



iSelect 2019 Annual General Meeting

24 OCTOBER 2019

Chairman's Address

Mr Chris Knoblanche AM

iSelect Board of Directors



Chris Knoblanche AM

Chairman & Independent
Non-Executive Director



Brodie Arnhold

CEO and Executive
Director



Shaun Bonett

Independent Non-
Executive Director, Chair of
Remuneration and
Nominations Committees



Bridget Fair

Independent Non-
Executive Director



Melanie Wilson

Independent Non-
Executive Director



Geoff Stalley

Independent Non-
Executive Director

CEO Presentation

Mr Brodie Arnhold | Chief Executive Officer

FY19 in Review

A Year of Substantial Turnaround

- Primary focus on **sustainable profitable growth** with EBIT growth of 77%
- Underpinned by significant improvement in **marketing ROI**, which will continue to be a focus in FY20 and beyond
- Improved **core business performance** in an environment of regulatory change: Private Health reforms, AER regulatory changes, Life Insurance reforms
- Operating model review completed with exit of Cape Town operations, new partnership in Home Loans and General Insurance digital enablement
- Continued **investment in technology and customer experience** helping customers save time, with initial benefits in online performance being realised in H2 FY19
- **iMoney** performance was strong with top line growth of 39% YOY

FY19 Headlines

\$15.2m

EBIT (Underlying)
+77% YOY

3.96m

LEADS
-6% YOY

14%

X-SERVE % of
REVENUE
+0.6pp YOY

3.36x

MARKETING ROI
+27% YOY

381k

SALES
-18% YOY

36%

GROSS PROFIT
MARGIN
+7.6pp YOY

10%

EBIT MARGIN
+5.3pp YOY

FY19 Business Reset complete

Stabilisation of core business

WHAT WE SAID WE WOULD DO	STATUS	WHAT WE HAVE DONE IN FY19
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Business Reset

Business Reset initiatives		Complete: Strategic Review, Write-off/Disposal of Legacy Fixed Assets, Renegotiation of Kiosk contract, InfoChoice sale, Nest
Home Loans Business Model		Complete: Partnership with AFG commenced in H2
Cape Town model		Complete: iSelect exited Cape Town contact centre in Q4 FY19

Strategic Focus Areas - update

Focus on EBIT positive ROI for all marketing activity		Significant improvement in marketing ROI YOY, this will continue in FY20 with further automation to be introduced in H2
Reduction in sales leakage		Operational wins in FY19 will be followed by technology and data improvements in FY20
Improvement in multi-product and cross-serve capability		Multi-skilled consultants continue to grow. Cross-Serve has continued to increase as a % of iSelect Revenue
Continued migration to 'Single view of customer'		Technology development is progressing well. On track to leverage this capability from H2 FY20

Looking Ahead

Product and Technology Update



FOUNDATIONAL WORK ALREADY COMPLETED IN FY20

- Salesforce lightning upgrade completed enhancing consultant experience
- Genesys engagement platform implemented improving our interactions with customers



CURRENT 'IN-FLIGHT' INITIATIVES - H1

- Launch of Customer Account, enabling us to move from transactions to ongoing relationships with customers
- Rollout of Marketing Automation: an important enabler for improved automation of journeys and personalised communication for customers
- Introduction of lead handling service for AFG and other B2B relationships



LOOKING FURTHER AHEAD

- In the longer-term, the Customer Account will enable improved web experience and personalization, improved recommendations and allow us to truly help Australians with the ongoing management of their bills and expenses
- A better understanding of our customers, along with powerful machine learning and data capability means we will be well positioned to better predict when our customers' needs change and offer services in the future like auto-comparison

FY20 Outlook

OPERATIONAL

- In our FY19 Investor Presentation, we stated that our strategic investments in our Brand and Technology as well as the Energy Regulatory change (from July 1st), would have a material impact on FY20 H1 profitability
- Whilst have seen an improvement in our Energy business, the return to a historical level of performance is taking longer than anticipated. We do however expect performance to normalise in H2 as the market adjusts to the new regulatory environment

STRATEGIC

- iMoney: We have now formally advised the market that we intend to sell our stake in the iMoney business
- IHA Group: As iSelect's largest shareholder, we maintain a regular dialogue. In terms of M&A, nothing formal has been tabled by either party

OUTLOOK

- The operational context mentioned above has been more significant than anticipated, and as a result a small EBIT loss is expected in H1
- We do however expect a stronger H2 (v H2 FY19) as we begin to realise the benefits of our investments and as the Energy market adjusts to the new regulatory environment
- Our trend from FY19 of increase in trail revenue impacting working capital is continuing into FY20, which will impact our cash in the short term, but will normalise as we move into FY21
- We remain committed to our strategy and as we return to historic profitability in future years, we will do so on a stable and scalable base that is focused on meeting increasing customer demands and expectations

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