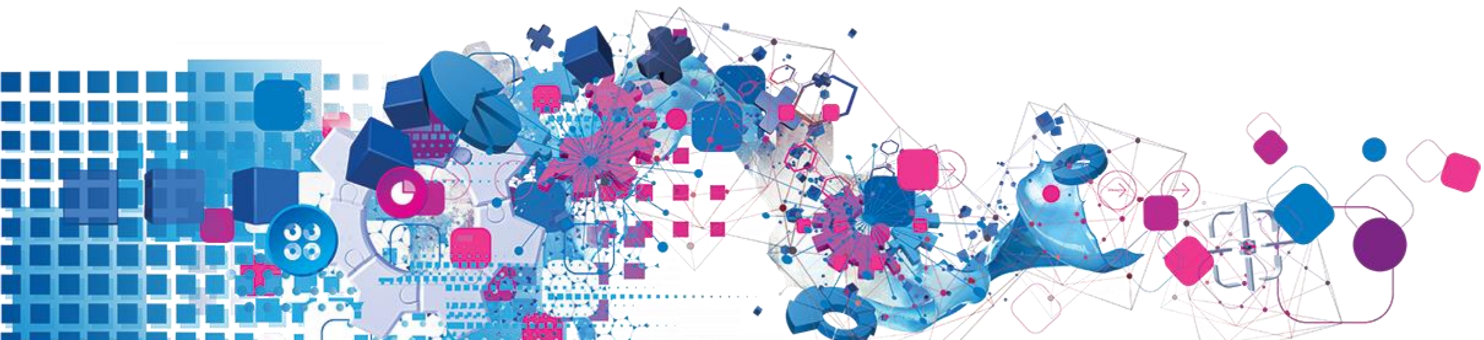
Half-year results FY19

13 November 2018



Contents

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

1.1 Introduction

Good morning, everybody. Welcome to our H1 results presentation. It is nice to see you all here. I think you have all gathered it has been a very good start to the year for Experian, with growth at the top end of our expectations for H1, really driven by our B2B businesses, which did average really strong growth. There was also good performance in consumer services, with growth in the US in particular ahead of where we expected to be for H1. We are confident that we can sustain these rates of growths into H2 and beyond.

Our business is performing really well. This has really been driven by two things: one, we are seeing quite a lot of strength in the underlying portfolio. We are also seeing a lot of benefit from the new product introductions that we have introduced in the last few years, and we will touch on some of that in the presentation.

We are now focused on scaling our opportunities globally, taking innovations that we have developed in one market and rolling them out to more of our regions. We think this gives us a really strong runway of growth going forward.

1.2 First-half Results Highlights

As usual, Lloyd will take you through the detailed financials. I will just pick out a few of the highlights here. At constant currency our revenue was up 9%, 8% organically. That is both Q1 and Q2. We delivered strong growth in every region. B2B has another very strong year, up 9%, really driven by strong performance across all of our business, but particularly in the US. Consumer Services was up 5%; again, up higher in the US at 8%, and again fuelled by successful product launches across all of our markets.

At constant currency, margins increased by 20 basis points and benchmark EBIT growth was up by 10%. Benchmark earnings per share were up by 12%, and we continue to return cash to shareholders, increase the interim dividend by 4%, and we completed about 100 million of our share buyback by the half; overall a strong performance in H1.

1.3 Strategic Highlights

I will just move on to some of the key business and strategic highlights from the half. I think we spoke to you about this before, but our strategy is focused on combining sophisticated solutions with best in class data to enhance our competitive position. This strategy is really working well, and we have got a few examples to highlight that for you. We have talked to you before about the advanced analytics platform, Ascend. It is already a big success in the US marketplace, and we are now launching in a lot of our other regions.

The PowerCurve Suite has had another outstanding half, and we signed 66 new deals for PowerCurve in the half. We are seeing success in every region.

Our integrated fraud platform we talked to you about before called CrossCore has performed really well again in H1, with another 28 new agreements signed. We have completed a lot of work in H1 on our SaaS based decisioning module, which we call Experian One. We are ready to go to market, and we are pre-selling in all regions and seeing a lot of interest in that proposition.

We are also making a lot of good progress in a lot of the other innovations we have talked to you about over the years; things like Text-For-Credit, and in the UK Verdus, which is our new platform which enables clients to take advantage of open banking regulations.

We are making great progress across building out new data sets, which is another important element of our strategy. About a year ago we talked to you about the acquisition of Clarity; that acquisition is going extremely well. We are gaining momentum in the US marketplace with that. We are also taking significant steps across our business to make consumer-permissioned data a reality. We will talk to you about some examples of that later in the presentation.

As you know, we are focused on building direct relationships with consumers across all of our businesses, and we are making a lot of progress. Identity members in the US have trebled in the last year. Free members across our three main geographies have reached over 45 million consumers. We are generating new income streams and regeneration in other areas on the back of those memberships. In Asia-Pacific we are supporting key partners with development of new credit marketplaces, which I will come on and describe in a few moments.

1.4 Our Growth Drivers

In recent years we have been positioning our business to take advantage of what we think are some pretty significant growth opportunities. We have talked to you about most of these things before, but let us just remind ourselves of what the key drivers are.

The first is data. Data is proliferating, and it is the intelligent use of data which is becoming a really key business issue for companies in all industries, helping them make better use of their data to drive different business decisions. The important point about this is that at the same time that data is proliferating, their requirements around ensuring good governance of data and security of that data is becoming ever more pressing for companies in every industry as well. That creates tremendous opportunities for companies like Experian, which really have a trusted and strong relationship in helping the biggest companies globally dealing with key data issues. This not only drives demand for additional data itself, but more importantly for the tools, the analytics, the decision software products that are necessary to help people make sense of those data sets. These are the areas where Experian really has a very significant advantage.

Working in tandem with this, what we are seeing is increasing demands being made by businesses – both consumers and B2B customers – for better, faster, cheaper and seamless interactions. Let me give you one small example of what we mean by this. In the US over the last few years in our business information business we have seen a very significant change in the way our clients access our data. We have enabled this through the investment that we have made in our API suite. This is a very flexible way to allow customers to access data, by coding directly into Experian. It gives them real-time access and the ability to consume the data in the format that they want. The result of this is that we are seeing more sales of data, more sales of scores, particularly in small and medium-sized businesses, and opening up new parts of the market for us to further our growth.

A slightly smaller but I think instructive examples is in our B2B business, where we are finding that our B2B users are demanding that the products that we provide them have the same standards of design and intuitive interaction that you would see in modern day smartphones. That is driving a big investment in the front end of our systems in things like UI, and making the seamless integration with how they use the products even better.

Companies that can combine powerful data sets with sophisticated solutions are going to be very successful, and that is really the core of where Experian is focused. We have talked to you about that in the past. We have labelled it One Experian, and it is actually expanding the market opportunities for us as a business, which I think is driving some of our underlying growth.

1.5 New Addressable Markets

The slide you see behind you lists some of the segments that we think provide some very significant growth opportunities for us going forward. All of these will be multi billion dollar opportunities, and I think give us a long runway of growth in years to come. Some of the biggest opportunities are in areas such as advanced analytics and for that I think you need to think about products like Ascend. For great use of our decisioning tools I think you need to think of things like Experian One, but also machine learning and artificial intelligence enhancements we are making to the core decision products.

In areas like data management and integrated propositions you need to think about products like Consumer Audience Engine, which combined things like our targeting business and our automotive data in real time to develop new solutions for our clients in those markets.

In the direct to consumer market we can open up new opportunities by applying the same capabilities that we apply to our B2B clients. The best example of this is obviously the use of free credit reports and scores; the simplest combination of our product which has opened up a multi-billion dollar opportunity in the lead generation market.

In B2B I have mentioned Experian One, which we are currently launching, and this is going to address a completely underpenetrated segment of the market for us in small and mid-sized clients for advanced decisioning solutions, based on a SaaS-based service that we are going to market pretty soon. We think that market alone is about $2 billion in size.

All of these opportunities are significant, and they are all enabled by that strategy of combining best in class data with sophisticated solutions to solve key customer problems in each of these areas. It has also been enabled by the organic investment that we have made in our business over the last few years. That is what we intend to pursue going forward; pursuing these initiatives at pace and at scale.

1.6 North America

Performance in North America was really strong. The B2B business was up 12% and consumer business was up 8%, so a great performance overall. The B2B business is seeing strength across the entire portfolio, driven by underlying good macroeconomic conditions, but significantly also good contributions from new product innovation.

We have talked to you about Ascend; it has been a great success. We have a great pipeline of new opportunities, and we expect that total contract value opportunity to continue to grow into H2 and beyond. These contracts usually involve not just the Ascend proposition itself, but you generally tend to pick up a lot of additional analytics work and more data sales as the tools become more embedded in client workflows. The product itself continues to evolve and improve. In addition to the core consumer credit data we now have Auto data, Clarity data and

Business Credit data available in the Ascend platform. This is going to allow us to address new client segments. There is still a long way to go. The mid-tier version will launch soon, and that will address approximately 17,000 financial institutions in this segment in the US alone. We have many more modules to follow.

The decisioning business is going really well; it is now consistently delivering double digit growth. Clients are investing in modernising their future, buying software and analytical tools, which again play to those trends we talked about earlier: cost friction and better decision making processes. PowerCurve Suite is leading the way; we have secured several new major contracts for PowerCurve in the half.

Increasingly we are finding that our propositions are more and more bundled. To give you a good example of this, we have signed a new deal with a major card issuer for fraud and identity solutions. This is a multi-year deal over 15 million in total contract value and includes a wide range of tools across our fraud propositions, including CrossCore, Synthetic ID, Precise ID, Bureau Data Attributes, Clarity, and FraudScore. We are deeply embedded now in how this client really detects and prevents fraud.

Health, which is part of our decisioning business, also performed extremely well. It is in a large and growing market. It goes from strength to strength; we have a great pipeline, a really strong performance in Q2, and we are very excited about the prospects of this business going forward too.

Overall, the North America B2B business is performing very strongly and we have a good line of sight as we head into H2.

We are very pleased with the performance in Consumer Services. We have achieved very, very good rates of growth; 8% for the half. This is actually ahead of where we thought, coming into this financial year. We were expecting it to be about mid-single digit, so very pleased with the progress. The Identity product itself is going extremely well; we think we are going to break 300,000 members this financial year. When you look at that from a financial perspective across the Identity product and the lead generation products that we have across different markets, in consumer services new product introductions will be adding close to $100 million of revenue for this financial year. It is pretty impressive for products that really only came into being about 18 months ago.

Our strategy in consumer services is to use the extensive capabilities that we have as an organisation to put consumers into control of their data, to drive stronger engagement, and to make a positive difference. Identity was the first step in that, and we now have a deep product roadmap built on those concepts of consumer control, protection and scale.

Free membership in the US is also growing very strongly. We now have 16 million free members, which creates a very large audience for our consumer services. Our lead generation revenues are also growing well, and with a large free membership base, a stronger panel of offers, and a differentiated proposition in the marketplace, we have a lot of confidence that we can continue to grow revenues in this segment going forward.

To give you just a small example of the sort of things we are doing to attract new consumer members, we recently launched something called Experian Financial Profile, which helps consumers to really see what the lenders see. I am going to show you one of our adverts to illustrate how this is positioning in the marketplace. Could you play the video, please?

[Video plays]

So this is just one example, but since the launch of Experian Financial Profile in early September we have had almost 3 million consumers view their financial profile. Of those 3 million consumers 350,000 of them have also provided their income information as part of the enrolment. I think this is interesting because it demonstrates two things: one, our ability to engage really large audiences with new propositions; two, the ability for that engagement to drive additional data contribution to us as a bureau. They are very important parts of our view of the overall consumer strategy going forward.

1.7 Latin America

Growth in Latin America was 4%. Brazil delivered a low single digit growth; Brazil was a little bit behind where we expected to be this year. On the other hand, Spanish Latin America really put in a great performance and is on a strong trajectory. I think H1 in Brazil was characterised by a lot of political uncertainty and low consumer confidence. Some of their recent elections will obviously add a little bit more clarity to that; certainly in terms of what people are expecting in the marketplace is a more pro-business friendly government. Hopefully that will provide us a stronger backdrop as we go into the second half and beyond.

That said, our growth in Brazil varied by channel. We saw some really good growth across our largest clients, including the major banks. That is really based on long term contracts that we have signed with them which are multi-product bundles. We are still seeing the same trends that we see in every marketplace in Latin America, which is the importance of digital, the need to deliver those seamless customer experiences, and a drive towards fully automated decisioning. As a result of that we are seeing really strong growth, which you can see in our decision analytics business for our CrossCore, PowerCurve, Advanced Analytics, and for engaging with our data labs.

The mid-size market – which is the SME segment – was the slightly weaker area in the half. I think that was a reflection of the weaker macroeconomic conditions, and we also had some drag effect from lower counter-cyclical revenues.

Our consumer initiative in Brazil is going from strength to strength. We have enrolled over 25 million free memberships; that is up from 16 million when we spoke to you this time last year. It has already been one of the most successful digital start-ups in Brazil. Again, importantly, as consumers enrolled in our products we're also capturing consumer contributed data; by that I mean things like email, telephone numbers, employer name, addresses, all of this significant additional information which helps us identify and build a picture of consumers. We are adding that to our core file, and it is enhancing the B2B proposition that we have.

We have a range of products that we are marketing in Brazil, across a number of areas. Limpa Nome addresses the credit needy and helps them settle past debts. eCred is our matching service, helping people want to check their eligibility for credit. Serasa Antifraude addresses a wealthier population concerned about identity protection. We have also launched a B2B2C proposition in Brazil, which takes our capabilities and makes it available to our biggest partners in the financial services segment. That is going extremely well.

We are in the early days, but we are building big audiences. We are starting monetisation and we are off to a really good start. We are very excited about the future prospects of our position in the consumer market in Brazil.

1.8 UK and Ireland

The business is up 3%. We had good growth in B2B of 5%. We had a further improvement in our D2C business over the half. Fundamentals of the market are pretty strong across Credit and Decisioning; some very good contract wins in the half in our Consumer Information and Decision Analytics businesses in particular. We are making a lot of progress in the UK in introducing new products. We have recently launched Ascend in the UK, and there is a huge amount of client interest in that. Last week we launched Trended Data in the UK, and we have also recently added things like rental data to build out our alternative data assets, so a lot of development across the B2B portfolio in the UK.

In addition, we have talked to you before about our initiative in open banking, and Verdus, our open data platform. It is one of the best capabilities in the marketplace. It combines our own credit decisioning data with the ability to link into any external data such as current account data. It is being used today to power our own credit comparison activities, and to build fully digitised financial products and services for our B2B clients.

In particular, one of the areas that we think is going to be a good growth opportunity for us is going to be in the areas of eligibility and affordability. Matching consumers more accurately to financial products puts us into a great position with this platform. We think that is a global capability, and we expect to be rolling the Verdus platform out to more of our regions as we go through H2 and into the next year.

In UK Consumer Services we saw further sequential improvements, and we are expecting this business to return to growth in H2. We now have nearly 5 million free members; this is a central part of our strategy. It has actually proved hugely successful. I will remind you that we did not actually have any free members about two years ago, so this is a really fast scaling initiative for us. The proposition we have in marketplaces, Credit Matcher, has made great progress. Our capabilities around things like eligibility are driving better user experience and better engagement. This is where we can use our own capabilities, particularly the things like our own data and our own enabling technologies like Runpath and Trusso to develop the experience even further, providing quicker, better and more certain outcomes for consumers. Today, the revenues that we are generating off the Credit Matchup platform are mostly focused on cards and loans. We expect to develop into other segments like mortgage, and we think that there is a really big opportunity to develop more and more of these financial marketplaces as we go forward, really driven by data-driven recommendations. We are well on our way to realising this vision as part of our UK consumer businesses.

1.9 EMEA/Asia-Pacific

It was another really strong half, with 13% organic revenue growth. I think this is a success story that we have had for quite a number of years; averaging double digit growth for the past eight quarters, which is a big change from where we were a few years ago where this business was low single digit growth. I think this just reflects a huge improvement that we have seen across the strategic and commercial position in every market that we operate in. The region has always been very successful for some of our global products like PowerCurve and we are now taking more steps to introduce some of our other global products, particularly Ascend. We have actually signed our first Ascent contract in Italy, and we have market launches in Spain and South Africa which will follow in H2. There is a lot of opportunity as we look forward.

As I referenced at the start of my presentation, we are very excited about some of the opportunities that we see in Asia-Pacific. There are roughly 1.7 billion unbanked consumers globally, and most of these – 800 million of so – reside in Asia-Pacific. Of course, if you think about this from a data perspective it makes it incredibly challenging to build a traditional credit bureau model. However, with our capabilities we are able to look at using alternative data assets to develop scoring systems and to use that to drive our business forward.

We talked previously about our strategy to take some minority stakes in some Fintech companies where we are closely aligned. This is an example of how this works really well. We have taken another step in the half; we took a stake in a company called C88, and we have done that alongside a pretty broad-ranging strategic and commercial agreement. C88 is the parent company of CekAja, which is one of Southeast Asia's fastest growing comparison sites in Indonesia and the Philippines. What is interesting about this is that we are providing the platform to power what we call a credit marketplace. We take data from multiple different sources, including bank data, telephone company data, data that we can gather from social media, and lots of other inputs that we have. We use that to develop a bespoke scoring system. That bespoke scoring system then leads to decisioning tools which we make available to CekAja on their platform.

We have really developed what we call an alternative data asset that is being used in that marketplace. We think this is a very significant opportunity in this particular example, but also something that we are looking to replicate in more places across Asia. This is a great example of our strategy, to not only develop these propositions but to share in the economic upside. We believe this is going to power their business, and we believe that by having a minority stake in that we will benefit economically as well. It is a really interesting example of how we work with alternative data, to look at how we develop information assets and scoring systems of the future.

1.10 Summary

We are very pleased with the progress that we have made in H1. As you can see, the B2B business is performing really strongly. New product innovation has elevated our performance, particularly in North America, evident in H1. Products like Ascend and other global products that we have the opportunity to roll out globally give us a lot of confidence about the future. You can see the steps that we are taking to improve our data coverage, not just in our traditional large markets like North America, but also in newer places like Asia Pacific.

We believe the potential in Consumer Services is significant. We are very pleased with the progress that we have made this year. North America is growing strongly, and we believe that is now on a sustainable trend. We believe the UK will be back to growth shortly, and in places like Brazil we are really just getting started.

We have had a good start to the year, and we expect to maintain this momentum through the rest of FY19. We have got a strong foundation for sustained performance into FY20. With that, I am going to hand you over to Lloyd.

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

2.1 Introduction

Thanks, Brian. Good morning, everyone. I will start as usual with a recap of our key financial metrics and then go on to review the results in a little more detail. As Brian mentioned, we have made some good strategic and financial progress during the half, sustaining the high rates of underlying growth. We delivered another strong performance across our B2B portfolio, and made excellent progress with new product introductions and scaling.

Growth in consumer services improved as our strategy to diversity revenue with new products gathers momentum. With strong progress through H1 we now expect a full year group organic revenue growth to be in line with H1, at the top end of our previous guidance range.

We reported good H1 cash conversion and directed capital mainly at organic activities in the half. As you will see, FX remains volatile with translation a headwind in the half due to the weakness in the Brazilian real, but also across a basket of other emerging market currencies.

2.2 Highlights and Trends

As you have heard, we continued to grow well in Q2. For the half as a whole we reported total revenue at constant rates of 9%, organic growth of 8%, and foreign exchange was a 2% headwind in the half. Benchmark EBIT margin was 27.5%, up 20 basis points at constant currency and down ten basis points after taking account of the foreign currency headwind. Benchmark EPS grew 12% at constant currency and 8% at actual rates, so a 4% headwind from currency on the EPS level. Cash conversion was 74% in our traditionally weaker half. The cash generation and operating cash flow constant currency was up 28%. Finally, given the progress in the half the Board has approved a 4% increase in the first interim dividend.

On the left you can see the organic growth for our B2B business. As you can see, the growth across the business has been consistently strong. We delivered 9% in H1, as our investments in innovation and new product development showed through in sustained, high growth rates. These high growth rates have been delivered despite macro weakness in our Brazilian business. On the right hand chart you can see that our consumer business has sustained the momentum that we saw at the end of last year, with organic revenue growth of 5% in the half overall.

Looking inside that, the US Consumer business was ahead of our expectations and we reported growth of 8% in the half, whilst the UK reported improving results with declines of 8% in the first quarter moderating to 4% in the second quarter and 6% for the half overall. As Brian mentioned, with this trend, we expect the UK business to continue to improve and cross over into growth at some point during the second half. Taken together, you can see on the right hand chart that the Consumer business has progressed well over the last year as our strategy to introduce new product propositions and diversify revenue streams has taken hold.

2.3 Revenue

Looking at revenue performance in the half, you can see that revenue growth was broad based. North America B2B delivered another strong quarter with double digit organic growth of 12% for the half. This includes the new product introductions of Trended Data and Ascend and continued robust double digit growth in Health and Decision Analytics. Latin America delivered growth despite the poor macroeconomic conditions in Brazil, and UK B2B performed well, reflecting some big client wins and strong growth in HD Decisions and Runpath with a strong pipeline for the rest of the year, underpinned by our market leading position in analytical and Open Banking services.

EMEA/Asia Pacific was very strong, with double digit growth in both sub regions during the half. As I have just covered, we made strong progress in Consumer Services, with an aggregate growth of 5%. Acquisitions contributed one percentage point to growth, with our Clarity alternative data acquisition performing significantly ahead of our expectations. Therefore, total constant currency revenue growth was 9%. As I mentioned, FX was very volatile during the half and overall represented about a 2% revenue headwind, which takes us to 7% revenue growth for the Group, as reported.

2.4 EBIT

Turning to the EBIT margin progression, overall our operating margin progressed in line with the expectations we laid out at the start of the year, with constant currency margins up 20 basis points. Looking across the regions and starting from the re based prior year margin of 27.6%, we delivered strong margin progress in North America, reflecting good margin leverage and also with marketing expense considered to be more second half weighted this year.

There was good progress in EMEA/Asia Pacific as these regions continue to scale. Margins in Latin America dipped slightly, mostly reflecting the investment we are making in the Consumer Services start up. Margins in the UK reflected the effect of our Consumer Services business and higher net investment behind our new B2B product introductions and related infrastructure. Acquisitions provided a slight uplift to margins of 10 basis points due to the strong performance of the Clarity business. Therefore, overall EBIT margins were up 20 basis points on a constant currency basis. After a 30 basis points FX headwind, the reported margin for the group was 27.5%.

2.5 North America

I will comment on the regional results on a constant currency basis. In North America, total revenue growth was 13%, with organic revenue growth of 10%. The acquisition contribution came principally from Clarity. Data grew strongly, up 17% overall, with organic revenue growth of 12%, reflecting growth in credit volumes. Mortgage performed strongly, driven by the Trended Data contract and there were good contributions from Ascend, Business Information and Automotive. Importantly, our pipelines for new products continue to grow strongly, including the introduction of our mid market Ascend platform. Clarity Services, as I mentioned, is performing well ahead of buy plan and will be within organic growth for the second half of the year.

Decisioning, which encompasses both Decision Analytics and Health, delivered double digit growth of 10%. Health was double digit across all product lines, and we are executing well across Decision Analytics with a very strong pipeline for new products. Combined across these two segments, B2B growth was 12% organically. In Consumer Services, growth was mostly driven by the great progress in identity and a growing contribution from our Credit marketplace services, which you saw in Brian's presentation. Partner Solutions also had a good half, as we expand our position and add new clients with some additional new contracts for breach support. Overall in North America EBIT was up 20% and the margin of 34.4% was up 200 basis points.

2.6 Latin America

Turning to Latin America, organic growth was 4%, with Brazil growing in the low single digits. Growth in Data was flat overall, reflecting the weak macro environment and political uncertainty in Brazil, particularly leading to weakness in our mid-market vertical. Decisioning had a great half year, up 31%, as we signed some large multi-year contracts with institutions in Brazil and secured wins for software across the LatAm region. Benchmark EBIT overall was down 2%, with margin reflecting mix, and the investment we are making in the Brazilian Consumer business and whilst actual FX rates EBIT reflected the weaker Brazilian real.

2.7 UK and Ireland

Going over to the UK and Ireland, organic B2B growth was 5%, which more than offset the decline in the Consumer Services business, and total organic growth was 3%. Organic revenue in Data was up 3%, with good growth in background checking and credit pre qualification volumes. Decisioning performed well, up 9% organically, with notable wins for software, which benefited Q1 in particular. We have a strong pipeline for the rest of the year that we have been pre investing in. That brought the UK's total B2B organic growth rate to 5% overall.

Following the success of a number of new product introductions, we invested during the half in bringing these products into the UK and also in pre sales activity. This includes the full market introduction of the Ascend platform, Trended Data and our Experian One SaaS platform. Early market reaction has been strong and the pipelines are building well for these products in the UK.

Consumer Services declined by 6%, but declines in our subscription product continue to moderate and our marketplace continues to grow well. This led to the decline moderating from 8% in the first quarter to 4% in the second. With that trajectory, we are confident we will reach the inflection point into growth during the second half. As I mentioned, overall EBIT declined 14% due to the Consumer Services revenue reduction and the higher net investment we are making in products and infrastructure in advance of the new product we are launching in the second half. As the products are introduced, we expect the investment headwind to substantially reduce in the UK in the second half.

2.8 EMEA/Asia Pacific

Over to EMEA/Asia Pacific, both performed very strongly, up 13% overall. Data was 4% higher, as double digit growth in South East Asia and India was partially offset by some softness in our European business. Decisioning performed very strongly across both EMEA and Asia Pacific, up 20% as we secured multiple new agreements for decisioning software and Analytics. Marketplace onboarding partnerships progressed well. We are very pleased with our progress across the region, especially in some of our high potential markets, including in India, where we grew over 30%, South East Asia, where we grew 40%, and in South Africa, where our growth was over 50%. There were some strong individual country performances within these regions.

That resulted in a significant improvement in constant currency EBIT, with growth of 37%. Reported EBIT was flat, reflecting the translation of the Turkish lira South African rand and a basket of other currencies.

2.9 Benchmark EPS

Turning now to EPS, starting with the first half 2018, the benchmark EPS rebased for IFRS 15 was 45.2 cents per share. Growth in benchmark EBIT from ongoing activities was 10%, reflecting the strong organic growth performance. Interest expense increased to 56 million as interest rates started to increase and the tax rate was 25.3%, reflecting the reduced US tax rates. We saw a benefit from the share repurchase programme, with the weighted average number of shares at 907 million for the half. EPS was therefore up 12% on a constant FX basis, continuing the EPS progress from last year. After the FX headwind, we reported 8% growth in benchmark EPS.

2.10 Statutory Results

Looking at the usual reconciliation to statutory results, you can see that the amortisation of acquisition intangibles increased slightly to 56 million. Before non cash financing re measurements, statutory profit was 379 million. Non cash re measurements for financing activities increased from 12 million to 58 million, principally due to non cash foreign exchange revaluations on Brazilian real inter Group funding. Statutory profit from continuing operations was therefore 321 million, down 12% on the prior year.

2.11 Cash Performance

Over to cash flow performance, the conversion rate of benchmark EBIT into operating cash was 74%. Half one is traditionally the weaker half of the year and, as is customary, we expect cash generation to strengthen in the second half into the mid 90% range. Year on year growth of benchmark operating cash flow was 28% at constant FX rates. Operating cash flow was 478 million and free cash flow was 339 million, representing a 77% conversion of benchmark earnings to cash.

2.12 Net Debt Reconciliation

On net debt reconciliation, you can see we ended the half with net debt of $3.5 billion, up $95 million since the start of the financial year and net debt to EBITDA at the half year of 2.2 times, well within our 2 2.5 times leverage range.

2.13 Minority and Associate Investments

As we have discussed and as Brian mentioned earlier, as part of our innovation programme we have invested organically in new products as well as making a number of smaller minority and associated investment. Increasingly, we have been combining commercial agreements with equity ownership to capture more of the value of our products and services within partner organisations. This slide shows a number of the investments we have made to date and shows the size of our equity ownership.

In this half in particular, we invested in C88, the parent of cekaja.com, one of South East Asia's fastest growing comparison sites in Indonesia and the Philippines. We also made smaller investments in the half in early stage health decisioning business Madaket and the fraud and ID start up Danal. We are building strong relationships with these organisations through our equity interest and commercial partnerships, and we have also had a strong pipeline of future opportunities, so you will see us add to this chart in future halves.

2.14 Foreign Exchange translation impact on EPS

Looking a little further at foreign exchange, it has been particularly volatile across the first half. I wanted to provide a little bit more detail in terms of modelling on the FX impact on our results. For us, FX is predominantly a translation effect. The FX movements are converted into our US dollar reported results. So whilst we earn revenue across a wide variety of currencies, the Brazilian real and the sterling pound have the biggest potential to impact our reported earnings. Accordingly, if we use the rates we have seen in the last few weeks, we would expect full year foreign exchange to be around a 3% headwind to revenue and a 5% headwind to EBIT growth during the year.

So given the volatility, particularly around geopolitical events, the table here shows a generic rule of thumb from current exchange levels for the translation effect on foreign exchange. As a rule of thumb, an appreciation or deprecation of around 10% in the Brazilian real would vary full year EPS by around 2 cents. Movements of 10% in sterling would vary EPS by about 1 cent. The difference represents the effects of the sterling based corporate costs, along with the higher margin of the business in Brazil.

2.15 Modelling considerations

In terms of other modelling considerations, the acquisitions we made during FY2018 have now annualised. They are all within organic for the second half. As I just covered on FX, we expect it to be around a 5% headwind to EBIT growth in FY2019. That is up slightly from the 4% we announced in Q1. At a revenue level, that is about 3%.

We continue to expect net interest to be around 110 million, excluding acquisitions. The benchmark tax rate will be around 26% and we expect the cash tax rate to be in the high teens. Taking into the account the share repurchase programme we announced previously, the weighted average number of shares is expected to be around 903 million for the year. We expect capex to be around 9% of revenue, as we invest further in the innovation and technology programme.

2.16 Summary

To summarise, we have delivered good financial and strategic progress in the first half, with strong growth in revenue, constant currency EBIT, margin progression and double-digit earnings per share growth also on a constant currency basis. With the strong progress in the half, we now expect full year organic growth to be in line with the first half, with EBIT growth at or above revenue growth and strong progress in benchmark earnings per share, all on a constant currency basis. We continue to apply our capital framework, investing in innovation and strategic initiatives to drive our long-term shareholder value. With that, I will hand you back to Brian.

3. Concluding remarks – Brian Cassin

Thank you, Lloyd. It has been a good half. We have made a lot of progress in our business both financially, strategically and through the targeted investments we have made across our business. As we said in our presentation, we think we are in a good cycle for our business. We have good organic growth coming through. I think we have addressable markets that give us a long term runway of good growth opportunities going forward. We see the trends in our marketplace really playing into our favour: the requirements for more data and more advanced analytical solutions are playing into areas where Experian in particular has great strength.
The business is good shape. Technology has improved significantly. Product innovation has improved significantly over the last few years. We are bringing a lot of those products to market much more quickly; we are scaling them across lots of different regions. That is driving good rates of growth in our business. We expect this to be able to continue as we look into the second half and beyond. With that, I am going to invite Kerry up to the stage to take your questions. Thank you.

4. Questions and Answers

Ed Steele, Citi
Clearly, you are very encouraged by the returns you are enjoying from the product investments you have made in the last two or three years. You have called out some annual revenue numbers for a couple of those inside Consumer. You have called out Ascend many times in both this presentation and the last couple, along with PowerCurve. Are you able to give us a rough flavour of how big those are in terms of revenue contribution at the moment, please? Attached to that, could you remind us of how the revenue model works for those two? I am sure the contracts vary, but I would just like some flavour. How much of those revenues tend to be upfront versus ongoing, please?

Lloyd Pitchford
On Ascend, obviously, the pipeline is growing very strongly. Earlier this year, we said we had passed a TCV of $50 million. We continue to progress well through the $50 to 100 million range. The average life for that is somewhere in the three-to-five year period, so you can see there is about a $10 million a year revenue today, but obviously the pipeline is growing pretty strongly. PowerCurve is growing really well. I think the revenue model for PowerCurve varies by region, depending on whether it is an installed solution or whether we host it. It can be very different across the different product suites, so it is hard to give a particular rule of thumb on that.

Brian Cassin
To add to that, there is one other thing which we perhaps have not talked about much in our presentations. Alongside the actual software products we provide, we have also been making a lot of investments in our analytics capability, so you are seeing really strong growth across our analytics suites in every region. That is actually very closely linked to the data contracts and the software solutions we provide. Just remind me of the growth in Decision Analytics.

Lloyd Pitchford

Decision Analytics, in the way we used to classify it, was up 18% globally in the half. That is really strong growth. The pipeline is also growing very strongly. We have made some investments in the PowerCurve suite and in Fraud and Identity Solutions. You saw some of the metrics in Brian's presentation. It is really, really strong growth. Decision Analytics, as a whole, this year will be a business worth around $750 million and growing at a very good rate. You can see the strength of that portfolio.

Paul Sullivan, Barclays

Following on from that, is it possible to try to disaggregate the US B2B growth into the structural product innovation component relative to the more cyclical volumes? How important has market share gain from Equifax been in the first half of the year?

Brian Cassin

Do you want to deal with the structural question? I will come back on Equifax.

Lloyd Pitchford

Yes. If you look back to previous cycles, the portfolio in North America has changed quite a bit. Think about our Health business, which was a new business. This year that business will be worth about $360 million. I would argue that is subject to different structural drivers. The Decision Analytics business is growing very well in North America. Our BI business is growing in the high single digits. These are businesses that are growing on structural trends of market share, take of competitors or just on the growth in decisioning products. The key bit within our Consumer bureau is that obviously has a volume effect, but new products this last year have really powered the growth rate. It is hard to disaggregate those two, but it is a strong growth position.

Brian Cassin

On the second part, Paul, I think it is easy to get focused on market share gains. We think of it in a much broader sense. We are winning in the marketplace against a lot of different competitors. If you look at some of the businesses, they do not necessarily compare. For example, our Health business is growing in the double digits. TransUnion has a bit of a business in health; Equifax does not. On decisioning products, you do not really see competitors in that marketplace. Obviously, even though there are some competing propositions to Ascend, they are nowhere near the capability we have. We are really creating that market opportunity for ourselves. There is always a bit of give and take, and we are doing very well, but I think most of this is actually down to the things we have done in our business to position ourselves better. That is really what is driving our growth.

Paul Sullivan

To follow up, in order for us to understand the sustainability of growth into FY2020, are you able to give us an impression of how product innovation and the introduction of new initiatives over the next 12 18 months compares to the last 12 months?

Brian Cassin

Yes. I am going to ask Kerry to comment on this. What you are really seeing today is the result of stuff we have done over the last four years really. You do not suddenly turn a switch on and innovation happens in a half year or year. We are enjoying the benefits of that investment. We are very focused on continuing that runway going forward, and we continue to invest at pace in our business. Actually, we have a very significant pipeline of opportunities going forward. There is a lot of work going into that this year. Kerry, do you want to comment?

Kerry Williams, Chief Operating Officer, Experian

That is right. The way we think about it is that our innovation opportunities continue to grow to the extent we have to be very specific in how we prioritise our opportunities. There are so many out there to pursue, so we spend a lot of time staying focused on the ones that are in our core area where we know we can compete and win at. But I think it is safe to say that the number and velocity of innovations continues to grow versus staying flat going forward, from our perspective.

Lloyd Pitchford

I have two things to add, Paul. If you look at our 8% guidance for the full year – i.e. 8% for the second half – it is pretty evenly spread. We expect around 8% in both the third and fourth quarters, and we have some pretty tough comps in the fourth quarter. That gives you a sense of the strength of the innovation pipeline. Within that, we are not assuming that Brazil gets significantly better. I think we have seen continued macro weakness there. We will see how the new government shapes and forms policy. Being at 8% given tough comps and macro weakness tells you a bit about the strength of the underlying portfolio.

Simona Sarli, Bank of America

There are a couple of questions from my side. First of all, you mentioned the new Trended Data opportunity in the UK. Is there a chance you could try to quantify that? Should we assume something quite similar to what you already have in the US? That is my first question. Secondly, can you comment on the margin in the medium term for B2B and B2C? Is it sustainable in the medium term, especially considering that you have experience of very good progression in H1 in the B2C segment? My third question is an update on the acquisition of ClearScore. Is there anything you can say? Are you still comfortable that you will be able to close this acquisition? What is your assumption around timing? Thank you.

Brian Cassin

I will deal with these in reverse order. ClearScore is relatively easy, because we do not have any additional updates. We are still in the CMA process. Phase 2 will complete over the next few weeks. We will get their preliminary findings and then we will find out where we move from there. That is all we can say on that.

On Trended Data in the UK, that is a relatively new product so we are just in market. I think it is actually quite hard to size. What we are seeing is a lot of interest in it, but I think it is too early for us to be able to say or give you a quantum around that. There is a lot of excitement, but we are in the early stages. Did you want to comment on the medium term outlook, Lloyd?

Lloyd Pitchford

Yes. Simona, you mentioned progress in the first half on Consumer. That was really around the phasing of marketing spend in the US. You would expect to see that probably reverse in the second half and then some strength in B2B as some of the investment headwinds taper out. This year we said that margin would progress. That is unchanged. As we look out, the Consumer business has the potential to generate good margins in the 20 25% range. Obviously, in any individual year it depends on how you are investing for growth. You have seen some of the operating leverage we can produce in the B2B business; equally, we need to invest. You have seen some of the benefits we are getting in our growth rate from the investments we have made in the previous years. We should be able to deliver operating leverage, but obviously we are going to be investing alongside that.

Simona Sarli

If I may have a very quick follow up, if I understand correctly, in B2B the margin progression is mostly operating leverage, whereas in the B2C it is just coming from going back to growth in the UK.

Lloyd Pitchford

In the year, the B2B margin reflects operating leverage and investment. You have seen that in the UK we have been investing pretty heavily, but then over time it is the phasing of that investment plus operating leverage. The net impact will be where we get the progression in B2B.

Matija Gergolet, Goldman Sachs

I will stick to two questions. The first one is on M&A. You showed a nice table of your investments, and you commented that each of these investments is complemented by commercial deals. So I understand how you approach M&A, when you do M&A is getting a commercial agreement a deal breaker? Every time you do some M&A, are you also able to generate some additional business? That is the first question.

Secondly, going back to slide 5, you mentioned multibillion dollar opportunities in many verticals. Multiple billions of dollars is a big figure. Is that basically in the areas where you already have expertise or when you talk about these multiple billions does that include new areas where you effectively do not yet have a product and where you might potentially enter on a 3 5 year view? How much of that is where you already have a product and it just needs a bit of a tweak and you can address it? How much do you need to develop new products? Thank you.

Brian Cassin

Let me deal with the M&A one. The slide you were looking at was specifically around minority investments. I will just deal with that for a second. We are not going to make minority investments just for the sake of making minority investments. There has to be some criteria. First of all, it has to be in an area that is strategically right in the centre of what we do. Secondly, we generally want to strike some form of commercial agreement. This is actually slightly the other way around. Most of these companies want to work with us because of the capabilities we bring, be that data, decisioning, or expertise in scoring. We know – and we have seen – that in many cases when we actually provide our capabilities to a lot of these companies, it fuels their business; it fuels their growth. The minority investment is really kind of almost the other way around. If we are going to help leapfrog your business in terms of growth and capability, we want more than just a commercial agreement: we want a strategic agreement and we want to benefit from that in as many ways as we can. That allows a much closer partnership to develop with us and the company in question.

Some of these opportunities lead to really quite strategically interesting areas. Some of them might become acquisition candidates for us in the future. One of them we had on the slide that we did not talk about is Finicity. You probably heard in FICO's results about UltraFICO. Finicity is a really important component of that. So you can see how something like that can work in to a broader agreement.

When we come to buying businesses we want to consolidate fully, i.e. full blown M&A, we are very focused on the areas we want to buy in. They are usually incredibly synergistic: where we can not only enhance our strategic and competitive position but hopefully generate some savings either through data or other synergies. You are seeing that coming through, through the Clarity acquisition, an alternative data asset focused on thin file in North America. It could not be more central, strategically, to us than any acquisition we have done. You are seeing the success we are having with that.

We continue to look for those opportunities, absolutely, to do a full-blown M&A. Some of these minority investments are also focused on businesses that are quite young, and very early in their stage of development and growth. We often judge it is too early to buy a business like that; it would not be the right thing for us or for them. It is those factors that we really take into account when we look at M&A.

Your second question was what?

Matija Gergolet

The multi-billion dollar opportunity.

Brian Cassin

Yes, so we referenced Experian One, which was the mid-tier decisioning opportunity, and is global at $2 billion. That is not guesswork. We have done extensive market research on that. In fact, we think the market is much bigger than that; $2 billion is the immediate market opportunity we can address now with the modules we are developing. You can go across to lots of other industries we do not serve well today, and you can see that actually growing much bigger. The $2 billion is very focused on verticals and capabilities we know we can address, and the modules that we are developing are specifically designed to address them. If you take lead generation, we have sized that specifically today as a $2 billion operation in North America. We believe it can grow to somewhere between $5 and 7 billion in size. Again, this is not stuff we have made up; we have had specific market assessments done. All of them are really based on extensive research.

That does not mean they are going to happen automatically. We have to have the right products and propositions. We have to build the capabilities. We have to invest, sometimes, in changing our salesforces to be able to address new particular verticals or even product sets. There is a lot to play for and really that is where you are seeing our investment going behind these new propositions. Of course, we will not get them all right. I am confident we will get enough of them right, but sometimes we are not going to get them right.

Does that answer your question?

Matija Gergolet
Yes, thank you.

Rory McKenzie, UBS
Two on consumer, please. Within that area, can you talk about lead generation, and pull together across the US, UK and LatAm, where you are in terms of platform capabilities, the credit offers and partners you have signed up, and ideally the revenue if possible? Then secondly, on the UK, can you talk about the competitive landscape? In particular, with the shift in ownership of one of the players in that market, please.

Lloyd Pitchford
Overall, we said this year if you take the three geographies, we would expect lead generation revenue to be a little over $45 million. The majority of that is in the US and the UK, growing very strongly. If you add on Identity, we are over $100 million for the UK as a whole. Obviously the run-rate as we exit Q4 will be higher than that, given the very strong growth we have. We very much developed the platform we are using in conjunction across the three businesses. There is a lot of sharing commonality around the platform. There are some differences, clearly, in individual markets, but there is a lot of sharing.

Brian Cassin
On the competitive landscape, this is a competitive marketplace. It always has been, and we expect it to be going forward. I think you are referring to the purchase of Noddle. We expected that. We expected that to happen once TU bought Callcredit. It does not really change our perspective on the marketplace.

What I would say is that this is actually at the early stages of market evolution. You have seen us actually take a position and build a proposition very quickly. There is going to be a lot of growth available in this market, so it is going to support many players, and we are going to continue to focus on the strategy we have set out, which is bringing our propositions and making them available in the consumer marketplace. It is beneficial to consumers, putting these capabilities in their hands, building engaging propositions; if we can do that successfully, we will be successful.

Andy Grobler, Credit Suisse
Can I ask a slightly broader question? You were talking about your business in Asia-Pacific that you had bought with alternative data assets, and I just wondered what your view was of bureaus of scores built using alternative data assets versus traditional, in terms of the efficacy of those scores, and how you see that developing over a period of time. Could they become a threat to your core business, or is it something additional you can take advantage of?

Brian Cassin
This is really focused on regulation in every market. You have very well-developed credit systems and scoring systems in some markets, and you have undeveloped credit systems and scoring systems in other markets. In Asia, you do not really have a developed credit system, in that there is not really enough information on enough of the population for that to be

comprehensive. You have to look to alternative forms of data to build a picture on enough consumers, and to enable them to be credit visible and therefore scoreable.

In Asia-Pacific in particular, the most instructive form of data is telco data, which we have access to through a business we call Experian MicroAnalytics, where we have developed scoring systems based on consumers that engage in pre-paid mobile phone contracts. We provide those services back into the big telcos, and that specific example is linking data like that and the available data through the financial system to build a more comprehensive picture.

I think the answer is it is not one data source, it is actually multiple data sources coming together to create an asset which then creates a scoreable population set. Over time in these marketplaces, regulation will develop and it will be more specific about what data can be used for what. We expect, actually, that the regulations that are already evolved in the UK and the US will become more prevalent over time. I think in some cases that will lead to some information sets not being available for use that are today. We are going to see that really evolve in the developing markets, whereas in the developed markets we are going to see a continuation on what data can be used for what, and a tight regulatory regime around that.

Kerry, do you want to add anything to that?

Kerry Williams

I would add a couple of things to that. Andy, if you work with any data scientist around the world, they will tell you the best predictor of someone paying their debts in the future is what they have done historically with paying their debts. There is no greater predictor out there than what a person has historically done, in terms of paying their debts. So in markets where a credit bureau is established, that is the best source of truth in terms of what the person or small business will do in the future.

In these alternative markets that are developing, I think they will actually lead to a more opportunities for credit bureaus to be established. The reason is that the financial market will develop and the government will need to understand what is going on those markets. They will need to have visibility. If all of the lending decisions are taken off alternative data that is very hard for the government to understand how the lending is being done, that will push the governments into having better visibility into the lending processes, and it will push them into doing things like requiring and mandating that the banks share the data so that they can have a single source of truth, and monitor the creditworthiness and the credit trends in that particular market. It is not going to happen overnight, but as these developing countries use these alternative sources of data, I believe it has a pathway for us that it will develop to normal credit bureau-type markets in the future.

I see it more as an opportunity for our industry and our business, than the threat.

Tom Sykes, Deutsche Bank

I wondered if you could talk about the behavioural changes across your model as interest rates are going up. You have assessed interest rates on cards very high in North America, mortgage rates going up. What is happening to refinancing activity, and how is the model you have built now interest rate sensitive or not, compared to where we were in 2006/07?

Then maybe if you could help us explain the difference in the EBITDA margin and the A margin, because your depreciation is obviously down on where we were four years ago now. Just trying to nail that one down so we are clear on why there is a difference in the margin move there, please.

Kerry Williams

Interest rates are still historically fairly low in the US market. Mortgages may be around 4.5% now, maybe touching 5%. That has had some impact on what is going on, but not a great impact in terms of the velocity of Middle America mortgages. The high-end mortgages have certainly taken a hit because interest rates have gone up, and the tax law change. A big part of what has gone on with mortgages in the US market is that a significant chunk of your interest is no longer deductible for high income earners. That has really had a negative impact on that part of the market.

However, in general, I would not say that interest rates in the US market are significantly hampering consumer lending at all at this point in time. They are still a couple of points below, I believe, where we were in 2006/07 leading into the financial crisis. They were closer to 6 or 7% at that point in time.

Tom Sykes

Is that the same on credit cards?

Kerry Williams

Credit cards do not change too much in the US market. They are typically capped, maybe at 18%. They could have a floating rate, but typically there is an 18 or 23% cap on the main interest rate. Beyond that, the interest rates on credit cards are not a driver for consumers, typically, as to whether or not they are borrowing on their credit cards. There are other factors.

Lloyd Pitchford

There are two things to highlight on our EBIT versus EBITDA margin. The first is the FX effect at EBITDA level is different. Brazil is a higher market business. Obviously we have had the FX effect hitting Brazil this last year, and depreciation is higher in Brazil, so you see a bigger FX effect. Also, the step-up we had in our capital in the last couple of years; we went from 11% capital down to 7%, up to 9%, looking back a few years. The ramp of capital to 9% from 7% has not really flowed through into high depreciation rates. You will see that as a number of products really get underway over the next few years.

Tom Sykes

Going forward, we should expect a narrowing of the EBITDA to EBIT gap, ex-FX?

Lloyd Pitchford

It really depends on where our growth rate goes, but you will certainly see the growth in the depreciation charge as we see some of the investment come through in the depreciation line.

Tom Sykes

Okay, thank you.

Brett Huff, Stephens

Thanks for taking my questions. I have two quick ones. First on mortgage, a little bit of a follow-up, I know you do not have a lot of exposure there, but can you remind us of what that

revenue exposure is, and maybe give us a flavour on how the revenue looked, or how unit[?] looked for you, excluding the trended data, to try and get a sense of that. That is question one. Question two is a bit bigger picture: you have talked a lot about credit match and text a credit, and things like that, pre-populating forms to help people as they intermediate their personal financial lives. Can you talk about the killer app you see on the horizon there? Is it really just still matching credit cards, or is there something else out there you are seeing early signs of, where you think you can use your unique position in the marketplace to drive a better ROI for signing people up for particular credit products?
Thanks again.

Lloyd Pitchford
Mortgage, Brett, is about 3% of the group. Obviously we had the very strong growth from the introduction of the trended data product. We saw volumes down mid-single digit. A lot of the growth is really coming from the trended data product.

Brian Cassin
Brett, in terms of the killer app, what I would say is if you look at the product roadmap that we have in our consumer services business, there are some very significant capabilities coming. A lot of those will be along the lines of the things we've talked to you about, such as eligibility, better matching of products and services to consumers. However, really more and more of our capabilities made available to consumers. We obviously do not want to go into too much detail about exactly what that product roadmap is, but we are pretty confident we can develop some very differentiated propositions in the marketplace. That is what we are focused on as we look forward into stage two and beyond.

Brett Huff
Great, thank you.

Giasone Salati, Macquarie
Good morning. I have three questions, please. First, Lloyd, do we have to think about a very small headwind on organic revenue growth because of IFRS 15 into fiscal year 2020? As in, you have a slightly higher base compared to the previous year?
Secondly, Brian, I picked up on monetisation of Brazil as a theme. Does that mean that you feel you are a bit ahead of time in terms of investment in Brazil? Because we were expecting positive data and so on, do you feel you are ahead of where you would want to be in terms of investments there, and you can step back a little bit?
Lastly, more generally, it seems like Experian is positioned to become a consumer data gateway; you can trust it, it is definitely a very interesting use case for consumers, and you can keep this data. Can we start thinking of Experian as a first-level of data owner, and does that have an impact on your margins longer term, i.e. you rely less on third parties and banks to provide your core data? Does that really change?

Brian Cassin
A couple of points on monetisation of Brazil. I think we are pleased with the process. Our initial focus was to build an audience at scale. A lot of that audience was focused on, essentially, people who were in the negative file, so not necessarily the richest seam in terms of credit

products and propositions. What we are now focused on is actually extending that population, so that we can build a broader audience, where more credit offers can come. We are seeing good traction in that. We have put some investments behind it, and I think we are pleased with the progress. I think we are ahead of where we expected to be, but the revenues are still modest. We do expect them to scale. We have ambitions for that to be sizable, but we need to continue to see that evolve next year and beyond, to declare complete victory on that, but early signs are encouraging.

Your second question, on the first level of data; you need to think of this more as being able to look at data from a variety of different sources. The ability to access data, not just from third party contributions but also from consumer contributed data is hugely important. The small demonstration we gave you on financial profile gives you a hint that there are actually some very interesting opportunities with things like income verification. The example we have given in Brazil, that is actually one unexpected benefit we had in Brazil from the consumer signup, because the extent to which that additional data was enhancing our B2B file was significant; enough for it to make some difference on the B2B side.

All of these signs are quite encouraging. We think it is a viable and very useful strategy. I do not think it will ever replace the scale, network effect and sizeability of the data contribution we have from our partners all over the world, which is huge. I think of it more as an augmentation, and a build out of alternative assets for us. It is one avenue for us to do that.

Lloyd Pitchford

On IFRS 15, when we outlined at the end of last year, on average for our portfolio products, we expect revenues to be recognised a little bit later under IFRS 15. However, that should not affect our growth rates. Last year we restated down a little bit, but the growth rate into this year, and this year into next year, should not really be affected by IFRS 15.

Catriona Hoare

Just one question. Back on data, please can you talk about your compliance with GDPR in the markets that it affects? Particularly, how you go about putting up Chinese walls between the different parts of your business, and how data is able to be used within those. I am specifically talking about the international story from this week. Thanks.

Brian Cassin

Obviously this is a huge focus for us. What I would say is that GDPR formalises some of the procedures we have been following in our business for a long time. We are fully compliant with GDPR. Chinese walls are not an issue in our business. We have always had strict segregation of what data can and cannot be used for, and it is policed very aggressively in the organisation. As I referenced earlier on, you are getting into a world where there is more focus on the compliant use of data, and we have said many times this is actually something that is playing into Experian's strengths. We have long been a trusted steward of data. All of our clients understand our data governance compliance procedures are best-in-class. We continually strive to do that. Every now and again, regulations change, and we have to adapt and amend to that, but none of that has really had a significant impact on our internal procedures, because of what we have developed over a number of years.

I think we feel very comfortable with all of our internal procedures, and we will continue to see more regulation come at us in the future, but none of it will be difficult for us to comply with or cope with.
Kerry, do you want to add anything to that?

Kerry Williams
No, I think that is right. We feel very comfortable. We have tremendous compliance resources and processes. We spend a lot of time with our internal audit teams, and then we use the regulators and our own customers as the litmus test. Each time they review us, the results are very positive, and they tell us that we are the leaders in regards to how we handle the data and compliance, and the safeguards we put around it. We feel good about where we are at.

5. Close - Brian Cassin

Okay, I think we will bring it to a halt there. Thank you, everybody, for joining us today, and we look forward to speaking to you again in May.