Q1 FY26, trading update
15 July 2025
Transcript

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Overview

Brian Cassin
Chief Executive Officer, Experian

Introduction

Hello everybody and welcome to our Q1 trading update call. I'm here as usual with Lloyd, who will take you through the trading performance after my opening remarks.

Q1 Overview

We've had a strong start to FY26, supported by our strategic progress and new business momentum. Q1 organic revenue growth was 8%, continuing our positive trend from Q4. Recent acquisitions have added to this to take total group revenue growth to 12% at both constant and actual rates. The acquisitions we completed last year have all performed well in the quarter and are on track with their integrations.

Organic revenue growth was 9% in North America, 5% in Latin America, 1% in UK&I and 7% in EMEA and Asia Pacific. By segment, B2B organic revenue growth was 8%, with good contributions from both Financial Services and Verticals. Globally Consumer Services delivered 6% growth, rising to 13% excluding the one-off impact of prior year databreach services contribution.

Regional Performance

North America

Now let's discuss the Q1 regional highlights, starting with North America where we had a really good first quarter and made a lot of strategic progress.

Regional organic revenue growth of 9% included a strong B2B performance, up 12%.

Across Financial Services, our 15% organic revenue growth was broad-based as we continue to shape our performance through capability extensions and enhancements. Q1 growth included client wins and expansions in a market where clients have become gradually more active notwithstanding still tight lending standards. Clarity Services, Analytics growth and further Ascend expansion all contributed positively, as did mortgage. We expect new products such as cashflow analytics and new modules to the Ascend platform to support sustained growth.

Verticals organic growth was 8%. This was led by Automotive, which signed a milestone new strategic partnership in the quarter, broadening our Autocheck vehicle history presence across the dealer ecosystem, and by Health, in part driven by strong market adoption of Patient Access Curator and our strong new business bookings performance last year. We're also encouraged by our underlying performance in Marketing Services. Audigent has made an excellent start and is expanding the use of Experian audiences across digital marketing channels.

We had a strong underlying quarter in Consumer Services, where the 3% headline organic growth number was 11% when databreach services is excluded. Membership, Marketplace and Partner Solutions (ex breach) all contributed favourably. Membership has benefited from our increased focus on financial health offers where we continue to introduce new money management features. We saw particular strength in marketplace as we scale our platform, supported by broader lender engagement and expanded partnerships, with more lenders onboarded and major lenders now launching custom models on our Activate platform. Our EVA Ai chatbot has also helped to serve stronger consumer demand with more personalized credit card offers.

Latin America

In Latin America, we delivered mid-single digit organic revenue growth, of 5%.

Rising rates and high levels of consumer indebtedness have dampened the operating environment for B2B in Brazil, and year on year revenues were flat at constant FX. Q1 saw further progress across fraud prevention, analytics and B2B software, where we continue to broaden our proposition for clients. We've acted quickly to integrate ClearSale and are excited about the prospects to broaden our propositions as we integrate the ClearSale fraud suite. SME performed well too, and in combination this compensated for more cautious approaches across our banking sector clients. Our new product execution roadmap also continues to be strong, including new payroll loan applications to take advantage of this emerging opportunity.

Consumer Services delivered another strong quarter, with 24% organic revenue growth, on expanded membership and increased revenue diversification. We onboarded new lending partners into our credit marketplace and have introduced new features to support debt consolidation within our Limpa Nome platform. In an environment where consumer defaults have reached record levels, Limpa Nome helps us to support consumer financial health, which we'll continue to focus on through our fairs and with new feature introductions.

UK and Ireland

The UK&I delivered organic revenue growth of 1%. While B2B was down 2%, Consumer Services delivered another strong performance, up 11%.

The trend in Financial Services is modestly improving in what is still a subdued macroeconomic backdrop. We continue to make good new business and strategic progress, with a number of clients are live with the Ascend platform.

UK Consumer Services made excellent progress, with Q1 growth of 11%. We've made very good progress overall with new feature introductions for our membership. Marketplace, where our panel continues to grow well, with increased pre-approved and exclusive offers on our panel leading us to outperform the overall lending market.

EMEA and Asia Pacific

EMEA and Asia Pacific had another good quarter with organic growth of 7%. We're making good progress to expand revenue from new product introductions and the integration of illion is on track.

With that, I will now hand it over to Lloyd.

Financial Review

Lloyd Pitchford
Chief Financial Officer, Experian

Trading Performance

Thanks Brian, and good morning everyone.

As you've seen we have started the year well and in line with the trends we saw at the end of last year with organic revenue growth of 8%, or 9% excluding Data breach services revenue.

North America continued its recent momentum, driven by strong double-digit growth in Financial Services. Excluding the expected headwind from lower Data Breach services activity, North America Consumer Services also grew double digits, driven by strong Marketplace performance.

Both the UK& Ireland and Latin America delivered resilient growth against challenging macro, with each showing notable strength in Consumer Services.

For the group, B2B globally grew by 8%, whilst B2C grew very well at 6% or 13% ex Data Breach services.

Recent acquisitions contributed 4% inorganic growth, while exchange rates were neutral, leading to Total growth at constant and actual exchange rates being 12% for the quarter.

Regional Performance

North America

Turning to the performance by region and beginning with North America, where we delivered strong organic revenue growth of 9%, with 12% in B2B and 3% growth in Consumer Services or 11% ex Data breach.

Within B2B, Overall, North America Financial Services grew very strongly, up 15%.

Financial Services excluding mortgage profiles grew 10% in the quarter, predominantly driven by Clarity, our Ascend analytics solutions, positive revenue phasing and some improvement in underlying client activity.

Mortgage profile revenue, which represents 3% of group revenue, grew 46% on a modest volume decline.

Elsewhere, Verticals grew 8%. Automotive had another strong quarter growing 13% driven by credit and our value recovery products. Health continued to grow well up 8%, with our Patient Access and Claims products progressing well.

In Consumer Services, premium membership grew mid-single-digits, and our marketplace continued recent momentum with strong growth across both credit cards and personal loans. Partner Solutions, excluding the expected breach slowdown, also grew well.

Latin America

Moving on to Latin America, where total revenue was up 17 % at constant currency with a strong contribution from our new acquisitions. Organically, as expected Latam improved sequentially to grow 5% organically, due to great progress in Consumer Services which grew 24% whilst B2B revenue was in line with the prior year.

In B2B, growth was consistent with last quarter. We saw good growth in high priority areas such as SME and our software solutions, though persistently high interest rates continue to impact client activity.

Consumer Services had another strong quarter, supported by new partners, while Limpa Nome also continued its trend of double-digit growth.

UK and Ireland

Turning to the UK, shich grew modestly at 1% organically.

B2B was 2% lower, with Financial services in line with prior year and a decline in Verticals revenue. The flat financial services revenue reflected the ongoing subdued macroeconomic environment.

Consumer Services delivered an impressive 11% organic revenue growth, driven by strength in our marketplace. Continued new feature enhancements and the strength of our lender panel drove a strong acceleration compared to the prior quarter.

EMEA and Asia Pacific

Moving on to EMEA and Asia Pacific, which grew 36 % at constant currency thanks to a strong contribution from our illion and Bonniversum acquisitions which are progressing very well. Organically growth was consistent with recent trends at 7%, with good progress across most markets through a combination of a strong performance across the Australia/New Zealand, India and Southern Europe markets.

Guidance

Turning now to our near-term expectations. Our full year expectations are unchanged from what we discussed a few weeks ago in May.

Looking ahead to Q2, we expect our underlying trends to continue to be strong with an overall organic revenue growth of around 7-8 %. Whilst we expect mortgage growth and some of the phasing of Financial Services revenue to moderate from Q1, we expect this to be offset by lapping the end of the strong data breach revenue in the prior year and positive trending in Latam growth.

And with that, let me hand back to Brian.

Summary

Brian Cassin

Thanks Lloyd, and so in summary, we’ve had a good start to the year with a strong first quarter, and at this stage, we’re not changing our full year guidance.

With that, we will open up the line for questions – operator?

Questions and Answers

Ryan Flight, Jefferies

Good morning, all. I am Ryan Flight from Jefferies. I have two questions, if I may. Firstly, you seemingly have marketplace strength across the board, and I wondered if you could comment on lending appetite, what is new, and current mood of lenders.

My second question is on new verticals, Health, and in particular, Autos. I have historically thought about this business as mid to high single-digit organic revenue growth, and pretty steady businesses, but the past two quarters have obviously been particularly strong. This is a pretty difficult question, but is this a new normal of growth in those businesses? Thank you.

Brian Cassin

Thank you. Just to comment on the marketplace, it is not that long since we spoke to you about the full-year results, and I think at that time we said we had not really seen very much of a difference in the marketplace. I think people felt they were pretty well positioned and in a strong position. We are obviously looking and waiting to see what may happen economically as we go through FY26. I think, in the passage of time, the US economy continues to be strong. We still see very good metrics across that economy in particular, and I think we started to see people getting a bit more confidence in that market. None of the worst-case scenarios seemed to have materialised, from a GDP perspective. There is still quite a lot of caution around, but people are getting slightly more on their front foot. I would not characterise that as a very significant change, but we do call it a modest improvement, but it is an improvement, and you can see that in the numbers.

Lloyd Pitchford

And then on Health and Auto, I think the Health business has actually been performing at that level for quite some time. We have had some very strong growth for many years now, and I think a lot of things are driving that, such as new product introductions and patient access curator, which we referenced in the script, has been a really great product addition to us. We continue to see very good dynamics in that market.

Auto is in a similar position, and I think the growth rate can bob around a little bit. We have had a few very strong quarters, but we really have a very strong track record of very good growth in that business for a very long time. There has been a particular good volume growth in the last few quarters and some good client wins. We referenced the new strategic partnership that we have just signed. That is not in your numbers yet as it has just been signed, but that is going to underpin growth as we get into the back half of this year. I think the outlook is good, and we feel pretty confident about it. I am not entirely sure if we will do mid-teens growth rates in those verticals every quarter, but they are well positioned and strong growers.

Ryan Flight

Thank you.

Simona Sarli, Bank of America

Good morning, and thanks for taking my question. I also have two questions. First of all, organic revenue for Latin America sequentially improved in Q1, but what makes you confident that you can continue improving sequentially, considering still mooted growth in volumes, and also higher comms in Q2 and Q3 and the four that are guiding this activity for the rest of the fiscal year?

Secondly, if we look at the recent news flow around the use of VantageScore for US mortgages, what are the implications for Experian and the overall trade bureau sector, and could that also potentially impact segments you operate in? Thank you.

Brian Cassin

Thanks, Simona. Lloyd, do you want to take that up?

Lloyd Pitchford

Hi, Simona. We said at the full year that we expect Latin America to be somewhere between mid and high single-digits for the full year. We obviously started Q1 in that range. Whilst we are not expecting a very starkly different economic environment, we are making good progress with a lot of our new product introductions, and I think the acquisitions we have been making there will contribute really positively to growth. We expect to be in that mid to high single-digit range probably a little bit firmer through the rest of the year than where we started. That is probably the backdrop. As you can see, consumer services continues to go from strength to strength, which is really positive.

Brian Cassin

Coming back to your second question on mortgage, there have obviously been some public pronouncements recently, and I think they are referencing some changes which may take place. If we look at those recent announcements, it appears there are two elements to it. First, it does appear that we are moving to a regime where lenders may have a choice in the use of credit scores, and secondly, it also appears there are going to be no changes to the 3B requirement in mortgage.

We have not seen any policy changes yet, but if those two elements are confirmed, it does have the potential to be positive for Experian, given our JV ownership advantage. I would say also, however, this is a longer-term question because ultimately it does depend on the pace of market adoption, and as we know, there is still a lot of work that would need to be done to facilitate any market change. We are assimilating all that and working through what the implications may be.

Suhasini Varanasi, Goldman Sachs

Good morning, and thank you for taking my question. This is one main one, to be honest. Your growth in the quarter has been 9%, excluding data breach. Can you discuss your expectations for the next quarter and the key moving parts that will get you there? Given this strong start to the year, are there upside risks to your guidance? Thank you.

Lloyd Pitchford

Hi, Suhasini. There was 8% organic growth in Q1. I think as we look ahead to Q2, the big moving parts are, first of all, we think mortgage is slightly weaker. We did 46% revenue growth in Q1, and we think that's probably mid-20s in the second quarter. We start to get into the period in the prior year, where we started to see expectations of rate recovery and a slightly higher volume. Mortgage will be a little bit weaker.

We have very strong financial services growth in this first quarter. Some of that is underlying, as Brian mentioned, and some of that is a bit of positive revenue phasing, some one-off incomes which do not sustain into Q2. Those together knock about a 1% lower growth into Q2, but we obviously end the lapping of the strong data breach services, which add 1%. You take all of that together, Q2 looks a lot like Q1. Clearly, as we move into the second half, different economic scenarios come into play. I think we will see how that progresses and then review our guidance when we talk to you at the half year, but clearly, we have had a good start to the year.

Suhasini Varanasi

Thank you.

Annelies Vermeulen, Morgan Stanley

Good morning, Brian. Good morning, Lloyd. I have two questions, please. Firstly, in your financial services, you talked about a modest improvement in underlying client activity or sentiment. Was that driven by any particular category of customer or lender? Was that more among larger lenders, for example, or was it relatively broad-based?

Secondly, just coming back to Autos, I think at the full year you spoke about a bit of pull forward of demand for Autos in Q4. It sounds like Autos has remained relatively robust, but could you perhaps talk about Autos in Q1 versus Q4 and whether you have seen any reversal of that? Thank you.

Lloyd Pitchford

Hi, Annelies. Just to remind everybody, we had very strong Auto growth in Q4, at 16%. That softened a little bit to 13%, and I think that reflects some of that activity that was around, and some of the announcements that we had at that time, but still a strong growth into Q1. We think we are going to have a good year in Auto this year. As you know, we have been broadening out the Auto business as we have really diversified our revenue streams across that sector, beyond credit. I think our expectations for Auto are pretty good.

On financial services, I think, as Brian mentioned earlier, over the last six months we have seen stable to modestly improving conditions. I think as we have come into this year, conditions have been a little bit better than we thought. I think it is obviously on a modest trend, but unemployment remains low. I think you are seeing some of the economic scenarios that have been laid out not necessarily coming to pass in the near term and some lenders being a bit more front footed. That is not necessarily across the board. I think you see some of that in FinTech and some in some of our larger clients as well. I think it is hopeful as we go into the rest of the year.

Annelies Vermeulen

Thank you.

Andrew Ripper, Panmure Liberum

Good morning, everybody, and well done on such a good first quarter. I have a couple of questions on the US. In terms of the growth drivers, you mentioned generic comments on new products, and I just wondering what you are referring to there. On Clarity, you have called it out a few times actually in the last couple of years. Can you give us a sense of the order of magnitude of Clarity now? How big is it relative to the North American business?

Finally, I just wanted to ask, in terms of the comment about the modestly improved underlying client activity, I do not know whether you could reference that as against the consumer credit data numbers we have seen coming out of the Fed, which seem a little bit choppy. They seem to be quite strong in April, but then May, particularly revolving credit data, seem to drop back again. Do you see something similar in terms of the monthly evolution of trading in North America, or should we just look at the quarter in entirety, just thinking about the go forward in terms of that underlying activity point? Thanks.

Brian Cassin

Hi, Andrew. I think it is a similar question on the underlying outlook. As you said, we have seen some modest improvements, and I think you have to look at the quarter in its entirety. As Lloyd said, it is not every category, but we have seen that come through a little bit on the volumes in the bureau. Again, it is modest improvements, but it is slightly better than when we reported to you six or seven weeks ago. To be honest, I think it reflects, as we have said, the absence of anything really bad happening in the economy.

At the time that we reported, we were only a few weeks from the introduction of the tariffs, and there was a lot of uncertainty around. I do not think that people really understood how that was all going to work out. I think there is a bit more confidence about that now, but there still remains quite a lot of uncertainty. I think that is why it is difficult to look much beyond a quarter out on that, but we sit here today in a slightly better position than we did back in May, and I think that is a good position to be in. We do not break out the Clarity numbers.

Lloyd Pitchford

We do not. Just as a reminder, Clarity is our short-term lending bureau, and we found a lot of demand for the data, insights and attributes around that data across our largest and most complex clients. We have increasingly developed new scores, new attributes, new products around that data set that are very interesting to some of our larger clients. We are calling that out. It is been a driver of underlying growth, as you say, for the last few quarters, actually, but we do not disclose the size separately.

Andrew Ripper

Sure, and just in relation to the generic comment on new products, which you led with in terms of the key contributors to North American growth, is there anything in particular that you are referring to there?

Brian Cassin

Yes. I think it is the continued strength in Ascend. We have had very strong engagement from clients across all of the new areas of the development of that platform and continue to make great strides with it. That is probably the one I would call out. The innovation that we have is very broad, so there are lots of products in the pipe that are driving that.

Andrew Ripper

That is great. Thanks a lot, guys.

Andy Grobler, BNP Paribas Exane

Good morning. I have two questions as well, if I may. Firstly, just on VantageScore, you talked about it a little earlier. Could you just help us with the scale of that existing business, how it feeds through the P&L, and also pricing on that, relative to FICO scores? Secondly, just in terms of competition, one of your larger competitors is adding employment and income data to their scores. Have you seen any impact from that in terms of market share and demand, and what are your expectations through the next few quarters from that? Thank you.

Brian Cassin

Hi, Andy. I think we have had that question on the adding the flag, and we have not seen any impact from that. That is a relatively new product, and I think we need to see how that plays out. We have also highlighted that there are lots of things that go on to credit reports, and people can compete in different ways. We will just see how that evolves over time.

We do not break out the VantageScore numbers, but as you know, mortgage market is essentially, or is all FICO. VantageScore has some revenues in the other segments of the market, in places like Auto, unsecured loans, and so on and so forth. Market share is low, and obviously FICO is the big player there. In terms of pricing, Lloyd, you want to comment on that?

Lloyd Pitchford

We do not comment on relative pricing. Clearly, we will see how the guidance around the regulations change, and then we will determine our go-to-market pricing accordingly.

Andy Grobler

Okay, thank you.

James Rose, Barclays

Hi there. I just have one question, and it is coming back to Clarity, actually, because you have called that out for a number of quarters. Hypothetically, if lending were to carry on recovering and there was a bit less of a focus on subprime, perhaps, are Clarity revenues sticky or do they come down? It is somewhat of a countercyclical revenue stream. How do you think about that going forward?

Brian Cassin

One of the things you are seeing done with Clarity is that there is just a large population which is underserved from mainstream credit providers. Yes, that may change a little bit if credit policies get relaxed, but if you look back over a decade or so, that population has actually become relatively larger. I do not think we see any fundamental change. One of the big surprises is how strong Clarity has performed over the last few years. I think that reflects the continued underlying market conditions and the ability of those lenders in that segment to continue to access good customers. We feel pretty good overall about that segment.

Lloyd Pitchford

James, the way you referenced the question was in relation to volume. There is a wealth of value in the data inside the Clarity bureau; of course, we have been innovating on top of that with attributes, trended data and analytics, and packaging that up and bundling it with other products. The value that we are extracting from that rich data is increasing, so it is not just a volume play. Of course, that is what we do across the rest of our business. We are seeing a lot of good growth there that will be sticky in the long run.

Arthur Truslove, Citi

There are a couple of questions from me on mortgage. In Q1, you grew mortgage revenue by 46% on a modest volume decline. That follows 66% in Q4, again, on a more modest volume decline. FICO does its pricing on 1 January, so I was just wondering why that gap has closed and why you are expecting it to close further between revenue and volume given that FICO pricing comes in on 1 January. Is that to do with the comps or something else?

My second question is around mortgage volume. As I understand it, the Mortgage Bankers Association is showing reasonable data year over year on volumes as we speak today. If I understand correctly, you are expecting volumes to be down in Q2. I just wondered why that was, really.

Lloyd Pitchford

Arthur, if you go back to calendar Q1 or Q4, we said that we obviously had the strong increase in pricing from FICO that we passed through. We also had some grandfathered contracts over time; some of those come through in quite a lumpy way, so price contributed more in Q1. Some of that grandfathering contribution reduced as we moved into our Q1.

When you go to Q2, we expect volume to be down year on year. We have modest volume decline in Q1. We think there will be double-digit declines in Q2. If you go back to last year, over the summer, as we started to get some of the rate-reducing cycle, you saw a bit of an increase in activity in mortgage. As we lap that, volumes will be down. When you look at commentary on volumes for the year, there is a lot of commonality. The Mortgage Bankers Association is probably an outlier there versus commentary from some of our peers, which also says volumes will be down in Q2. That is the difference.

Simon Clinch, Redburn Atlantic

Good morning, everyone. I have a couple of questions. First of all, and similar to the question around clarity earlier on, when we look at the growth in consumer services in Latin America driven by Limpa Nome, that clearly seems to be benefitting from the high indebtedness and the challenges in that market. I was just wondering this. If we were to see the economic tailwinds return for the B2B portion of that business, should we anticipate that consumer services growth starting to slow as the environment normalises, or is there a much stronger structural element there?

For my second question, I just wanted to get an update and your thoughts around the M&A environment, the pipeline, and given the uncertain macro environment ahead of us, if there are any changes going on in the context of the recent improvement comp?

Brian Cassin

On Limpa Nome, we do not see any potential drop-off in the growth of that product. You have structurally high indebtedness in Brazil. You have an enormous number of people who have debts on their file who will look to get them resolved. You also have a structural play, which is that a lot of the debt collection activities in Brazil are digitising. There is still a tremendous amount of that activity that is offline. We are the largest digital platform. We are becoming an incredibly powerful network effect there.

We continue to see the structural growth. We are signing new partners to partner with them to resolve their debt collection capabilities on the platform. We do not really see that in terms of the number of people who are in delinquency. That would take a long time to get resolved, and alongside that, you have a structural shift into how that market operates. We are by far and away the organisation that is best positioned to benefit from that going forward.

There is also strong growth coming from other parts of the consumer services business. We saw very good growth in our marketplace business, which we built. It has been operational now for quite a few years, but it obviously was not a material contributor as we went into a tougher economic environment in Brazil and there was less credit being extended, certainly into the low prime segment. If you have more of a recovery in Brazil and therefore an extension of credit across that spectrum, we are going to be one of the biggest beneficiaries, because there are not that many places you can go where you can access large audiences. It is a tried and tested route we have done, both in the US and the UK. We know what we are doing. We have built the platform. We have a fantastic brand, reputation and large audience, so we would expect that to be a material growth driver for us in the future as well. I do not see any change to that.

On your question on the M&A, nothing has really changed since we spoke to you seven or eight weeks ago. It is still the same environment. We continue to have a lot of opportunities to look at, but whether any of those will meet the criteria or be able to be executed remains to be seen as we progress through the year.

Lloyd Pitchford

On consumer services in LatAm, the long-term trend in Brazil and LatAm is increased credit penetration. It is under-penetrated in the consumer segment with credit. It is increasing. That is the secular growth driver that will help us monetise the audiences that we have created. If you take individual months and quarters out of the agenda, this will be a very positive business for us to have in an economy that is increasing its credit penetration.

Simona Sarli

I have a couple of follow ups. First of all, on Auto, you mentioned you had signed strategic partnerships that are not in the numbers yet. When should we expect to feed through numbers? Can you quantify the potential revenue impact?

Going back to Health, you mentioned that it was growing 8% in Q1, which is a little bit softer compared to Q4. Is that an impact from cuts in Medicare and DOGE? What is sustainable for the rest of 2026?

Brian Cassin

On the Health one, the answer is no. On those changes that were announced, we will not see any impact on that for a couple of years. The Health number is just the quarter-on-quarter movement, sustained at a high-single-digit growth rate for quite some time, so we do not see any change there.

On the Auto, as we referenced, there is no impact from that contract. Lloyd, do you have any further detail you want to give?

Lloyd Pitchford

It is important to call that contract out, because it is a new strategic partnership. It is a demonstration of how we continue to broaden and strengthen the network in Auto. As we highlighted in some of the slides that we had at the full year, this is a business that has grown double digit for 20 years. The strength of our verticals is something that you will increasingly see us talk about. They are very broad-based businesses.

On Health, you have seen us win some market share there from competitors over the last 18 months. We saw a very strong finish to last year, but high single digit is a guide for the year ahead.

Concluding remarks

Brian Cassin

Thank you everybody for joining today and thanks for all your questions. I wish you all a good day and we look forward to speaking to you again in November for our half-year results. Thank you.

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