

# Robert W Baird's 2011 Business Solutions Conference

## February 23, 2011

Peg Smith, Executive Vice-President



## Our business

# Experian – a snapshot



- Sales: \$3.9 billion
- Profits: \$910 million
- Market cap: £7.9 billion<sup>1</sup>
- In top 50 of FTSE-100
- Net Debt: \$1.9 billion<sup>2</sup>
- Employees: c. 15,000
- Offices in 40 countries
- Largest markets: US, UK, Brazil
- Corporate headquarters: Dublin
- Main offices: London, Costa Mesa (US), Nottingham (UK), Sao Paulo (Brazil)

## Overview

# The Experian investment case



### Market leading global information company

- Unique proprietary data, coupled with value-added analytics
- Scalable business model

### Strong market positions

- No. 1 or 2 position across our largest markets
- High barriers to entry

### Global growth potential

- By expanding geographically, in new customer segments and through innovation

### Strong financial track record

- High quality, recurring revenues
- Highly cash generative with low capital intensity

**Aim to sustain mid-high single digit organic growth**

## Overview

# Experian business segments

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### Credit Services

- Large databases of information, used to manage risk
- 16 consumer credit bureaux
- 12 business credit bureaux
- Automotive information

### Decision Analytics

- Value-added products, used to manage risk
- Provides software, scores and analytics
- Build over 300 scorecards p.a.
- Over 1,500 systems deployed

### Marketing Services

- Sophisticated targeted marketing
- Sell across c.30 countries
- c. 60% digital
- Segment over 1bn consumers

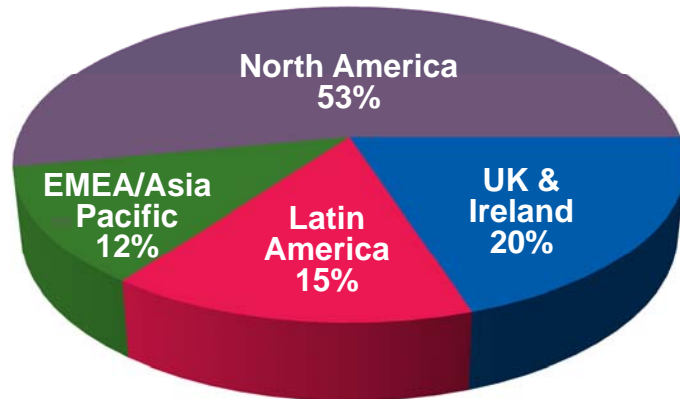
### Interactive

- Direct to consumer credit monitoring services
- Identity theft products
- Online lead generation

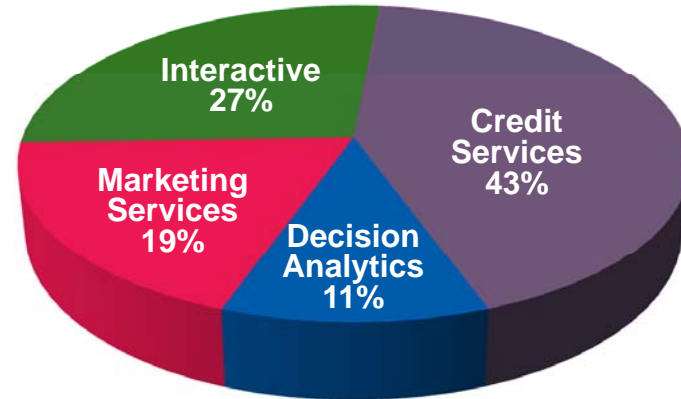
# Overview

## Global revenue FY10

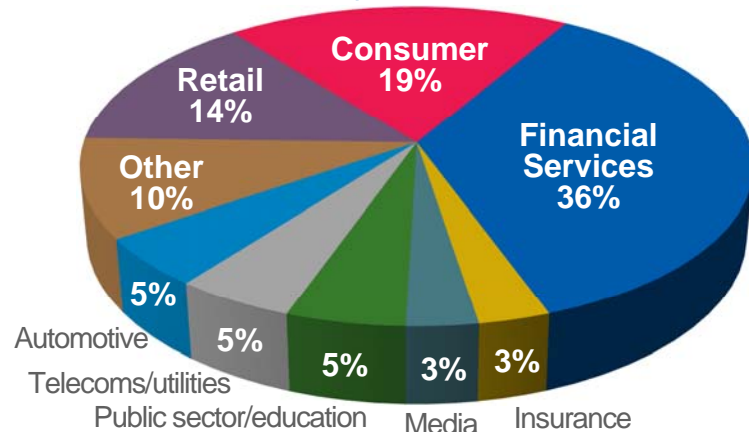
By geography



By segment



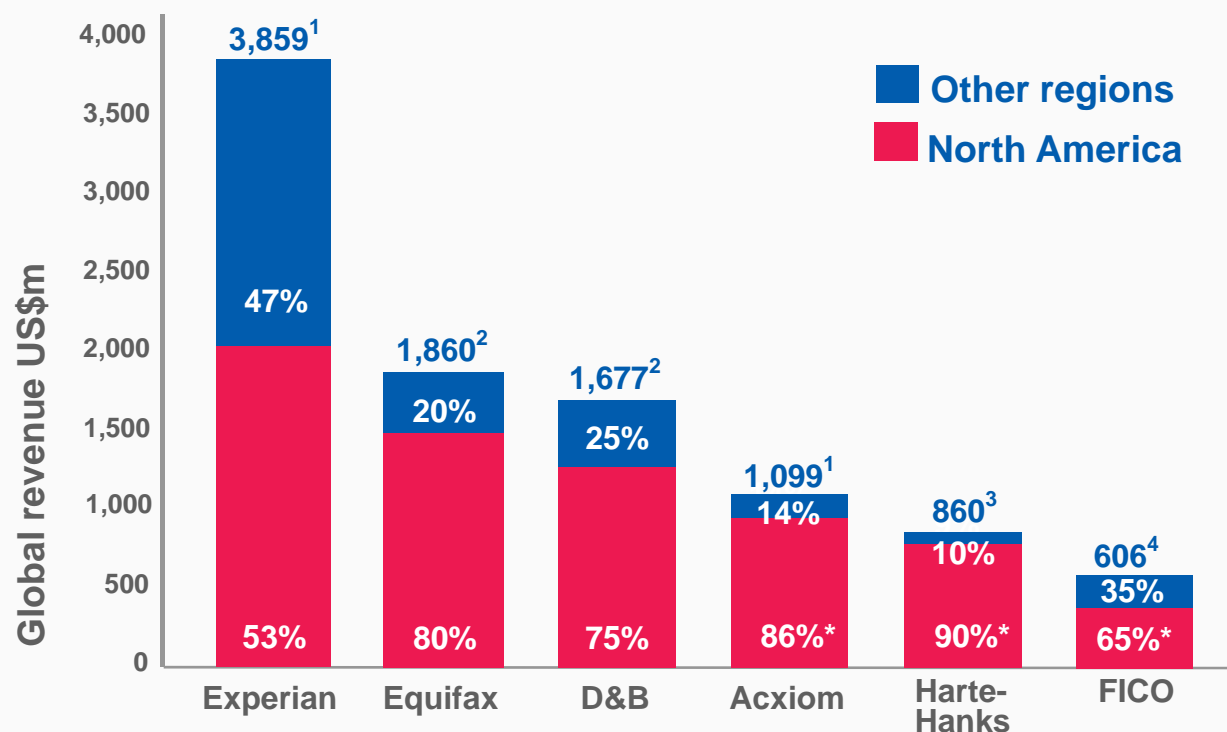
By vertical



**Diverse portfolio  
by geography,  
business segment,  
and vertical  
markets**

## Overview

# Market leader with unparalleled global reach and range



More than double the size of nearest competitor, broader range



1 Year ended 31 March 2010  
2 Year ended 31 December 2010  
3 Year ended 31 December 2009  
4 Year ended 30 September 2010

\*US only  
Source: Latest full year revenue, company 10K

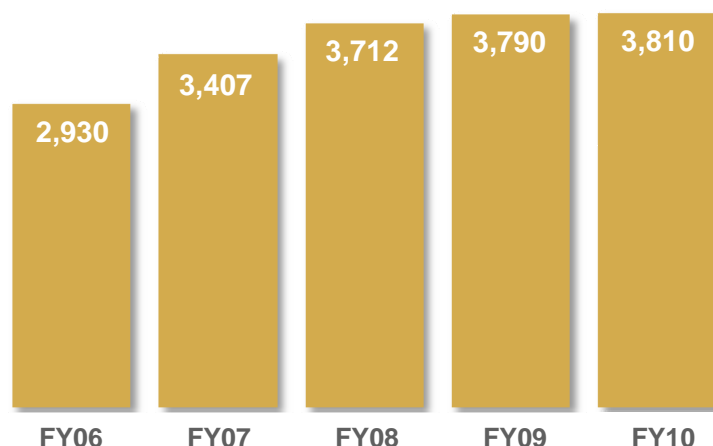


# Overview

## Track record of profitable growth

### Revenue US\$m

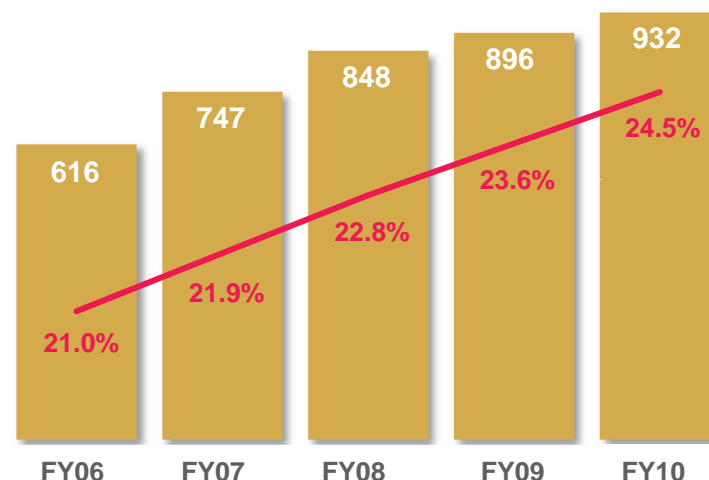
Total growth	+14%	+14%	+8%	+2%
Organic growth	+8%	+4%	+3%	+2%



### Direct business EBIT US\$m and margin

Total growth	+15%	+13%	+8%	+6%
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— EBIT margin



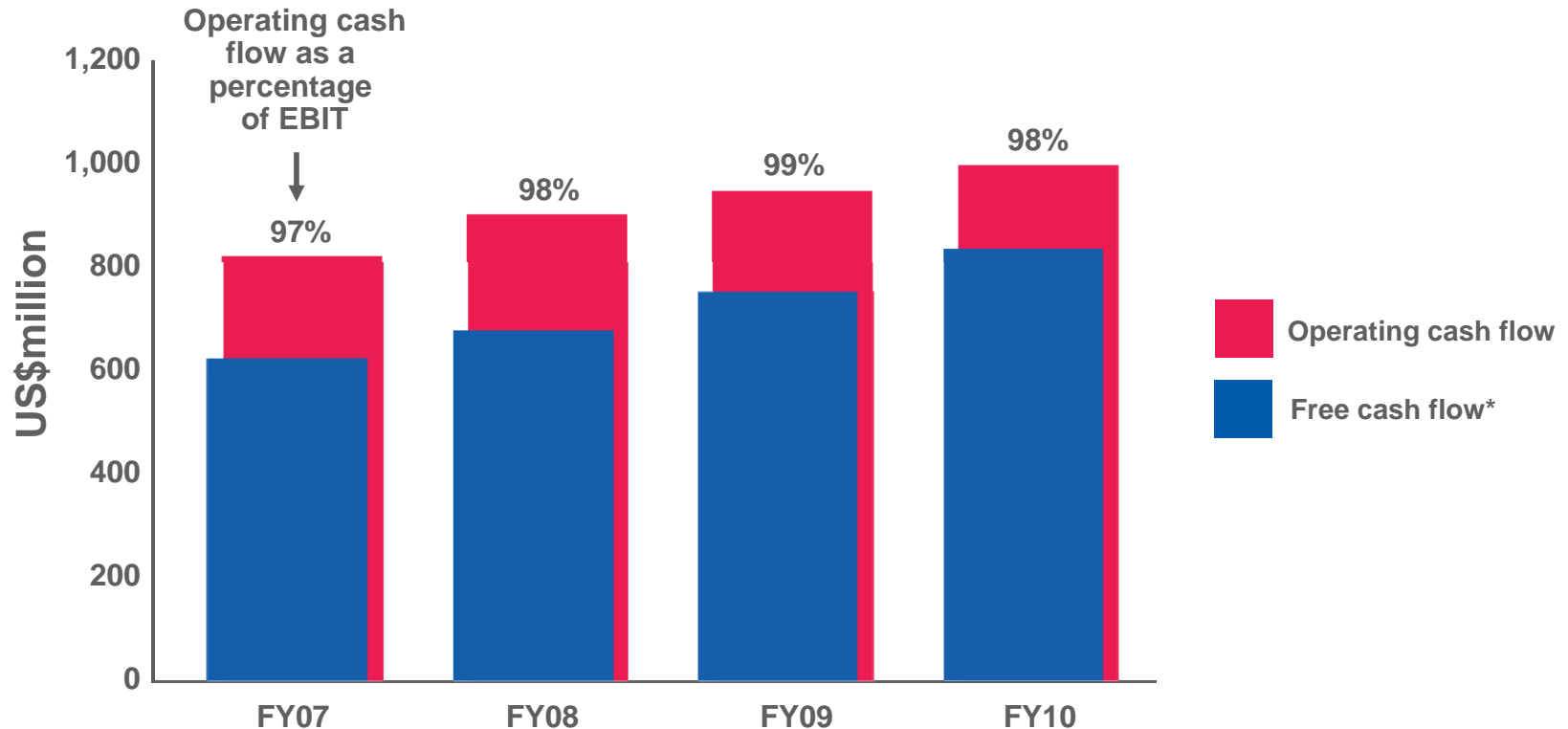
**FY11 organic revenue growth: +7% Q1, +8% Q2, +8% Q3**



Global continuing sales and EBIT only. Growth at constant exchange rates and for continuing activities. EBIT and EBIT margin exclude FARES. FY06 and FY07 sales and EBIT adjusted to exclude MetaReward. FY06, FY07, FY08, FY09 and FY10 sales and EBIT adjusted to exclude UK account processing. FY07 and FY08 sales and EBIT adjusted to exclude Loyalty Solutions. FY08 and FY09 sales and EBIT adjusted to exclude French transaction processing activities and other smaller discontinuing activities. FY10 sales and EBIT exclude small discontinuing activities.

## Overview

# Highly cash generative



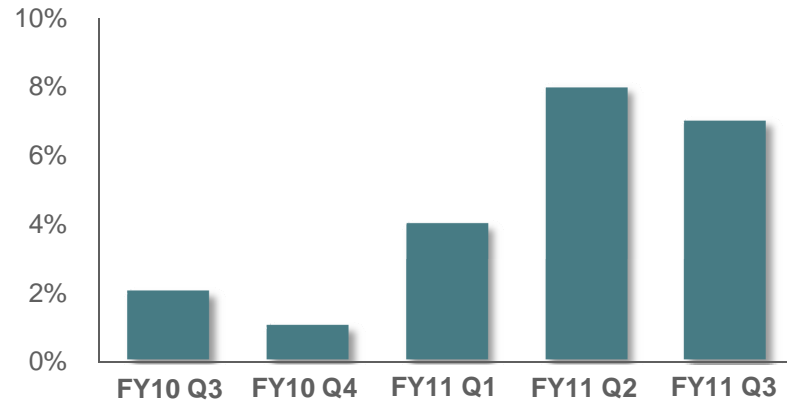
>US\$3bn free cash flow generated since demerger



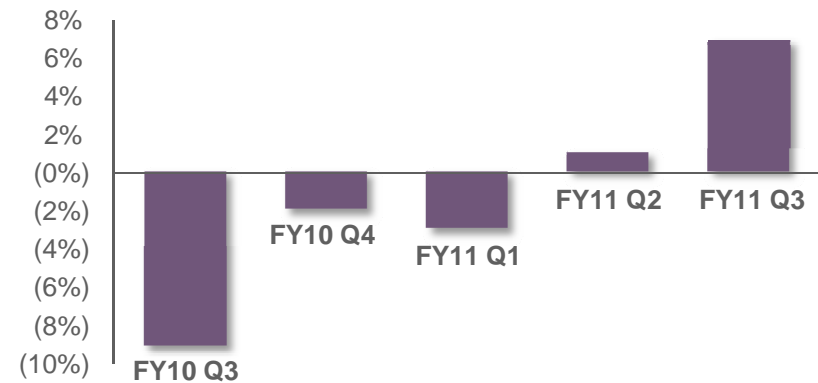
## Overview

# Recent growth trends by business segment

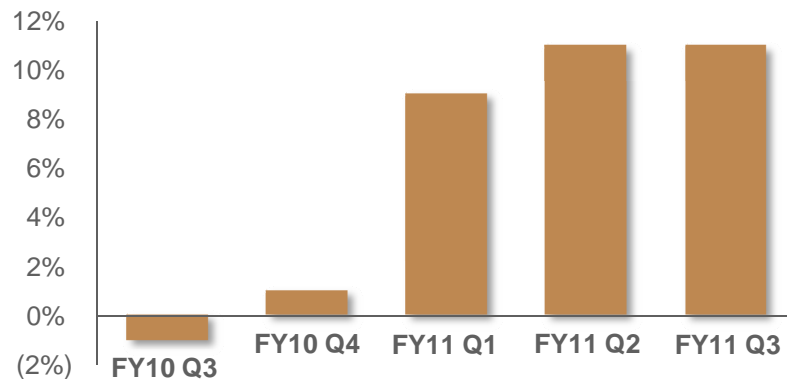
### Credit Services



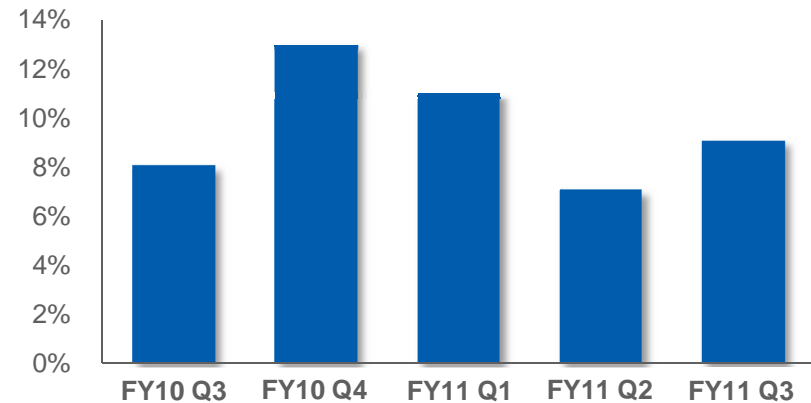
### Decision Analytics



### Marketing Services



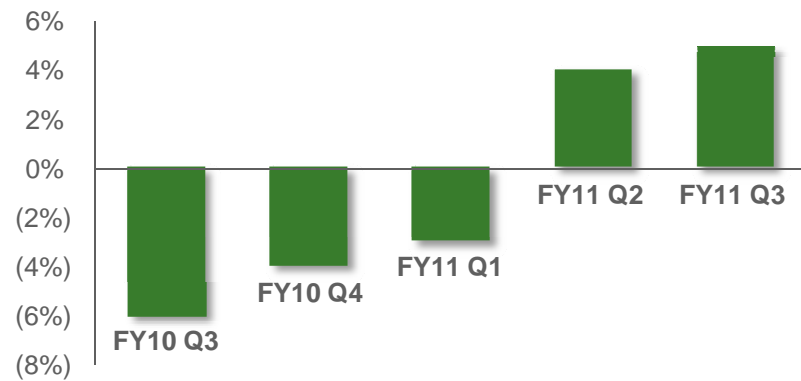
### Interactive



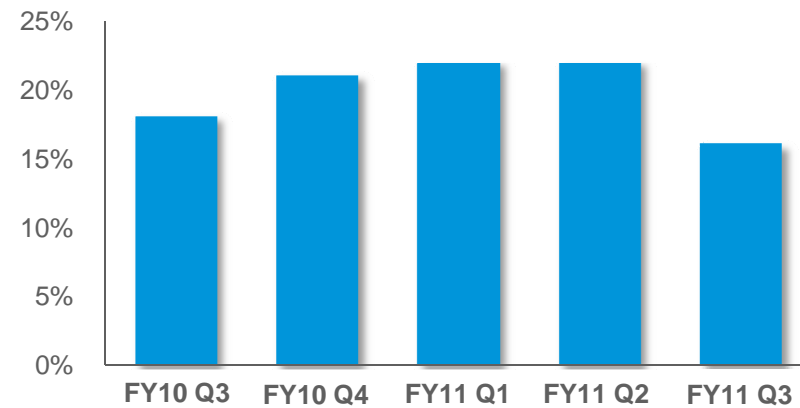
## Overview

# Recent growth trends: Credit Services

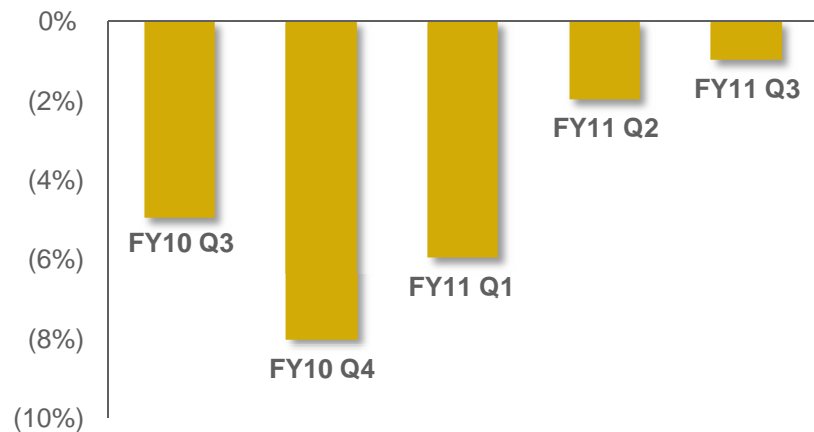
### North America



### Latin America



### UK & Ireland



### EMEA / Asia Pacific



## Our strategic planning goals



- Sustain and extend market leadership
- Leverage our unique market position
  - global span
  - proprietary data and analytics
  - high cash generation
- Three-year strategic planning cycle
  - invest in core
  - take advantage of emerging opportunities

**Delivering growth on a sustained basis**

## Strategic overview

### Market influences

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**New data requirements driven by regulation**

**Accelerating shift to digital targeted marketing**



**New segments and emerging markets adopt risk management tools**

**Consumer need to manage own personal content**

## Our global strategic objectives

**To sustain and grow our market-leading position in credit data and value-added analytics**

**To maximise high-growth expansion opportunities in new customer segments**

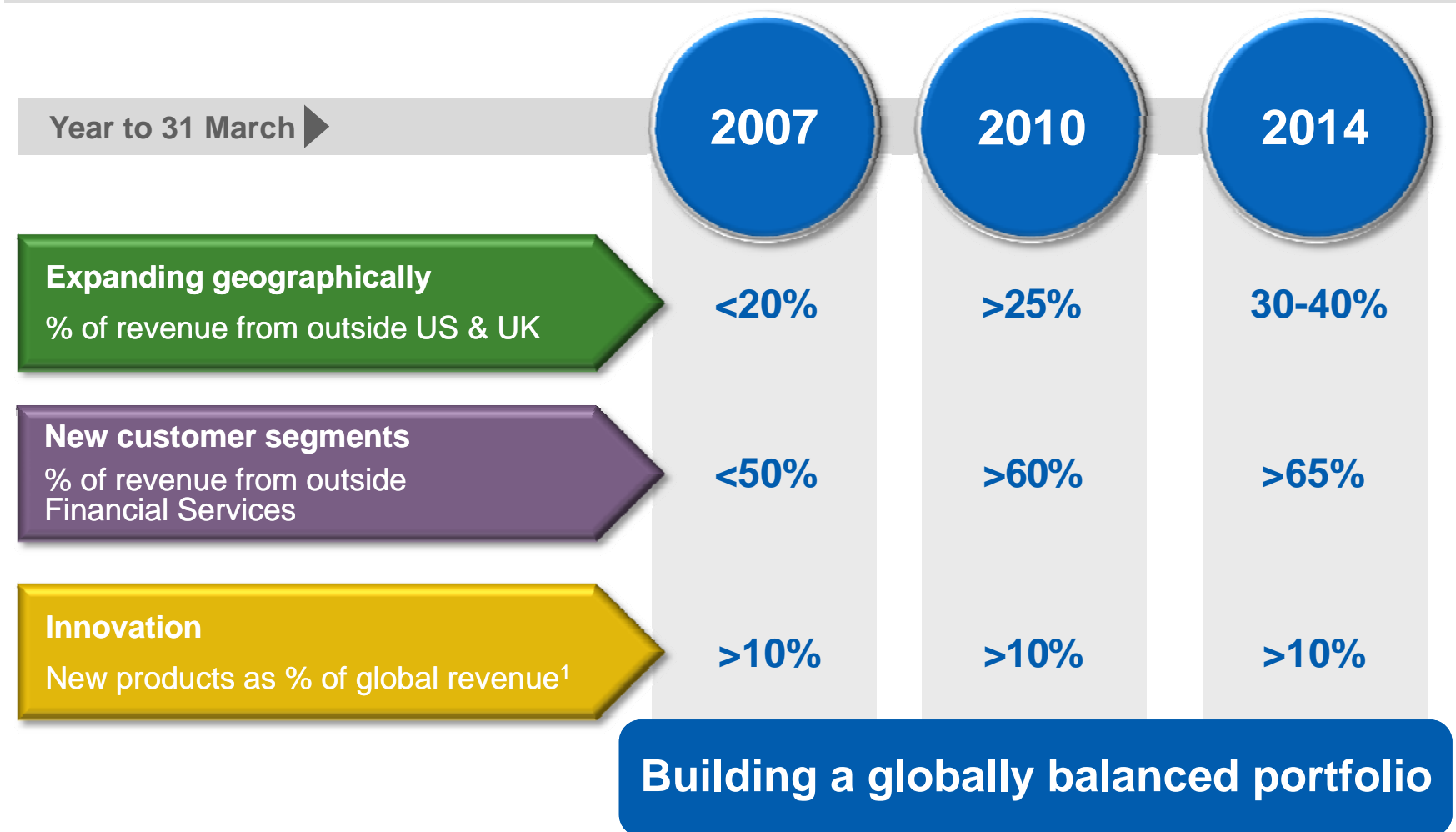
**To build scale operations in targeted fast-growth emerging markets**

**To establish global leadership in digital marketing services**

**To become the leading global consumer brand for credit information and identity protection services**

## Strategic overview

# Our three year vision

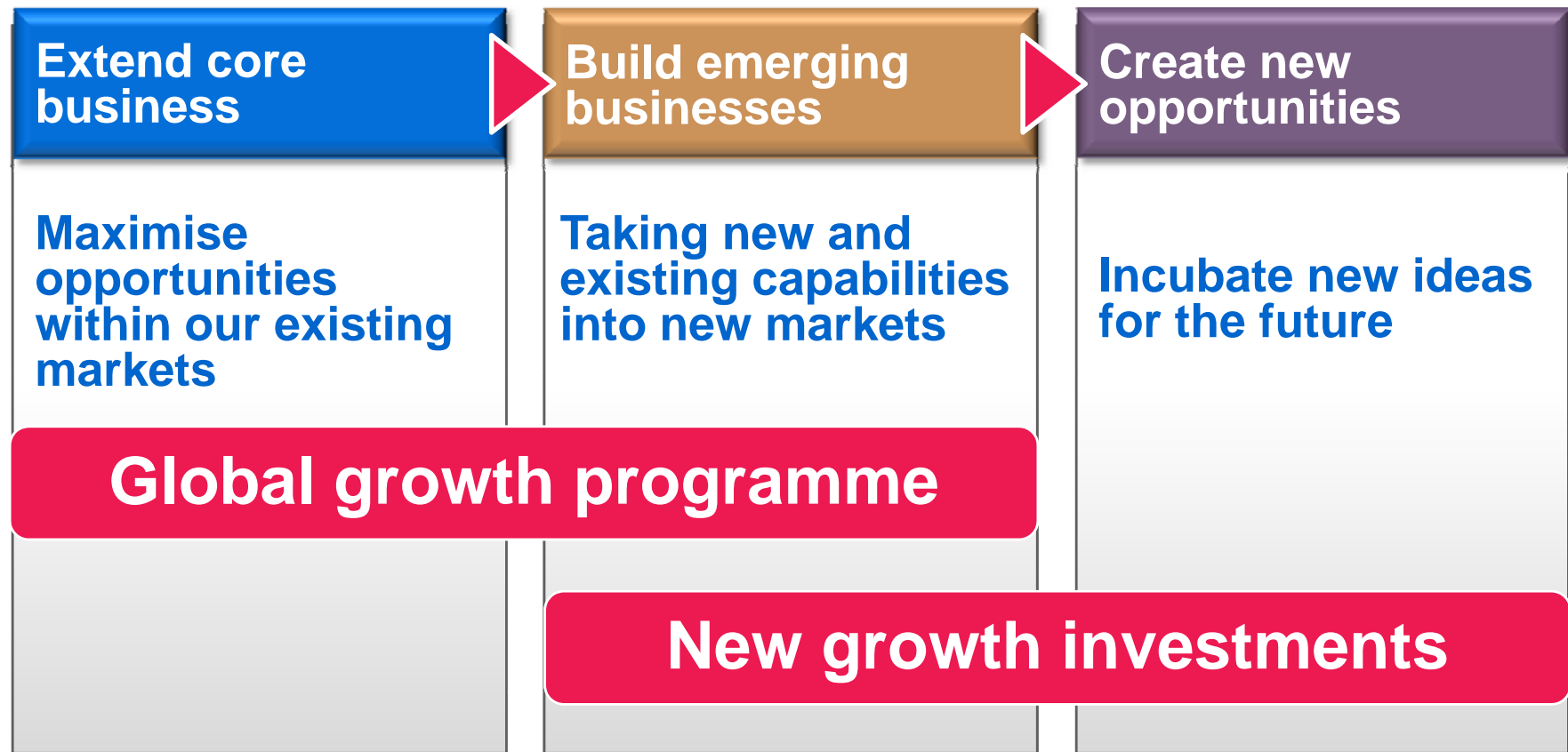


## Sustained growth through disciplined investment process



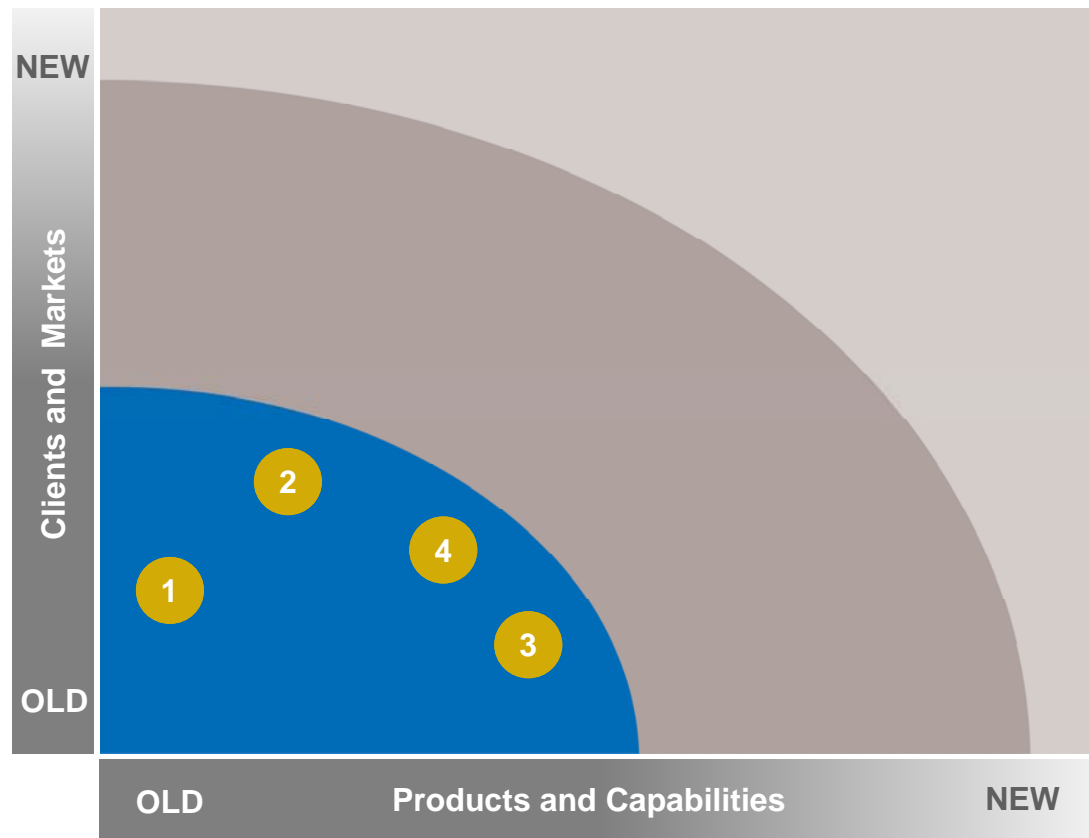


## Delivering high-impact growth sustainably



## Prioritising high-impact growth initiatives

### Extend core business



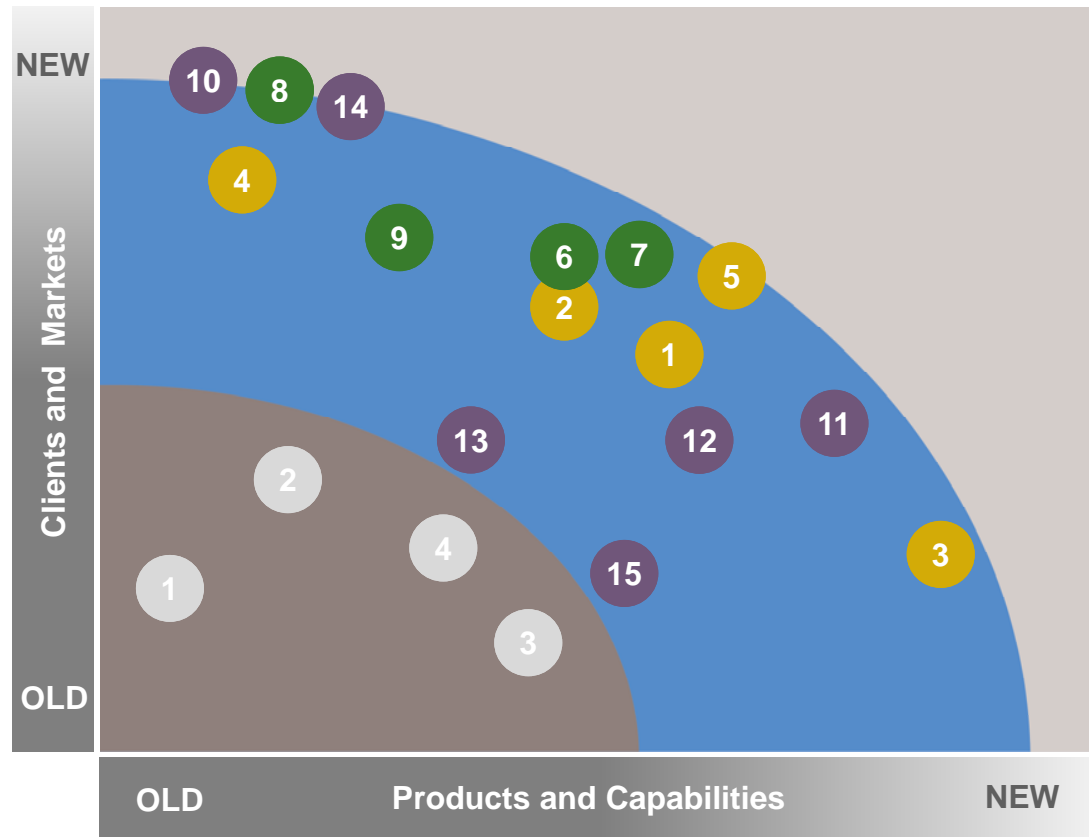
Cumulative incremental revenue potential (FY12-16): >\$50m



1. Sales and service excellence and cross-selling
2. Decision Analytics consultancy expansion
3. New data sources in existing markets
4. Local market based growth initiatives, including NA business information

# Prioritising high-impact growth initiatives

## Build emerging businesses



Cumulative incremental revenue potential (FY12-16): >\$50m



### Product innovation

1. Next generation bureau
2. New Decision Analytics platform
3. New Marketing Services platforms
4. Fraud management
5. Consumer protection

### Expanding geographically

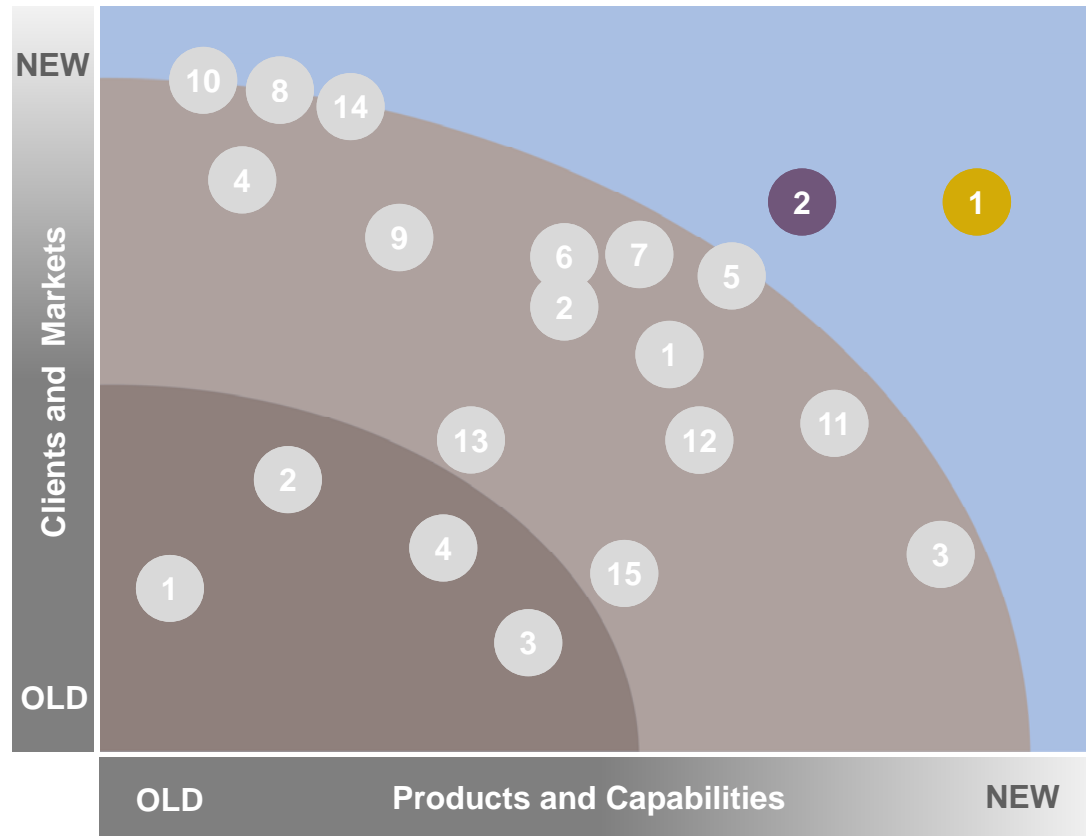
6. India credit bureau
7. New bureau initiatives and positive data
8. Marketing Services product rollout
9. Consumer Direct geographic rollout

### New customer segments

10. SME
11. Healthcare payments
12. Insurance
13. Public Sector
14. Telecommunications
15. Utilities

# Prioritising high-impact growth initiatives

## Incubate new ideas for the future



Cumulative incremental revenue potential (FY12-16): >\$50m



## Prioritising high-impact growth initiatives

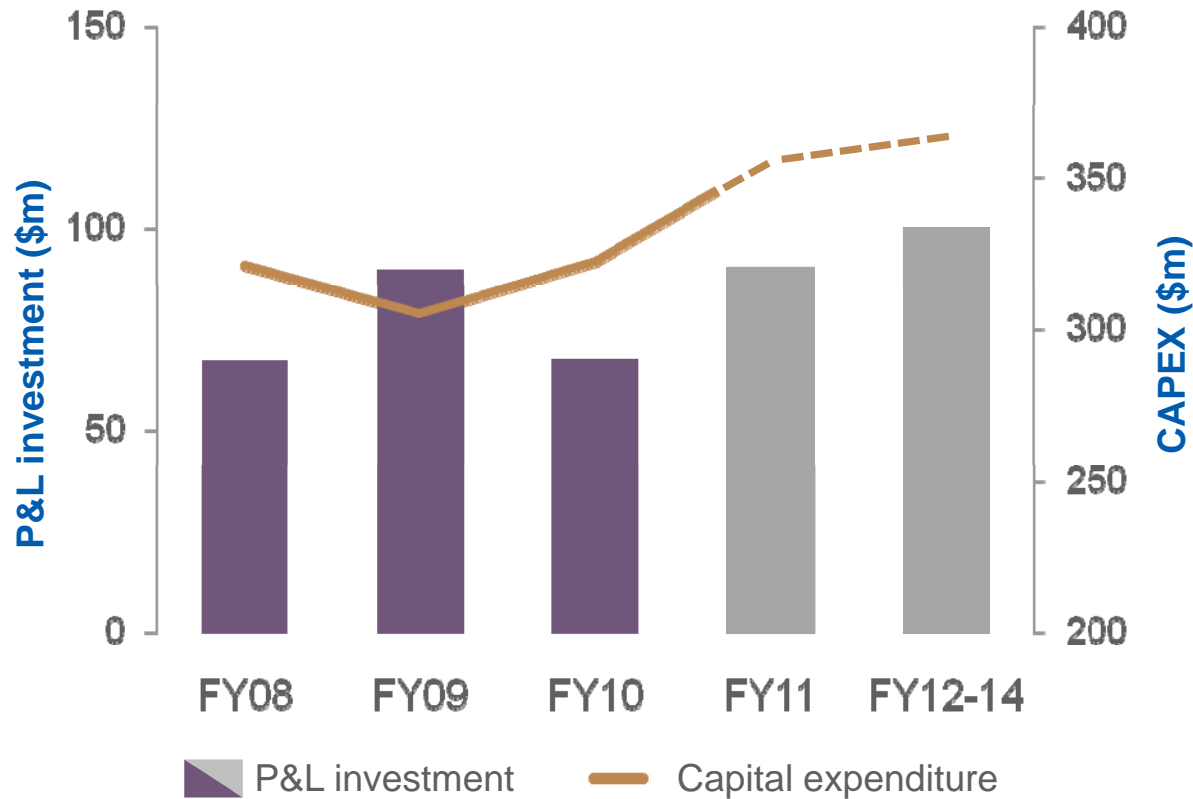
### **FY11 achievements**

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- **Results of global growth programme increasingly apparent**
- **Expect c.2% contribution to organic revenue growth in FY11**
- **Top contributors:**
  - Fraud management and authentication
  - Consumer protection
  - Telecommunication vertical
  - Utilities vertical
  - SME market

## Investing to grow: organic investment trends



- Organic investment to fund future growth
- Modest step-up to support global growth programme
- Goal is to at least maintain or improve margins

**Supplement organic investment  
with targeted acquisitions**

## Strategic overview

# Summary



- **Strategy to sustain and grow Experian's leading global market position**
- **Three-year vision to:**
  - **increase exposure to high growth markets**
  - **establish scale in new customer segments**
  - **lead through innovation**
- **Aim to deliver sustained mid-high single digit organic revenue growth of premium quality**
- **Investment for growth through defined programme is delivering and set to grow**

**Create value for shareholders on a sustained basis**



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