

Decks are cleared and a strong start to FY21, iSelect well positioned for the future

25 February 2021: iSelect Limited (ASX: ISU) (“The Company”) has released its results for the half year ended 31 December 2020 (H1 FY21) which saw the Company progress its transformation into a technology-driven customer relationship business, despite unpredictable external market conditions.

FY21 Results Overview

The Company has posted an Underlying EBITDA including JobKeeper of \$13.2 million (H1 FY20: \$1.6 million). However, revenues were impacted by fluctuating consumer demand due to COVID-19, as well as FY20 changes to the operating model designed to drive profit.

- Underlying Revenue of \$51.8 million (H1 FY20: \$58.6 million)
- Underlying EBIT of \$8.0 million (H1 FY20: \$-2.5 million)
- Underlying NPAT of \$7.2 million (H1 FY20: \$-2.0 million)
- Reported NPAT loss of -\$4.2 million (H1 FY20: -\$5.6 million)

Balance Sheet

- Consolidated Cash Balance: \$12.5 million
- Net increase in Cash Balance for H1 FY21: +\$2.0 million

Despite the ongoing COVID-19 uncertainty, the Board remains committed to the current long-term strategy and believes continued execution against key initiatives will set the business up for growth in FY22.

Key Appointments and Decisions

CEO appointment – Warren Hebard

As announced at our Annual General Meeting in October 2020, the Board appointed Warren Hebard as permanent CEO, effective 1 November 2020. Warren joined iSelect in 2018, having previously served as Chief Marketing and Commercial Officer.

Chairman appointment – Brodie Arnhold

The Board is pleased to announce the appointment of Brodie Arnhold as Chairman, effective 1 March 2021. Brodie first joined the Board in 2014, before serving as interim CEO between April 2018 and October 2020. Upon finishing as CEO, Brodie returned to the Board and has played an instrumental role in assisting with the CEO transition. Current Chairman Chris Knoblanche will be leaving the Board on 28 February 2021. The Company would like to thank Chris for his hard work, commitment and invaluable stability during his more than five years as Chairman.

COVID-19 and Business Performance

COVID-19 continued to drive fluctuations in consumer demand which impacted core business revenues. Simultaneously, to address the challenging economic environment, key changes to the operating model were introduced in FY20 with a focus on driving profit. While these changes strongly position the business for future growth, in the short-term they also contributed to the H1 FY21 revenue decline.

Pleasingly key performance metrics have improved across the board, following a particularly challenging H1 FY20 due to the 1 July 2019 energy regulatory reforms. In our core Health Insurance vertical, the ‘out-of-cycle’ premium rise on 1 October 2020 provided a welcome boost to Health’s Q1 performance.

Conversely, softening consumer demand due to falling electricity prices in Q2 impacted revenues in our Energy & Telco segment.

The introduction of a 'leaner operating model' enabled a crucial level of agility through the ongoing uncertainty of H1 FY21. Our team members demonstrated impressive resilience as we retained all operations and staff in a 'Work-from-home' environment throughout H2 FY20, including through a long Victorian lockdown. As the economy emerged from the COVID-19 lockdown period, iSelect experienced increase in staff attrition which impacted sales volumes. More positively, this allowed us to continue building a more flexible team, with 50 per cent of new hires coming from interstate.

Commitment to our strategy

Looking ahead to H2 FY21, we remain focused on our key strategic initiatives, building on progress made in H1 FY21:

- Continuing to diversify our lead sources, in particular growing and scaling our partnership with NewsCorp Australia
- Increasing our product offering to customers through new verticals: Business Loans launched in Jan-21, intention to launch Personal Finance, Mobile plans among others
- Continuing growth of iSelect Account, now at 541,000 account holders, with a focus on increasing Active Users by leveraging our investments in data and automation
- Expanding our flexible & remote sales and operations capability
- Retaining a disciplined approach to fixed costs

Commenting on the evolution of the business model, Mr Hebard said: "The growth in our iSelect Account holders is exciting for our business. With the investments made in our Data and Marketing Automation, we will be able to alert customers when we find better deals in market enabling the digitisation of our cross-serve business, increasing overall products purchased per user. The opportunity for this type of personalised service is significant as it allows us to leverage our partner marketplace strength and customer data to help our customers with better spending decisions."

Balance Sheet Strength

The Company's consolidated cash balance at 31 December 2020 was \$12.5 million, an increase of \$2.0 million from June 30, 2020. Importantly, the Working Capital outflow associated with Trail Revenue decreased from \$3.2 million in H1 FY20 to \$2.0 million in H1 FY21. We expect this positive trend to continue and capital management remains under consideration by the Board.

Outlook

Looking ahead to the remainder of FY21 and into FY22, Mr Hebard said: "Given the ongoing challenges of the uncertain external environment and operating model changes, our FY21 revenue reduction was anticipated. Importantly, the changes made in FY20 have already yielded positive results. As the market slowly adapts to a 'COVID-normal', we believe iSelect's service remains extremely relevant as Australian households continue to look for ways to save money and reduce financial pressure. We continue to evolve our model in line with our strategy and believe that continued execution against key strategic initiatives will set the business up for growth in FY22."

-- ENDS --

Authorised for release by the Board of iSelect Limited.



Investor and analyst conference call

The Company will be holding an investor and analyst conference call on Thursday 25 February at **11:00AM Australian Eastern Standard Time.**

Please note that pre-registration is required for Q&A calls. Please use the link below to pre-register:

- <https://s1.c-conf.com/diamondpass/10012059-mys832.html>

Investor and analyst enquiries:

Rohan Dixon

Group Investor Relations, Strategy and Analysis

M: +61 402 094 289

E: rohan.dixon@iselect.com.au

Media enquiries:

Tim Allerton

City Public Relations

M: +61 412 715 707

E: tallerton@citypublicrelations.com.au

About iSelect

At iSelect, we're passionate about helping Australians with their household bills and save time, effort and money. We are Australia's go-to destination for comparison across insurance, utilities and personal finance products made available from our range of providers and our service is provided at no cost to the customer.

We compare a wide range of Australia's leading brands but unlike other comparison sites, we are not owned by an insurance company. Our trained consultants help Australians to compare, select and save. www.iselect.com.au