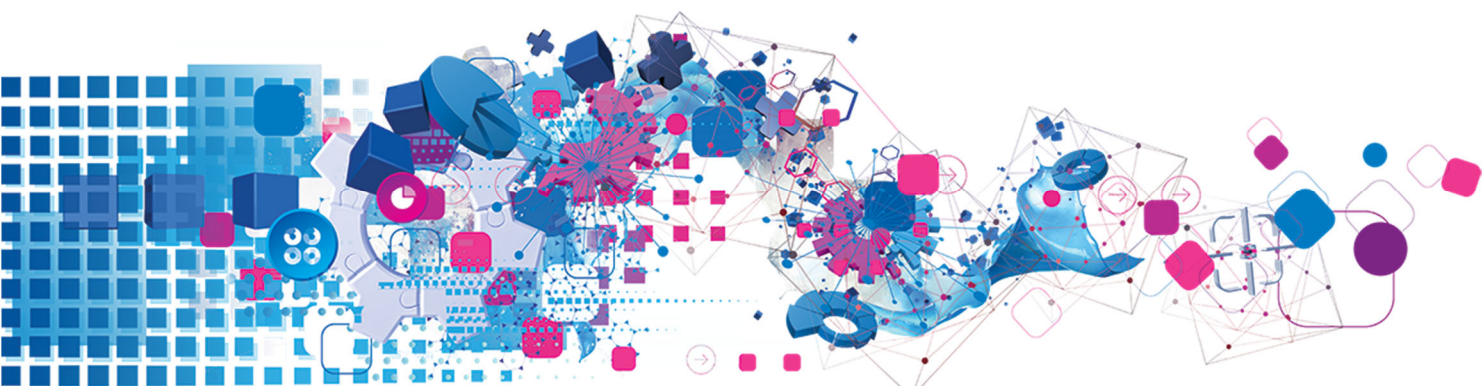




Trading update – Q1 FY23

14 July 2022



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

1.1 Introduction

Hello, everybody, and welcome to our Q1 trading update call. I hope you are all keeping well. I am here with Lloyd, who will take you through the trading performance after my opening remarks.

1.2 Highlights

Q1 was a good quarter, in line with our expectations. Total revenue growth was 9% at constant exchange rates, and organic revenue growth was 8%. Our three largest regions delivered good growth, with a very strong performance in Latin America. While it is not yet reflected in good revenue performance, we are making progress as we reposition EMEA/Asia-Pacific.

By segment, Consumer Services, where we now reach 139 million free members globally, delivered 13% growth, and there was robust performance in B2B at 6%. In all, Q1 came in line with full-year expectations that we set out in May.

1.3 North America

Let me now touch on some of the regional Q1 highlights, starting with North America, where all business units were in growth. Excluding Mortgage, market conditions have been pretty stable – good, in fact – helped by the strength of consumer balance sheets and a tight labour market. While it is true inflation is putting pressure on consumer spending, most consumers continue to make their payments on time, and credit card delinquencies have not returned to pre-pandemic levels.

There is no single trend driving client behaviour. While lending criteria are tighter in some sub prime segments, many larger lenders and fintechs are looking to grow share and remain active in new credit issuance. The clear evidence of this is in the performance of our Marketplace business, which was very strong in Q1. Both consumer demand and supply are good. Many clients also see opportunities to accelerate the shift to digital, to take out costs and manage higher inflation. This is driving demand for data, new attributes and platforms to help with automation.

This quarter, highlights included favourable bureau volume trends when Mortgage is excluded. We saw strong demand for alternative data from Clarity, and we made very good progress in Verifications where revenue is growing. Fannie Mae recently certified Experian Verify for day one certainty. This is a very positive milestone, and should add to revenue progress as we move through the year.

Health delivered a respectable outcome, with good growth in core revenue cycle management, even as we lapped a tougher comparable from elevated Covid-related identity checks. There were solid performances in Auto and Targeting.

Consumer Services delivered another good quarter of very good progress. Our Credit Marketplace grew strongly, helped by our ability to deliver a large audience to our lending partners. Our free membership base now stands at 55 million. We are adding new features, and we have detailed plans to greatly enhance our Auto Insurance offer this year, adding to the utility and appeal of our insurance marketplace and helping consumers to save money.

We are also adding greater value to our premium features, and we continue our efforts to help credit invisibles through Experian Boost and Experian Go. Experian Boost now has approximately 10 million connected accounts, which is a great achievement, and these actions are all deepening the engagement that we have with our members. I should also add that Partner Solutions contributed positively to the growth performance, and has a strong pipeline of new business opportunities. Taken together, this gives us good confidence in our ability to sustain strong levels of growth in this part of the business.

1.4 Latin America

Latin America delivered a strong quarter of organic revenue growth, up 18%. We have had a very strong start to the year, both in Brazil and in Spanish Latin America. In Brazil, growth was broad based, with strong tailwinds arising as a part of Positive Data. Our position with existing and new clients continues to grow as we introduce new features, attributes and scores. We are also generating growth from new installations of Ascend fence and through take up of our cloud enabled platforms. We are making inroads across other areas where we placed a strategic focus, for example, in Fraud and Identity Management, and we are very pleased with progress in newer areas like agribusiness, which we believe has a lot of long-term potential.

Consumer Services is also performing extremely well. We are building a powerful new concept in Brazil of what a financial marketplace can be. The aim is to offer consumers the ability to pay down their debts, get access to finance, get premium features like lock/unlock, and to utilise data to enhance the consumer experience. We are making very good progress, with strong revenue growth, and continued membership growth now reaching 73 million.

1.5 UK and Ireland (UK&I)

Overall, the UK&I performed well. Our B2B business operations have been resilient. We have had good success and new business wins, which we expect to sustain, supported by a strong pipeline. As in the US, there is no overall trend in the credit market. Consumer appetite for credit remains healthy, and credit origination volumes are actually growing. We see some increased emphasis by clients on affordability analysis and customer segmentation, which is natural in this environment. More widely across UK B2B, we continue to be successful in Fraud and Identity Management. We have started well in Business Credit, and we continue to execute turnaround in parts of the B2B portfolio. All in all, the UK has had a very good first quarter.

In UK Consumer Services we have seen very strong growth in our credit marketplace across cards and loans, and there is no real evidence of weakening. We have seen some softening in UK Consumer Services subscriptions. During Covid we benefitted from increased sign-ups to our premium subscription offers, which has since reversed. We will look to address this by

launching new features during the course of the year to add more value to the premium proposition.

1.6 EMEA/Asia Pacific

In EMEA/Asia Pacific, we are focused on executing the strategy we outlined in May, which will see us concentrate on our most strategic markets. We are in the process of exiting from some of our smaller geographies, and we are executing on a plan to enhance operating efficiency. We expect this process to take up to 18 months, and to be accretive to our financial performance once we are through it.

With that overview, I will now hand out to Lloyd for the financials.

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

2.1 Overview

Thanks, Brian, and good morning, everyone. As you have seen, we had a strong start for the year in line with our expectations, with Q1 organic revenue growth of 8%. Our core lending markets remain resilient, with good strength in Latin America, and our Consumer Services business delivered another strong quarter, with strength across marketplaces in particular. Organic revenue for Consumer Services was up 13%, whilst B2B was up 6%. Including acquisitions, our total revenue growth at constant exchange rates was 9%. Exchange rates in the quarter were a 2% revenue headwind, bringing total revenue at actual exchange rates to 7%.

2.2 North America

Turning to the performance by region, beginning with North America, organic revenue was up 7%, with B2B up 5% and Consumer Services up 13%. Data was up 4%, with growth in all business units. Bureau revenue, excluding mortgage, grew double digit, reflecting continued and robust new lending appetite across our financial services clients. Our Alternative Data business, Clarity Services, also performed well, and demand for eligibility services continued to increase.

Excluding the Mortgage headwind, the growth in our data segment was 9%. Mortgage revenue was down 31% against last year, and we still expect Mortgage revenue to be down around 35% for the full year. We also continue to make good progress in Verifications and Services, further diversifying our sources of growth. Decisioning was up 6%, as both Health and Decision Analytics grew well against strong prior-year results. The underlying trends in the Health business are positive, with eligibility, transaction volumes and client bookings both growing well.

Decision Analytics grew across all the principal areas of software analytics, and ID and fraud management. Consumer Services was up 13%, as marketplace revenues performed very strongly for the quarter, as both Cars and Loans showed strength. The acquisition of Gabi has further enhanced our Auto Insurance proposition, and we see this growing its contribution as we continue to progress our product offerings throughout this year. As expected, subscription revenue grew modestly, as we lapped the pandemic related member influx.

2.3 Latin America

Moving on to Latin America organic revenue was up 18%. At constant exchange rates, total revenue was up 23%, including acquisitions. Factoring in an FX tailwind during the quarter, total revenue grew 30%. B2B was up 15% organically, whilst Consumer Services delivered organic growth at 42%. Data grew 13% organically as our clients access our widening range of Positive Data propositions. The Ascend platform also performed very well, with revenue doubling during the quarter.

Consumer Services grew across the product suite. Limpa Nome continued to grow well, with almost 60% of these inquiries now online. Our Marketplace proposition also grew strongly, and this now makes up around 30% of Consumer revenue. Adding in our recent Brazilian acquisition PagueVeloz total Consumer Services revenue growth was 64% at constant currency.

2.4 UK&I

Turning to the UK, we saw 5% organic revenue growth, down 6% at actual rates after factoring in foreign exchange headwinds. B2B grew 6%, whilst Consumer Services was flat on last year. Data grew 8% during the quarter, benefitting from new business wins in the prior year and volumes back at pre-pandemic levels. We also saw good growth in affordability and eligibility product propositions, as our clients continually looked for more ways to expand lending whilst maintaining strong controls.

Decisioning was up 2% organically, with new business wins across both Identity & Fraud and Analytics. Consumer Services was flat, reflecting strong growth in the marketplace, offset by our subscription business lapping the tougher comparatives in the prior year.

2.5 EMEA/Asia Pacific

Finally, in EMEA/Asia-Pacific organic revenue grew 1%, with Data and Decisioning both growing. In Data we saw a mixture of recovery in some of our APAC markets, and challenges remaining on the EMEA side. As Brian mentioned, we are well progressed with our plans for the region going forward, and we will update you more on that at the half-year results in November.

2.6 Near-term expectations

Turning now to our near-term expectations, our full year expectations are unchanged from those we discussed in May. We continue to expect organic revenue growth for the year in the

range of 7% to 9%, with a further 1% from acquisitions. We also expect Q2 also to be in the 7% to 9% organic revenue growth range. Our margin guidance is unchanged. We expect to deliver modest margin expansion at constant currency, and all other areas of modelling considerations remain unchanged.

With that, let me hand you back to Brian.

3. Summary – Brian Cassin

Thanks, Lloyd. To summarise, we have started the year well, with a solid performance in Q1. We expect a similar outcome in Q2. As Lloyd just said, our guidance for the year is unchanged. Clearly, the pressure of the macroeconomic environment has yet to have any major impact on our operations. Banks continue to lend, and credit cost is generally good. The strength in consumer balance sheet is supported by the tight labour market. Brazil sits in a different cycle to other markets, and we are taking advantage of the many opportunities available to us there. Similarly, in Consumer Services we are growing our position in the marketplace, and we have an extensive roadmap of new offers to help consumers save money. Combined, this gives us confidence in the stability and resilience of our model, and our ability to deliver a good outcome for the year.

With that, we will open up the line for questions.

4. Questions and Answers

Rory McKenzie, UBS

Two questions, please. Firstly, on the credit cycle, obviously it is safe to say that sentiment has worsened in essential markets. People are expecting default rates to go up in consumer credit. Have you seen any of your clients changing their acquisition behaviour in terms of their strategy to market, or otherwise changing how they are consuming your products? Related to that, how is the product pipeline for your larger installations being things like Ascend?

Secondly, on Consumer, can you just say where the paid subscriber numbers are in the US and the UK today, compared to the pre-pandemic level?

Brian Cassin

I will deal with the first one and Lloyd can deal with the second one. We are not seeing any real change. I will just give you some data points, actually. If we look at the state of credit report so far in 2022 – so these numbers will be accurate as at the end of May – if you look at average VantageScore and median VantageScore they are all still higher than they were pre-pandemic, so there is no stress in the system. Average credit card balances have increased a little bit on 2021, but again, still below the pre-pandemic levels. That trend really continues as you look across all the lead indicators, particularly in delinquencies. There has been a little bit of a tick-up in delinquencies compared to 2021, but that was really an unusually low rate. The real

measure is to look at that compared to 2019, which was a strong credit year, and they are actually substantially below the 2019 levels.

We do not see any stress in the system as yet. There is a little bit of pullback in the sub prime area, but no major alteration that we see in the credit stance. In May we got 100 different varieties of this question, for understandable reasons. Everybody is looking around at the headlines and looking ahead and thinking what might be, but if you look at the marketplace results that Lloyd outlined they are incredibly strong, which tells you that credit issuance is still there, consumer demand is there and supply is there. That is the best indication we can give you, Rory. Everybody always asks. This data is pretty up to date. We will get the June numbers pretty soon. They will not be changed very much, in my view.

Lloyd Pitchford

On the paid subscriptions for Consumer, if you go back to FY19 and FY20 the North America subscriber base is higher and the UK is broadly flat. We saw the same behaviour in the US and the UK during Covid, with a strong in flow of subscribers. The size of that was much bigger in North America. You see more of an instant reaction when you hit harder times in the North America business into the subscription product.

Product pipeline continues to be very strong. We have had quite an investment in some of our scaling products of Ascend, CrossCore, Experian One, and we are making great traction with those. Just as an example in Brazil, we are making a lot of progress as positive data gives us the opportunity to bring a lot of our analytics and software products to bear on that market. You saw that in the Decisioning number this quarter, and I expect that strength to continue.

Paul Sullivan, Barclays

Just following up on the Consumer in the US, I do not know if you can give us a bit more granularity in terms of the growth rates of the component parts. If we go into a tighter lending environment, how do we view the cyclicity? How are you thinking about the cyclicity of that marketplace business, because it is something that you haven't gone through in previous cycles.

Secondly, can you just talk about or characterise your ability to protect margin through a downturn?

Thirdly, as fintech valuations come down and they struggle to raise cash, could M&A become a more material driver over the next 12 to 18 months, in your view, and any priorities you can share?

Brian Cassin

We will tag team on this one. On the Consumer US I will let Lloyd deal with the granularity point. On the cyclicity point, your comment that we have not been through a cycle in that is partially correct, because of course the Marketplace business is a relatively new one for us, but we did actually start it before Covid. Of course, in Covid what we saw for a short period of time was a complete hiatus in credit offers, but if you recall we managed to still grow during that period, largely because we were ramping our business up. We still have a long way to go in our

Marketplace business, both in cards and loans. That might offset any cyclical downturn that we might see.

Of course, if we do see a radical change in credit offers available in the marketplace it is automatic that that would have an impact on that business. Do not forget that this year we have been making a big push into our insurance product as well. We expect that is going to be very favourable for us. That is less cyclical in a downturn than cards and loans.

Of course, the question we face every time that somebody asks a question about what happens in a macroeconomic downturn is, 'What happens to the subscription business?' Every time that question has been asked, the answer has always been, 'The subscription business actually performs well'. We have seen that through the financial crisis. We have seen it through Covid. Of course, the next question is, 'How will it perform in this time?' You never know exactly, but the evidence would suggest that there is a bit of resilience built in because of that. It is impossible to say whether it is exactly like the last time, but you would expect that consumer behaviour mimics what it is done in the past. Those would all be things that could actually help us through that.

Let me just deal with the M&A question and then come back to Lloyd on the other two. Yes, valuations in fintech have come down dramatically in some cases. The M&A market is actually pretty dormant. There are a lot of opportunities in the pipeline. In these situations, what you find is that valuations in public markets come down very quickly, which they have. Private markets take a lot longer to adjust, so there are opportunities around. We deliberately put ourselves in a position to have a strong balance sheet so that we could take advantage if those opportunities arise.

We will be proceeding and looking to add M&A where it makes sense strategically and where we can get the right value equation, but it is not automatic that the opportunities arise just because some valuation rounds have been quite publicly significantly reduced. There is lots of play out there, and I expect that as we get into the second half of the year and into next year that maybe there will be a tick-up in activity, but, as you know, it is always really hard to predict this stuff.

Lloyd Pitchford

Just a couple comments on scenario planning. If you look at this year, we banked 8% in the first quarter. We have very strong line of sight of 7% to 9% in the second quarter, so our range of 7% to 9% for the full year is solidifying. We have confidence in that range. When you think about a potential downturn scenario in the credit cycle, clearly we talked in the past about looking back to the financial crisis, where we bottomed out at 2% organic growth. Now, that was a very particular liquidity driven downturn. Our portfolio is very different now. We have Health in the portfolio and we have a much bigger Brazilian business, both which are subject to different types of variability. We would expect to be less leveraged to US GDP.

The other thing that is important is to talk about Mortgage. 18 months ago our Mortgage business was about two-thirds refinancing and about one-third originations. By the time we are through this year, that share will reverse, and originations are much less sensitive. We will come out of this year with the majority of the softness in Mortgage out of the portfolio. Again,

you have to take that into account when you are thinking about what a credit cycle impact might be.

Onto Consumer and your question in the quarter, the Lead Generation business grew about 70%. The Partners Solutions business grew through high-single-digit, and the Subscription businesses was stable.

Sylvia Barker, J.P. Morgan

Three quick questions, please. Firstly, targeting was very strong in the quarter. Could you talk about the drivers behind it? Can you just talk about how discretionary that marketing spend can be and how much of an order book you have in that business? Secondly, on Verify, can you just update this on the progress there and just on the run rate of revenues? Finally, the BNPL piece had been very strong last year. Can you give a quick update on how that is looking as well?

Brian Cassin

On the Targeting business, yes, we had a good quarter. We bought a business in Targeting about two years ago, Tapad, which really pushed us more into the digital identity resolution area. That has seen some very strong growth. We have seen strong growth in things like Connected TV. There are a couple of macro drivers that are helping out there. If we think back to Covid there was quite a large impact on the retail sector. There has been a bit of a rebound in that, because we are seeing such a dramatic contraction in that sector, and that is a very big vertical for that area.

The strategic moves we have made in that business has positioned us well. There are some favourable strategic dynamics playing out. Again, it comes back to a macroeconomic question, a little bit like the last one if there was a significant downturn. Yes, that business would see some impact, but it is also an indication that we are not seeing that yet. We have a pretty good performance and we are pretty confident about the outlook as we go into Q2.

BNPL is still actually performing well. Everybody is focused on some pretty high-profile revaluations but the same trends are playing out. The long-term trend of this category is attractive to consumers. Demand still remains there. We are not seeing anything radically different in the credit market performance of those businesses.

Lloyd Pitchford

On Verify, we are still making good progress. We are winning Employer Services contracts, which is adding to the unique record count. We are winning contracts on the Verification side, quite a number of which are putting us first in the waterfall. There is really good progress there, to update on maybe later in the year.

In terms of run rate, we had said this year ahead that we would expect to be a bit over \$130 million of revenue in the combined Employer Services and Verifications business, and that is still very much our guidance.

Sylvia Barker

Just a quick follow-up on BNPL, just around the Apple Pay Later news, if they are not using credit bureaux could that be a trend that we see elsewhere? Is that something that you are seeing at all as a change?

Brian Cassin

No, we do not see any change. They have not introduced their proposition yet. They just announced it, so that is a development that will happen in the future. I do not see any difference between that question and the question we have been asked over the last few years about BNPL. It is the same question. The BNPL has become part of the bureaux environment, and I do not see this to be any different.

Anvesh Agrawal, Morgan Stanley

I have two questions. First, just going back on the B2C, we know that a subscription can be counter-cyclical in growth, but this time you are already coming from a higher base and closer to the Covid bump that we had. If we do end up into a broader slowdown, do you see the same trends playing out, or would it be more difficult because there is already a big base that is already under subscription?

On Marketplace overall, we saw that some of the players like LendingTree came out and cut their guidance. They have called out the home product and also the insurance product, which is where you are pushing, but your outlook is quite different on Marketplace. I am just trying to understand if there are any fundamental differences between what you are offering versus some of the other players in the market that make your outlook much more resilient than what we are hearing across Marketplace.

Lloyd Pitchford

On Marketplace, the last quarter results across all the players were very strong. We are probably first to report this quarter. We are seeing continued strength. What does that tell you? It tells you there is a lot of demand for credit and there is a lot of supply for credit. That is where it lands in that Marketplace business.

In terms of insurance, we are obviously making a pretty unique play into the auto insurance sector, where we think we have some very unique assets to bring to bear that can accelerate the shift to digital on customer acquisition in auto insurance, in a market that has been traditionally quite broker led. We can then do some unique things with our auto data assets. We think that is a very differentiated position. I am not too aware of LendingTree's position in the insurance market.

Marketplace continues to grow well. As Brian mentioned, we have quite a number of new product launches coming in the second half of this year. We made an acquisition of a company called BillFixers that helps consumers negotiate with some of their day-to-day bills. We will expand Boost to include rental payments onto the credit file, and, outside of auto insurance, quite a number of other launches which will really drive higher engagement across the growing number of members that we have.

On your question of subscriptions and countercyclical, every economic cycle is a bit different. What we have seen through all of the cycles is consumers are credit hungry, and if you see a point where credit supply is restricted they then tend to search out avenues of how they get credit. That is what we try and target the subscription product at. We expect that behaviour to continue if you see a withdrawal of credit supply at any point in the cycle. It is hard to scale it. It was different in the GFC than it was in the pandemic, but we saw that effect in both cases.

Anvesh Agrawal

Just as a follow-up on the Auto Insurance part specifically, is that business contingent on the sale of the autos or the consumer actually buying the cars? If a consumer is looking to switch their auto insurance can you essentially drive the business, so therefore the cyclicity of your Auto Insurance marketplace could be quite different?

Lloyd Pitchford

It is nothing to do with auto sales, really. It is purely the annual and biannual cycle of insuring your car. The maturity of that digital market in the US is very immature in comparison to the UK market, so we see a real opportunity. Remember, we have a big auto business there, with the data on all the cars in North America. We now have 55 million people on our Consumer platform. There is a lot we can do in matching up those two data sets.

Andrew Ripper, Liberum

Well done on the numbers. Just a couple of quick ones for me. First of all, the core Bureau businesses in North America and Latam have very good growth rates. Is that all volume, or have you been getting some price growth as well? Secondly, on cost, can you just say a few words and maybe just remind us what increase in wages you are paying this year, and where you are in terms of tech and data costs for this year in terms of guidance?

Brian Cassin

Lloyd can deal with the cost one. The bureaux are obviously very different between Brazil and North America, but the answer is it is a mix of all three, really. We have seen volume growth. Lloyd referenced the number of Marketplace, which tells you that credit issuance is still strong. We continue to penetrate with new products. There are some pricing actions at the smaller end of the scale.

In Brazil you still have this very strong secular trend, with positive data coming into play and driving a lot of growth. We do not really see that changing. Some of the stats coming out of Brazil are pretty significant. We are seeing a pretty significant increase in the number of people that are actually included in a financial net. We are seeing a lot of new products coming into play. That is really just benefitting the overall data environment there.

Just to give you some stats, we think that we now have more than 22 million extra people who have access to credit through the introduction of positive data. We think that has gone from 59 million to 81 million, and that is across all age groups. What we always said about positive data is that it would expand the market, and that is what we are seeing. It not just expands the market, it also expands the addressable product for that market, because positive data is a much richer data set, and the requirement for analytics and more sophisticated solutions to deal

with that just drives demand for things like Ascend and others. They are very different dynamics, but the short answer is that it is a mix of all of those things.

Lloyd, would you add anything to that?

Lloyd Pitchford

Just to add on Brazil, remember that when the government started to move to positive data the size of the credit sector to GDP is very low in Brazil in comparison to almost every other market. That is the opportunity for us. The richness of that data democratises that data into the credit market. It is just a great opportunity, and we expect it to be a tailwind for quite a number of years. If you look back – as you will remember, Andrew – it was the reason we bought the bureau in Brazil all that time ago, so we feel very good about that.

On costs, if you look at our annual wage increases, typically pre-Covid they were in the 2.5% to 3.5% range. That has ticked up this year by 1%, 1.5%. It is a bit different in each market. We have seen some of the frothiness that we saw last year start to abate just a little bit, as some of the recruitment into private equity and venture-backed fintechs has started to take some of the frothiness out of the market. Obviously we are watching it closely.

There is a lot going on in tech costs in all directions. The thing that we probably spend most time on is managing the tech transformation out of our legacy estate into the cloud, and the dual running costs that I have talked to you about in the past. Managing that is probably the principal area of focus now, rather than inflation. It is all manageable and all within our margin guidance that we have held versus the May position.

Andrew Ripper

Just a quick follow-up. In terms of Brazil, with the thicker files do you charge more, or is it all volume?

Brian Cassin

That is the wrong way to think about it, because what happens is that it gets blended. You renegotiate contracts with new products as part of the bundle. Trying to unpick the pricing in that would be pretty difficult. The way to think about it is that you expand the size of the wallet because we are providing a much wider set of products and blended scores between negative and positive data.

Suhasini Varanasi, Goldman Sachs

I want to go back to the sensitivities to slowdown in the US. What can be the impact of a sharp slowdown, specifically in US GDP? How should we think about the Group in the B2B side of the business in the US? If you think about today's mix versus 2008 or 2009 you have held Fraud and ID. You probably do not have Marketing Services. The B2B side of the business in the US was probably down mid-single-digits during the GFC, so does that basically mean that with the same mix you have something more like a low single-digit decline or maybe flattish growth in the US B2B side of the business? Some colour would be great.

Lloyd Pitchford

Just to leverage back on some of the sensitivities we have given before, if you go back to the GFC we saw about a 7% reduction in Group growth rate, from about 9% to 2%. As you say, we have the Health business now. We do not have some of the more volatile Marketing Services business. We have a larger business in Brazil that is not really driven by US GDP. If you took the same downturn scenario and applied it to today's portfolio, that 7% reduction—all other things being equal—would be something like a 4% to 5% reduction, but then you obviously have to look at different scenarios.

The GFC was a very sudden liquidity crunch that affected credit supply everywhere. Whatever scenario we have, it is unlikely to have that. Clearly the drop in mortgage has already pre-dated any future turn. You have to look through all of those movements. We have shown through both the GFC and through Covid that we have a robust and resilient portfolio. We did not go negative in either of those global crises, so we are looking ahead with confidence. The trends in our business are strong. The 7% to 9% guidance range that we have for this year is solidifying. That is probably how best to cover it.

Suhasini Varanasi

I just have one follow-up on the profit side of the business. Even when you had the decline, your EBIT was quite well protected, either during the GFC or even during the pandemic. It did not decline, even though you saw the top line decline. Is it fair to say that you have enough flex on your cost base to protect the absolute level of EBIT, even this time round?

Lloyd Pitchford

As you say, both of those examples show that we have a lot of levers to pull. We are a growth company over the long term. We expect our markets to deliver a lot of incremental value, so there is always a fine balance between managing the cost base for the short term and making sure that we are generating the long-term growth and value that we have shown we can do as a company. Our track record shows we can manage the cost base through those turbulent times.

5. Concluding remarks - Brian Cassin

Thanks, everybody, for joining today and thank you for the questions. I hope you all have a very good day. We look forward to speaking to you again in November for our half-year results. Thank you very much.