

24 October 2019

2019 Annual General Meeting CHAIRMAN'S SPEECH

Good afternoon Ladies and Gentlemen, my name is Chris Knoblanche and I am the Chairman of the iSelect Board. On behalf of all the Directors, I am pleased to welcome you to the 2019 Annual General Meeting of iSelect Limited. Thank you all for your attendance this afternoon.

I have been told we have a quorum and I therefore declare the meeting open. A Notice of Meeting was distributed earlier setting out the business and resolutions to be considered at this meeting and I will take the Notice as read.

(Introductions)

I would like to start by introducing your Board of Directors here on my left. Starting from the far left are our Independent Non-Executive Directors, Melanie Wilson, Shaun Bonnet, Bridget Fair and our newest board member Geoff Stalley, who joined the board in December 2018. Next to Geoff is our CEO & Executive Director Brodie Arnhold.

I am pleased to also introduce our Executive Leadership team, most of whom will be familiar faces after a welcome year of stability. Our experienced Leadership team was further strengthened this year with the addition of Gavin Byrnes as General Counsel. In addition to Gavin, we have with us today:

- Henriette Rothschild, Chief Operating Officer
- Vicki Pafumi, Chief Financial Officer
- Warren Hebard, Chief Marketing Officer; and
- Slade Sherman, Chief Experience Officer.

Also attending today's meeting representing iSelect's auditors, is Tim Coyne from Ernst & Young, and, from Computershare, our returning officer David Squires.

Before handing to Brodie to run through a presentation about the business, I would like to make some brief comments as Chairman.

(FY19 Commentary)

FY19 was characterised by stability and a focus on core business. As a result of this focus on profitable revenue, strong operational performance and optimised marketing spend, we were able to significantly improve profitability whilst continuing to build on the Company's foundations for growth.

Importantly, we have done what we said we would do. Our strategic review is now finalised and all actions implemented. In line with our aims of transparency and accountability, the Board has maintained clear channels of communication with our investors.

During FY19 we continued to progress key technology initiatives to enhance our customers experience and improve our cross-serve capabilities. Further investment in technology in FY20 will enable the realisation of our single view of customer capability and create more informed, meaningful relationships with our customers.

Improving marketing efficiency was a key priority in FY19 and resulted in a significant reduction in our customer acquisition costs. The focus on driving marketing ROI and profitability is reflected in our strong earnings turnaround. While the resilience of iSelect's brand was proven in FY19, we acknowledge reinvestment in the brand is necessary for future growth. We will increase our marketing spend in FY20 but will ensure ROI remains within our agreed parameters.

(FY19 Performance)

FY19 demonstrated the robustness and adaptability of our business model in the face of a challenging external operating environment.

While underlying revenue for the 12 months ended June 30 2019 was down 16% to \$150.7 million, the strategic decision to focus on profitable revenue and sustainable growth resulting in higher earnings throughout the business. Pleasingly, underlying EBIT increased 77% to \$15.2 million while our underlying EBITDA was up across all our core operating segments.

Health's earnings increased by 7% due to our strong focus on marketing ROI and a more efficient cost base. While Health's revenue decreased, our health business continued to support business profitability.



Energy and Telco continued to grow earnings, with a 9% increase in RPS, a result of more profitable multi-product sales strategy. Revenue was down 21% which was in part due to performance in our Cape Town office which has now been closed.

Life and General Insurance showed strong improvement in customer leads up 43% due to growth in newer verticals, which resulted in EBITDA growth of 40%.

We have strengthened our relationship with AFG through the new Home Loans operating model. This relationship represents an exciting opportunity for iSelect to help better serve their customers into other parts of our business.

(Capital Management)

iSelect has maintained a strong balance sheet that allows us to further invest in the technology that will drive the next phase of growth for our business. During FY19, iSelect invested \$12.3 million in growth initiatives through our technology roadmap and iMoney. As of 30 June 2019, iSelect maintained a healthy cash balance of \$22.0 million with no debt.

(Potential Corporate Activity)

Our shareholding in iMoney remains an exciting investment and high growth opportunity, however one which will require ongoing investment from iSelect. Taking on board feedback from our shareholders as well as our Corporate Strategy, we have decided to sell our stake in iMoney and are currently working through this process.

(FY20 Outlook)

Before I finish my discussion on iSelect's financial results, I would like to touch on the year ahead, with Brodie to provide more detail in his presentation shortly. FY20 will see an increased spend in both Technology and Marketing, as we continue on our trajectory from a transactional business to one focused on customer relationships. We believe this investment in both technology and brand during FY20 is essential to building a strong foundation for future, profitable growth.

We acknowledged at our FY19 full year results in August that these significant investments, along with the retrospective application of AASB15 and the July energy market reforms, would materially impact H1 FY20 performance. Brodie will provide further context.



We understand the external environment is evolving and creating structural change across the industries in which we operate. It is important to acknowledge that the challenges currently experienced by our Energy business are being felt across the wider energy market as the industry adjusts to the recent regulatory reforms.

It is important we view these reforms not as a threat but as an opportunity to further enhance our business by providing the best experience through our channels and customer touch points.

(Summing up)

While the year ahead will certainly bring challenges, we remain focused on achieving sustainable, profitable growth in FY20 and beyond.

Before I hand over to Brodie, I would like to take this opportunity to thank him, our experienced executive leadership and senior management team, as well as the hundreds of talented individuals who make up the broader iSelect team here in Cheltenham. I'd like to thank them all for their contribution and dedication to the Company, and to helping our customers. I would also like to thank my fellow Directors for their efforts over the past year, and to you our shareholders for your continued support.

Thank you for your attention. I now hand over to Brodie, who will run through his presentation. I will return following Brodie to run through the formal part of the meeting.

- ENDS -

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