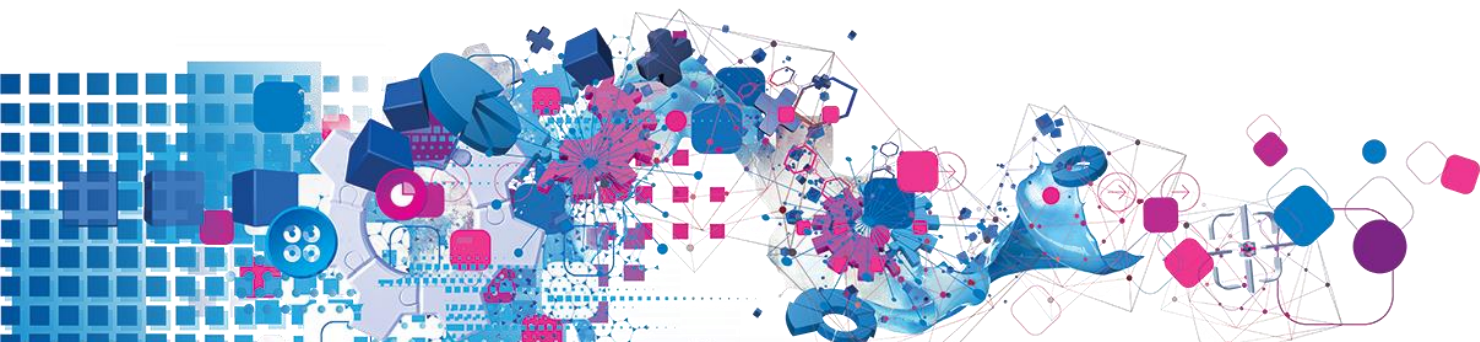




# Full-year results FY18

17 May 2018

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# 1. Opening remarks - Brian Cassin, Chief Executive Officer, Experian

## 1.1 Introduction

Good morning, everybody, and welcome to our full-year results presentation. I am pleased to say it has been a great year for Experian. We have made a lot of progress on many fronts. When I stood up here in November, we more or less said two things: one, we expected our growth to accelerate in the second half; and we expected North American Consumer Services to get back into growth in Q4. I am pleased to say we have delivered on both of those. We had a really strong finish to the year and, more importantly, we feel very confident about the momentum that we have going into FY19. A lot of that is based on the investments that we have made in the business over the last few years, things like investment in technology, product, brand, culture and strengthening the competitive position of the business through One Experian. That is starting to reflect itself in the performance of the business.

## 1.2 FY18 Results Highlights

I am going to start today with an overview of the trends and the progress that we are making, then hand you over to Lloyd, as usual, to take you through the financials. Total revenue growth was 8% and 5% organic for the year. We delivered 8% organic revenue growth in Q4. Incidentally that is the strongest organic revenue growth we have had since 2012. EBIT was up by 8% and benchmark EPS was up by 11%. We had great momentum in the B2B business. Performance there had been strengthening for many quarters now. In fact, we ended the year at 8% organic for B2B and 10% in Q4. That is now the longest most consistent growth rate we have had in B2B since Experian's IPO in 2006, so I am happy with that. Most importantly, Consumer Services North America got back into growth in Q4. We have made substantial progress across all of our Consumer Services business. I will talk you through that. It was a good year for capital. We have returned \$950 million in dividends and buybacks. That takes us to more than \$3 billion returned to shareholders in the last three and a half year. The dividend has gone up by 8%, and we have announced a new share buyback programme of up to \$400 million today.

## 1.3 Megatrends shaping our industry

We have confidence in the momentum of the business. The background to that is some long term structural forces, which are driving and shaping our industry. The first one is very familiar to you. The data and analytics explosion is driving a lot of opportunities. An increasing number of businesses and industries are turning to the use of data and technology to transform their businesses. Data is becoming cheaper to store, manage and analyse, and we are seeing a lot of interest from clients who are expressing the need to make sense of all of that across vast data sets and their requirement to work it into their business processes. That is where Experian

comes in: the ability to use large data sets and use our products to drive a sophisticated analysis and help people make better decisions.

As we look forward, the next thing we see is a huge drive towards automation. We are seeing that people have to rework their processes. Speed of disruption and the scale of new technologies have never been faster. Cost to serve will become a key battleground. This is being reflected in all the conversations that we have with our clients. Again, this is where our products come in, because not only can we improve people's capabilities; we can help them change their business processes and take cost out of their business. We are developing our products to drive that forward and adding capabilities like artificial intelligence and machine learning, which are going to play into that trend. The next big trend is consumer digital norms are really changing significantly. We are all aware of this. Consumers have increasing choices. They are more demanding. The concept of brand loyalty is less than it once was. At the same time, they need a lot of help to make sense of the increased number of choices that they have. This means that it is going to be harder for businesses to identify, attract and retain profitable customers. They need great products to do that, which is exactly where Experian comes in to help. The other big trend we see is regulation. It is creating new opportunities for us. You have seen it in many different territories – Brazil with positive data, Europe with GDPR and open banking – and a lot of this is trying to put more control over the use of data and put more of that control back into the hands of consumers. These trends play into all of the capabilities that we have as an organisation.

## 1.4 Strategic objectives

We are responding to all these trends from a strategic perspective. You have seen some of this. The first point is obvious: the most important thing is the data. Scale, breadth and quality of data are of paramount importance. Our prime objective is to continue to broaden the data sets, and we are going to do that organically, through partnerships and minority investments, and you have seen us start to do that with some acquisitions as well. The need for more sophisticated solution is the key point here and more insights from the data. That is where Experian's solutions have a competitive advantage. Within the portfolio, we have a tremendous amount of products that can drive insights from data. Our value will come from leveraging those products across our portfolio to develop end to end solutions for our clients. You can see this playing out in some of the products we have discussed. We have talked to you a lot recently about PowerCurve, and Ascend and CrossCore prior to that. These are very sophisticated platforms that incorporate a lot of Experian's products into one solution for our clients. We have seen that in the results coming through in FY18. These three products alone add about \$60 million of incremental revenue and we are seeing a lot of client adoption in these in the marketplace, strong pipelines and great opportunities to continue to grow these businesses. Investment in technology has been a key enabler for that, which is crucial. Our technology investment over the last few years has been designed to make us faster and more agile, and get products to market in a much more timely fashion. This will continue to be crucial for us going forward. It has given broad capabilities across the business about data ingestion, working across different parts of our portfolio and building more consistently with standardisation of our products to reduce cost. We continue to see this as an area to push our investment, going forward. Of course, we do not just have big growth opportunities in the markets that you are very familiar with Experian operating in – things like financial services and

telcos. Within that, we have some strong adjacencies and some good growth opportunities longer term, like identity and mortgage, where there are a lot of close adjacencies to where we operate today. We are putting this strategy into action. It is visible in the strong performance you have seen in the latter part of this year and in our confidence as we go forward.

## 1.5 North America

We had a very strong year in B2B, up 9% for the year overall and 12% in Q4. The standout performer in the portfolio was Credit Services, up 11% overall, with an outstanding performance in Q4, up by 14%. That is the strongest quarterly growth that we have had in North America Credit Services in our history, and the biggest business within that, North America CIS, was the strongest grower. We talked to you a little about the Ascend platform, when we were here in November. This is the new analytics platform. The market reception to this has been fantastic. We have signed 11 material contracts since the September launch, and we expect this to be another year in which to broaden that out to our client set and another strong year for Ascend. The acquisition of Clarity Services was also very strong. We spoke to you about that acquisition in October. It is already exceeding our expectations, and is a good example of how we are adding new data sets, in this case thin file in North America, to enhance our propositions. Another strong performance in the region was in Business Information, with another good year of double digit growth. This business unit is a great example of where we are using the technology investments we have made in the Experian portfolio to drive additional market share gains. We have had strong performances in Healthcare and Decision Analytics. Decision Analytics was double digit. Drivers of performance there were One Experian propositions around PowerCurve and Custom Analytics, incorporating data from lots of our business units and delivering that in end-to-end solutions to our clients. We have a strong and growing pipeline of opportunities for FY19. I talked about Ascend and we are very excited about the market reception to that, but we are going to continue to develop that platform as we go forward. We are more excited about Ascend and PowerCurve. Linking these two products together will be incredibly powerful. We have already done this for one of our clients, so it is already in market and we will be investing to try to replicate this in FY19 and beyond. What we are doing is quite complex and difficult to achieve, but it is also an incredibly powerful opportunity and one that is difficult to replicate. It brings a lot of the capabilities of Experian together. You are familiar with the Ascend sandbox, which is a 16 year file and access to the full bureau. It combines our data with the client's data and data from many other sources. It builds into the platform a lot of the big data tools that the analysts will use, SAS, Python and visualisation tools like Tableau. This allows them to analyse their portfolio and design their strategies. The key points about this are that it builds speed, agility and reduces cost in the process, on a significant scale. To give you an idea, they can now conduct planning and testing in a much more rapid time than previously and they can see the results from that in minutes, compared to days or weeks previously. The big differentiator is the integration with PowerCurve. PowerCurve is a world class decision engine. We have had massive success with this worldwide since it was introduced some years ago. It acts as a bridge between the offline analysis done in Ascend and the implementation in the clients' environment, so clients can code, test, manage and execute strategies through PowerCurve. That takes away some significant additional steps between the strategy design and implementation, without the need to touch the IT organisation of the client involved. It takes huge steps and massive cost out of

the process, and is much more seamless. The combination means that clients can move from analysis and design to coding and strategy to implementation in one platform, with one set of tools. That is really significant. This is probably the best example that we could have to show you what we mean by One Experian in action, because the capability is very powerful. I touched on Clarity for a moment. It is proving to be a great acquisition for us. You will recall this was the acquisition we did in the latter part of last year. It focuses on the non prime segment in the US. It adds about 60 million consumers in the US who are largely invisible to our traditional lenders. Clarity is the leader in this segment; it is over three times the size of its nearest competitor. It has greater positive and negative data than any other provider, and the acquisition has been successful so far. We have realised synergies quickly. We have already rolled out some of Clarity's products to our traditional bureau clients, and we have launched new products on the back of Clarity data including enhanced fraud and risk scores. Clarity is already expanding the addressable market for us and giving us an edge in data superiority, so I am happy with that acquisition so far. Overall, North America B2B has tremendous momentum and has delivered great growth. We see that momentum building into FY19. We returned to organic revenue growth in Q4. The key difference is that we expect this growth to be sustainable; in fact, we expect it to improve from herein, so the first half of this year will be somewhere in the mid single digit rates. You will recall a year ago that we stood up here and talked about our new product introductions. Our first priority was Identity, and we have had great success with Identity so far. It is just over a year since launch. We have had over 200,000 members sign up for the service now and the pace of acquisition has continued to improve. The product is best in class. We continue to add new features and we think we are able to sustain our growth. In addition, we launched the LendingWorks product last year. That is starting to grow, and we have great momentum as we go into FY19. Most of the progress we have made with LendingWorks has been on the back of organically generated traffic, through CRM leveraging the extensive base of past and current Experian members. We will continue to develop that product as we go through FY19. We are also enhancing consumer engagement, which is something we have talked to you about a lot, by leveraging the portfolio to introduce products that are difficult for anything other than a bureau to do. Some of these products do not generate immediate revenue. What they do is to enhance our standing and relationship with our consumers. A great example of this is our recently launched automated dispute proposition, which is a simple to use completely digital experience. It provides consumers with self service, more control, better customer satisfaction and higher engagement in one of the biggest pain points in the credit services industry. We have set ourselves up for a great FY19, more growth to come in Identity, better prospects in lead generation and a good proposition overall.

## 1.6 Latin America

We delivered another good year of growth, with organic revenue growth of 6%. We saw growth across all of our business lines – Credit Services, Decision Analytics and Marketing Services. Pleasingly, we have signed a number of major long term deals with larger clients, which combine a lot of our capabilities across data, software, scoring and consultancy. One of the key enablers of this has been our DataLabs. We now have a lot of instances of major clients working with us in the DataLabs, their staff working alongside our people and our co created



products. This is helping us to be viewed differently in the marketplace. We are now seeing Experian as much more of a strategic partner, whereas several years ago we were just viewed as a data supplier. We are also landing deals for new capabilities, some of which are coming from around the globe, for example the Text for Credit product that we talked to you about some time ago. We have done very well in Brazil with Text for Credit in the retail sector. Mobile Prequalification is a strong product in North America that we have introduced into Brazil, so there are good prospects and a good pipeline starting to build. Last week, it was announced that positive data in Brazil has taken another step forward, as draft legislation was passed by the House. There are a couple more steps to go, but we are getting close to the finish line for positive data, which is good news for our business. We talk a lot about big clients in Brazil, but they are actually just 40% of our revenue. We have a big business focus on SME, and see big growth opportunities in SME and the consumer segment. Let me talk about both of those. Our free consumer proposition, Serasa Consumidor, was launched just over a year ago, so it has not been in the market very long but, in that time, we have created a mass market audience attracting 22 million customers to our free proposition. One of the immediate benefits is that we are capturing additional consumer contributed data. In exchange for access to these free services, consumers are giving us data to complete their files, so it is strengthening the B2B asset. That is one immediate benefit. Our focus is now on how we develop our commercial propositions to start to monetise that. We are already monetising that and we think we can scale that as we go into FY19 and beyond. We have a broad range of Consumer Services propositions. One, which we have talked to you about before, is called Limpa Nome. It is already a big commercial success for us. It allows consumers to clear their debts by negotiating with banks and other lenders. This is now a digital service allowing consumers to do that completely in a mobile environment. We have over 10 million Limpa Nome customers today and we see an addressable market several times that size. One area that we have not talked to you a lot about before is SMEs and micro businesses. We think there are huge growth opportunities for us in this segment. We already have a large presence in this market, but we see the opportunity to expand that by repurposing our products to make them more digitally orientated and access further parts of the marketplace. An example of that is that we are creating versions of Limpa Nome and credit matching services to address the needs of small businesses. This is all part of our strategic roadmap to build out the capability of our business in Brazil and across Latin America, and drive our growth forward.

## 1.7 UK and Ireland

We have great momentum in B2B. We had a very strong finish to the year. We secured a lot of new contracts for unique technologies like ExPin, PowerCurve and CrossCore. Interestingly, we also secured a large joint deal for CrossCore and PowerCurve in the telecoms sector. We are really pleased about that. We are also going to leverage global innovations and bring them into the UK market. We had our first win for Text for Credit in the UK and, this year, we plan to launch the Ascend platform in the UK as well. New regulations are impacting most in Europe, particularly open banking and GDPR. When you look at Experian's capabilities across HD Decisions, Runpath and our core Decision Analytics capabilities, we are in the sweet spot of helping clients improve consumer engagement, demonstrate responsible lending and reduce costs. This is opening up new opportunities for us in the UK. Today, we are already in a pilot with a customer that looks at the mortgage process to try to make it faster, easier and simpler for consumers and lenders. The breadth of our capabilities in the UK put us in a very strong

position to drive growth in the coming years. We are making very good progress. CreditMatcher is performing very strongly and the rate of decline in the membership product has moderated significantly. A few months back, we announced the acquisition of ClearScore. This will help us reach our goals faster and drive a lot of synergies between the two businesses. CreditMatcher and ClearScore are complementary brands addressing two different market segments. CreditMatcher has nearly 4 million consumers, so has been a hugely successful product introduction in its own right. ClearScore came to market a bit sooner and has 6 million. Combined audiences give us access to a large part of the population, and the ability to add Experian's capabilities to address that population and build our products and services. ClearScore is very strong in consumer marketing. They have a very strong acquisition market. The brand resonates with a younger demographic and their membership base is highly engaged. From the Experian side, we are excited by the capabilities we have in the portfolio that we can bring to enhance the proposition by embedding data and decisioning into credit comparison. That is going to improve the results for consumers and lenders, and be a good outcome for Experian and everybody else

## 1.8 EMEA/Asia-Pacific

I am pleased to say we delivered double digit growth in the region. I am very pleased we delivered double digit growth in EMEA, which is the fastest growth we have seen in this region for a decade. Asia Pacific continued its track record of a very good performance, with a double digit growth rate in the year. This has been on the back of a lot of the global products that we talked to you about, as we are seeing strong client interest, deals, transactions and opportunities of a magnitude that we have not seen before. There are multi million dollar deals with a lot of new logos. We are investing in our capabilities in the region to drive organic growth even further. We are shifting from being a provider of some point solutions to a breadth of capabilities across the needs of our clients. In fact, I was in India just three weeks ago, when we had a chance to see how the local innovation and investment we are making is helping us to access and tailor our products in a unique way. One example is an organisation India Buzz[?]. It is a conglomerate with a financial services arm. It came to us because they wanted to create a completely paperless mobile application and reduce its current loan process from about eight days. The objective was three minutes. It wanted that to be operational in four months. We did it. We took our existing PowerCurve product, worked with the client and created a product that achieved that objective. We combined bureau and fraud data, but we also combined non traditional data that we are capturing through permission based mobile phone data contributed. We are using that to score them, all through the PowerCurve suite and delivered to the client. In four months, we were up and operational, and they were very happy with the proposition. We are seeing lots of these types of opportunities that are using global capabilities, but uniquely tailored for those markets. We are excited about the prospects in the region. We have a lot more to go and are very optimistic about the outlook as we go into FY19.

## 1.9 Capital allocation

At the end, I will give you a reminder of the importance of operational execution married to a good capital allocation framework. We have improved the efficiency of the organisation over the last few years, and we have used those cost savings to reinvest in our business. You are seeing that through a lot of the new products that we are introducing. We will pursue acquisitions. We have been very successful with the ones we have made so far. They are



closely aligned to our strategic ambition. Clarity, CSID and Runpath are all adding core capabilities to our business.

In the last few years, we have also started to look at businesses and buy minority stakes with a path to control. We did that with Runpath. There was a period of time when we worked with the organisation to test out the products, see what the market reception is, get confidence and then move to full control. We are increasingly taking minority stakes in fintech companies that are closely aligned to areas where we work, which gives us a great opportunity to learn about the marketplace, learn about that company and help us in our innovation pipeline.

## **1.10 Summary**

We have made huge progress across the portfolio. There is a lot of excitement in the business about what we are doing and the opportunities we have. The B2B business is performing really well and we expect it to continue. All regions are seeing the benefit of investments that we have made in the business over the last few years. All these factors, as well as the One Experian approach and new sources of data, are driving strong levels of growth with good margins across our business. We have reached the inflection point in our Consumer Services business. We are building audiences of scale, diversifying our propositions, and addressing large and growing markets. More importantly, we are back in growth in North America and on a path back to growth overall. We are in a very good position to make further progress in FY19.

# **2. Financial review - Lloyd Pitchford, Chief Financial Officer, Experian**

## **2.1 Introduction**

I will start as usual with a recap of our financial metrics, and come on to the results in more detail. We have made some great strategic, operational and financial progress last year and saw momentum improving as the year progressed. Performance across our B2B business was very strong and we have been improving outlook in Consumer Services, where we are making good progress in both identity protection and credit comparison services, and rapid growth in our free membership base. We had another strong year of cash conversion and return on capital alongside it. Within our capital allocation, we continued our organic investment in innovation and new products, and made a number of inorganic investments including the agreed acquisition of ClearScore, as well as returning significant capital to shareholders.

## **2.2 Highlights and Trends**

As you have heard, organic growth accelerated to 8% in Q4, bringing the total revenue growth for the year to 8% and organic revenue growth to 5%. Benchmark EBIT margin was 27.7%, in line with the prior year at constant rates and up 10 basis points for actual rates. Benchmark EPS growth was double digit, up 10% in constant currency and 11% at actual rates. As we highlighted at the half year, cash generation improved in the second half, giving an overall cash

conversion of 93% for the year as a whole. Finally, following the strong momentum we have seen through the year and progress was made in the positive outlook, the board approved an 8% increase in the full year dividend. In a little more detail, you can see organic revenue growth progress in our B2B business was consistently strong through the year, with a great finish to the year up 10% in the fourth quarter. This reflects the strength we are seeing across all of our B2B businesses, as growth comes through from the investment in innovation and new product development that we have been making in these last few years. You can see Consumer Services has improved markedly during the year. This reflects the success of the new product launches and that rapidly scaling free consumer base. As Brian mentioned, the North American consumer business returned to growth in the fourth quarter and the overall Consumer Services business was stable in the fourth quarter on the prior year.

## 2.3 Revenue

B2B was a strong contributor, up by 9% for the year and 12% in Q4, reflecting the new product investment and an improving Decision Analytics performance across the year as a whole. We sustained good levels of growth, despite some weakness in countercyclical revenue, though this is starting to moderate a little in Brazil. In UK B2B we secured some major One Experian client wins and had a strong second half of the year, with 5% organic revenue growth for the year as a whole. As Brian said, EMEA and Asia-Pacific had a great year, delivering double digit top line organic growth. Both sub regions were in double digits for the full year. While Consumer Services declined for the year overall, it was stable in the fourth quarter, reflecting that improving trajectory, particularly growth in North America. Acquisitions contributed 2% overall, and that was largely through CSID's contribution in the first half and Clarity in the second. We had a modest FX tailwind of 1%. Overall, you can see it brings the group's total revenue growth to 8%.

## 2.4 EBIT

Starting from our prior year margin, you can see we delivered strong progress across the B2B business. The total B2B margins were up 110 basis points, contributing 90 basis points to the group margin. Margins in North America and the UK reflected that new product growth. EMEA and Asia Pacific continue to benefit from improving scale. We continue to invest in diversification across Latin America, where you can see improving margin in the business offset by a little weakness in Spanish Latin America, which we saw in the middle of the year. Margins in Consumer Services reflect the support we have been putting behind the new product launches over the last period, as well as the revenue contraction we saw for the year as a whole. Acquisitions provided a slight uplift to margins of 10 basis points. After the 10 basis points of FX benefit, you can see the overall position was 27.7%, up 10 basis points for the year as a whole, in line at constant currency, which is in line with the guidance provided at the start of the year.

## 2.5 North America

I will comment on the performance at constant exchange results, as usual. In North America, total revenue growth was 8% and organic growth was 6%. The acquisition impact came principally from Clarity and CSID. Credit Services grew strongly, up 11% overall with organic revenue growth of 9%. Fourth quarter organic revenue growth was 14%. Consumer Information saw good growth in credit prequalification, origination and account management. Mortgage performed strongly, following the startup of the new Fannie Mae trended data contract, and there was a first time contribution from the Experian Ascend platform. Both Business Information and Health also performed well, with strong double digit growth during the year. Clarity Services had a very strong start, exceeding our buy plan, and provided a great platform for alternative data for our clients. Decision Analytics is now consistently delivering strong levels of growth, up 10% for the year, with great progress in software, fraud and analytics, including some major One Experian wins. In Marketing Services we had another strong year, largely driven by our growth in targeting. Combining these segments, we had 9% organic growth across the North America B2B Operations. Looking at Consumer Services, we saw sequential improvement in North America. While organically revenue declined 2% for the year, it was up 2% in Q4. This return to growth was mostly driven by subscription products, particularly the IdentityWorks product, which contributed just short of \$20 million to the year from a base of around 200,000 paying members at the year end. There was also a growing contribution from credit comparison services, from a relatively low base in the prior year, and also from partner solutions as we expand our position with existing clients. Given this progress, as Brian said, we expect Consumer Services to continue to improve. In the first half of FY19, we would expect growth to be in the mid single digit range. Overall EBIT for North America was up 7% to \$833 million, and the margin of 31.5% reflected strong B2B progress and investment behind the new consumer products.

## 2.6 Latin America

We had another good performance with growth of 6% across the region and 7% in Brazil. Growth in Credit Services overall was 4%, with Brazil up 5% as countercyclical products began to moderate and the economy continues to improve. Decision Analytics growth was 25%, reflecting strong demand across the region for decisioning software, analytics and scoring. Marketing Services revenue increased 29%, as we made good progress in growing our client base and also introduced some new products and services. Overall benchmark EBIT for the region increased by 5%.

## 2.7 UK and Ireland

Our total growth was 1% including the Runpath acquisition and organic revenue was flat overall. The year finished well with Q4 organic growth of 4%. Credit Services' total revenue increased 7% and organic revenue growth was 4%, with good growth in credit reference, background checking and credit prequalification volumes. Decision Analytics had a good year, up 6% organically and double digit in Q4, as we secured some major new agreements across the One Experian proposition, particularly in software and fraud prevention. Marketing Services grew by 4%, principally across digital marketing, and that takes the UK's total B2B growth for the year to 5% and 9% in Q4. Consumer Services saw an overall decline

by 16%, as we had signalled, moderating sequentially as we went through the year, with the fourth quarter down 12%. We expect that improving trend, of about 3% each quarter, to continue through FY19. CreditMatcher continues to deliver very strong growth in referral rates, and we are really excited about the opportunities for the combination of Experian with ClearScore. Overall EBIT for the UK grew by 2%, with the margin up 80 basis points to 31.3%. This reflects margin leverage across B2B, which more than offset the Consumer Services transition costs.

## 2.8 Benchmark EPS

FY17 benchmark EPS was 88.4 cents per share. Our growth in benchmark EBIT from ongoing activities was 7%, reflecting the strong organic revenue growth performance. Interest expense increased to \$85 million, as interest rates started to increase during the year. We saw a benefit from the share repurchase programme with the weighted average number of shares now at 917 million for FY17. Overall, it was a strong performance with 11% growth in reported benchmark EPS.

## 2.9 Statutory Results

You can see amortisation of acquisition intangibles increased slightly to \$112 million. Following the change from the US tax legislation partway through the year there was a large tax credit, as our deferred tax liabilities were revalued down. We have \$57 million of one-off legal charges in the year. These relate to a settlement of a 10 year old legal dispute in a disposed business in Canada, and also an increase in a provision relating to a historic US legal dispute. Taking all these into account, before non cash financing re measurements, statutory profit increased 17% to \$869 million. Non cash financing re measurements moved from a \$67 million credit last year to \$24 million charge, and that movement is principally due to FX rates in our Brazilian business in the prior year. Statutory profit from continuing operations was therefore \$845 million, up 4% on FY17.

## 2.10 Cash Performance

As we explained, cash generation strengthened in the second half to give another good year. Our conversion rate of benchmark EBIT into operating cash was 93%, well ahead of our 90% target. Operating cash flow was \$196 million. Free cash flow was \$915 million, and that represented a 102% conversion of benchmark earnings to cash.

## 2.11 Capital Framework

This continues to reflect the capital framework that we outlined about three years ago. We have invested organically across a broad range first of all activities, including the innovation and growth initiatives that you saw in Brian's presentation. We completed the Clarity and Runpath transactions during the year and made a number of minority venture investments. We raised the dividend by 8% to 44.75 cents per share, reflecting the great momentum you have seen during the year and also the strong outlook we have for the year ahead. We completed \$566 million of share repurchases by year end and today have announced a programme for another

\$400 million, of which around \$300 million would be accretive. We will continue to report strong returns on capital during the year. During the year, the return on capital employed was 15.7%.

## 2.12 Net Debt Reconciliation

We ended the year with net debt of \$3.4 billion, up \$200 million on the prior year. After generating free cash flow of \$1.2 billion, taking account of acquisitions, net share repurchases and dividends, net debt to EBITDA at the year end was 2.1, which is towards the lower end of our 2 to 2.5. If we include ClearScore in that and adjust, we would have been at about 2.3, which is well within our guidance range.

## 2.13 New Segmental structure

You will see we have announced a new segmental structure today, which is probably as expected given how we were talking about our results this last year. It reflects the way we have been managing the business under the One Experian banner. We will report on this basis from Q1, and there is a reconciliation at the back of the presentation for this and the change to IFRS 15. We are making no changes to our regional structure, which is our primary reporting structure, but we are increasingly managing our B2B business on a One Experian basis. Following the disposal of CCM, now feels like an appropriate time to bring our businesses together and report them as a B2B business.

Within B2B, we will formally share revenue disclosures as a split between Data and Decisioning. This is fairly simple to follow: it is really just Health moving and allocating the old Marketing Services segment between Data and Decisioning. We have provided a detailed reconciliation at the back of the presentation, and I can spend some time with you offline talking you through that and the IFRS 15 adjustments.

## 2.14 Modelling considerations

We now expect total revenue contributions pro forma, for the acquisitions completed in FY18, to be around \$75 million. You will remember I said that was about \$65 million a few months ago, so there has been a real strengthening in performance from Clarity in particular, of which about \$30 million is reflected in FY19. This excludes the acquisition of ClearScore, which remains subject to CMA approval. FX rates have been quite volatile in the last month but, if you take the month as a whole and use average rates, they will be a 1% headwind to the year ahead. That is something to keep an eye on, as we go through the year.

As expected, the impact of IFRS 15 is fairly immaterial. On average across the group, revenue will be recognised slightly later than it is under current accounting standards. The FY18 adjustments are around \$78 million to annual revenue and \$31 million to profit after tax. There is no impact on cash. Accordingly, our FY18 cash conversion would have been about 3% higher when you restate it for the new standard, so that solidifies our cash conversion very well in the mid 90 per cent range. It is important to say that the majority of the revenue deferred relates to contracts where we receive the cash upfront. The restated balance sheet shows an increase in deferred income, which tells you it is cash already received, but the revenue will be recognised later under the new accounting standard.

We expect net interest for FY19 to be around \$110 million. That is inclusive of the share buyback that we have announced today, and reflects the increase in interest rates that we have seen over the last year. The benchmark tax rate is now expected to be in line with FY18, in the range of 25-26%. We would expect the cash tax rate to be in the high teens. Taking into account the share repurchase programme we have announced today, the weighted average number of shares is expected to be in the region of 901 million for the year ahead. We expect capex to continue around 9% of revenue, as we continue to invest in the innovation and technology agenda to drive our growth.

## 2.15 Summary

It has been a good year. We have delivered good financial and strategic progress in FY18 with a strong finish, strong growth in revenue, EBIT and earnings per share. We have been disciplined in our capital allocation, focusing on investment in high return growth initiatives and also capital returns to shareholders. As we move into FY19, you can see the fundamentals of the business are strong and that we have good momentum. We therefore expect another strong year of revenue growth, EBIT growth at or above revenue growth and further strong progress in benchmark earnings per share. We will continue to apply our capital framework with a strong focus on investing for growth in creating long term shareholder value.

## 3. Concluding remarks – Brian Cassin

We have built the foundations for a stronger business. We have best in class data quality. You can see a lot of the products that we have are moving more towards sophisticated analytics and software, driving towards those new opportunities. The investments we have made in our business, including technology, product, brand and culture, are driving and making a big difference to the performance of the business, and there is a lot more to come. We have a lot of confidence as we look forward and we are excited about what we can do. Thank you.

## 4. Questions and Answers

### **Paul Sullivan, Barclays**

Given you are lifting the lid on margin improvement, how should we think about that going forward? You did 100 or 110 basis points in B2B, offset by Consumer, with B2B growth accelerating and now Consumer accelerating. Your guidance to be at best or at worst flat seems very conservative, so how should we think about the moving parts this year?

### **Brian Cassin**

My first comment is that we have faced this question on margin for several years now and we have reinvested back in the business quite heavily. You are seeing the results of that in higher growth. We have a huge range of opportunities to invest ahead of us. I can reel off at least 10 big opportunities that we have next year. We are lifting Ascend into every country in which we



think we can sell it. We have opportunities in places like collections, through the PowerCurve suite, and a huge range of things that we can put capital behind.

Having said that, there are two stages to this question. One, can your business produce operating leverage? Absolutely it can and it is. Then it is a choice as to whether it is better to let that leverage drop through the bottom line or to continue invest in your business to drive your growth in years two, three, four and thereafter. We think that this year we are able to do a bit of both. I hope the performance will be strong enough to allow us to benchmark at flat or a bit better than that. The rest will be about exactly how fast and where we continue to put capital in the P&L to work. To us, that is a very important factor as we look at the long term growth of the business.

### **Lloyd Pitchford**

The only thing to add is that, clearly, these growth rates create significant optionality for us. We are in a dynamic environment. You see that across all of our markets. There are great opportunities to invest. That will be our priority. It gives us opportunity to progress margin this year. What would that look like? I would say 10 30 basis points this year, given the opportunities we have to invest – but clearly we have optionality.

### **Paul Sullivan**

Can I just follow up on the 14% growth you saw in US Credit Services? As the focus shifts to the sustainability of that growth, how did that 14% breakdown in your view between stuff that you do yourselves in terms of new product development relative to the cycle?

### **Brian Cassin**

I will ask Kerry to jump in on this, but a large part of it is actually the products we have introduced. We can point to specific contract values that we got for Ascend, for example, which just did not exist months ago. That is very strong. The environment is good, so there is no doubt there is a bit of benefit from that. But the super sized growth you are seeing on top of that is really the stuff we are doing.

As we said, this is the strongest growth we have had in Credit Services since any of us can remember. Kerry, you probably have a longer memory than most of us on this. A lot of it really is what we are doing – in the context of a good environment.

### **Kerry Williams, Chief Operating Officer, Experian**

That is all well said. The only thing I would point out is that the trended data is a bit of a boost that we are getting this year. Besides that, the normal operations of the business are what is driving the growth. There is no other big one time factor or anything like that.

### **Lloyd Pitchford**

It is important to look at Decision Analytics trends as well. If you look this year, we have been fairly flat on that over recent years. That has really stepped up. That shows the strength of that product offering alongside our Credit Services sell in North America. When you combine them, it is a sticky sell; it makes a pretty unique sell for us.

### **Brian Cassin**

Okay, we had a question from the front there.

**Matija Gerolet, Goldman Sachs**

There are a couple of questions from my side. Firstly, I want to turn to the Brazilian consumer opportunity. You hinted that there is quite a lot of it. We do not yet see in the divisional breakdown Brazilian consumers. We would be quite curious to see that. Will it happen going forward? Will you report that separately?

With all these consumers you have, do you think that could become a business the size of the UK, for example, which is 200 million of revenues within, say, a reasonable timeframe of a couple of years? A bit of colour on that would be interesting.

**Brian Cassin**

The first thing to say is that – I hope this came across in the slide – the build out of the business has been spectacular there. Scaling to 22 million free customers is frankly just about the best performance you can get for a business of its type anywhere.

That is great. The second point is that we have this view, which we have talked to you about before, that the relationship with the consumers is really important. They increasingly are and will be an important source of data going forward. That is actually happening in Brazil today with the relations we have got. The opportunity really starts to come in when positive data starts to come in. Primarily in that 22 million, you have a lot of people who are looking to find out about their credit score; they might have had credit issues; they are not prime customers. But, of course, what positive data is going to do is it is going to allow us to have a much richer information set and we will expand the credit markets.

That is where that customer base really comes into play. Of course, we are monetising it today. If you think about it globally, we really were not in this product set 18 months ago. Globally, we have built what will this year be a \$50 million business across the US, UK and Brazil, which is not bad from a standing start.

Can Brazil hit the numbers you have mentioned of \$50 100 million in Consumer Services over, say, 3 5 years? That is actually the outlook and the plan we have. We think it can get there. We have to continue to scale. We have to build that audience even further. We have to introduce the products, and we are building those out. We will see some acceleration in revenue in Consumer Services in Brazil this year. It will be FY2020/2021 when the rubber really hits the road on that, but we are excited about that. It is a fantastic achievement. Kerry, do you want to add anything on that?

**Kerry Williams**

I think the only thing I would add is that it is a primary focus of us at this point to capture the heart and mind of the consumers. Scaling out with as many consumers as possible is priority number one. We already know that some other competitors have turned away from the market simply because of the great progress we have already made in Brazil. Creating that difficulty to entering the market and capture the consumers now will allow us to do the things Brian has talked about over time and will stand us well with the plans we have with the consumers.

**Matthias**

I have one more question, if I may, turning to the US Consumer Services business. You sounded a little bit more positive about the business evolution with your Affinity partners. I think in the last couple of sessions it was stated that this was a slightly declining business with

sometimes an occasional contract. This time, you sound a little bit positive, I would say. Are you seeing growth returning there?

**Brian Cassin**

I did not catch which area you are talking about.

**Matthias**

I mean with the Affinity partners in the Consumer Services in the US.

**Brian Cassin**

We are positive about that. We have a very large partner business in the US. We have great capabilities through the CSID acquisition. We are introducing a lot of new products into that channel. We feel very good about the outlook for that business going forward.

**Lloyd Pitchford**

The addition of CSID has really changed the nature of the conversation with potential clients, because it is across a credit and identity forum now, and that is really improved our outlook.

**Tom Sykes, Deutsche Bank**

On your margin improvement and the different moving parts in that, if you are 10 30 basis points this year and Consumer Services is presumably going to be less of a drag, should we be thinking of B2B being slightly less of a contributor in operational leverage terms, if you are getting to 10 30 basis points for the Group?

If you look at the cost base breakdown, it looks like your data and IT costs went up about 100 basis points, which might have been a bit of a surprise. I do not know. But when you are thinking about where the different cost elements land in terms of contributing to the margin performance, should we be thinking that data and IT will continue to go up? Will marketing costs continue to go up? Can you actually get any leverage on your labour costs?

**Lloyd Pitchford**

There are a few things in that. If you look at our B2B progress this last year, it was really strong. If you look at Marketing Services, the progress was particularly strong. We took the opportunity of the disposal of the CCM business to take quite a bit of cost out of that business. That is perhaps more of a one off contribution. You would not expect Marketing Services to step forward so strongly in a normal year.

But overall, as we said, you have got significant optionality. In the year ahead, for Consumer Services we are thinking about the launches we have to do and the investing behind scaling there. We probably need to come down a little bit more, maybe from around 21% to around 20%, but more of the B2B margin leverage will flow through.

On your question on data and IT costs, within our Consumer Services business, one of the big things we have done in the last year is enhanced the proportion from a 1B product to a 3B product. Obviously, we pay for data; there is a contribution there. Obviously, we are enhancing our data assets whenever we can. Yes, that is an increasing cost, but you see it flowing very much through the top line growth of the business.

**Tom Sykes**

Thank you. If I can call that one question on margin, on the Consumer Services growth in North America, CSID is now in organic growth and it has annualised some of the losses of the major customer that that business had. Are you able to say what the contribution of CSID to the US Consumer Services growth is? Could you also perhaps comment on what is happening to the base level of subscriptions in that business as well, please?

**Lloyd Pitchford**

There are moving parts on Consumer Services. The split between direct and Affinity is still about 60/40. In Affinity, the broad area of partner solutions, you have a growing CSID business. As you say, it has annualised. The old pure credit Affinity business is declining. Those two are offsets. We have a growing partner solutions business, which will maybe grow in the low single digits over the year ahead.

On the direct to consumer credit subscription, the traditional credit education product, continues to decline. When you take subscriptions of credit and identity together, our subscription base is now growing. If you take the new products across both identity and lead generation and you look out over the year ahead, there is a pretty significant step up in contribution from that. There is strong growth in identity and lead generation offsetting the declining credit education, and partner solutions growing moderately overall. That is the algorithm that gets you back to the mid single digit growth in the year ahead.

**George Gregory, Exane BNP Paribas**

I have two questions, please. One of them perhaps follows on from that last question, Lloyd. I am just thinking about the evolution of IdentityWorks and LendingWorks. Obviously, this year we will benefit from the significant growth in IdentityWorks over the year. I am just wondering how you see IdentityWorks evolving over the coming few years. Similarly, how should we think about LendingWorks evolving over the medium term, please?

**Brian Cassin**

They are both going to grow. In terms of evolution, the IdentityWorks product has scaled really rapidly. We are not seeing any tail off in that; we are not seeing any change in market conditions. We still think we have a long runway of growth for that business. I think we have been consistent. That is a business that can be a very large revenue stream for us. The extent to which it builds in any one year is a bit hard to predict, but you have seen the pace at which we have gone in FY2018. We expect it to continue at a similarly fast pace in FY2019.

LendingWorks is building from a much smaller base. When we talked to you last year, we said we were focusing on IdentityWorks first and LendingWorks second. A large part of that was because we had to build out the product offers on the base and get complete market coverage. The second thing we talked about was how we need to ensure that we maximise the traffic for the intent which the traffic is actually coming for. That is why I referenced the fact that we are leveraging CRM, previous customer bases and current and past Experian members. We are driving profitable growth. It is easy to drive growth in a business like LendingWorks; driving profitable growth is the key. That is what we are focused on building out.

We are taking it at what we think is the appropriate pace. It will grow rapidly this year, and we will take decisions during the year as to whether we think that can scale more than planned or otherwise.

**Lloyd Pitchford**

As we said when we talked about the plans in the Consumer Services business, the identity and lead generation businesses are two very significant markets that are available to us. We have a right to play; we have the products. When you look at the close to 40 million free members we have across our three core geographies, we have a real opportunity there to really progress and scale that business.

**George Gregory**

I just have one quick question on the IFRS 15 change. I just wondered whether that has any impact on the evolution of margin going forward, given the deferral of that revenue being recognised.

**Lloyd Pitchford**

It should not do. When you restate, the new margin comes down slightly, but that means your revenue in future years is more underpinned, because it comes back. But there will be no change on growth rates or margin progression. It is really just a technically different way you record the revenue.

**Brian Cassin**

I am impressed – and pleased – that we got this far without an IFRS question.

**Andy Grobler, Credit Suisse**

I will not ask any questions about IFRS. I have a slightly broader question. You talked about automation and digital as a way to reduce your cost and also to enter new markets. How do you balance that opportunity with the potential impact on price not just for your newer businesses but your existing services? Are you seeing some price pressure as that comes through?

**Brian Cassin**

I will let Kerry jump in on this. There are two aspects to this. One is how it impacts our clients' business and second is how it impacts our business. We have actually made massive progress in the application of automation and robotics in our own business. That is quite exciting. The answer is no, because what you are doing is developing propositions for your clients which enable them to take cost out. That means the proposition has significant value.

Let us take Ascend. Where are we taking cost out there? If you look at the job of an analyst who is creating models in a bank, a massive amount of time is actually spent on something called data prep. Data prep means taking big data sets and putting them into an environment where you can actually do the analysis. It takes a massive amount of time. It takes up a huge proportion of that analyst's time. The Ascend platform completely eliminates that, because the data is preloaded, the models are ready to work and it can ingest data from different sources. You have massive efficiency being delivered through the platform. That saves them a hell of a lot of money.

It is a value equation. How much are we saving them with this solution? In fact, what you actually see is increased spend, because we are able to take more and more core functionality out of their cost base and into the platform. Yes, we reduce costs overall, but there is more spend geared towards the solution that is actually helping that happen.

**Kerry Williams**

That is right, Brian. It is a good question. I have 15 years of watching prices, efficiencies and automation in this industry and what has been occurring around that. It is no longer about selling data and a credit score. It is about all of the value that Brian was just articulating. We have capabilities across the spectrum from our decisioning capabilities, our fraud capabilities, the sandbox, to text for credit. You name it. All of those things are now driving so much value for customers that we have seen a marked decrease in pressure on prices and more of a focus on, 'Help us run our business better.'

It is different now than it has ever been in the 15 years I have been here. We certainly have lots of opportunities to help clients take cost out. We take cost out of our business. We like to take cost out of our business to become more efficient and allow us to invest it back into other opportunities. We have been very focused on that with all of the work we have been doing across the board for the last several years.

There are kind of two parts to the answer. There are lots of opportunities internally, which we have been doing and we will continue to do, but we have seen less pressure on price because of the capabilities we have in the marketplace, the sophistication of them and the fact that it is no longer about selling data, a credit report and a credit score. That is not what it is about anymore.

**Andy Grobler**

I have one more question on a related topic. You talked a lot about Ascend and all its capabilities. When you are going to see prospective clients, when they say no, why do they say no, given the cost savings that it can provide?

**Brian Cassin**

Well, a lot of the time they say no because they do not have the budget or they do not have the time to look at the solution; they are not ready. There are very few capabilities where we go to a client and they do not say, 'That looks great. We would like that.' Sometimes you go and they say, 'Well, we cannot focus on that because this is our problem, blah, blah, blah,' or for whatever reason.

I do not think we ever go to market with solutions that people do not think are really, really good. Sometimes they can be a bit sceptical about ROI; we have to prove that. What I will say is that most of the products you are looking at and we talk about a lot – e.g. PowerCurve, CrossCore, Ascend – take a long time to sell into a B2B environment, because of the complexity of that B2B environment. It does take a bit of time for market reception to start to happen. This is why Ascend being so rapidly accepted in the marketplace is a real measure of its success. But once you get there, it really quickly becomes widespread that this is a product that people have to have.

**Kerry Williams**

I could give a few more examples on that. In the software space, we might not win a deal when they already have part of a competitor already embedded in their enterprise and they do not want to have to upgrade that piece at the same time they are trying to put in a different piece. You might not be successful there because they already have an embedded estate with a competitor.



The same thing applies on the credit side. If someone is already buying data, analytics and they have an account management programme from one of our competitors and then they want to start doing triggers or they want to start doing something along those lines, there is a lot of benefit to going with their existing provider. You might not be successful in that instance. When it comes to competing for new software, new analytics, new data sources, in the deals we are competing in we are winning the majority of those, bar none.

**Ed Steele, Citi**

There are two areas I would like to ask about, please. First of all, obviously, you have won this large trended data contract. To what extent is trended data already looked at by your core [inaudible] services clients in your US credit bureau? Why would not, over time, all or most of your clients use it? Can you just talk about that, please?

The second area I would like to talk about is the North American Consumer Services division. You have talked about the fairly obvious trends within that. If you look at the core subscribers within the credit part of that division, it is probably about half of the revenue last year. Listening to the qualitative comments you are making about the visibility for growth improvements in the next few quarters, it seems like you sense that the resilience within that subscriber base is getting better. Is that because you are down to a rump of sticky subscribers who you think will stick around irrespective of marketing spend being removed from that space, please?

**Kerry Williams**

On trended data, we launched trended data over 10 years ago. We focused primarily in the credit card market and we have many customers in that space today. We have recently moved it into the mortgage market, which is the trended data opportunity we are referencing.

It is sophisticated. It is sophisticated analytics. Medium to larger clients are the ones that are likely to utilise it. It is not something a smaller credit union or small bank might take advantage of unless they are very progressive, because there is an additional cost with it and they have to work it into their analytic capabilities.

I think we are going to be moving into other verticals, so we do have opportunities there. But it has been something we have already had for an extended period of time. The new piece with mortgages is what we are referencing now in the opportunity – and we will continue to expand that.

**Brian Cassin**

Lloyd, do you want to take the membership question?

**Lloyd Pitchford**

We have seen this for a little while. As you see some of the newer clients roll off the credit education product, you enter more of a rump that is more resilient. The other thing is that we are obviously increasing the functionality that targets those consumers. Think about this as an ecosystem. A customer comes in at one place and we give them the opportunity to meet a need. As their needs change, we give them the opportunity to move across. That just naturally makes it more resilient. There is also the access – this is pretty unique for us – to call centre agents to help people across our businesses. That is something that really differentiates us.

You have to take those three things together. You are right: we are seeing more resilience. Obviously, it is still an area that is declining a bit. The growth is really coming in the revenue base from the new product streams.

**Brian Cassin**

I am going to check whether we have any questions on the line.

**Brett Huff, Stephens**

Good morning and thanks for taking my question. I just have two. On the first one, thank you, Lloyd, for giving us the specificity around the 10 30 basis points of margin expansion we should look for this year. You guys have been talking a little bit about higher revenue growth, and I did not catch any specific ranges. Did you articulate those and I missed them or do you have ranges you can share with us in terms of revenue growth this year?

**Lloyd Pitchford**

We are clearly going into the year with some really strong momentum. Our official guidance is that next year will be another strong year of growth. What does that mean? For the year as a whole, I would guess something in that 6 8% range. We are clearly going to start very strongly, so it will probably be more in the top end of that range as we go through the first half – and we will see how some of the new products develop in the second half.

**Brett**

That is really helpful. Can you guys talk a little bit about the bigger picture? You are divided into these two new categories. I know they are businesses you have had for a long time, Consumer and B2B. Do you think about the incremental dollar you are spending from the higher revenue growth you are seeing? Where are you looking to put that incremental dollar? I guess maybe it is more of a long term ROIC question. Where do you see the incremental dollar being most useful or most productive over a medium term period?

**Lloyd Pitchford**

Brett, if you look back at the progression of our decisioning business, the combination of decisioning with data is really our play. That is a really value play, not a cost plus play. It is very sticky with our clients, because it is really adding value. As you see there from the explosion of data across different verticals and industries, our decisioning software can play in multiple verticals and multiple markets.

Brian talked about the combination of Ascend and PowerCurve. PowerCurve is a decisioning tool you can apply to any real time decisioning, and we see a lot of opportunity for that.

**Rajesh Kumar, HSBC**

I appreciate that a lot of organic growth is new products, but in terms of the traditional drivers like mortgage cards[?], could we get some colour on how those different parts are progressing and how you see the outlook for that through the year?

The second one is on the competitive landscape both in the US and Brazil. How do you see that shaping up? In particular, the divergence in organic growth that you and one of your peers have with versus the third major player seems to be quite significant.

**Lloyd Pitchford**

You said 'traditional drivers', but it varies by market. Let me take the US first. We have said that Health is growing really strongly in the double digits. Our BI business there again has really strong, double digit growth. Auto was flat for the year as a whole but marginally up in Q4. Given the backdrop there, we thought that was a good performance. Core Credit is doing really well. There are strong and robust volumes in the Core Credit market.

For Mortgage, obviously if you strip out the trended data contract, mortgage was positive.

There was a bit of price, and volume was down a little bit. But if you take all of that together, North America was really strong.

In Brazil, obviously the economy is improving. Some of our metrics lag that. Obviously, employment is a good metric. That is still continuing to go up a little bit. But we are seeing a drop off in some countercyclical revenue, which is usually a good early signal.

In the UK, we are seeing solid performance there across our core market. A lot of our growth that you saw in the fourth quarter was really the bundling of decisioning with products.

Obviously, we are keeping a close eye on the UK economy, as some of the uncertainties get resolved in the year ahead.

**Kerry Williams**

The divergence in the growth rates you referenced is simply what the other competitor said in their earnings release. They have not had the opportunity to compete for new business, given what has occurred to them. That has had an impact on them. It is at the margin for us, so it is not a big driver of or growth. But in totality for them it is probably significant. At least they have made statements to that effect.

**Rajesh Kumar**

My question was really this: over the next 2 3 years, do you expect some reshuffling of your market share within the market?

**Kerry Williams**

I think that we will continue to win our share of the business because of our capabilities and what we bring to the market. That is how we think about it. I do not think we are going to prosper simply because a competitor had a problem last year.

**Lloyd Pitchford**

The really exciting thing for us, Rajesh, is the opportunity to make new market. It is not a market share play. I think our competitors would say the same. The skills we have, in particular across data and decisioning, we can apply to completely new use cases. New market growth is really what we are excited about.

Brian Cassin

I will just check. We do not seem to have any more questions on the line, do we? No, it does not look like it.

**Giasone Salati, Macquarie**

I have a couple of questions, please. Coming back to revenue growth, can you help us in understanding how much of that comes from pricing and new products? I appreciate, if you are delivering bigger cost savings, maybe there is a big pricing element alongside new products.

The second question is this. Can we be clear that after Cambridge Analytica and company you have no exposure to any big contracts with Facebook or similar that might be cut in the near term or ever?

**Brian Cassin**

Do you want to deal with the price volume? I will come back to the Facebook question.

**Lloyd Pitchford**

It is almost impossible to break out price and volume when you think about the bundled nature of our business. Overall, you would say that core data sales over time to some of our bigger clients tend to be price compression, but all of the value goes back in through the decisioning, where we see ever increasing value. We are winning more share of wallet, and the size of the overall wallet is increasing. That is probably the best way I would deep learning that.

**Kerry Williams**

The one thing I would point out is that traditionally revenue is helped in Brazil because of price increases, but because inflation is so low the performance of the business is purely around what we are generating in terms of new products, new sells and market share gains, and not because inflation is allowing us to increase prices, because inflation is down to around 4% in Brazil right now – so it is less of a factor in terms of powering our growth than maybe historically you might have seen.

**Brian Cassin**

On your Facebook question, we do have a relationship with Facebook. They have been a global partner with us for the last few years. Of course, as you know, Facebook have closed down all of their partner categories. What did we do? We actually allowed people to build audience segments according to the Experian data sets on the Facebook platform. What it means is that the audience creation will continue, but it will actually be done by the clients themselves. They will still use the data and the platform; it will just be delivered in a different way.

There will be some temporary lumpiness as we move through that, but I do not think that it has any long term impact. We do not have any exposure of the type that impacted them over the last few months.

**Giasone Salati**

Any lumpiness is included in your guidance on organic revenue growth.

**Brian Cassin**

Yes.

**Giasone Salati**

Thank you.

## 5. Close - Brian Cassin

Okay, it does not look like we have got any more questions, so thank you all for coming today.  
We will speak to you later in the year.