



## **Preliminary results for the year ended 31 March 2012**

10 May 2012





## **Strategic and operational review**

Don Robert, Chief Executive Officer



## FY12 results Highlights

### Strong financial performance

- 10% organic revenue growth
- Growth across all regions and principal activities
- Pre-divestment agreement: 7% organic revenue growth (H1 6%; H2 8%)
- Margin +50bp to 26.2% while investing for growth

### Further strategic progress

- Growth programme gathers pace
- Bolt-on acquisitions in support of strategy



# FY12 results

## Regional highlights

### North America



**Benefit of investments**

### Latin America



**Computec expands regional presence**

### UK & Ireland



**Good growth notwithstanding weak economy**

### EMEA & Asia Pacific

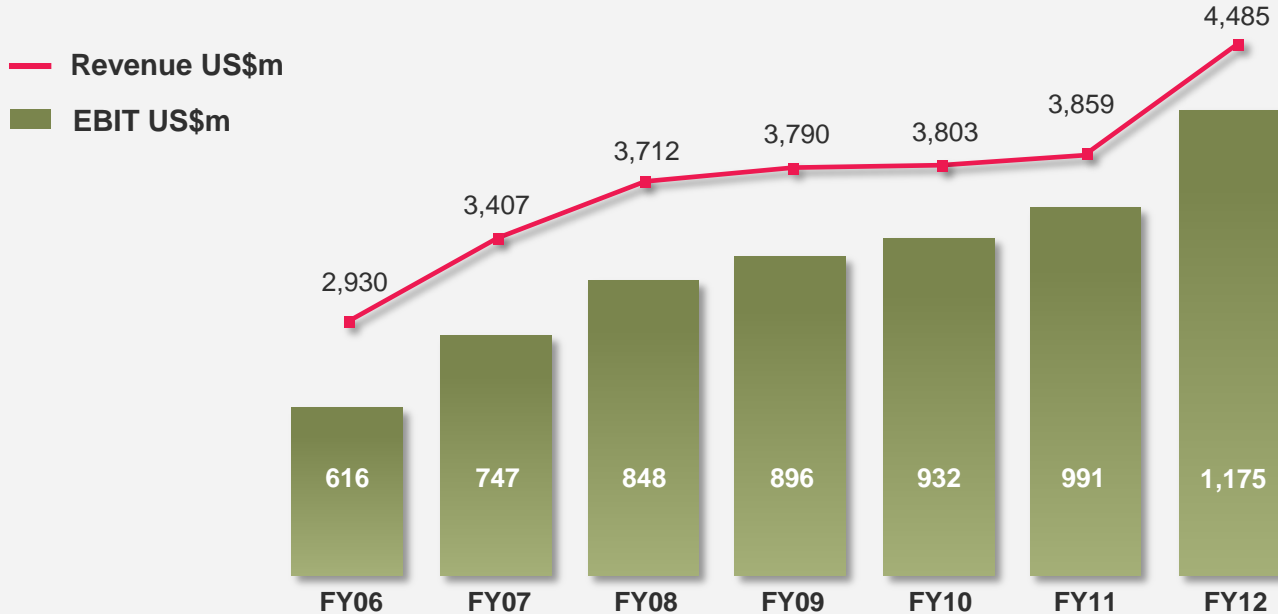


**Good growth despite turbulence in Euroland**



# FY12 results

## Seven year performance trend



Organic revenue growth	12%	8%	4%	3%	2%	8%	10%
EBIT margin (direct business)	21.0%	21.9%	22.8%	23.6%	24.5%	25.7%	26.2%
Operating cash conversion	102%	100%	99%	101%	100%	98%	96%

- Total revenue up 16%
- Continuing EBIT up 18%\*
- EPS up 18%
- Cash flow conversion of 96%
- Full-year dividend up 14%

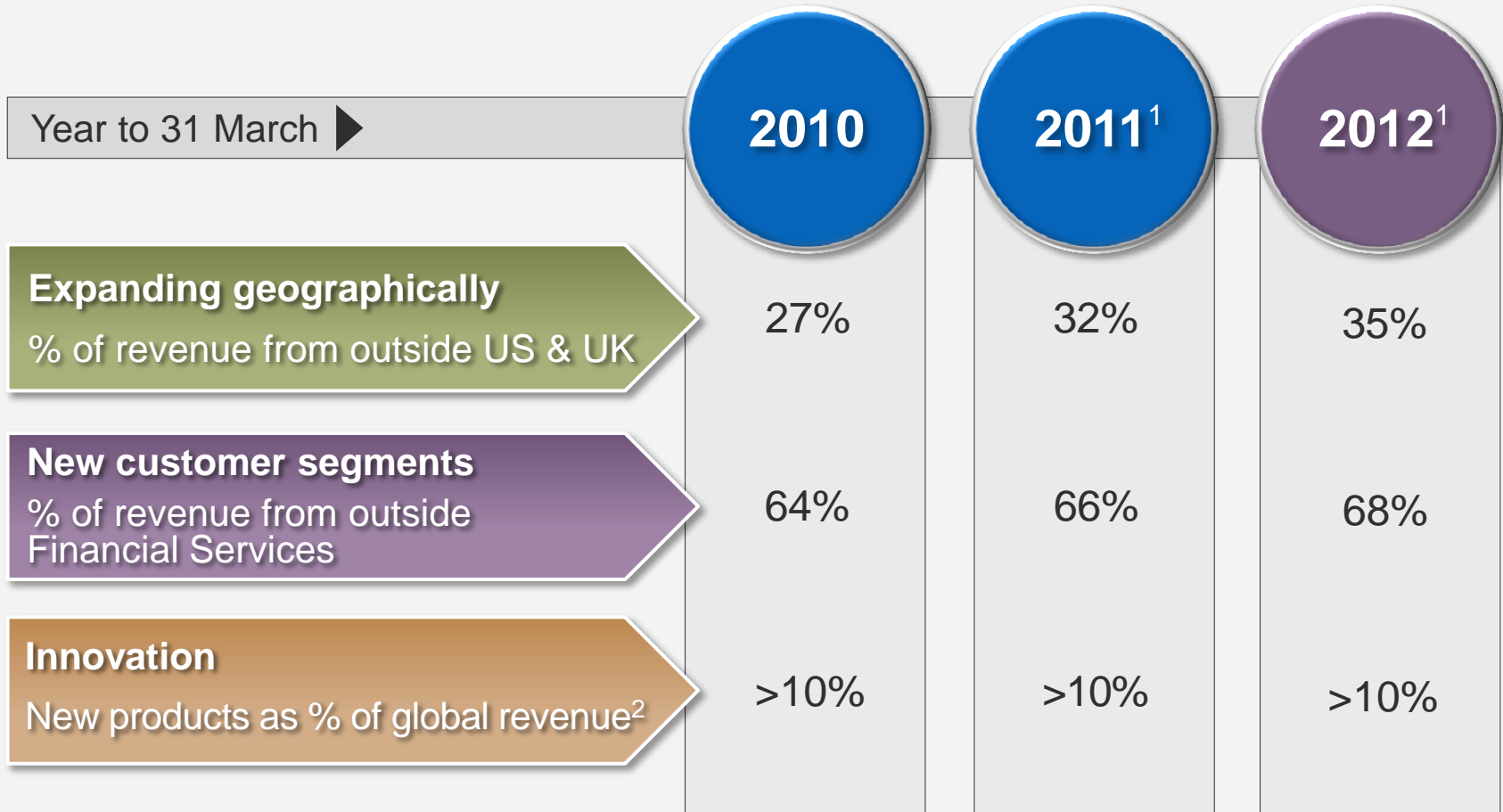
Global continuing revenue and EBIT only. EBIT margin excluding FARES. Operating cash conversion adjusted to exclude FARES. FY06 to FY10 EBIT adjusted to exclude FARES (discontinued operation). FY06 and FY07 revenue and EBIT adjusted to exclude MetaReward. FY07 and FY08 revenue and EBIT adjusted to exclude Loyalty Solutions. FY08 and FY09 revenue and EBIT adjusted to exclude French Transaction Processing business and other smaller discontinuing activities. FY10 and FY11 revenue and EBIT adjusted to exclude small discontinuing activities. FY11 and FY12 revenue, EBIT and operating cash conversion adjusted to exclude the comparison shopping and lead generation businesses that are held for sale. Revenue and EBIT growth shown at constant FX rates. Benchmark PBT growth shown at actual FX rates.

\* At constant exchange rates.



FY12 results

## Delivering against our strategic metrics



<sup>1</sup> Excludes comparison shopping and lead generation businesses in North America and UK and Ireland (now classified as discontinued operations)

<sup>2</sup> % of global revenue from products developed within past five years





FY12 results

# Global growth programme update

## Product innovation

- North America business information products
- Next-generation bureau
- New Decision Analytics platform
- New Marketing Services platforms
- Consumer protection products

## Expanding geographically

- Credit bureaux:
  - Colombia
  - India
  - Australia
- Positive data
- Marketing Services product roll-out
- Consumer Direct roll-out

## New customer segments

- SME
- Healthcare payments
- Insurance
- Public sector
- Telecommunications
- Utilities

**Global growth programme contributed c.4% to organic revenue growth in FY12**



Strategy

# Drivers of growth in new customer segments

## Public Sector

Drive to reduce benefit fraud

Government moving from 'pay now check later' to assessing risk at point of application

Ambition to join up government to improve decisioning

## Telcos

Rising bad debt and fraud exposure as spend on mobile data rises

Shift in focus from ARPU<sup>1</sup> to profitability per user

Rising need to enhance user loyalty and reduce churn

## Utilities

Increased fraud and energy theft

More focused on changing customer circumstances

Better identification of individuals needing fuel poverty payments

## Healthcare payments<sup>2</sup>

Demand for healthcare is rising

Hospitals in financial distress

Patient responsibility for healthcare bills is rising





Strategy

# Drivers of growth in new customer segments

Public Sector	Telcos	Utilities	Healthcare payments
Fight fraud	Fight fraud	Fight fraud	Manage demand
Efficiency	Enhance customer profitability	Enhance customer profitability	Manage arrears
Efficiency	Identify my customer	Identify my customer	Manage delinquency



# Strategy Customer segments update

## Progress in FY12



New contract wins

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UK: major contract wins; strong pipeline

US: major contracts for authentication and fraud prevention

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Integrated Medical Present Value

Expanding product suite

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New customer acquisition and upsell in Brazil

RiskDisk strengthens position in UK



## Strategy Spotlight on telecommunications



- Double digit growth vertical
- 3 years into the strategy
- Telecommunications operators standardise on our platforms

# Creating offers no-one else can match



Strategy

# What Experian does for telecom operators today

## Credit risk



Does this individual qualify for post-paid service?

## Customer management



Who are my best customers?  
How do I find more of them?

## Collections



Which past-due accounts are most likely to pay?

## Fraud prevention

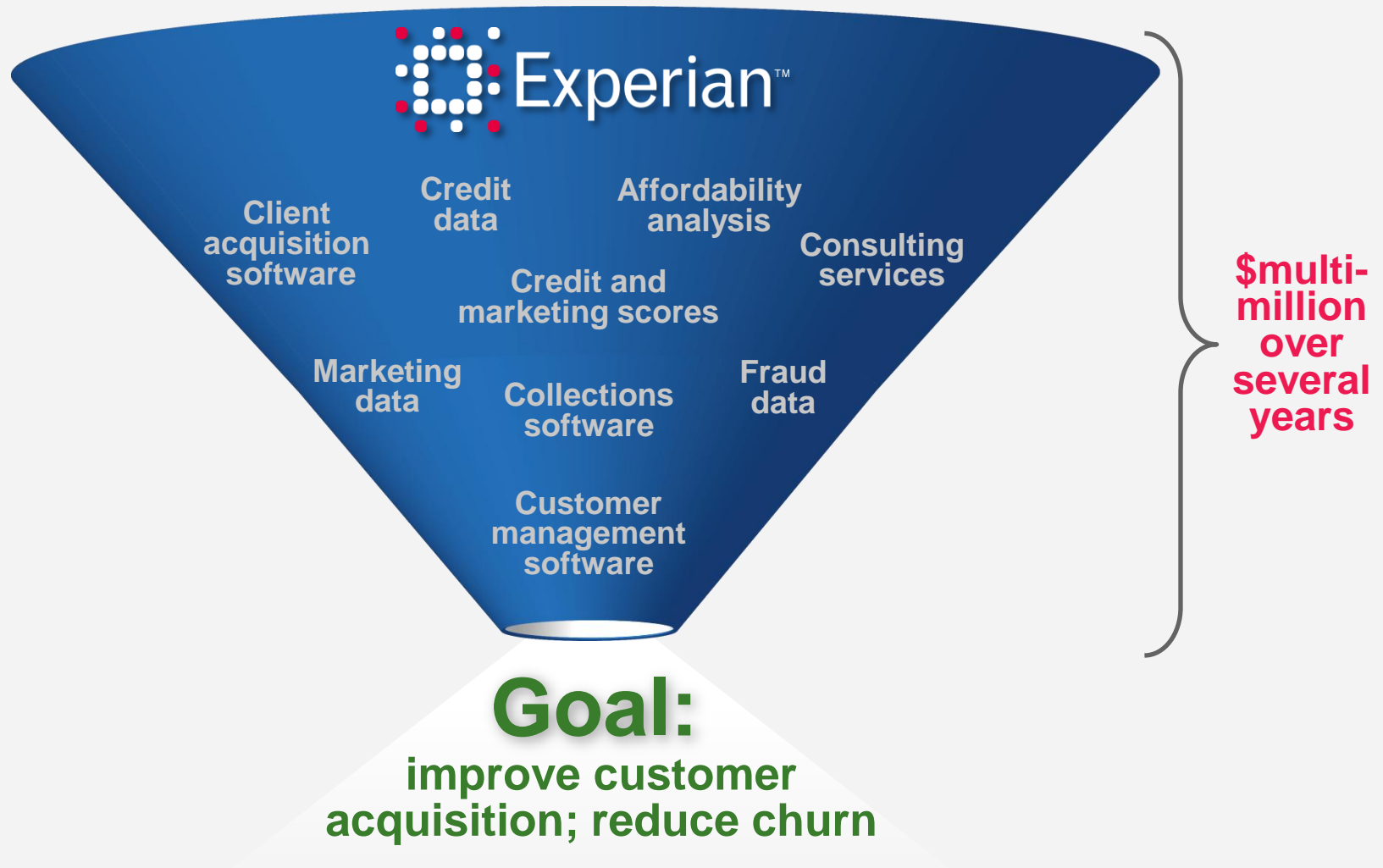


Is this person who they say they are?



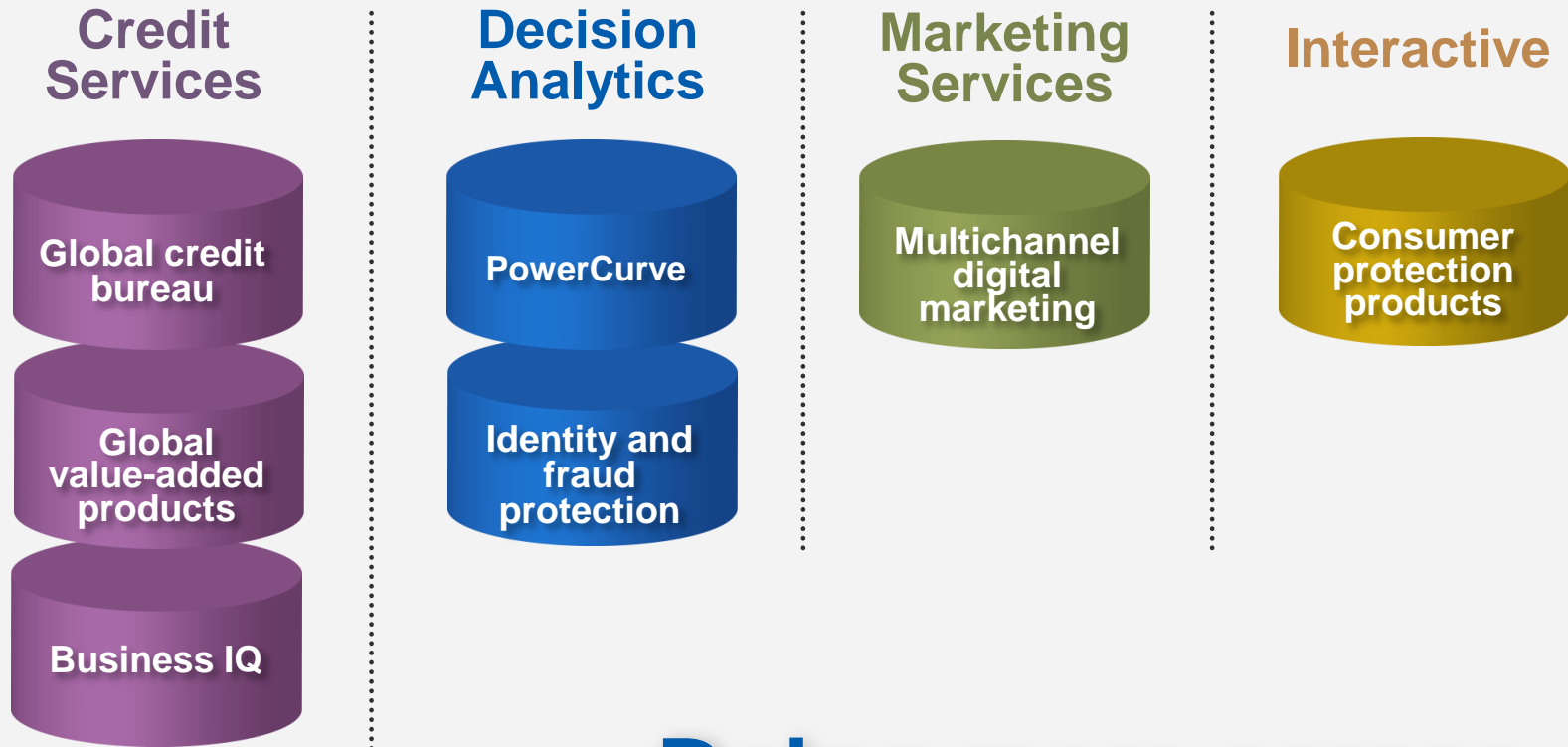
Strategy

# Providing a one-stop shop for telecom operators





# Strategy Update on new product investments



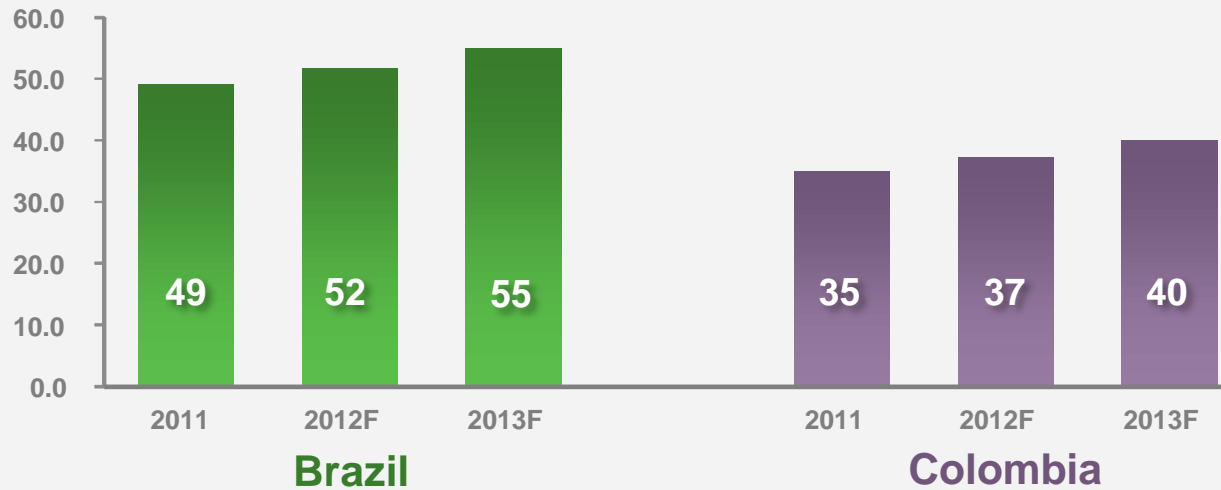
**Doing more across  
more markets**



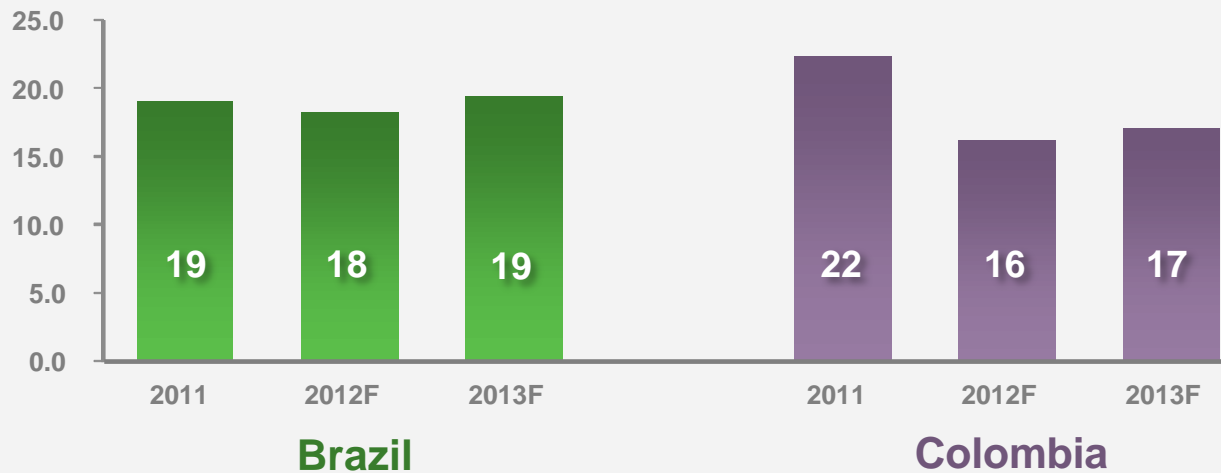


# Strategy Spotlight on Latin America

Credit /  
GDP %



Credit  
volume  
growth %





# Strategy Latin America: investing for growth

		% of LA revenue <sup>1</sup>
 <b>Credit Services</b>	<ul style="list-style-type: none"><li>• Expanding data coverage</li><li>• Growth in new customer segments</li><li>• Taking SME channel to next level</li></ul>	<b>93</b>
 <b>Decision Analytics</b>	<ul style="list-style-type: none"><li>• Take advantage of client footprint</li><li>• Exploit PowerCurve platform</li><li>• Develop fraud prevention tools</li></ul>	<b>2</b>
 <b>Marketing Services</b>	<ul style="list-style-type: none"><li>• Growing broadband and mobile penetration</li><li>• Strong demand for digital marketing</li><li>• Deploying our digital marketing platforms</li></ul>	<b>5</b>



# Strategy Computec update



- Performing on the buy plan
- Underlying revenue growth of c.20% in FY12
- Integration underway
- Exploring revenue synergies



## FY12 results Summary



- FY12 a year of significant progress
- Growth programme delivering, with much more to come
- Strong foundation for future growth



## Financial review

Antony Barnes, Director of Tax and Treasury



## Financial review Highlights



- Total revenue growth of 15%, organic revenue growth of 10%
- EBIT margin up 50 basis points to 26.2%
- Continuing EBIT growth of 18%
- Benchmark PBT growth of 23%;  
Benchmark EPS growth of 18%
- Dividend up 14% to 32.0 US cents

Revenue and EBIT growth at constant exchange rates, all other growth rates at actual exchange rates

Note: Certain financial data have been rounded within this presentation. As a result of this rounding, the totals of data presented may vary slightly from the arithmetic totals of such data.





**Year ended 31 March 2012**  
**US\$million**

	As reported	Pre-exclusion	Difference
Revenue (US\$m)	4,485	4,768	(283)
Total revenue growth (%)	15	12	3
Organic revenue growth (%)	10	7	3
EBIT margin (%)	26.2	25.1	1.1
Continuing EBIT (US\$m)	1,175	1,195	(20)
Benchmark EPS (US cents)	78.9	80.0	(1.1)



# Financial review

## Revenue and EBIT by geography

Year ended 31 March  
US\$million

Revenue	2012	2011	Total growth	Organic growth
North America	2,092	1,905	10%	6%
Latin America	961	722	31%	23%
UK and Ireland	824	731	10%	8%
EMEA/Asia Pacific	608	501	17%	7%
<b>Total revenue</b>	<b>4,485</b>	<b>3,859</b>	<b>15%</b>	<b>10%</b>
EBIT before central activities	1,249	1,057	17%	
Central activities	(74)	(66)		
<b>EBIT – continuing activities</b>	<b>1,175</b>	<b>991</b>	<b>18%</b>	
<b>EBIT margin</b>	<b>26.2%</b>	<b>25.7%</b>		

- Organic revenue growth of 10%
- EBIT growth of 18%
- EBIT margin +50 basis points

All figures above on continuing basis  
Growth at constant exchange rates

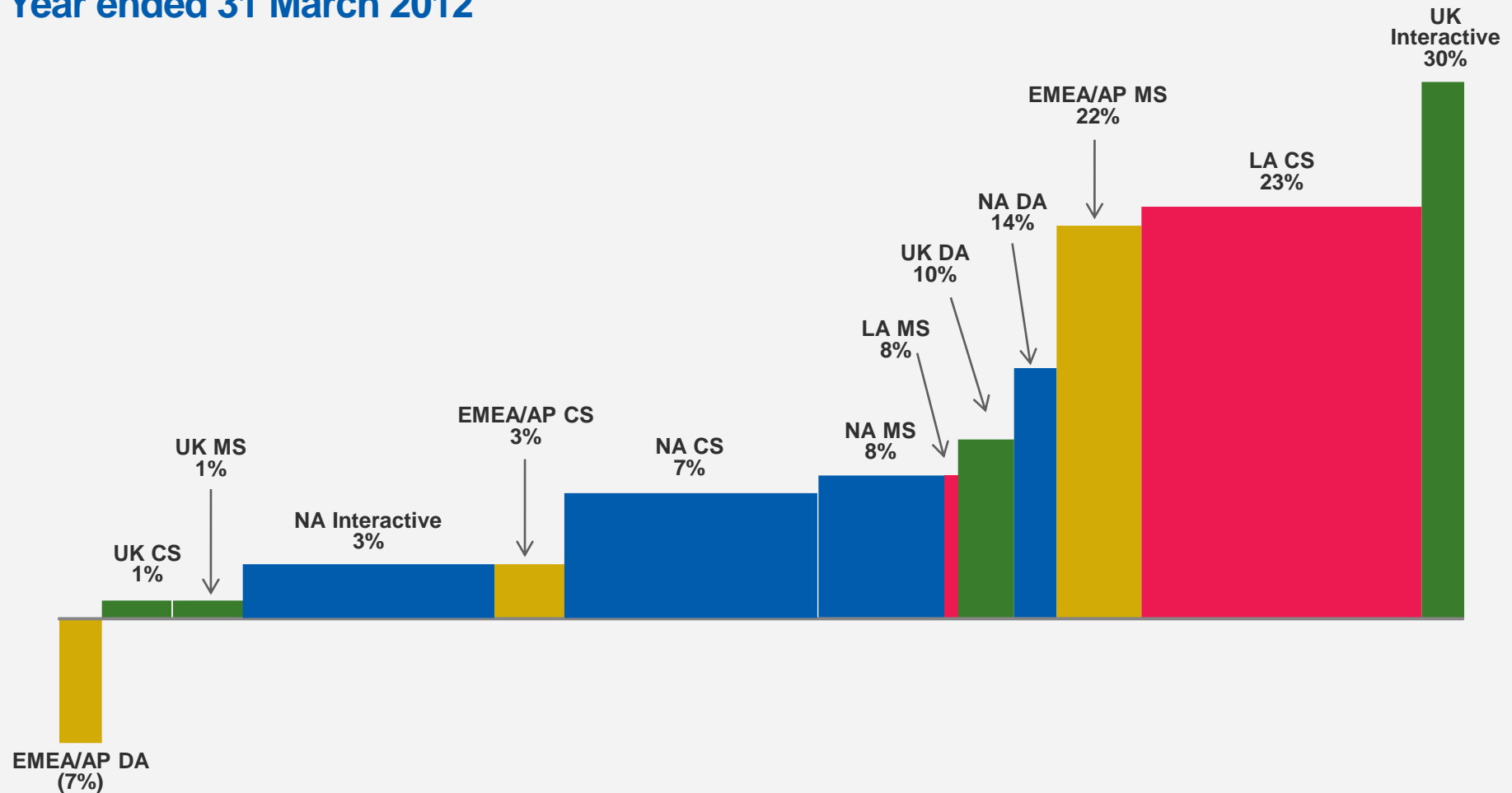
2011 restated to exclude comparison shopping and lead generation businesses (now classified as discontinued operations) and a small discontinuing activity in EMEA / AP



## Financial review

# Organic revenue growth contribution

Year ended 31 March 2012

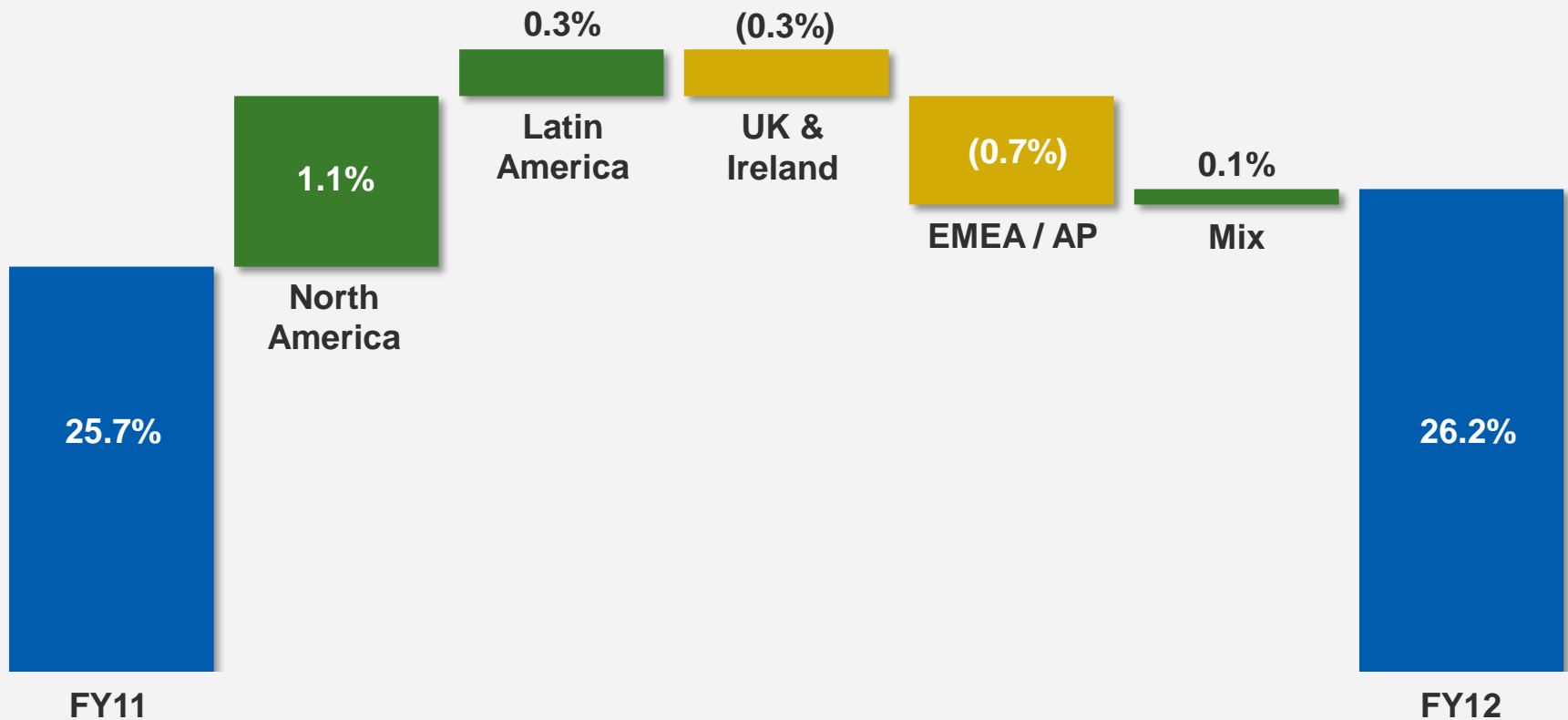


Note: Latin America Decision Analytics growth of 70% is not shown in the graph above as it has < 0.5% share of the business. Horizontal axis represents share of total revenue, vertical axis represents organic revenue growth.



## Financial review

# EBIT margin by geography





# Financial review Credit Services

## Year ended 31 March US\$million

Revenue	2012	2011	Total growth	Organic growth
North America	791	716	10%	7%
Latin America	891	687	28%	23%
UK and Ireland	240	225	4%	1%
EMEA/Asia Pacific	211	184	11%	3%
<b>Total revenue</b>	<b>2,133</b>	<b>1,812</b>	<b>16%</b>	<b>12%</b>
<b>EBIT</b>	<b>728</b>	<b>609</b>	<b>18%</b>	
<b>EBIT margin</b>	<b>34.1%</b>	<b>33.6%</b>		

- Organic growth of 12%
- Margin improvement of 50 basis points

All figures above on continuing basis  
Growth at constant exchange rates



# Financial review Decision Analytics

## Year ended 31 March US\$million

Revenue	2012	2011	Total growth	Organic growth
North America	129	113	14%	14%
Latin America	20	12	70%	70%
UK and Ireland	198	175	11%	10%
EMEA/Asia Pacific	129	134	(7)%	(7)%
<b>Total revenue</b>	<b>476</b>	<b>434</b>	<b>8%</b>	<b>8%</b>
<b>EBIT</b>	<b>107</b>	<b>116</b>	<b>(10)%</b>	
<b>EBIT margin</b>	<b>22.5%</b>	<b>26.7%</b>		

- Organic growth of 8%
- Margin reflects:
  - One-off charge in EMEA

All figures above on continuing basis  
Growth at constant exchange rates  
2011 restated to exclude a small discontinuing activity in EMEA / AP





# Financial review

## Marketing Services

Year ended 31 March  
US\$million

Revenue	2012	2011	Total growth	Organic growth
North America	395	367	8%	8%
Latin America	50	23	114%	8%
UK and Ireland	234	218	5%	1%
EMEA/Asia Pacific	268	183	40%	22%
<b>Total revenue</b>	<b>947</b>	<b>791</b>	<b>17%</b>	<b>9%</b>
<b>EBIT</b>	<b>146</b>	<b>126</b>	<b>15%</b>	
<b>EBIT margin</b>	<b>15.4%</b>	<b>15.9%</b>		

- Organic revenue growth of 9%
- Margin affected by adverse acquisition mix

All figures above on continuing basis  
Growth at constant exchange rates



## Year ended 31 March US\$million

Revenue	2012	2011	Total growth	Organic growth
North America	777	709	10%	3%
UK and Ireland	152	113	31%	30%
<b>Total revenue</b>	<b>929</b>	<b>822</b>	<b>13%</b>	<b>7%</b>
<b>EBIT</b>	<b>268</b>	<b>206</b>	<b>31%</b>	
<b>EBIT margin</b>	<b>28.8%</b>	<b>25.1%</b>		

- Organic revenue growth of 7%
- Margin improvement of 370 basis points
- Positive operating leverage
- Improved retention rates
- Marketing spend optimisation

All figures above on continuing basis  
 Growth at constant exchange rates  
 2011 restated to exclude comparison shopping and lead generation businesses (now classified as discontinued operations)



# Financial review

## Group benchmark earnings

**Year ended 31 March**  
**US\$million**

	<b>2012</b>	<b>2011</b>	<b>Growth</b>
<b>Total EBIT</b>	<b>1,175</b>	<b>991</b>	<b>19%</b>
Net Interest	(47)	(71)	
<b>Benchmark PBT<sup>1</sup></b>	<b>1,128</b>	<b>920</b>	<b>23%</b>
Benchmark taxation	(274)	(198)	
<i>Benchmark taxation rate</i>	<i>24%</i>	<i>22%</i>	
<b>Benchmark PAT</b>	<b>854</b>	<b>722</b>	
Benchmark non-controlling interest	(74)	(52)	
<b>Benchmark earnings</b>	<b>780</b>	<b>670</b>	<b>16%</b>
<b>Weighted average number of shares</b>	<b>989</b>	<b>1,002</b>	
<b>Closing number of shares</b>	<b>989</b>	<b>989</b>	
<b>Benchmark EPS, US cents</b>	<b>78.9</b>	<b>66.9</b>	<b>18%</b>
<b>Dividend per share, US cents</b>	<b>32.0</b>	<b>28.0</b>	<b>14%</b>

Growth at actual exchange rates.

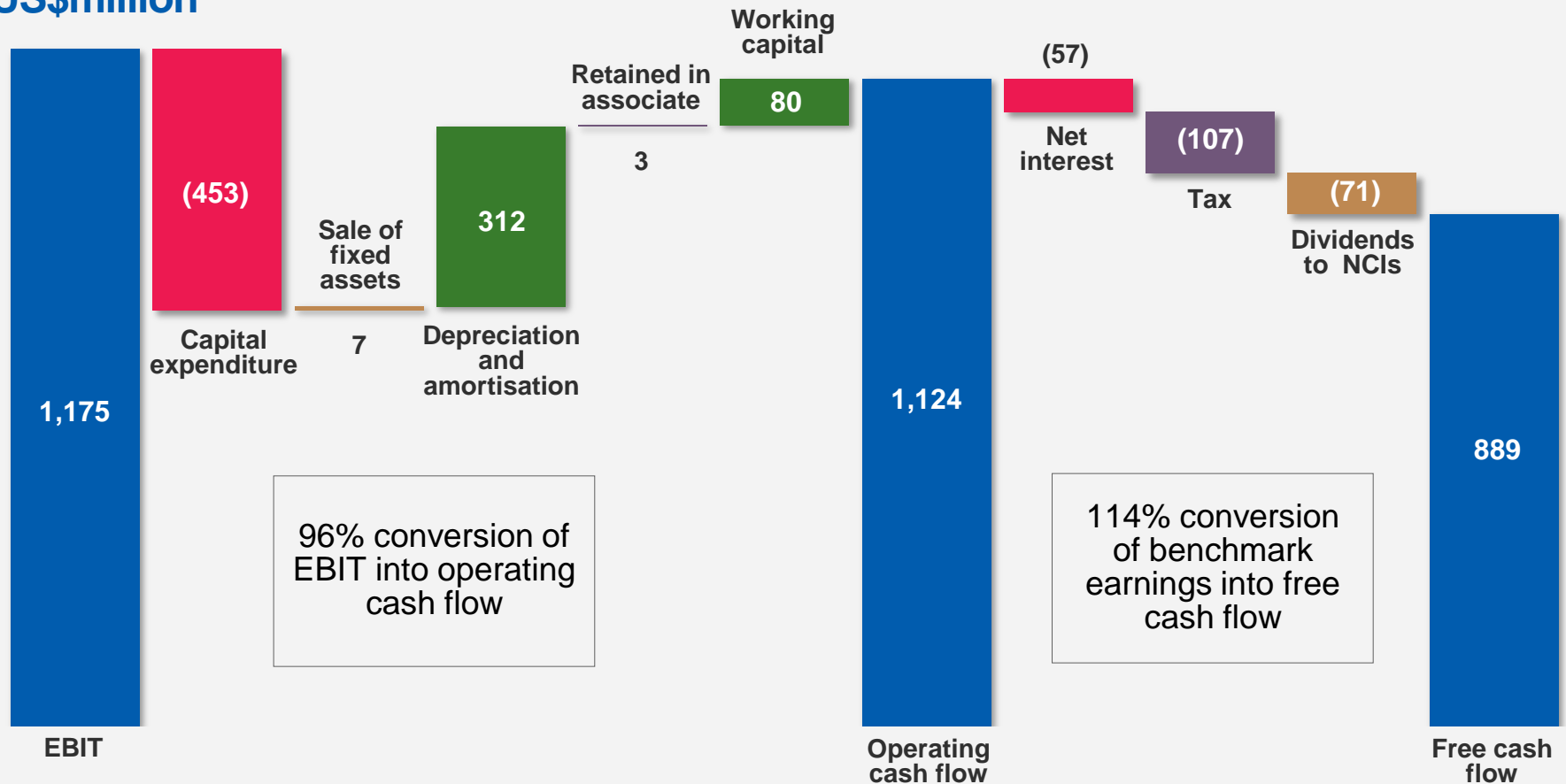
<sup>1</sup> Benchmark PBT is defined as profit before amortisation of acquisition intangibles, acquisition expenses, goodwill impairments, charges in respect of the demerger-related equity incentive plans, exceptional items, financing fair value remeasurements and tax. It includes the Group's share of associates' pre-tax profit.



# Financial review

## Cash flow performance

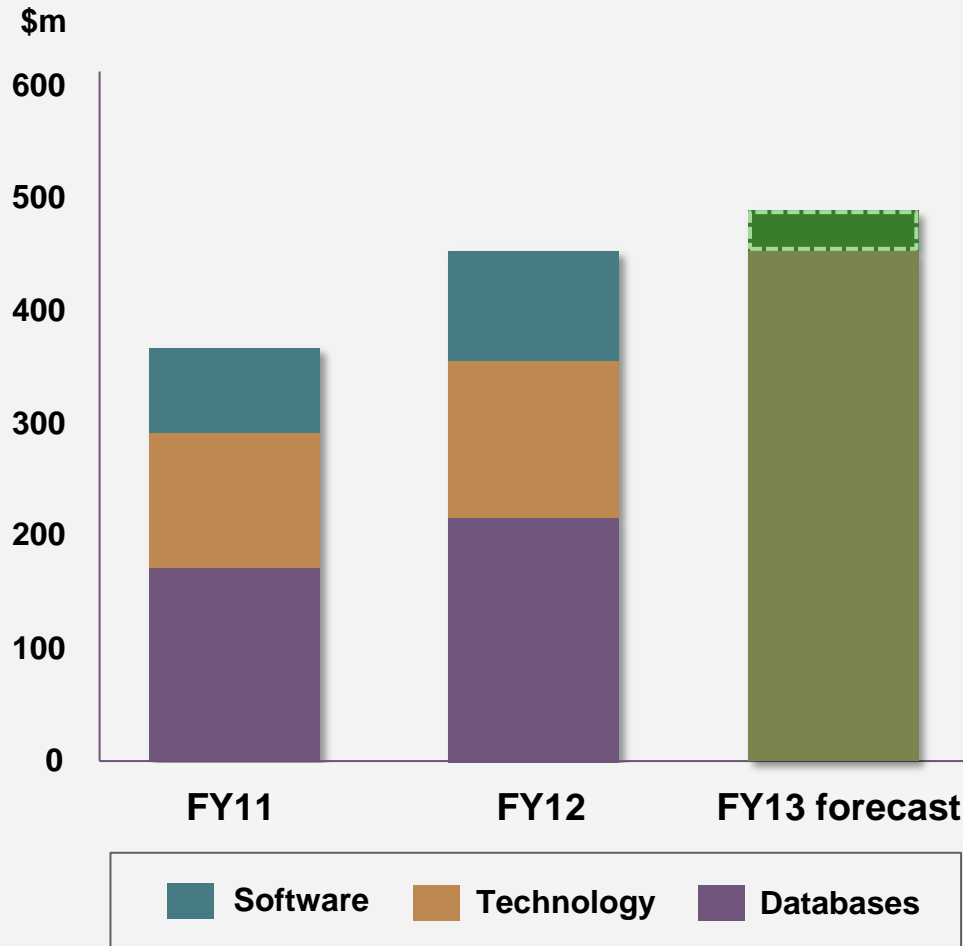
Year ended 31 March  
US\$million





## Financial review

# Capital expenditure



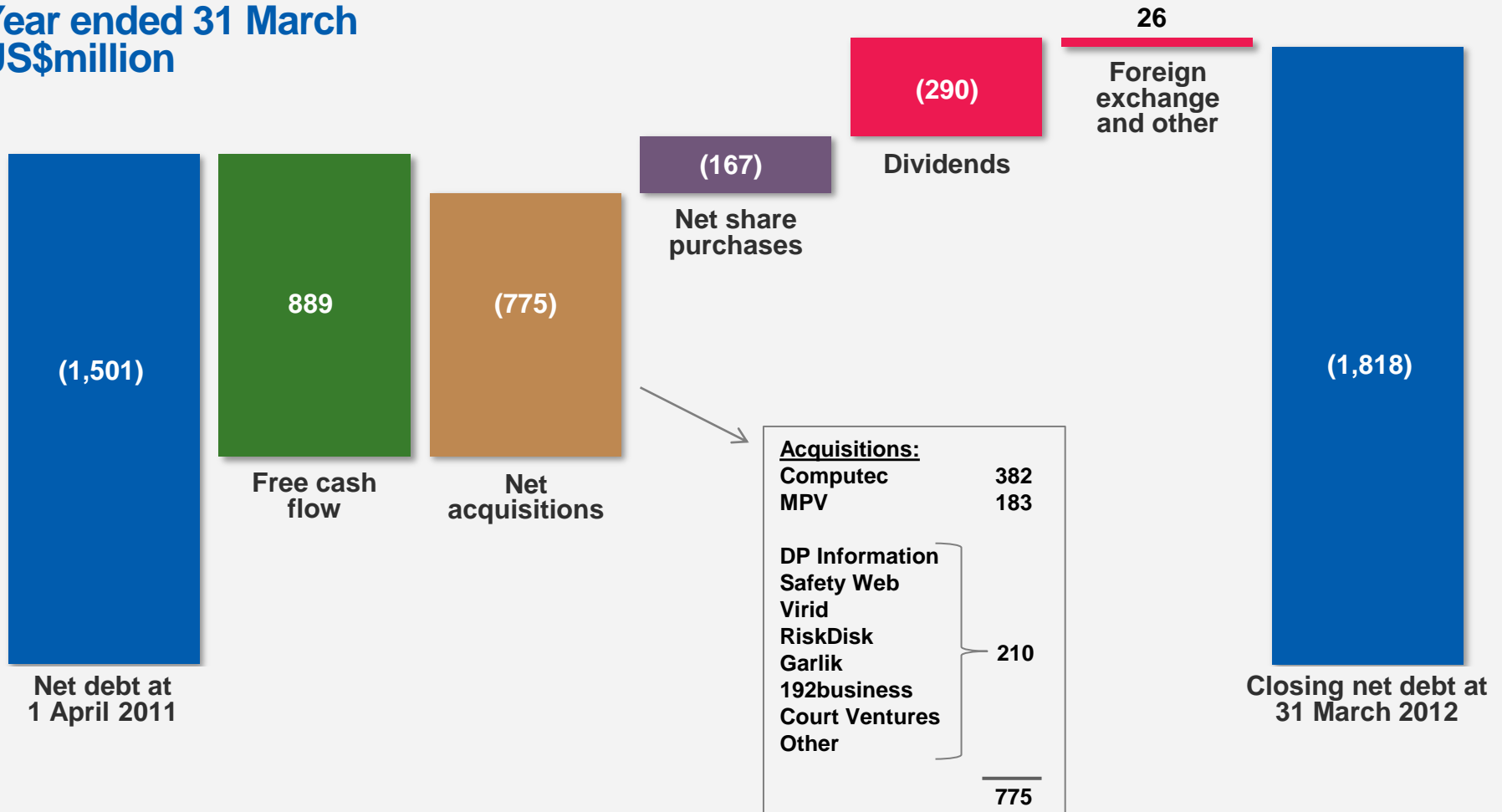
- Capex uplift in FY12 reflects:
- Growing scale of the business
- Growth programme investments



# Financial review

## Net debt reconciliation

Year ended 31 March  
US\$million

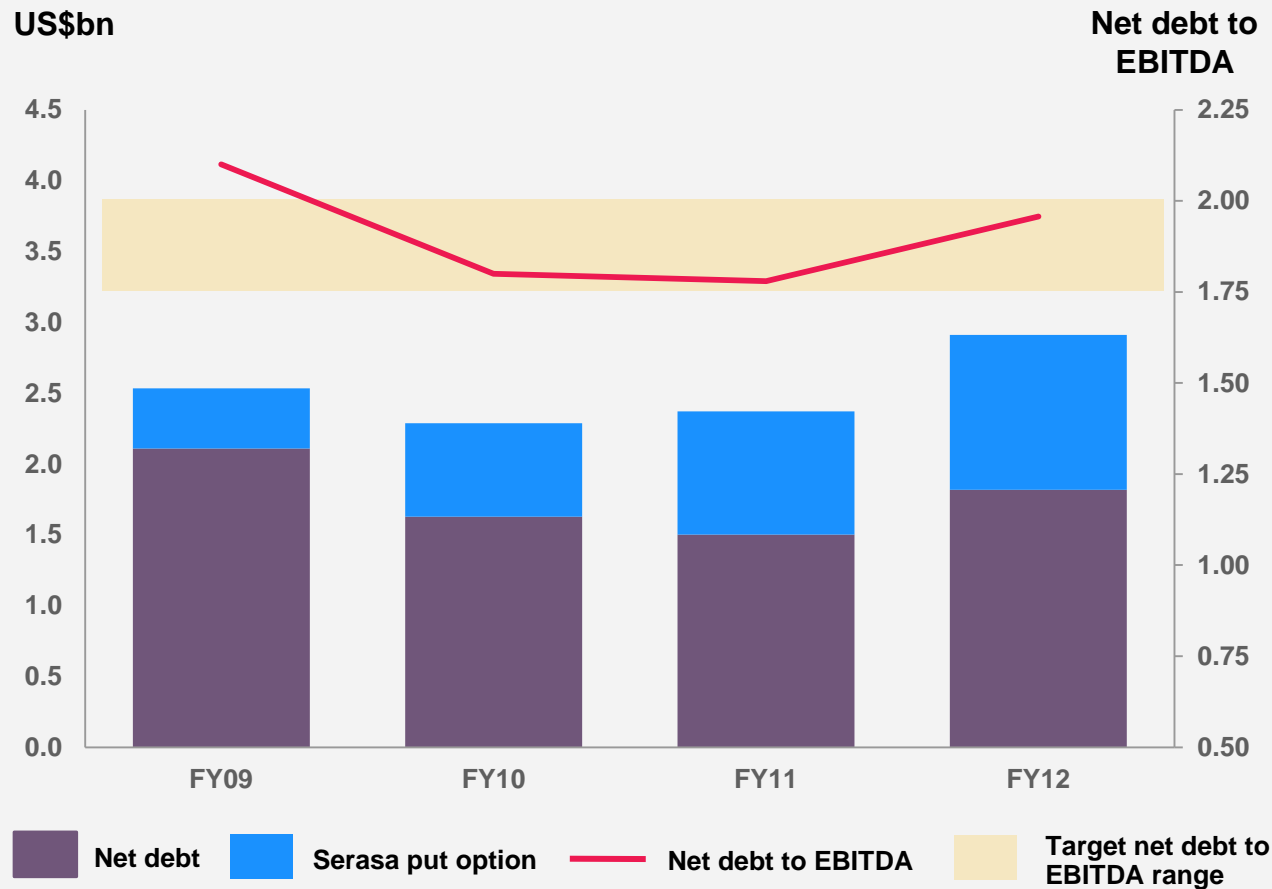






# Financial review

## Net debt/EBITDA



- FY12 net debt/EBITDA of 2.0x
- Serasa put option value US\$1,092m<sup>1</sup>
- Share purchases in FY13 for vesting employee plans only

<sup>1</sup> Valuation at 31 March 2012



## Financial review

# Divestment agreement



- Agreement to divest comparison shopping and lead generation activities
- Consideration of US\$175m, consisting of:
  - US\$100m cash
  - US\$75m loan note
- Also expect cash tax relief of US\$120m
- Completion expected in H1, subject to various conditions and events



## Financial review **Funding**



- £334m bond due December 2013
- Expect to refinance in calendar year 2012
- Cost of funding new bond expected to be higher than funds replaced



## Net interest

- Net interest in the region of US\$50m to US\$60m, after a net pension credit of US\$10m, at current rates

## Tax

- Benchmark tax rate of c.25%

## Capital expenditure

- Capital expenditure expected to be between US\$470m and US\$490m

## Expenditure on shares

- Share purchases in respect of employee schemes that vest expected in the region of US\$130m



Financial review

## Financial summary and outlook



- Strong performance in FY12
- FY13 outlook: another strong year
- Mid-high single digit organic revenue growth for FY13
- Modest margin improvement
- Strong cash conversion



## Summary

Don Robert, Chief Executive Officer



# FY12 results **Summary**

A hand holding a magnifying glass over a blue sky with clouds. The magnifying glass is held by a hand on the left side of the frame. The lens of the magnifying glass is focused on the text, which is centered within the lens. The background is a bright blue sky with scattered white clouds.

**Delivering  
premium growth  
- now and into  
the future**





## **Preliminary results for the year ended 31 March 2012**

10 May 2012

