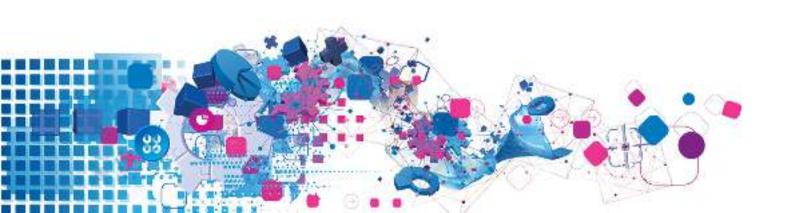# Trading update – Q1 FY22

15 July 2021

Contents

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

1.1 Introduction

Good morning, everybody, and welcome to our Q1 trading update call. I am joined today by Lloyd Pitchford, and Lloyd will take you through the trading performance after my opening remarks.

1.2 Performance

As you have all seen, Q1 was a very good quarter, better than we anticipated, with total revenue growth of 31% at actual rates. Organic revenue growth was 22%. Of course, the comparative was a weak one, as we lapped the height of the pandemic-related slowdown last year, but even on our two-year basis this is a very good result. I am very pleased to report that all regions and segments were in positive territory. Special mention again does go to Consumer Services, which delivered organic revenue growth of 32%. We made use of the past year to strengthen our market position, and we emerge from the pandemic as a much bigger force than before. We now have 116 million free members globally and we still see plenty of growth opportunity ahead.

I am immensely proud of the efforts by our teams from around the world to drive financial inclusion. At Experian we believe that every individual deserves the opportunity to reach their fullest financial potential through fair and affordable access to credit. We see that one of the key roles that we can and do play is to level the playing field for people in marginalised or low-income communities, to provide more equitable and affordable access to credit. Experian Boost and Score Turbo help people build credit profiles that paint a fuller picture of people's financial lives. There is a lot more that we can do by promoting financial literacy through expanded data sources, innovation and collaboration. Programmes like our United for Financial Health programme are good examples of this, but there is perhaps no better example anywhere of how we use data to improve outcomes for people than products like Boost, and no better demonstration of how people's data can be used to benefit them and not just others.

1.3 North America

Moving to the regions now, let us start with North America and the Q1 highlights. Unique amongst our regions, North America delivered growth in Q1 last year; while the comparison is a weaker one, it is not especially so. I think that puts into context just how strong the Q1 performance in North America was. Lenders are issuing credit cards again as credit quality improves. We see increased activity across financial services clients, FinTechs, buy now pay later, and other segments, with a strong bounceback in prospecting and acquisition volumes, even as Mortgages tails off. Clients have focused on digitising their services, driving demand for products like Ascend, our cloud-enabled Decisioning propositions, and fraud and identity management.

We also made very good progress across Verification Services this quarter, with all acquisitions trading on or ahead of our buy plan, and an encouraging client reception and some new wins for our Verified proposition.

Health also had a strong quarter. There have been a mix of drivers through the course of the pandemic, but fundamentally increased demand for new products in healthcare systems is creating new opportunities. We have benefitted to an extent from growth in authentication volumes linked to the vaccine rollout, but our performance was strong across the breadth of our product suite. We also had a very strong quarter for new business bookings, with implementations for new digital onboarding services like Registration Accelerator which shifts the patient experience away from paper-based processes to a more digital experience.

Consumer Services delivered another outstanding result. Over the past year we have significantly enhanced our position in lead generation. Our membership base has now reached 44 million free members, and we have expanded integrations with lender partners. We are benefitting from a bounceback in lending. As we have expanded the membership base and therefore have more traffic, we are an increasingly attractive and important marketplace for lenders. The US is also still in its infancy of digitising marketplaces like auto insurance, and we have made a lot of progress over the past year to further penetrate this new vertical.

Our premium offers also continue to do well. Last year we saw a big influx of subscription members, and so far these have proved to be resilient. We are enriching membership offers and investing in more personalised interactions, which will help drive growth and retention.

1.4 Latin America

Moving to Latin America, we had a very good quarter in Latin America, which was our fastest growing region in Q1. The pandemic is still fairly rampant across the region, with case rates at very high levels. That said, Brazil is making progress on vaccination rates, and this is helping the economy recover. Agriculture is performing well on the back of increasing commodity prices. New business creation has increased, and default rates have seen some improvement as restrictions have eased. These indicators bode well for the future, and in the meantime we have seen a steady volume recovery in B2B.

At the same time, positive data adoption is growing. The fintech sector continues to gather pace, giving us new areas to address. New product contribution was a significant factor in B2B revenue performance this quarter, with a notable contribution from positive data, as we have introduced new attributes and with propositions like Serasa Score gaining wider acceptance.

More people are coming into the financial net in Brazil; that is driving growth in Consumer Services, which had another tremendous quarter, more than doubling our revenues. Limpa Nome saw more success adding new partners, and making further progress digitising the offline collections markets. Fintech providers want to acquire large audiences cost effectively, and they can do that on our digital platform through our eCred marketplace. We now have 62 million free members, and we are making rapid progress to grow and diversify our revenue base.

We also continue to take steps and expand our franchise across the Latin America region, and towards the end of the quarter we completed the acquisition of a new credit bureau in Chile.

1.5 UK&I

We also had a very strong start to the year in the UK&I. We have made a lot of progress improving the business, and we are very well placed as the economy recovers. The big swings have been in Core Bureau volumes, where, generally speaking, volumes are now tracking above pre-pandemic levels. In Consumer Services we have had record performance in lead generation as credit supply increases. It is also important to emphasise that the core business KPIs were also trending positively.

Revenue from new products is expected to grow this year. Our new business pipeline is healthy. Our win rate is very encouraging, led by our ongoing investment in data quality and coverage, and by our ability to deliver value-added services to our customers. Our B2B innovation pipeline is very strong.

Consumer Services clearly had a very positive Q1, and it has got a lot of momentum. Membership growth has been very healthy, now at approximately 10 million free members.

1.6 EMEA/Asia Pacific

Turning to EMEA/Asia-Pacific, where we saw good recovery, there is still somewhat of a mixed picture country by country. We have seen recovery in bureau volumes across most markets, although against particularly weak comparatives in some areas. While more developed countries in Europe have progressed well with their vaccine rollouts, some of our markets are still very much in the grip of the pandemic, or, like Australia and Malaysia, have entered new lockdowns.

That said, some positive structural trends are clearly emerging. The pandemic has catalysed investments by banks in digital platforms. We can see this in the recent bank consolidations across Europe. It is likely to accelerate the pace of bank branch closures in favour of digital banks, and we also see it in markets like India, which struggled to deliver financial services during the pandemic due to a reliance on offline infrastructure. We feel very well positioned to service this need, particularly in European markets with our open banking and cloud-enabled capabilities mentioned before like Ascend, Experian One and CrossCore. These are becoming much more tangible client conversations in the deals that we are signing and in new business pipeline creation.

With that overview I am now going to hand it over to Lloyd for the financials.

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

2.1 Overview

Thanks, Brian. Morning, everyone. As you have seen, we had a strong start for the year, ahead of our expectations, with organic revenue growth of 22%. Our core lending markets were strong, including a bounceback in unsecured credit volumes and consumer credit activity as we saw market restrictions ease. The outperformance versus our guidance in Q1 primarily came from our Consumer Services and Consumer Bureau businesses in our three core markets as credit activity recovered strongly. Organic revenue for Consumer Services was up 32%, whilst B2B was up 18%. Including acquisitions, our total revenue growth at constant exchange rates was 28% higher, as we saw the benefit from the acquisitions we made across the last year. Exchange rates were 3% revenue tailwind in the quarter, driven by the appreciation in sterling. Including this, total revenue at actual exchange rates grew by 31%.

2.2 North America

Looking first at performance in North America, where organic revenue was up 22%, B2B up 19%, and Consumer Services up 28%. Data within B2B was up, with strength in all business units. A continued improvement in bureau volumes delivered strong growth across Consumer and Business Information. Volumes were up strongly both on FY21 and FY20 levels, as we saw a catch-up in activity as market restrictions were eased.

Excluding Mortgage, the growth in our Consumer and Business bureaux was 26%. Mortgage revenue was flat against last year, as higher interest rates reduced refinancing demand. We still expect Mortgage to be a group headwind of around 1% for the full year. Decisioning was up 17% as both Health and Decision Analytics grew double digits. Within the Health business, volumes were a key growth driver, as hospitals undertook higher levels of elective surgery versus the height of the pandemic in the prior year. Authentication volumes were strong, linked to some extent to the vaccination programme, as were Coverage Discovery and Revenue Assurance. Decision Analytics benefitted from strength in fraud and ID volumes.

Consumer Services was up 28% as our subscription business continued to grow well, with a paid member base continuing to deliver growth even as we lap the elevated level of acquisitions last year. Lead generation revenue almost doubled during the quarter as credit supply continued to return to the market, and our Auto Insurance vertical continued to perform well following its launch last year. We continue to be very active in investing in new innovations and marketing to take advantage of the significant momentum we have built across the Consumer Services business.

2.3 Latin America

Moving onto Latin America, where organic revenue was up 25%. At constant exchange rates, total revenue was up 31%, including revenue from the Brazil acquisitions. Factoring in an FX

tailwind during the quarter, total revenue grew 33%. B2B was up 18% organically, whilst Consumer Services more than doubled for the fifth consecutive quarter, up 107%.

Data grew 16% organically, as increased economic activity led to higher volumes in bureau. This work was supplemented by strength in positive data, new propositions like Experian Ascend, and the expansion of Serasa Auto.

Consumer Services continues to make great progress, and we had another very strong quarter on the back of strong membership performance. Revenue was driven by volume increases in Limpa Nome, increases in marketplace offers as we scale eCred, and contribution from our premium subscription product.

2.4 UK&I

Turning to the UK, we saw 20% organic revenue growth, up 35% at actual rates. B2B and Consumer Services grew 15% and 37% respectively.

Within B2B, Data grew 20% during the quarter, helped by bureau volume recovery to pre-pandemic levels. We saw strength across both Acquisition and Pre-Qualification as credit supply returned to the market, and lenders were very active in new customer acquisition. Decisioning was up 8% organically, with the momentum in volumes we saw at the end of FY21 continuing into Q1 as demand for both identity and fraud analytics products continued.

Consumer Services grew 37%, with growth across both subscription and lead generation, which has benefitted from the return of credit supply on the market as lending criteria have eased.

2.5 EMEA/Asia Pacific

Moving on to EMEA and Asia-Pacific, where organic revenue grew double digits at 19%, with Data and Decisioning up 23% and 14% respectively. On the Data side of the region we are seeing a recovery in bureau volumes, nearing pre-pandemic levels in our key markets. Decisioning performed well during the quarter, with a good pipeline, particularly in our EMEA markets.

2.6 Near-term expectations

Turning now to expectations for the rest of the year, given the strong start to the year we have raised our full-year organic revenue guidance to 9-11%. We therefore expect growth in the 6-8% range organically for the rest of the year, taking account of the expected drag from Mortgage, with Q2 starting at the higher end of this range. Adding in our organic revenue brings a total revenue growth guidance to 13-15% for the full year. Our margin guidance is unchanged, delivering strong margin accretion which will be guided as at least 60 BPS of margin progression at constant currency. All other areas of our modelling considerations remain unchanged for now, and we will provide a further update at the half-year.

With that, let me hand you back to Brian.

3. Summary – Brian Cassin

Thanks, Lloyd. To summarise, we have had a very good start to FY22, with a stronger than expected Q1. The comparatives do get tougher from here, but we do expect this to be a very good year overall for Experian. We see a lot of opportunity ahead, with a very significant one in Consumer Services. We have a terrific lead in positive data in Brazil, and exciting prospects in verticals like Health and Verification Services. We are making great process and have done a lot of heavy lifting in the UK in the last year. We are well-placed to take advantage of recovery there. While there remain uncertainties and some pandemic-related issues as we look through the rest of the year, we do feel good about our prospects as a whole.

With that, we are going to open up the line for your questions

4. Questions and Answers

Oscar Val Mas, JP Morgan
Good morning, everyone. I have two questions. The first is on Consumer Services. You have touched on this in the prepared remarks, but could you comment specifically on the competitive landscape in the US D2C market and how your market share is going against your competitors now there is more marketing spend in the system?

The second question is touching again on the EBIT margins. You have kept your guidance unchanged at at least 60 BPS. Can you perhaps remind us if anything has changed, given you have upgraded the revenue guidance?

Brian Cassin
I will deal with the first one and Lloyd can touch on the EBIT margins. No, we do not see any change in the competitive landscape. As I said in the prepared remarks, we have spent the last year really solidifying our position across a broad spectrum, actually, of Consumer Services propositions. We referred to lead gen because that market is coming back very quickly. We expected it would; it obviously had quite a big contraction last year as we went into the pandemic, so we fully expected that we would see strong growth on that.

The reference that I made to the fact that our membership base has grown very significantly now to 44 million members: that is a very, very significant platform. We spent last year improving and increasing the number of lender integrations that we have, so I think we are well set here to continue to make great progress in Consumer Services across the board.

Lloyd Pitchford
On EBIT margins, as I mentioned in the remarks we have got really good momentum in our Consumer businesses across the three markets. This is the time to really take advantage of that momentum and continue to invest in customer acquisition and product innovation. With the majority of the beat to guidance coming from the Consumer Services business we are taking

the opportunity to continue to invest behind that momentum. That means that extra revenue is coming at about group average margins, which means the guidance is retained for the full year. We will provide a further update at the half-year.

Paul Sullivan, Barclays

I know it is quite difficult to split out, but how should we think about the structure on the cyclical contributions growth in Q1 and what it means for the guidance, the 6-8, to the rest of the year? With a backdrop of still fairly subdued lending in the US and that lag in Europe, it feels like there is still a cyclical recovery ahead of you. On that basis, how do we think about the four-year guidance still being fairly conservative?

Secondly, any colour on consumer engagement? I know the membership base is still kicking up quite nicely, but any colour on engagement and the next steps of broadening out the lead gen platform?

Finally, do you think the regulators recognise the importance of consumer-contributed data and Boost and how it has changed? Do you think it changes the narrative in the conversations you are having with them?

Brian Cassin

I will deal with the consumer engagement and regulation points, and Lloyd can come back on the cyclical versus structural growth. Dealing with the last question first, I absolutely think that this is changing the narrative and the discussions we are having with regulators all over the world. As I said in my remarks, we are obviously demonstrating to them exactly what the whole point of consumer-contributed data is, which is to actually help people get better outcomes. That is what Boost and Score Turbo in Brazil does.

One of the best demonstrations of this is some stuff which is coming out of the Brazilian central bank right now. They are doing some early analysis of what is now happening on the back of positive data. What we are seeing is a significant contraction in credit spreads, of course, and a significant increase in the number of people that are included in the mainstream financial net. Really, that is the best demonstration you can have of where you significantly increase the amount of data that can be viewed on a consumer. It gives direct and very material benefit to them. The quantum of that increase is very significant in a market like Brazil. It is moving from negative to positive data; where you have very well-developed markets like the US and UK, the benefits that you get really fall on the lower-scored part of the population, or, indeed, the part of the population that cannot be scored at all. Most governments are focused on financial inclusion. Most governments are focused on fairness and in getting people a better outcome. This is exactly what these products are designed to do, and we are getting traction with that.

Your second point on consumer engagement: yes, there is a lot of investment going into the platforms to really enhance and to increase the frequency with which people use the platform. We are seeing good progress on that. That will be a focus for us going forward. I think we feel good about all the propositions that we can put on a platform, but it is a multi-pronged strategy. I think that is one thing that we will do. We have obviously highlighted that we have a long run rate of growth in lead gen to go, and other verticals like Insurance are still growing very fast in

North America. I think there a lot going on in Consumer Services. We feel very good about the broad panoply of things that we are doing there.

Lloyd, do you want to talk about the comparators?

Lloyd Pitchford

Yes, so a really interesting question, Paul, structural versus cyclical. There was obviously a lot going on in Q1. You clearly have weak comparatives, given the noise that was there this time last year. There is definitely an element of bounceback in terms of people being released from restrictions and active again, the benefit from our innovation investment, and obviously Mortgage is in a shifting position from a tailwind this last year to a headwind.

I think the best way to think about it is that for the rest of the year we are pretty confidently back in that high single-digit territory, taking account of the drag from Mortgage. The North America Consumer bureau, excluding Mortgage, is going to be high single-digits for the rest of the year. Consumer Services globally will be strongly double-digit.

There are probably a couple of things to call out regarding the areas of uncertainty in the guidance. How long does this bounceback in activity continue? Clearly consumer balance sheets are strong coming out of the pandemic, but there is still quite a bit of uncertainty, so that determines the range. Also, on the subscription side of Consumer we have been pleased, but we have not seen elevated churn levels on the members we added last year. We have continued to add subscription members sequentially, but clearly there are a range of possible outcomes as we go through this year.

On your other point on consumer engagement, I want to highlight that we continue to add a lot of members. This last quarter we added six million across the three geographies. That means that in the last 12 months during quite a turbulent world period we have added 13 million members across our three geographies. That might give you a sense of the momentum we have behind the Consumer business. Our product development roadmap will bring in numerous additional reasons for people to engage with us as new products get launched, so we are feeling very positive about that.

Rajesh Kumar, HSBC

Just following up on the point you made about regulation, clearly there is an increased stress on data quality and data accuracy. Can you help us understand how your strategy of directly engaging with consumers versus your peers, to a large extent using Intuit Credit Karma as a mode of engagement, affects that data improvement cycle? Also, how much data improvement have you have seen since the last major study almost 10 years back that was taken by the regulators for Experian? That would really help.

The second one is on the new markets you have gone to, South Africa – South Africa is not a new market but you have done an acquisition there – Germany and Chile. Can you give us a sense of the levels of growth and the opportunity set you are seeing after the pandemic in terms of the next two to three years?

Finally, just on the drop-through margins, you clearly have, given the operational gearing, left your margin guidance unchanged. Does that mean you have basically started investing at a faster base for FY23 growth investments?

Brian Cassin

Thanks, Rajesh. Three quite wide-ranging questions there. Lloyd, you will take the margin question and I will do the regulation and the accuracy one. Data quality is something that we have been very focused on for a long time. We have very, very high levels of accuracy across all our bureaus. I am actually pretty confident in saying that our accuracy levels are higher than any bureau pretty much in every market that we operate in. Obviously this is an area of great scrutiny that the regulator is very focused on, because clearly mistakes that are made on consumer's credit reports could potentially lead to wrong outcomes, and we all want to prevent that.

If you look at the levels of accuracy across the bureaus it is extremely high. People get a bit focused on the complaints portal with the CFPB, but what you have to remember is a lot of those complaints come from credit repair companies, and so to a certain extent they are flooding. Of course, no mistakes are ultimately acceptable. We strive for 100% accuracy. Most of the mistakes in credit reports actually come from data furnishers where inaccurate information comes into the system, and we work extremely hard to try and correct that. In fact, we have a number of tools and products and we are market-leading in this. We essentially check all the data that comes into us and provide that as a service back to the furnishers. I think that is something that we are actually very highly regarded for in the marketplace.

Today our accuracy levels in the US stand at 99.9%. When you think about the volume of data that we process, that is an extraordinary level of accuracy. Of course, the 0.1% is still actually a large number of people across a very large population. We are never entirely sure whether we could get to 100%, but that number has actually moved from what was a high level of around 97%, 98% five or six years ago to that level of accuracy, which illustrates that you do not do this overnight. It illustrates to you that we have been doing this for quite a long time.

If you take somewhere like Brazil, where data accuracy is a bigger problem than somewhere like the US, which is a much more well-honed system, then you can see a really big trend; on our Consumer Services business we have actually been able to use the data that has been contributed by consumers to improve our accuracy quite significantly in that marketplace. Consumer-contributed data has a role to play in markets where there is poor data quality. In markets where there is very high data quality, consumer-contributed data is less about accuracy and more about different types of information that can be used to give a different profile to the consumer. That particularly applies in things like Boost, where [inaudible] customers or customers where we have no information we can use different types of information to score them. They are slightly different things.

Hopefully you get a sense from what I have outlined that this is not a new focus for us. It is obviously a very hot focus for regulators, but we have a really good story to tell, which frankly is not really represented very well by some of the groups that talk about this stuff. I do not think there are many companies out there that can claim 99.9% accuracy in an extremely large data file, but we are not going to rest until we can get that to 100%. That will be our focus.

Moving on to the acquisitions, if you look at some of the acquisitions that we have done it is a very clear, laid out plan. We have obviously long wanted to enter the German market. We have had an extremely successful track record of bureau acquisitions wherever we can sensibly add bureau acquisitions. We believe that we are going to be able to add to the capability of those and drive really good opportunities for us over the medium-term. Germany is going extremely well. We are really happy with that. Obviously that is a very large economy and a big opportunity for us.

For Chile, the one we have just announced, we actually have quite a large Decision Analytics presence in Chile, with most large banks already using Experian decisioning systems. This is a very sensible add-on to our Spanish Latin American business. It enhances our footprint. We also actually have quite a large employee footprint in Chile because some of our global development centres are based there. They service a number of our territories around the world. Yes, we are excited about the progress we are making with the acquisitions we have done. We have a very consistent approach to this, and we will look to more of that type if we can find them.

Lloyd Pitchford

Just to add on the acquisitions, as you look back in South Africa, Spain and Peru, where we have made bureau acquisitions alongside an existing bureau, those are some of the most economic acquisitions we make, where we are able to combine two bureaux in-market and provide a compelling market leadership proposition in that market. We are feeling pretty good about those.

Onto drop-through, the Consumer business is one that we can attenuate the investment pretty closely. We know where we are adding value in the market. If you look back at the last five quarters of growth in North America Consumer we have gone 10%, 16%, 18%, 20%, 28%. That is a large business with momentum. That is the time to continue to invest to extend that momentum, so we are continuing to invest and expand both our marketing and our product launch investments. We had a very significant launch in the Auto vertical this time last year that is progressing well. We will have about $40 million of revenue in that vertical this year, from zero a year ago. That gives you a sense of why we are continuing to expand our investment. What does that mean? It means the incremental revenue that we are seeing, predominantly from Consumer Services, is coming in at about group average margins after that investment. That is why we are keeping the margin guidance flat.

Anvesh Agrawal, Morgan Stanley

I have got a couple of questions on the margin side. First, Lloyd, you said that the Brazilian Consumer business was probably running at a break-even rate last year, or maybe slightly loss-making. How do you see that developing this year, given the run rate and the investment on the growth side? Just on the UK margins, the long-term ambition has been around 30%. The transformation looks like it is going pretty well, and the UK is bouncing back. Where do you see the UK moving in the 30% journey in FY22 on the margin side?

Lloyd Pitchford

The UK last year was at about 17% margin. We said that with the restructuring activity and the real progress we are making on the restructuring and the transformation in the UK we expected this year for that to come back to something of the order of 22-23%, so quite a big jump back, starting that journey back to the long-term goal of 30%. There is good progress there.

On Brazil Consumer, we said at the end of last year you are getting to break even, and from here we would expect the margin to continue to progress. We expect to be positive this year. Clearly we have a very big opportunity in that Consumer business in Brazil, so we are principally focused on long-term value creation. Whilst we expect it to be profitable this year, we are going to be very focused on continuing the growth drive.

Anvesh Agrawal

When you say the UK can reach 22, 23 and it is 14%, 15% of group revenue, that itself is more than 60 BPS of the margin accretion that you are guiding to for FY22. The margin guidance looks conservative, given what you are going to do in the UK itself.

Lloyd Pitchford

You have to look at the different moving parts in the portfolio. Clearly we had a very strong Mortgage growth last year. This year it will decline by about 1%. That is higher than average margin, the continued investment we are putting into marketing in the US Consumer business, and the mix, therefore, of margin in North America. When you take all of that in the round, about 60 BPS is where we are guiding. I guess I have made this comment previously: to some extent the mid-term margins are a choice for us. It is a choice of the investment we are making to create value. I think you have seen the momentum we have built from our investments over the last three or four years of growth, the benefit that is coming to value creation from those investments. That is really the thinking behind the margin guidance, Anvesh.

Karl Green, RBC

I have two questions. The first one is on Experian Boost in the US. Are you able to quantify how many unscoreable consumers and those with thin files you have helped to become scoreable since Boost inception?

Secondly, just in terms of the file accuracy data that you provided, which is obviously very high, can you just remind us what the definition of an accurate file stands at? In terms of some of the narrative that is out there, there seems to be some confusion about how different companies actually measure that and what the different tiering [inaudible] around that?

Brian Cassin

We would measure accuracy across every spectrum, which includes things like the accuracy of the name and address of the consumer, the data we have on file, as well as the actual trade lines that are submitted. A lot of the inaccuracies that are reported as detrimental in accuracies are often actually some simple inaccuracies on base data and not actually on trade lines. Within that 0.1%, how much of that would actually be detrimental in that we have got trade lines wrong or disputes wrong? A smaller proportion. I do not actually have the split of that, but quite a few of them would simply be corrections to personal details.

In terms of business results, we have a very significant benefit on scoreable people in that group, because clearly those are the people that are actually mostly impacted by that. The percentage of people with new credit match offers after Boost would be about 76%. Roughly about 33% of people who are not previously scoreable become scoreable with Boost. To give you some other stats, we have provided over $6 billion of credit to consumers who have completed a Boost journey. Another data point of interest is the average amount saved on a 30-year mortgage by moving up a score tier, which a lot of people did, would be in excess of $20,000 over the lifetime alone. We have got some really powerful statistics here to show exactly what benefit this is having for a lot of people. That is why we feel very, very strongly about this proposition, and, to the earlier question, why it is also being recognised by regulators as a very strong initiative.

Karl Green

That is really helpful. I do not suppose you are able to quantify it in terms of thousands or tens of thousands of people that you have helped, rather than just percentages?

Brian Cassin

Over six million people have connected to Boost since we launched, and we have had over four million who have improved their credit scores as a result of that. That is just in the last year alone. I think you can see it is actually very material.

George Gregory, Exane BNP Paribas

Thanks for taking my questions. I have a couple. First, I think you have already partially answered these, but I wondered if you could just clarify the revenue run rates for your three marketplace businesses?

Secondly, just on technology, thinking about the return margin trajectory, clearly there are a lot of parts of the portfolio that should be moving in your favour like the UK, LatAm and so forth. Is there a scenario in your technology planning where you might move more of your data to the cloud that could change the transition of margin to the extent that you have higher dual running costs, or is the margin trajectory expansion against what you would conceive as any reasonable technology scenario?

Lloyd Pitchford

At the full year we had a margin drag dual running cost in the P&L of about 100 BPS. We think that will be stable this year and into the start of the following year, and then will start to abate. Obviously, beyond that you have the benefits of the transition, not just the elimination of the dual running costs. The assumptions we have are that we make quite a material shift out of our existing data centres into the cloud infrastructure and cloud storage. Now, exactly what percentage that will be is variable, because clients have different positions on the use of cloud versus hosted data, but it is all encompassed in the commentary that we have given. That transition takes some time; any company that goes through a transition will tell you that it takes a number of years, but we are well-progressed. We have all of the learnings from the complete shift of the Consumer business onto cloud infrastructure and storage already in the business.

On the run rate on the marketplace there is very strong bounceback. In North America and Brazil the Lead Gen business has more than doubled, and in the UK it more than tripled. That

reflects a bit in the UK of a stronger negative position this time last year and the bounceback this year.

George Gregory

Those run rates and the reference to growth, is that against the prior year?

Lloyd Pitchford

The prior year, yes.

Caroline Conway, Autonomous Research

I wanted to ask about the Decisioning side of the business. The platform growth appears very strong across regions. Can you talk about what is potentially improving in this space, both on the customer side and within Experian's strategy? I also wanted to ask within that about the growth strategy for fintech and DNCL. You mentioned that there are particular strong points in the US, so I would just like to hear a little bit more about the production accentuation and what you expect to drive growth in these spaces.

Brian Cassin

I will let Lloyd comment on the actual comparators, but in terms of strategy of our Decisioning business we are very clear about where we are driving that business. We have cloud-enabled the Decisioning suite through investment in Experian One, alongside our hosted applications. Power Curve is one of the most recognised decisioning software suites in financial services. We are starting to see a lot of traction and demand for cloud-based decisioning. We naturally started to see that first in the US, with a lot of good traction there, but it is starting to spread across most territories. Lloyd will comment on the comparators, but obviously DA is always the business that is a bit more cyclical for us. It had a much bigger impact last year than even some of the Europe businesses, so you are starting to see us lapse on that as well. Nonetheless, as we referenced in the comments, we are starting to see really good client engagement, with people starting to get back onto an investment cycle.

In terms of the fintech and buy now, pay later, we have got a very strong presence in those sectors. We provide services to pretty much everybody playing in that arena. To some extent the services are exactly the same as we provide to many of our other clients, which is that they need credit data, decisioning, fraud, and we provide all of those products to those players. We focus on that specific vertical. They clearly have different needs and demands, and we serve them in the way that they want to be served. We have had a lot of success in that, and I think that will continue. Lloyd, do you want to just comment on the comparators?

Lloyd Pitchford

Sure. If you break Decisioning down, the first bit to break out is US healthcare, which is within those numbers. You can see from page two of the release that was strongly growing this time last year, but it is very strong growth this year, up 19%. That is really as we bring the power of data to really transform the services that clients receive; you manage a consumer's journey through the healthcare system. We have seen very consistent growth in our Health business for seven or eight years, and we expect that to continue.

Within Decision Analytics overall, this time last year, Q1 last year, that was down 14%. In Q1 this year it is up 19%, so you can see a very strong bounceback. Within that there is very good growth in fraud and ID as we see the shift to more digital-originated transactions. Good, strong growth in analytics as people move to much more understanding of real-time data. As Brian said, software is a little bit lumpy. We have the transition to cloud, which changes the revenue recognition a little bit, and also some areas, particularly in Asia-Pacific and a little bit of EMEA, where some of the decision-making is a bit longer on some of those software transitions, but overall, Decisioning as a whole has good, strong progress, and particularly good strategic progress.

Andy Grobler, Credit Suisse
In terms of your Verified business, I know it is relatively early days but could you talk a little bit about momentum in the early stages of that business and what your expectations are for that in the medium-term over the next two to three years against such a strong competitor?

Brian Cassin
It is still really early days, but we outlined at the year-end what our strategy was. We obviously made some acquisitions in Employer Services. We need to build our presence and our unique data asset. We are doing that. We are having very good engagement with our client base about our proposition. The signs are encouraging, but as you said, it is still early days. We will be able to tell you a little bit more as we go through half-year and year-end as to exactly what progress we are making, but at this stage it is quite encouraging.

As we have also said, this is a very large and very growing market. There is one extremely large competitor in there. I think that there is plenty of room for people to grow here, and there is absolutely a demand for some additional service provision in here, so I think we are benefitting from that.

Lloyd Pitchford
Just for scale, Andy, as I said at the full-year results if you take the acquisitions we have made for some organic plays we expect our revenue run rate this year to pass over 100 million. Whilst the market leader is a long way ahead, that is a significant amount of revenue for us in a new, growing space. We are pretty excited about the opportunities.

Andy Grobler
On that, when you are winning business are you becoming an additional supplier to the incumbents, winning newly outsourced work, or taking share directly from the incumbent?

Lloyd Pitchford
Yes.

Brian Cassin
The answer is yes. It differs by client, but as I have explained before, it is not necessarily a substitution, because if you have a unique data asset – which we are building on the Employer Services side – then they will not be the assets that are held elsewhere. That gives the customer a reason to essentially use a waterfall approach and ping both providers. I think the answer is that it is not necessarily either or.

5. Concluding remarks - Brian Cassin

Okay, great. Thanks, everybody, for joining. Thanks for all the questions. We wish you all a good day, and we look forward to speaking to you again in November for our half-year results. Thanks very much.