

Q1 Trading Update FY17 – 14 July 2016

Introduction

Brian Cassin
Chief Executive Officer, Experian

1. Welcome

Good morning, ladies and gentlemen, and thank you for joining our Q1 trading update call. I am here with Lloyd Pitchford, who will take you through the trading performance, following my opening comments, and we will then open the lines for your questions.

2. Overview

We have had another good quarter, with organic revenue growth of 5% in Q1, as we continue to build on momentum across the business. Our Credit Services and Decision Analytics businesses and our core markets continue to propel the group forward, benefiting from a broad, strong credit environment, new customer wins and a focus on client service. We have made good progress against our strategic objectives in the quarter. Our investments in key verticals are delivering strong growth, particularly in health, where we are going from strength to strength, and where we delivered some big wins with new clients in the quarter.

In May, we talked about some of our new product innovations, and these are beginning to come through. We had some great new products launched in the quarter. Just this week, we introduced our new consumer offering in Brazil, providing consumers with more visibility and control over their data, and helping them to take action to improve their eligibility for credit. Through this process, Serasa will directly engage with consumers, and will accelerate collection of positive data opt ins. In North America, we have launched Data Arc 360, setting new standards in data quality reporting by our clients into the credit bureau file, and health broadened this product range with the introduction of financial product suite. In UK Consumer Services, we are trialling free offers, and we launched a new CreditExpert app to enhance our offering and improve the customer experience. Our global fraud platform, CrossCore, launched globally on 1 June.

We believe all these innovations demonstrate our skill in harnessing the power of our data, our brand and our technology to improve customer experiences, and we will continue with more new product launches over the coming months and the next year.

We are well-positioned to drive future growth by focusing our efforts on a large number of opportunities. Our consistent sustainable growth and strong cashflow enables us to invest for growth and drive value for our shareholders, and you are beginning to see some the benefits coming through in our numbers.

3. Brexit and FX

Now, before I turn the call over to Lloyd, let me make a few comments about the British referendum and the decision to exit the European Union. It is still early days

for Brexit, and clearly any details about regulatory or legislative changes are further out on the horizon, so we will respond to those as they come. The immediate impact has been on FX, and translation of pounds sterling to US dollars. Lloyd will comment further on FX in his remarks.

At Experian, we have a strong and diversified global portfolio. We have seen no impact in the UK business to date, and what I would also say is that we have been able to deliver good performance globally, despite macro issues in many places across the world – Brazil, perhaps, being the most recent example. So despite the inevitable uncertainty that this brings, it is still too early to gauge any impact, but we expect to cope and we will support our clients and consumers through this time.

Now, with that, let me turn the call over to Lloyd, who will take you through our trading performance.

Q1 Trading Performance

Lloyd Pitchford
Chief Financial Officer

1. Overview

Thank you, Brian. Good morning, everyone.

As you have seen from the announcement, we have continued to make good progress during the first quarter, with both total and organic revenue growth at 5% at constant exchange rates. With last year's weakening of the Brazilian real in particular, not yet annualised, exchange rates represented a headwind to revenue in the quarter, with revenue growth at actual exchange rates of 1%. I will make further comments on the recent volatility of foreign exchange rates in a moment.

2. Regional Breakdown

a. North America

Turning to the performance by region, and beginning with North America. We started the year well, with both total and organic revenue growth at 5%. Credit Services delivered organic growth of 11%. Decision Analytics and Marketing Services were down 1% and 2% respectively, whilst Consumer Services grew by 1%. In Credit Services, we delivered a strong performance all-round. Conditions for credit marketing and loan origination remain robust, and we are growing our share of wallet, with some of our biggest clients across many segments. Growth in health continues to be in mid-teens, and we continue to build a strong pipeline for new business, as Brian mentioned. Decision Analytics declined modestly, as weakness in public sector was partially offset by strength in fraud analytics and scores. In Marketing Services, we had good growth in our targeting business, whilst very strong cross-channel progress continues to offset attrition in the email business. In Consumer Services, Experian.com continues to make progress, the Affinity channel is growing as a result of a new partner added in half two last year, and cumulative membership of our free-brand sites has increased

to 4.5 million, providing good opportunities to upsell products through our mobile apps.

b. Latin America

In Latin America, at constant exchange rates, organic revenue growth was 8%. All segments grew in the quarter, with organic revenue growth at 6% in Credit Services, 36% in Decision Analytics, and 40% in Marketing Services, providing an indication of the benefit of diversifying a revenue base and introducing the full range of Experian products into the Latin American market. Over time, this diversification will benefit revenue growth, and support the core Credit Services business. Growth in Brazil remained robust at 8%, despite the continued macroeconomic weakness. In Credit Services, both credit information and consumer information in Brazil continue to grow well, helped by delinquency notifications, increased share of wallet amongst big bank clients, and new sales into the SME segment. Credit Services in Spanish Latin America delivered good growth, and contributed positively to the regional performance. Growth in Decision Analytics reflects new software implementations across many different products, and in Marketing Services there was a strong contribution from data quality services and targeting.

c. UK

Turning to the UK, as we highlighted back in May, Q1 growth of 1% reflected some strong comparatives in the prior year, particularly in Decision Analytics, which grew 15% in Q1 last year, as we entered into a transitional year in our Consumer Services business. Organic revenue growth was 6% in Credit Services and 2% in Marketing Services, whilst revenue was 2% and 1% lower in Decision Analytics and Consumer Services, respectively. Credit Services performed well, reflecting new business wins in financial services and other vertical markets, strength in credit reference volumes, and good demand for credit pre-qualification services. Decision Analytics primarily reflected very strong prior year performance, as we previously highlighted. We had a number of significant new software wins in the quarter, which will benefit revenue growth as we progress through the quarter and the remainder of the year. In Marketing Services, we have seen good progress across both targeting and data quality services, offsetting some of the trends in our traditional email marketing business. It was a really busy quarter in Consumer Services in the UK, as we made further steps to accelerate the transition to a diverse product portfolio. We are executing against a roadmap that resembles the US route positioning effort, and as we execute and bring new products to market, we expect revenues to soften further as we progress through FY17 and transition the business.

d. EMEA and Asia-Pacific

Finally, in EMEA and Asia-Pacific, where at constant exchange rates organic revenue growth was 9%. Decision Analytics performed very strongly, up 27%, and Marketing Services also delivered 11% organic growth. Credit Services were down 4%. We are making solid progress across EMEA and Asia-Pacific, with good wins across the business and building our pipeline, particularly in Asia-Pacific. We continue to make excellent progress in Decision Analytics, with new client wins and strong bookings for both credit risk management and fraud prevention services. Marketing Services have also performed well, with good cross-channel marketing wins across both EMEA and Asia-Pacific. This progress offset some softness in Credit Services, due to market conditions, particularly in the Nordics and South Africa.

3. Summary

That summarises the performance in Q1, and as we look ahead, whilst we are monitoring the business closely, it is still too early to make definitive judgments on the likely impact of the vote to leave the EU.

So as you can see, wrapping it all up, the group has started the year in line with our expectations, with good growth in Brazil balancing our actions to reposition the UK consumer business. We continue to expect organic revenue growth to be in the mid-single-digit range for the year, with stable margins at constant currency, as we invest behind our strategic growth initiatives.

4. FX

Currency movements continue to be volatile, and with the recent strengthening of the Brazilian real, relative to the US dollar, and the significant depreciation in sterling since the referendum. Net net, as a dollar reporter, this would result in an FX drag of around 1% at the EBIT level, if rates prevail throughout FY17. That would be weighted to the second half.

So in summary, barring any movements in foreign exchange, our expectations for the full-year are unchanged from those we gave in May. And with that, let me hand you back to Brian.

Brian Cassin

Thank you, Lloyd.

To summarise our comments this morning, Q1 was another good quarter, and as we look ahead, we will continue to focus our efforts on investing our best growth opportunities, with a goal of sustaining mid-single-digit organic revenue growth and strong earnings growth. We are well-placed to deliver our broader ambition to deliver substantially bigger businesses, based on powerful platforms across key parts of Experian, with a solid supporting capital framework.

Questions & Answers

Robert Plant, JP Morgan

Good morning, everyone. At the time of the full-year results, you were suggesting perhaps that the second half might be stronger than the first half. How does the 5% compare to your expectations at the time, and do you think we could see a bit more strengthening in the second half? Thank you.

Brian Cassin

Okay. Lloyd, do you want to take that?

Lloyd Pitchford

Sure. We started the year a little bit firmer than we thought we were going to, Rob, particularly in Brazil. We continue to watch the macroeconomic situation there

carefully, and as we have said previously, it is perhaps more likely to soften a little than strengthen, from these sorts of growth rates. Given that, I would say we are in the zone where we would probably expect, given current trends, to remain for the rest of the year. So it is more evenly weighted now.

Robert Plant

So you think you might have lost a little bit in Brazil in the first half, do not overdo it in terms of second half weighting?

Lloyd Pitchford

That is right.

Robert Plant

Okay, thanks.

Paul Sullivan, Barclays

Good morning, guys. Firstly, on the US business, we have had a number of quarters now of very strong growth on the Credit Services side of things, so what are your thoughts on the sustainability of that, and the extent to which you are concerned we may be seeing some overheating in some parts of the market, like auto for example? That is the first question. Secondly, I know it is too early to say on the UK, but in terms of your overall thoughts or thinking about how we should be thinking about the UK against the recessionary backdrop, perhaps you can remind us a little bit of the makeup of the UK business and the areas that are more or less cyclically exposed there? Finally, on Latin America, are you expecting a bit of an Olympics blip in the second quarter? Beyond that, it looks like some of the economic data is, dare I say it, on the turn. Are you seeing, when you look at your more cyclically-exposed businesses, which have obviously been very weak, that it is getting worse? In theory you should start to be seeing a troughing out in some of those metrics, around about now.

Brian Cassin

Thanks, Paul. A lot of questions there. Let us work through them. I will pass over to Lloyd for some of them.

Let us deal with the US business for a second. The US credit business is doing really well. Some people have asked us questions about any signs of stress in the financial system. People have focused a little bit on auto loans. When we look at the data, at the moment, we see while there are significant loan balances outstanding, there are no signs of significant stress. The makeup of those loans, between prime and sub-prime, has not actually shifted very materially. So we are not seeing any warning signs on that, and broadly speaking I think that the trends we see across the US economy seem to be supporting good growth, and that is certainly coming through in some of the volumes we see for the credit business. If you look at the actual individual companies, they seem to be progressing across all the sectors. So for the time being, that seems to be holding up very well.

As you know, Paul, it is really difficult to forecast many quarters out, but short term visibility is pretty strong. While we have had a number of good quarters of strong

growth in Credit Services, I think we can expect that to continue at least in the immediate term.

There is also some very good business performance in there as well. It is not all economic related. We have been winning new contracts. We have had some very good renewals, so some of that is certainly self-help. As we look across some of the other verticals, like automotive, business information ('BII') and health, they are all continuing to perform really strongly. There are no signs at this stage that we expect that to change. So I think the prognosis there is good.

In the UK, it is early days on Brexit. Nobody quite knows what the impact is going to be. As I say, we have not seen any impact as yet. Obviously, you would probably not expect that, given that the referendum happened towards the end of our trading quarter. We are very active in the marketplace, talking to our clients, helping them understand the implications of what may happen. It does give rise to business opportunities for us, particularly on the analytics side, people looking at capital ratios and looking across their portfolios. So it is not necessarily all downside potential. I think you also have to put it in context, that the UK business is a very well-established and resilient business, and if you look back over the period from 2008 up to 2012, it performed very well in a very difficult situation, and I do not remotely expect to go anywhere near that, even if we do see a downturn in the UK.

I think we are pretty well positioned. Obviously, the stronger bits are recurring revenue, Credit Services and Decision Analytics ('DA'), and maybe less so in Marketing Services, though I think we still see good opportunities there. Overall, I think the UK business is well-positioned to what is probably going to be an uncertain period over the next six months or so.

Moving on to LatAm, I do not think we expect anything from the Olympics. It is confined to one city, not like the World Cup. So I think that will be immaterial. Lloyd, do you want to comment on the outlook, in terms of GDP?

Lloyd Pitchford

I think what you are seeing underneath our figures, Paul, is that we are getting quite a bit of support from the countercyclical products, and we are seeing a bit of a lag here from the peak of the decline in GDP last year. We are seeing that in our numbers. You are right that some of the GDP numbers seem to be showing some stability. We are waiting to see whether that progresses further as we go through the year, but equally you may see some reduction in some of that countercyclical support. Overall, we are cautious around the Brazilian business and think it is more likely to soften a bit in that mid-single-digit range rather than strengthen from the 8% we have reported over the last couple of quarters.

Paul Sullivan

Okay, that is great. Thank you very much.

Brett Huff, Stephens

Good morning, and thank you for taking my question.

Brian Cassin

Good morning.

Lloyd Pitchford

Good morning.

Peg Smith, Executive Vice-President of IR and Communications, Experian

Very early morning for you, Brett.

Brett Huff

I appreciate it. The question I had was I think you said that the numbers bear out that the North American consumer segment that grew 1%, which I think is what it grew last quarter. I know we are still on the upward trajectory, but can you get at the moving parts that caused that growth to not continue to accelerate? I do not think we expected it to. Can you just remind us, maybe, why we are levelling off in growth this quarter versus last quarter, and when we expect it to start marching upward a little bit more again?

Brian Cassin

Yes, sure. As I think you remember, we on boarded a new Affinity client back in Q3. Some of the one-off income from that dropped away in Q3, but we got some of the recurring income in Q4 and into Q1 this year. Given the strong progress we made through the last three quarters of last year, we said at the full-year we expected to stabilise at about 1% growth through the first half of this year, before some new product launches in the second half of the year. Obviously, you will have to strip out that one-off onboarding income from Q3, but the underlying trends are expected to improve in the second half. It is really the story we have been telling for a little while now, as we prepare quite a lot of our products to segment the market. So our three offers are our ability to transact, the enrichment of our mobile platform, and adding functionality to our premium platform. This lifetime engagement model, where our consumers can navigate between the different products at different times in their lives, is what we are building

Brett Huff

Great, thank you.

Tom Sykes, Deutsche Bank

Good morning, everybody. Just two questions. One, firstly, on the growth of the US health business: could you, maybe, split out the growth in new client wins versus the wallet gain you are getting from existing clients? Do you think that the growth rate of new clients is likely to fade a little, at all? Do you think you can still maintain that mid-teens growth rate, which feels like it has actually edged down a little?

Then, just on the UK Consumer Services business, could you maybe flesh out a little what actual functionality you feel you could add. Obviously, in the US you could add the FICO score; you cannot do that in the UK. What is the functionality you think

actually makes a difference on UK Consumer Services to stop a more meaningful fade there, please?

Brian Cassin

Maybe I will deal with the health business and ask Lloyd to come in on some of the specifics.

I think we expect the health business to continue to show robust growth going forward. I think actually what you are seeing us do there is actually accelerate the pace of product innovation and look at growth not just not just from the revenue cycle management ('RCM') business we are in today but also the adjacencies we have around fraud and targeting, which are big opportunities there. We see a lot of opportunity in health for some time to come, so we do not expect any moderation in the growth rate there.

Tom Sykes

It feels like there is a moderation of the business at the moment, but you are having to add new products to it.

Brian Cassin

No, I think we are very early in the new product set. I do not think there is any moderation in the existing business. We will be looking to try to grow the business from here. We are still seeing very strong metrics on new client wins, sales pipeline and all of that. It is still very positive. There is still a long way to go on the RCM growth opportunity in health.

Peg Smith

Tom, just to add to that for a second, we did reference one product in the script Brian just did. That is actually an ease of implementation for our clients. That financial suite, as we referred to it, really allows them to take multiple modules of our software and put them in all at the same time and work end to end.

It does two things: it helps the client execute more efficiently, but it helps us from needing to go back over and over and resell the client on different products. They can put it in in one layer, and it eases the process. I think that actually works to our benefit and the client's benefit in the long run.

Brian Cassin

Just to talk about UK Consumer Services, I think we need to take a step back and look at this in a global strategic context and look at what we are doing on Consumer Services across the piece. Really, we are moving these businesses from a subscription-only basis to a business which is focused on a much larger population with a much broader range of products and services ranging from subscription to free to some lead generation revenues and to some transactional impacts.

You have seen us move the US business, obviously, much further into that. Now, we have got about 4.5 million free members. You have also seen us launch a free proposition in Brazil. The early results from that have actually been extremely encouraging. We are now in the UK with a free trial. We are assessing the impact of

that. We have accelerated the development of our compare product and launched mobile apps. It is not really one feature that is actually going to move this business forward; it is a whole range of products and services across the platform to help people address their financial lives – and that is where that business is going.

You made the point about the FICO score, but actually there is a more significant point in the UK, which is that Experian is the FICO score in the UK. Something like 75% of all credit applications in this country are actually made with Experian scores embedded within them. Frankly, if you are a consumer in the UK and you want to know how the financial services industry views you, you can look at many things, but not many of those things actually make a difference to you; what makes a difference is the score that is used, and that is the Experian score.

You are going to see that feature very, very heavily as we develop our business plan going forward. You can already start to see some of that in our advertising, but I think you can expect to see us position that brand in that way, and we have a significant opportunity with that. That is really where our plans are going.

It is a whole range of things. As we stand back from it and look at how this business evolves, we actually see a much bigger opportunity across a much larger population. We do not see any reason why everybody who is on the credit bureau file cannot be a member of Experian in some shape or form – and that gives us a range of monetisation opportunities. Nor do we think that the opportunity is limited to two major territories plus Brazil; we actually see that there is an opportunity in plenty of places where we have bureau operations.

That is where our strategy is moving in this business, and in the longer term a lot of our business is changing to become much, much more focused on the consumer impact we have across our business. We feel very good about the long-term outlook. We are not too worried about the quarterly impacts in one jurisdiction.

Tom Sykes

Thank you for that. In terms of the costs and the investment you have to put in to UK Consumer Services for the next two/three quarters, however, is that having to go up as you bring in new functionality, i.e. the advertising etc?

Lloyd Pitchford

No, it is all part of our overall guidance on margin, Tom. You will see in this past weekend we launched a major initiative in Brazil, for example, launching our Consumer Services offering. This was all part of the roadmap as we go into this year.

Tom Sykes

Okay, that is great. Thank you very much.

Rajesh Kumar, HSBC

Hi, good morning. I have a couple of questions, if I may. The first is one US healthcare. I did not fully grasp how the growth is splitting between new customers and existing ones. Could you elaborate on that? Maybe I am just not able to get the answer.

On Brazil, could you update us on how this new consumer portal helps you with the opt-in collections and what you know about how the banks are shaping up their plan to compete with you?

Brian Cassin

Yes, certainly. Lloyd, why do you not deal with the US healthcare one? I will come back on Brazil.

Lloyd Pitchford

Clearly, we are winning a lot of new contracts. Some of them are extensions and penetrating existing clients more; some of them are new customers. The metric of new versus extensions moves around each quarter, but if I look back over the last two or three quarters, the majority of wins have been new logos, really. It is a little over half.

We are making good progress, and there is a lot of white space for us to enter into in the health business, as regulations change there and we can offer new products. There is a lot of activity and a lot of potential in the healthcare market for us to move to.

In terms of Brazil, I will hand back to Brian.

Brian Cassin

Yes, there were two questions there, and one was on the Consumer Services side. We literally launched it over the weekend. It obviously been in planning for some time, and I think we referenced it a couple of quarters ago. The reaction has been really positive. At the results, we outlined the strength of the Serasa brand in Brazil, and that is being borne out in the level of coverage that we have had on that. We have literally had millions of people actually visit the website in just a few days and hundreds of thousands of people sign up for the service.

As part of that, we are collecting positive data opt ins. Opt ins through our own efforts have actually tripled through this activity. The early signs of this initiative are very encouraging. Obviously, we have to see how that develops over the next weeks and months, but there has been good progress in the first few days.

With regard to the banks, I think the only significant difference is that the Brazilian anti-trust authority has indicated that they are taking a deeper look into this initiative by the banks. It is obviously going to take some time before they complete that analysis and come out with whatever they believe needs to be done around that. Those are the updates on that, Rajesh.

Rajesh Kumar

On positive data opt ins and the consumer portal, is their plan not to have a paid service at some point or is it always going to be a free service? Or will it be a free service until you get enough positive data off them?

Brian Cassin

We are starting with free, because I think you have to look at the market dynamics around Brazil. It is underdeveloped versus somewhere like the US and the UK, and

the ability of the market to withstand a paid product has to be much, much more limited.

It is not just one proposition, though. You might have heard us previously talk about things like Limpa Nome, which is a service which allows consumers that are indebted help themselves to resolve their debts and clear their name, which is what Limpa Nome stands for.

There is a range of products and services that we are making available on the platform. We have quite a few ways to monetise that. If we get this right, we will be able to build a very substantial customer base in a relatively short period of time. We are confident about this and I think the early signs bear that out.

Rajesh Kumar

Thank you.

George Gregory, Exane BNP Paribas

Good morning, everyone. I have three questions, if I may.

Firstly, just going back to the US auto market and business, it would be useful if you could just remind us of your exposure to that market and what would, in theory, happen to your business if we actually start to see a deteriorating in loan quality. Clearly, over the last few years, we have seen very strong residual value supported by weaker supply, but clearly there is a view out there that used car supply is going to start growing with pressure on residual values. I am just interested to get your thoughts as to how that could, in theory, impact your business.

Secondly, it would be very useful to get an update on the pre-authorisation pilot in the US and how that is likely to evolve.

Finally, just going back to the Brazil Consumer Services product, perhaps you could just elaborate on how you will seek to monetise that free product, please? Thank you.

Brian Cassin

Lloyd, do you want to deal with the auto question?

Lloyd Pitchford

Sure. It is about a \$160 million business, George, as part of Credit Services. As we look back, we have looked back about as far as that business goes and it has been a very strong performer almost regardless of the economic backdrop. Through the last downturn, we saw that business continue to grow. It is a real mix of credit data, auto/user car information and marketing information as well. It is a mix of products that combine. It is also focused not just on the new car market but on the used car market.

Clearly, as we do with all of our businesses, we are watching it carefully, but history would tell us that we should be fairly hopeful as that business matures.

Brian Cassin

Yes. Peg, do you mean giving an update on the pre-authorisation product?

Peg Smith

Yes, it is still early days, but we are not yet to the point of putting a pre-approved offer of credit up on the leads. What you see right now in the US Consumer Services site is a typical lead-generation model. It is not yet pre-screened. As we approach the second half, you will see us move that over to a pre-approved offer, where, instead of putting up a laundry list of 20 credit cards and letting you discern which one might be appropriate for you, we will narrow that down to the offers that best suit your needs and where you are pre-approved for that offer.

It is another one of those second-half introductions, but we are piloting the first part of it now, which is to let consumers know that there is an opportunity there to shop for better credit products on the site.

Brian Cassin

On the Brazil question, I think the first part of that is that we are already monetising today through Limpa Nome. We get paid by the lenders for debt resolution. I mean, it is almost a bit like a collections portal. We have had about 3 million people use that service, and we expect that to grow.

Secondly, we will be looking to monetise the free membership through lead-generation offers. Those two, in the short term, will be the focus – and then we will look to develop that out as soon as we get positive data opt ins and that starts to build and the opportunities for monetisation increase.

George Gregory

That was very clear. Thank you very much.

Andy Grobler, Credit Suisse

Hi, good morning. I just have a couple of questions, if I may. You mentioned again that One Experian programme had led to some new client wins. Could you give some examples of how that works and what kind of incremental business you are winning through that more joined-up sales process?

Secondly, on Brazil, I know there have been lots of questions on this, but if you think about that business over the next five years or so, how big do you think that could be? Is it a business that could rival the size of, say, the UK over that period?

Brian Cassin

Maybe we will continue with Brazil. It did rival the size of the UK a couple of years ago until the real decided to play games on us. In some of the previous presentations, we have given you a map of the opportunity we have in Brazil across Decision Analytics and Marketing Services. Obviously, you have seen us with a new initiative in Consumer Services now. There is actually a lot of growth potential in Brazil left. If the economy cooperates, we expect that business to do better. I think we are optimistic

about the outlook, and it is really across a broad spectrum of opportunities in a business.

Lloyd Pitchford

Andy, you can just look at the share of the overall business, across our three core markets, that is made up by the core bureau, that gives you a sense of the scale of opportunity over the long term, as we build out the business into new areas. As we have talked about previously, we are putting plans in place to deliver that.

Andy Grobler

I was thinking more specifically about the consumer programme. I know it has only just been launched, but I mean the potential size of that over the next few years.

Brian Cassin

I think it is really hard to answer that at this stage, Andy. Obviously, we are only a few days in. It has a multitude of business benefits to it. It is revenue; it is potential opt ins. I think I would hesitate to try to size it at this stage. Maybe when we get a bit more data on that, we can firm up our views on a long-term view and talk a little bit about that maybe later in the year.

Obviously, the population of Brazil is huge. The credit-active population is a smaller population compared to the US and the UK, so there is an immediate opportunity with respect to people who are banked, but 40% of the people who could be banked do not actually have any credit visibility in Brazil today, so there is a large untapped market there as well. Part of our strategy going forward is how we can actually access that population, too. It is still very much in flight, and I think there is more detail to come on exactly how we size that going forward.

Lloyd made the point around some of the other business lines, Marketing Services and Decision Analytics. Although they are small businesses, it is not insignificant that we grew those businesses by 30-40% in one quarter. It just goes to show that we really do have a lot of runway there, and we are very focused on building those businesses out.

As I said, there are lots of places to go in Brazil and lots of verticals where we are really not present in Brazil that we are in some other places like insurance and many other parts of the public sector. There really is plenty to do there.

Lloyd Pitchford

Your first question was about One Experian. This is really where we are taking our different products. Our customers do not organise their business around our internal organisation, between Credit Services and Decision Analytics. They have a workflow that we can really service from all of the different segments of our business. For example, we would be bringing together some of our fraud applications with our CrossCore programme and linking that with some of our core Credit Services clients.

In Asia-Pacific, we have had great progress in some of the geographies where we have been really penetrating some of our Decision Analytics products, again in sync with some of the bureau data. Those are some of the examples.

Brian Cassin

Actually, it has gotten to the point with some of the territories where we really do not very much else. If you look across EMEA, Credit Services and Decision Analytics is increasing going to market with one proposition that is actually uncovering quite a lot of additional growth opportunities for us, even in some of the more mature bureaus.

I think we feel very confident that this is the right approach for the business to be taking and we are seeing some good contract wins on the back of it.

Andy Grobler

Thank you very much.

Suhasini Varanasi, Goldman Sachs

Good morning. There is just one question from me, please. In Brazil, I think that you mentioned at the full-year results that you were collecting positive data on more than 3 million customers, and the rate of adoption was actually accelerating. I was wondering whether in the last couple of months that 3 million has changed materially. I mean the number. Also, could you remind me of the target again, please? Is it still 10 million by next year?

Lloyd Pitchford

Yes, it has increased to 3.7 million over the last couple of months. As Brian mentioned, the new Consumer Services launch really is the key thing we are monitoring just now to see how that is affecting the opt ins. We will give a broader update at the half year.

Suhasini Varanasi

Understood, thank you very much.

Brian Cassin

Thanks everybody for your time this morning. We look forward to speaking to you again for our interim results. Thank you.