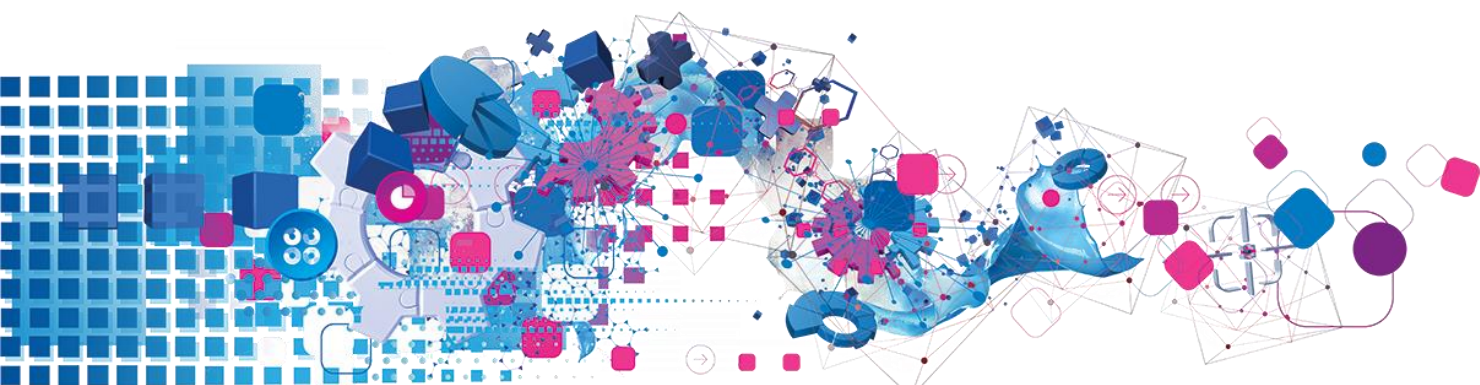




# Trading update – Q1 FY21

16 July 2020

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

## 1.1 Introduction

Thank you very much. Good morning everybody and welcome to our Q1 trading update call. I sincerely hope that you and all your families have stayed safe and well throughout this time. We have resumed this quarterly update call while the pandemic continues just to keep you as up to date as possible and give you as much transparency on the business and how we are coping during the current crisis. I am here today with Lloyd Pitchford, who will take you through the trading performance after my opening remarks.

We were very pleased with how Q1 turned out. It was better than we expected. Total revenue was down 1% at constant currency and organic revenue growth was down 2%. North America was more than resilient and, in fact, delivered growth for the quarter, as we benefitted from countercyclical strength in mortgage and in Consumer Services. Brazil, too, was robust and growing into Q1. Results in these geographies drove the overall result and I am very happy with that. That said, we did have weaker performance elsewhere in the group and conditions obviously remain challenging.

Operations continue to function very smoothly with a few minor exceptions. We are still largely operating on a remote basis and the market is adapting to that new way of working. Engagement with clients has been very high and we are actively launching new offers to help customers cope with the challenges created by the crisis.

I am also very pleased to report that we completed the acquisition of the German credit bureau in the quarter and in June we agreed the sale of our stake in Finicity to Mastercard. This was the first significant liquidity event of our minority and venture investments programme.

## 1.2 Q1 Highlights

### 1.2.1 North America

With that, let me touch on some of the Q1 highlights. We had a good result in North America. New lending volumes are still depressed due to tight constraints on credit criteria, but it is not a uniform picture across all lenders. Some, particularly those serving eCommerce, have prospered during the crisis and this has helped offset some lower lending volumes elsewhere. Conversations are very much focused on how clients manage their existing portfolios, particularly with respect to forbearance and payment deferral behaviours. There is strong demand across areas of the portfolio, like credit risk analysis and fraud. We continue to press forward with our innovation portfolio with good pipeline generation for Experian One and CrossCore 2.0. Sure Profile, our new synthetic ID offer, has also had a very strong market reception. Consumer Services was the standout performance of the quarter. We added subscribers for both credit education and identity monitoring. April, May and June saw some of the highest activation levels ever. We have also expanded our lead generation marketplace during the quarter. We also added auto insurance to our marketplace offering. This has had a very fast start and is already contributing to growth.

### 1.2.2 Latin America

Moving over to Latin America, Brazil surprised on the upside. Consumer Services more than doubled in size in the quarter, which is frankly an astonishing performance in the teeth of a crisis. I think this

highlights more than anything the potential of the business we have built in consumer in Brazil over the last few years.

We have also started to see uptake on positive data products and it is this portfolio diversity that helps us withstand the weakening macro environment, even as viral infection rates have increased in Brazil over the last weeks and months. It illustrates the strength of our brand and our market position.

The positive data portfolio is incredibly strong. Serasa Score is hugely outperforming others in the market and we have also secured new agreements for Ascend. In fact, despite the short-term headwinds, we are excited about growth opportunities for our new products. We expect that all of these initiatives are going to help us to hold up quite well in the current climate and position us very strongly for the future.

### **1.2.3 UK and Ireland**

Moving to the UK, it has been a tough quarter in the UK with a very depressed macro due to a very strict lockdown and tight client restraints on new lending. In the early stages the market environment was characterised by rapid reductions in both credit demand and supply. That has started to change a bit with a rebound in consumer credit demand, but as yet not matched on the supply side. We have seen a handful of new brands come back into lend. There are stricter policies and we are doing all that we can to help the market move forward.

There are some bright spots. Affordability solutions are selling well. We have secured a marquee account for Experian Ascend. Our Business Credit business has been very resilient and there is good demand for Analytics. That is not yet sufficient to offset the declines we have seen in origination activity and we are not anticipating imminent recovery in Consumer Services while the lending environment remains as it is. We are making good progress with the transformation of our UK business. We have done a lot of work to map out technology transformation. We have simplified our organisational structure and we have put in new measures to enhance service quality. Our ambition, obviously looking beyond the current period, is to get the UK to the same level of performance as our other businesses with more profitable growth and we believe that we are well down this path. As we emerge from the crisis, we expect to drive innovation-led growth and generate new opportunities in the long-term in the UK.

### **1.2.4 EMEA/Asia Pacific**

Turning to EMEA/Asia-Pacific, our bureau markets in EMEA were affected as lockdowns were implemented first in Italy and latterly in South Africa. Markets like India have also been very hard hit. That said, we do see some clients positioning to take advantage of recovery and there are opportunities, particularly in areas like collections.

The good news is there has been a marked pick up in new business activity in some parts of Asia-Pacific and looking at out to FY22, we feel very encouraged. We saw more new business activity last quarter than we had done in the past 18 months. We have also signed some very large new contracts with PowerCurve Collections.

With that, I will hand over to Lloyd for the financials.

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

### 2.1 Trading performance

Thanks Brian and good morning everyone. As you have seen, Q1 came in better than we had anticipated, with total revenue decline at constant exchange rates of -1% and then organic revenue decline of 2%. Exchange rates were a 4% revenue headwind in the quarter, mainly due to weakness in the Brazilian real. Total revenue declined at actual exchange rates by 5%. We delivered growth in North America and in Brazil, which was offset by weakness across our other regions. Consumer Services was up 8% and B2B declined by 5%.

### 2.2 Regional Performance

#### 2.2.1 North America

Turning to performance by region, you will see that we have enhanced our normal reporting disclosure to provide the additional colour on our revenue growth that we provided in May and I hope you find that helpful.

Let us start with North America, where organic revenue was up 4%, with B2B up 1% and Consumer Services up 10%. Data was up by 1%, with the core bureau continuing to show good levels of resilience. Mortgage refinancing volumes were very strong and more than offset the decline in card and loan volumes. We continue to see good growth from Ascend.

Overall, the core consumer bureau grew by 6% in the quarter, including the positive contribution from the strengthening mortgage volumes. Just to help scale this contribution, the strength in mortgage added around 2% to group growth during the quarter, so you can see it was a substantial tailwind.

We saw a lot of volatility in automotive, with volume recovery from the April lows, as incentives drove used car sales and consumer activity resumed. Auto was down 3% for the quarter as a whole.

Our Targeting business had a tough quarter, impacted by the reduction in advertising spend you would expect across the retail sector.

Decisioning was flat, with Health delivering organic revenue growth of 1%. Core products, such as Payments, Identity and Collection Services, have held up, but there continues to be a big backlog in elective procedures and lower transactional activity as a result. Decision Analytics was down modestly for the quarter.

Double digit growth in Consumer Services reflected strength in paid-for membership for credit education and identity monitoring services. Lead generation also performed well, as expansion into the automotive insurance vertical helped offset the constriction in credit card and loan personal supply. It was a strong quarter for audience generation, with free membership growing to 33 million. Boost also added new accounts to take the total to over 4 million connections.

#### 2.2.2 Latin America

Moving on to Latin America, where revenue growth was down 1%, reflecting growth in Brazil offset by a decline in Spanish Latin America. At constant exchange rates total revenue was flat overall, including the revenue from the Sentinel Peru acquisition. After the impact of FX headwinds, revenue declined by 26%. B2B was down 5% organically, while Consumer Services more than doubled, up 104%.

Data declined by 4%, reflecting the lower consumer bureau volumes, partially mitigated by relative resilience in business credit and our automotive vertical. Decisioning declined 9%, with lower revenue in analytics and decisioning software.

As Brian mentioned, Consumer Services continues to make great progress and we had a very strong quarter, driven by Limpa Nome debt resolution service with consumers looking to renegotiate sustainable payment plans with credit providers. Our credit matching service, eCred, also delivered increased lead generation volumes and we now serve over 46 million consumers in Brazil.

### **2.2.3 UK and Ireland**

Turning to the UK, we saw a 15% decline in organic revenue, down 18% at actual rates. B2B and Consumer Services declined by 15% and 18% respectively. Data was down 16% due to lower transaction volumes on the bureau and reduced demand for targeting data. Decisioning declined by 13%, impacted by slower software purchase decisions.

Consumer Services declined 18%, reflecting lower credit match marketplace and credit subscription revenues. Free membership, however, continued to grow and is now at around 8 million members.

### **2.2.4 EMEA/Asia Pacific**

Moving on to EMEA and Asia-Pacific, where organic revenue declined by 20% with Data and Decisioning down 13% and 29% respectively. Data was impacted early on by the Covid-19 lockdowns across most markets.

As lockdowns eased, volume trends in our larger bureau markets have in the main improved with some signs of stabilisation, particularly in EMEA. Decisioning has been impacted due to the challenges of remote sales and delivery and some delay in client investment decisions.

## **2.3 Near Term Trading Expectations**

I am turning now to near term trading expectations. As you would expect, we continue to experience a high level of uncertainty as we look ahead, particularly around the potential for the re-imposition of lockdowns and the variability of economic activity. Our current view is that organic revenue for Q2 will be in the range of flat to -5%.

On cost, we continue to finely balance tight cost control with investment in organisational capacity to position ourselves well for the recovery. There is no change to our expectation that organic costs will be broadly flat for the half. FX also continues to be a headwind and if current rates prevail, we now expect a 4% EBIT headwind for the full year.

Finally, we have now completed the acquisition of Arvato Risk Management in Germany and, taken together with the smaller acquisition annualising from last year, we expect the acquisitions to add around 2% to revenue growth for the rest of the year. With that, I will hand you back to Brian.

## **3. Concluding remarks – Brian Cassin**

Thanks Lloyd. To summarise, the backdrop to Q1 made it one of the toughest quarters we have ever had to trade through, but in the face of some extraordinary circumstances we have been remarkably resilient. I am more and more confident that we will emerge well from this with our market position enhanced and well-positioned for the future. We have identified a lot of new products specific to the current environment and we are investing for the future, putting in place steps to ensure a good FY22.

With that, let us open the line for your questions.

## 4. Questions and Answers

**Paul Sullivan**

Good morning everybody, hi. Can you hear me?

**Brian Cassin**

Yes, we can hear you. Morning, Paul.

**Paul Sullivan**

Great. Fantastic. Just a couple from me. First, I do not know if you could indulge us with the June exit rate. If I recall correctly, I think you said before that the comp was tougher in June than April, so did you get back to growth? It seems like you did. Then secondly, could you give us a bit more colour on what you would need to see from a macro perspective to deliver either the upper or bottom end of the guidance range for the second quarter? Given the improvement in volumes that you have alluded to, flat could be viewed as somewhat conservative. What is your assumption on the contribution of mortgage and the US consumer growth within that, because clearly they are the two countercyclical areas that we are seeing? Just finally, quickly, do you have any comment on Joe Biden's public credit bureau comment? Thank you.

**Brian Cassin**

Thanks Paul. I will hand over to Lloyd to see whether he is prepared to indulge you on the June exit rate in a second. I will just give you a bit of colour. We are very pleased with how we performed in Q1. That said, it is pretty difficult to forecast an environment like this. Nobody thinks for a moment we are out of the woods yet. We are seeing some places in North America go back into lockdown, not least places like California, Texas and Florida, as we have seen. I think there is still a lot of uncertainty out there.

We have been helped a lot by mortgage and Consumer Services, which has been terrific. I think it is difficult to predict exactly to what extent they will continue to contribute growth at the rate that they have done month-by-month. I think that gives you a little bit of colour about some of the background to trying to forecast in this kind of environment. I think we take all of that into account. Lloyd, do you want to add?

**Lloyd Pitchford**

Sure. Why don't I start with the guidance for Q2? As you see in our numbers, we have three particular tailwinds as we come through this quarter. One is the consumer business in Brazil in Latin America and I think we expect that to continue. That is structural and a result of all the investments we have been making there.

Then you move to North America and you have the really strong position in mortgage. It is strong, but variable. If I look back over the last 30 days, on any individual day mortgage has been up from a range of 30% to close to 80%, so you can see that it is strong, but it is quite variable. Clearly, as we look ahead we have to form a range of scenarios for how long that mortgage growth will sustain and at what level. The other area is consumer. Again, we have seen a really strong inflow in credit subscriptions, which is a response to the current pandemic. Again, similarly, we have a range of forecasts as we think about how long that will sustain for.



When we look at the range into the second quarter we have probably three things affecting it. The first is what is the level of restrictions in economic activity, so the degree of lockdowns? We are clearly watching the news, as you are, and seeing further restrictions placed in different parts of the world, as we are seeing new outbreaks. The bottom end of our range at -5% assumes that we see a re-imposition of lockdowns across some key markets. Similarly, the bottom end of the range assumes that the high end of the mortgage and consumer strength that we have seen at times in the last month does not continue and it weakens.

What do you have to believe to get to zero? You have to think that the general upward trend in economic activity continues, we do not see the re-imposition of lockdowns and you see the high end of both mortgage and consumer into the second quarter. That volatility we have seen and the expectation for what we are seeing in economic activity shapes the range and that is why I do not really want to give a June exit rate, because I do not think it is helpful in predicting where we would be in that range for Q2. You can clearly see that May and June together were stronger than April and conditions have generally improved.

### **Brian Cassin**

Then just coming back on to the Joe Biden comment, the first thing I would say is that we are in the middle of an election campaign. We always see proposals coming forward. There tends to be a lot of difference between what is touted and what actually gets implemented. By way of background, this is not a new proposal. We have seen this many times over the years and we see it in lots of jurisdictions. Generally speaking, when people look at the detail they realise it is incredibly difficult to do, technically difficult to do and generally most people row back from these kinds of proposals. That is our experience. They realise that actually, backed up by many analyses, the private credit bureau do a great job and they introduce a lot of innovation to the marketplace. I think that is the context really around that Joe Biden point.

### **Paul Sullivan**

That is great and very clear. Thank you very much.

### **Brian Cassin**

Okay. Thank you, Paul.

### **Alexander Mees**

Thanks so much. Good morning, Brian. Good morning, Lloyd. I have three, please. Firstly, just following up on your response to Paul's question, Lloyd, I just wonder if you can explain why US mortgage volumes are so variable day-to-day. I am just curious as to why that would be. Secondly, you have obviously seen some very good strength in credit subscriptions and credit education products in North America. Are you seeing anything like that in the UK? Lastly, I wonder if the remote working that you talked about, Brian, is affecting your ability to win new software projects at the moment and if there is pent-up demand to come. Thank you.

### **Brian Cassin**

Let me deal with the last one first. Undoubtedly, the market for new business is softer for sure. I do not think it has impacted our ability to win business that is there to be won and, actually, as I said, in some of the territories we are seeing that come through. I referenced the fact that we have signed some pretty major PowerCurve Collections contracts, which is not surprising considering the focus of people over the next year or two. I think the market is adapting to it. We can get business done. We are engaging with clients in some cases even more than we did before lockdown, so I do not think that has impacted it per se. I think we obviously are seeing a softer environment, because everybody faces the same uncertainty that we all face, and so that is the main factor that impacts things.

Going back to the credit subscriptions, there is a difference in consumer behaviour between the two markets that we have seen, and I think that we would put this down to a couple of factors. First of all, US consumers have behaved really entirely consistently with the way that they did post the financial crisis. We saw a very significant growth in our credit education and credit



subscription business back then. We are seeing the same now. I think that is linked to the fact that US consumers are highly conscious of their credit profiles, their credit scores and so on.

I think the second factor, which is less evidence-based and more our view as we look across the different trends, is we do not see the same level of urgent concern about that in the UK. It could well be down to the furlough schemes and the fact that actually when you look at the macro trends there is not really much income distress at this point. You have seen deposits in the UK grow very substantially. You look at the Bank of England reports and hard data supports that. I do not know whether the concern about credit outlook has really hit home in the UK in the way it has hit home early in the US and I think that does explain some of the early behaviour. Having said that, as we went through the quarter we started to see much greater interest in our subscription products in the UK than we did in the early part of that, so there is a possibility that could reverse. That is the best colour we can give on that.

### **Lloyd Pitchford**

In some respects, mortgage is not that different from some of the volatility we are seeing in our other volumes. To give an equivalent number on auto, on days in the first quarter we saw volumes down 60%-plus and on other days we saw them up 20%-plus. I think just the nature of the current environment we are in means there is quite a bit of volatility on daily flows and, clearly, as we are thinking about outlooks, we are just mindful of that and being able to forecast is a little more difficult than normal.

### **Brian Cassin**

I have just one point to add to that. I think mortgage refinance has obviously been a big part of driving that spike and mortgage refinance is not a smooth, linear progression. It depends when original loans were taken out and it depends when they come up for the end of their contract. That tends to be lumpy. I think that is one of the reasons why you see some of the volatility.

### **Alexander Mees**

That is really good colour. Thank you very much.

### **Brian Cassin**

Thank you.

### **Rory McKenzie**

Morning all. It is Rory here. I just have a follow-up with two questions on the Consumer Services business. You talked about the really good consumer engagement overall. I think your global membership numbers are up 40% year over year. I want to ask about linking that to the revenue forecasts, which are obviously plus eight. Firstly, on the subscription numbers, can you give more detail about how much that grew and also should we expect a higher churn in that as maybe some of these newer members see attrition as their conditions normalise? Secondly on the lead generation side, what has been the performance there, as lenders I guess pulled back initially and then maybe returned more in the US more recently? Thank you.

### **Lloyd Pitchford**

If you take the direct-to-consumer piece of our North America business, we have said over the last few quarters that has been growing really strongly in the 15% to 20% range. If you drill down below that, we saw double digit growth in our core credit education revenue in the quarter and very strong growth in identity protection. That was up over 40%, so we continue to see that growth strongly.

I think in terms of exactly how that translates into forecasts for churn, we often find you have to wait a little to see a new cohort of members who are coming in for a particular reason. You have to wait a little bit to see exactly how that affects the churn statistics. One of the questions, for example, is how much of this new membership is related to the mortgage transaction volumes that we are seeing in the market. We often see new members associated with that and how much are genuinely trying to improve their financial position. I think we probably would expect a little bit

of additional churn on this membership, but clearly subscription volumes tend to stay with you for a little while.

**Brian Cassin**

What was the second part of your question, Rory?

**Rory McKenzie**

On the lead generation side.

**Brian Cassin**

Maybe I will just add a bit of colour to that. We definitely have seen a significant change in the lead generation market. It is no surprise that a lot of products have been withdrawn from the market. I think we saw that more aggressively in the UK than we did in the US. There are still offers out there.

Our business has, as you know, been growing very strongly. We have not been impacted as much as others. In fact, I think our lead generation still grew in the US. I think that is just down to the fact that we are still growing that business and, as we said before on this, the quality of offers that people get off our platform is generally perceived to be very high, so we have been one of the last platforms that people pull product for. We still have a reasonable panel of products on there and, of course, as we also said last time, demand for credit in the US remains high. Some of the surge trends for credit remain elevated versus the year-on-year, so you still have a lot of demand for credit and you have restricted supply. Where products are available on our platform we are seeing good demand for that and seeing good execution.

**Lloyd Pitchford**

We talked about the addition of the auto insurance vertical this quarter as well, which is contributing towards growth. That is a continuation of the strategy we talked to you about to add new outlooks for our other markets and our other data through the direct-to-consumer channel. We have what we think is a pretty powerful distribution platform now for other use cases for our other data.

**Rory McKenzie**

As just one follow-up, how sticky do you think some of the changes in that panel could be? We have seen peers cut and pull back from the market, whereas you clearly have continued to invest and there are some strong indicators out there, like add download share is still increasing. Do you think this changes your mid-term market share aspirations in the US market?

**Brian Cassin**

Yes, absolutely. We are I think the only platform in the market that is actually doing well right now and we are taking share, obviously. We continue to remain very bullish about our prospects there.

**Rory McKenzie**

Okay, great. Thank you.

**George Gregory**

Morning all. Firstly, just on Boost, you flagged that you now have 4 million accounts connected. That is quite a big step up versus the 3 million you reported just a couple of months ago. Is that also being driven by the mortgage activity? Was it specific to marketing or other seasonality? I am just interested in how you see the trajectory for your Boost accounts. Secondly, I know we have talked around this subject already, but regarding your core US credit report volumes, have you seen any softening recently, given the localised reintroduction of lockdowns that you referenced, or is that something you see more as a risk factor? Finally, you referenced, Brian, an encouraging outlook for your EMEA/APAC business into fiscal 22. I just wondered if you could elaborate on why that confidence was specific to next year and the lead time on that growth improvement, please.

## **Brian Cassin**

I will touch on all three of those and then ask Lloyd to add his perspectives. I think Boost is one of those products where we almost launched at a perfect time, which is just over a year ago. It has had enough time to gain market consciousness and, of course, at a time like this, when people are particularly concerned about having the best credit profile that they can, I think that heightens the interest in a product like Boost, which can give real benefit to people that they can perhaps see more clearly now. Maybe it was a bit more difficult to see that when times were buoyant. I just think that pick-up is a reflection of the length of time that the product has been in the market and the change in circumstances in the backdrop, which heightens interest in the product.

On the core US credit volumes, some of these territories have just recently gone into lockdown. California was this week. It is too early, and it also depends how long the lockdowns last for. We cannot really say there is any direct impact as of yet.

On the EMEA/APAC question, the reason for the FY22 outlook on that is because of the length of time that it takes with these contracts, particularly collections, which are quite long delivery times, where we get to recognise the revenue. As more of your pipeline shifts to those kinds of contracts, you tend to get it either back-end loaded or actually providing profile into next year. Lloyd, do you want to add any colour there?

## **Lloyd Pitchford**

No, I think that covers it. On the second one, on the credit report volumes, across most markets, probably with the exception of India, the peak decline was in the first half of April. There is volatility day-to-day, but a generally improving trend. We are just mindful of the news flow, so we have hopefully called that out pretty clearly in the scenarios for the top and bottom end of our guidance range.

## **Rajesh Kumar**

Good morning. In discussions you are having with your customers, what are the main pain points? What are they asking you for, in terms of [inaudible] Health or is it too early in the pandemic to know exactly what the new things they are interested in are? Secondly, on positive data, could you give us an update on how that is progressing or if that is moving ahead at all, given the state of lockdown?

## **Brian Cassin**

On positive data, it is progressing, and I think I referenced that in my script. We are seeing good interest in that. We are selling products, so we are seeing that pick up in the marketplace. Obviously, we would have seen it pick up much more rapidly if it had not been for Covid, but what we have seen so far gives us great confidence that our expectation that is going to be a real driver over the next few years is correct. We are seeing progress. Obviously not as much as we would have done outside of Covid but we move forward.

We referenced all the things that the clients are interested in. They are intensely interested in looking at how their portfolios are performing, so that drives demand for analytics. It also drives demand, further down the line, around how they deal with customers where credit visibility has dropped, for example because some information is not on the file, and what is going to happen when the furlough schemes end in the UK, so all of those conversations about how you deal with the new environment. That cuts across a lot of different products. It is still very much in the early stages, because I think everybody is still thinking this through but those are the kind of things that are exercising people.

## **Lloyd Pitchford**

Just back on Brazil, Rajesh, in a positive data environment you can see the potential for the direct-to-consumer business we are developing there. We are pretty thrilled with the progress that we are making. We have been investing behind it now for a number of years and have firm confidence that over the next few years we can build this into a pretty material business with a positive data environment as a backdrop.

**Rajesh Kumar**

Understood, thank you.

**Anvesh Angrawal**

Good morning. I have a couple of questions. First, on the Health business, it remained resilient throughout the quarter. One of the comments you made at the time of the full-year result is this is not so much dependant on the collections; it is much more contracted. As you look forward, is it right to think that this business probably remains stable, but at a lower level and it is hard to grow that business meaningfully, at least in FY21? Secondly, on the cost side, I know you guided to costs being flat, but in an environment where the growth remains flat or down low single digits for the entire year, do you have some levers to pull in the second half or do you expect the cost to remain flat in that sort of environment as well?

**Brian Cassin**

Let me deal with the Health business first. I think you referenced collections. I think actually what we said is, during the Covid crisis we are seeing lower admissions for normal hospital treatments. That has sort of continued. Notwithstanding that, the business has continued to perform well. It has actually slightly improved, I think, since we reported to you last. We expect the health business should grow this year. As you said, it will grow at a lower rate than we are used to, but we do think that is a temporary thing. Obviously that trend will reverse at some point. We still remain in a very good position there.

On the cost side, I think we have been very clear about our stance on costs. We have lots of levers to pull on costs. It is a question of judgement as to how much we need to do at any particular point in time. We have managed the expense base very carefully to this point. We are very mindful that we want to retain the organisational capacity as much as we can. I think a lot of it depends on how we see the outlook from here. We are trading well so far, so we keep that under constant review.

**Lloyd Pitchford**

We gave a pretty clear framework with May results and you can see there that, in the near term, only a small portion is variable with volume. We think flat costs for the first half is a pretty good place, and then we will pick up the second half as we see the market scenario firm.

## 5. Close - Brian Cassin

Thanks everybody. for joining us today. I hope we all stay safe, and we look forward to speaking to you again in November for our interim results. Thank you very much.