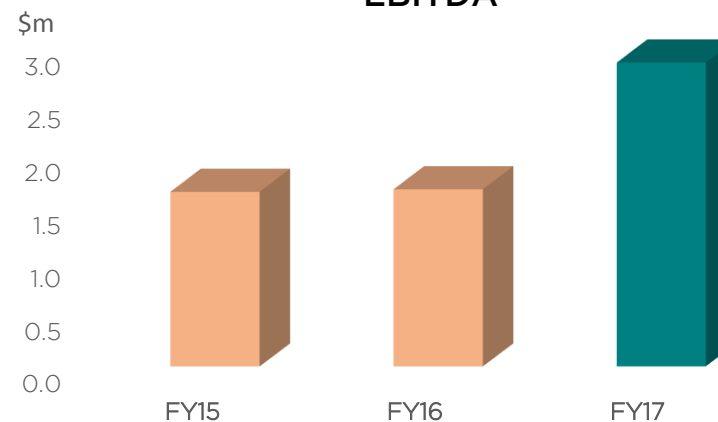
Energy & Telco	FY17	FY16	Change
Revenue	50.4	40.2	25%
EBITDA	2.9	1.7	70%
Customer Leads (000s)	2,272	1,762	29%
Sales Units (000s)	286	230	24%
Avg RPS (\$)	210	204	3%
Conversion	12.6%	13.1%	(0.5pp)

- Strong revenue growth across both verticals
- Strong EBITDA growth as scale benefits begin to flow
- Significant lead growth as a result of increased marketing investment
- Slight conversion decline as a result of Cape Town Contact Centre upskilling and shift of mix towards Telco
- Steady RPS growth across both Energy and Telco

REVENUE



EBITDA



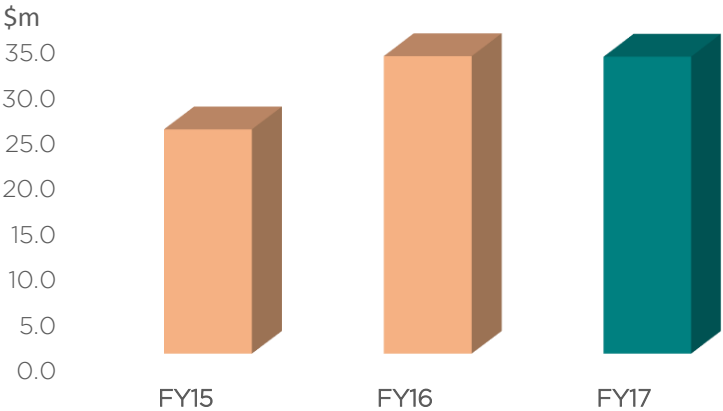
Life & General Insurance – growth in GI offsetting decline in Life

REPORTED (\$m)

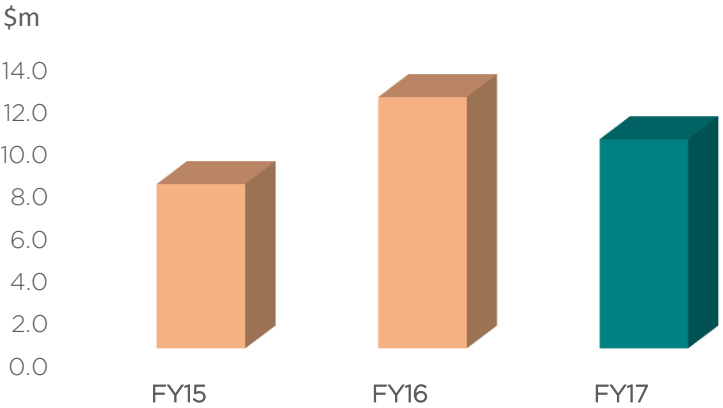
Life and General Insurance	FY17	FY16	Change
Revenue	32.6	32.7	0%
EBITDA	9.9	11.9	(17%)
Customer Leads (000s)	710	778	(9%)
Sales Units (000s)	54	48	11%
Avg RPS (\$)	503	578	(13%)
Conversion	7.6%	6.2%	1.4pp

- Revenue flat on prior year, with growth in the General Insurance segment offsetting subdued Life business
- EBITDA decline due to the level of investment made within the Life segment for future growth
- Solid sales unit growth in General Insurance as a result of improved conversion and expansion of the product offerings
- Decline in RPS due to change in product mix towards General Insurance

REVENUE



EBITDA



Exceptional growth in operating cash flow - supporting growth investment and capital management

CASH FLOW STATEMENT - REPORTED

\$m, Full Year	FY17	FY16
Operating Cash flow	30.6	10.8
Capital Expenditure	(10.1)	(7.7)
Free Cash	20.5	3.1
Investing/Financing cash flow	(27.7)	14.0
Net movement in cash	(7.2)	17.1
Cash at beginning	87.6	70.5
Cash at end	80.4	87.6

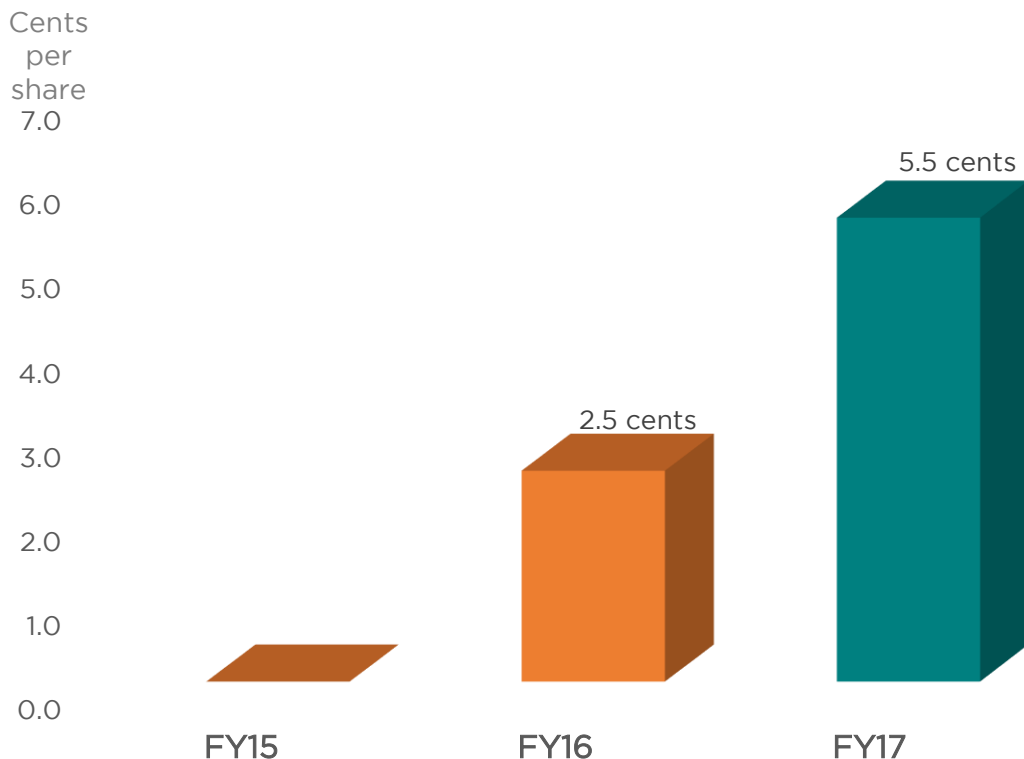
30 JUNE 2017 BALANCE SHEET - REPORTED

\$m	FY17	FY16
Cash	80.4	87.6
Receivables	32.8	43.9
Trail commission receivable	112.8	103.7
Other	70.0	63.3
Total assets	296.0	298.5
Total liabilities	70.8	63.9
Net assets	225.2	234.6

- Significant growth in operating cash flow at \$30.6m as a result of focus on working capital and cash collection
- Increase in free cash while also increasing capital expenditure investment for future growth
- \$27.7m cash returned to shareholder across buyback and dividend
- 82% upfront revenue mix maintained
- Reduction in receivables following a strong focus on cash collection and working capital efficiencies
- Net asset reduction \$9.4m, primarily driven by share buyback
- Loss on iMoney investment reduced by 40% as a result of very strong revenue growth
- Strong cash position at \$80.4m net of \$37.8m in Capex and capital management initiatives

Capital Management – initiatives enhancing shareholder value

iSelect Limited
Dividends Declared



The Dividend Policy has been increased – reflecting robust cashflows and the Board’s confidence in cash generation ability

- FY17 total **fully franked** dividend of 5.5 cps – \$12.6 m
 - Representing a payout ratio of 77% of NPAT in FY17
 - Final FY17 dividend 4.0 cps
 - Record date: 23 August 2017
 - Payment date: 29 September 2017
- Dividend Policy: increased to 50% – 80% of reported NPAT subject to availability of franking credits and cash reserves

On-market buyback

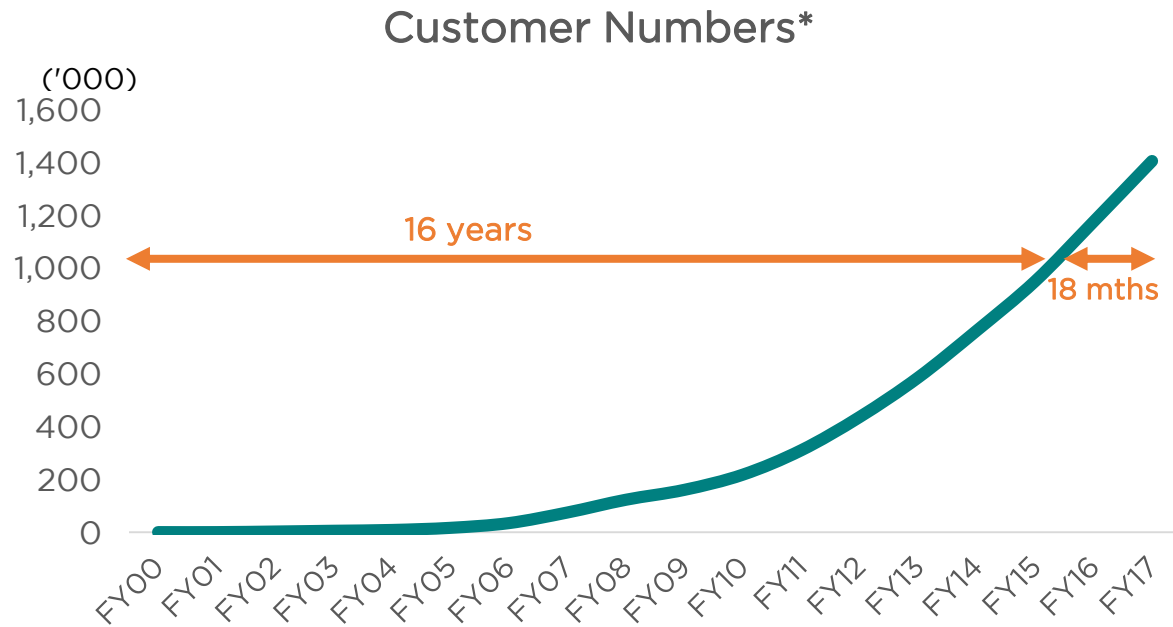
- On-market buyback continuing
 - 11.1 million shares bought back in FY17 for \$20.6m
 - Total of 34.1 million shares bought back for \$42.9m

A photograph of a family of three sitting on a striped couch. A man with a beard and brown hair, wearing a blue button-down shirt, is leaning forward and looking down at a baby. A woman with long dark hair, wearing a light-colored blazer, is sitting behind the man and smiling. The baby is sitting in front of the man, looking down. The background is bright and out of focus.

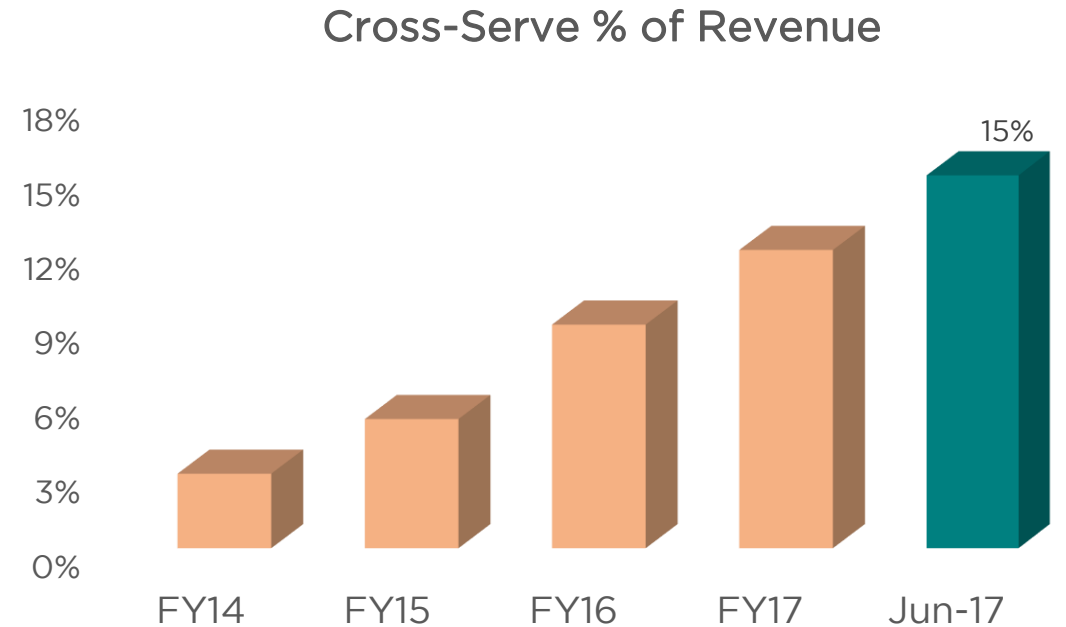
“iSelect is well positioned to leverage the scale benefits of its platform to drive the next phase of growth.”

Scott Wilson, Managing Director & CEO

Customer growth accelerating



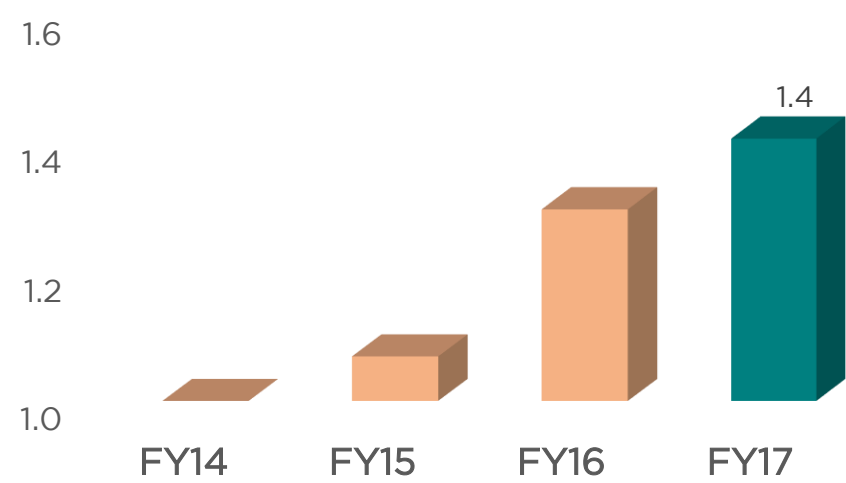
- 16 years to reach 1 million customers, 400,000+ in past 18 months



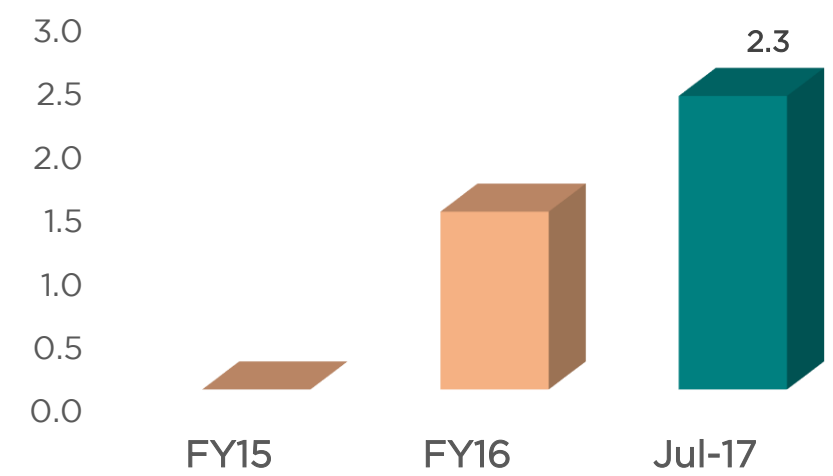
- Cross-serve run rate of 15% at end FY17

Substantial cross-serve potential

iSelect Group
Products per Customer

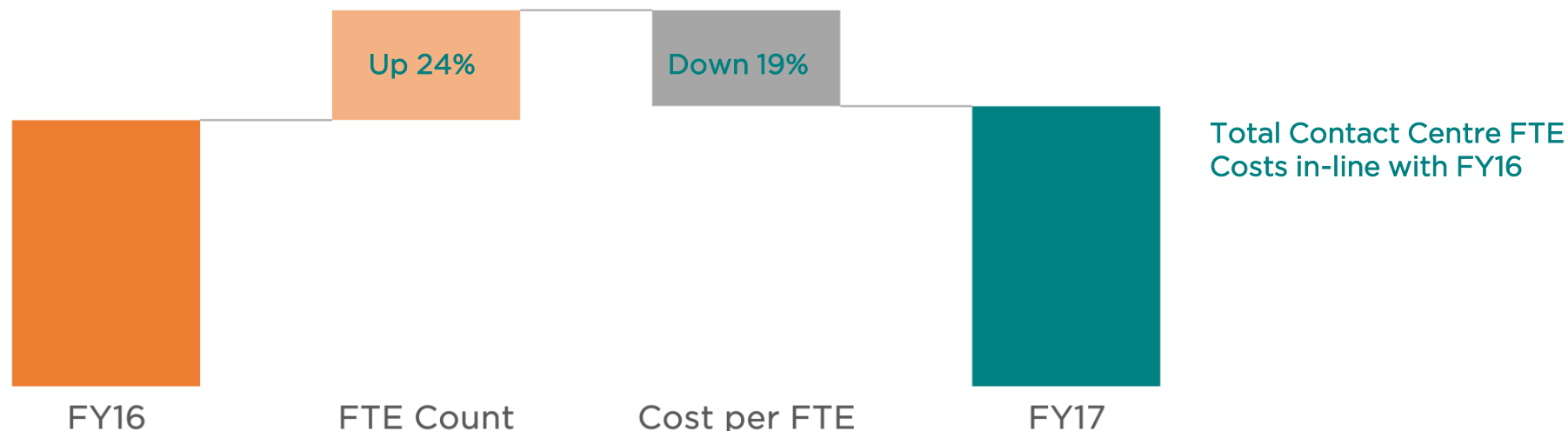


Movers Segment
Products per Customer



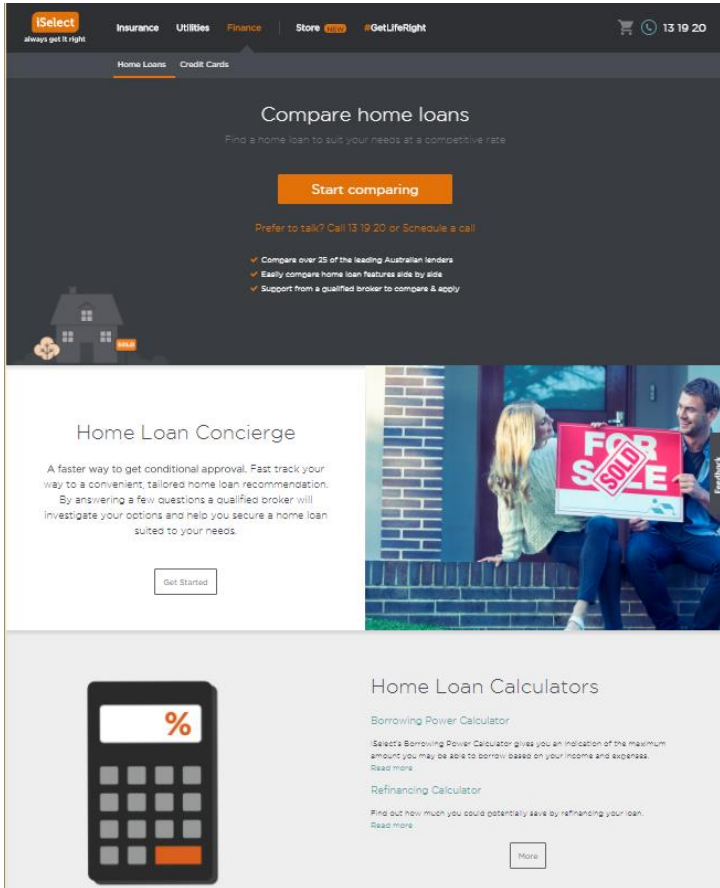
Investing in Customer Contact Centres

Contact Centre - reduction in average FTE cost



- Total iSelect FTE count in our three customer contact centres increased by 24% from FY16 to FY17
- The total staffing cost for our contact centres in FY17 remained in-line with FY16, with the cost per FTE reducing by a corresponding 19%
- New contact centre in Cape Town, South Africa opened in February 2017 for a total investment in FY17 of approx. \$2.8m. Further investment expected for Cape Town in FY18.
- Performance of Cape Town contact centre improving and on track with plan

Further growth in financial services



HOME LOANS

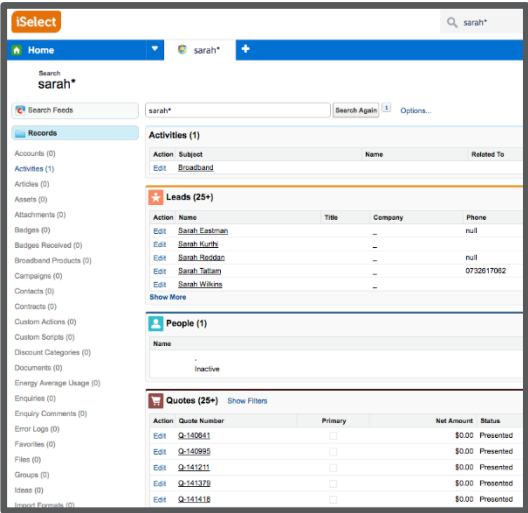
- Growth in sales units of 14% in FY17 set to continue
- Loan book value now over \$1 billion
- Recognised at Australian Broking Awards 2017, ranking No. 13 in the “Top 25 Brokerages”. Finalist in two individual categories



MONEY - INFOCHOICE

- Investment being made to relaunch the InfoChoice website

Technology investment to support next growth phase



Single view of Customer

Now



Phase 1 rolled out

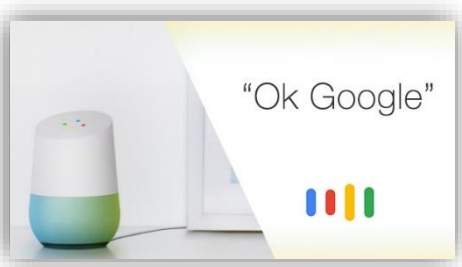


Soon



Integrated customer experience across voice, mobile, web and messaging platforms

Future



Voice search

Nest Partnership – helping our customers stay safe



- iSelect is the exclusive launch partner for Nest in Australia
- Nest provides safer homes for our customers – reducing risks, increasing security
- Partnership enables iSelect to leverage substantial market opportunities across verticals
- Places iSelect at the forefront of the Internet of Things (IoT) revolution in Australia, with potential market size exceeding \$5 billion by 2021*
- iSelect e-Commerce Store developed to sell Nest products

iSelect is well placed to continue growth trajectory

FY17: SCALE BENEFITS

- Earnings growing faster than revenues
- Energy & Telco the clear standout
- Exceptional growth in operating cash flow supporting growth investments, capital management and increasing dividend

REVENUE DIVERSIFICATION SET TO CONTINUE

- Energy market dynamics conducive to out-performance
- Broadband and Nest Connected Home driving accelerating growth with nbn rollout
- Further expansion of new verticals and products

FY18: GROWTH TO CONTINUE

- Health expected to continue profitable growth
- Energy & Telco scale leverage
- Continued investment in marketing and technology to underpin further growth

Questions

Full Year 2017 Results

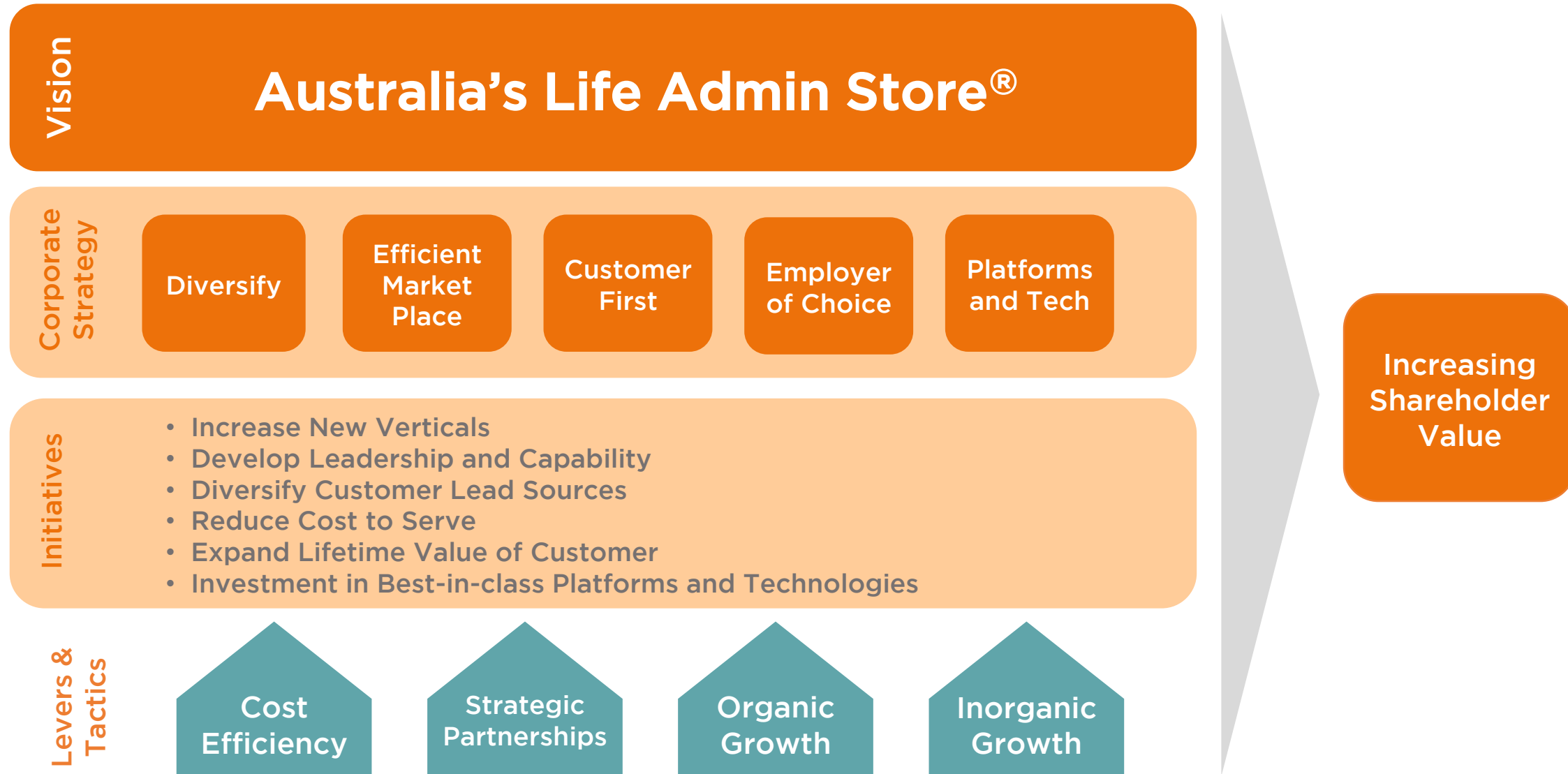


Appendix

Full Year 2017 Results



Corporate Strategy



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Any references to “Group” in this presentation refer to iSelect Limited and its controlled entities.

This document is a presentation of general background information about iSelect’s activities current at the date of the presentation, 16 August, 2017. It is information in a summary form and does not purport to be comprehensive.

It is to be read in conjunction with the iSelect Limited annual report filed with the Australian Securities Exchange on 16 August, 2017.

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