



# Barclays 2023 Credit Bureau Forum

## 6 September 2023

### Transcript

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## Welcome/Introduction

James Rose (Barclays):

Good afternoon and good morning. I'm James Rose and it gives me great pleasure to introduce our next session with Experian. Once again, we have an excellent series of speakers over the next two and a half hours. Turning to the agenda, we kick off with a fireside chat with CFO, Lloyd Pitchford. We then hand over to Alex Linter, CEO of Experian Software Solutions, responsible for the rollout of Ascend and other big data products, to talk us through the next step for credit decisioning, analytics, and fraud software. We then have a short break for 10 minutes but return to three more presentations.

The first is from Valdemir Bertolo, CEO of Brazil, who will walk us through how Experian intends to capitalise on its strong market position and unique opportunity in Brazil. Second is Jennifer Schulz, CEO of North America, who will shine a spotlight on the opportunity in North America Marketing Services and Targeting. Thirdly, we end with insights into Consumer Services with Jeff Softley, President of North America Consumer Services, and Rakesh Patel, General Manager of Marketplace, outlining the journey towards being a financial platform for consumers.

At the end, we have a Q&A session where I'll put your questions to the whole team on any of the prior presentations. To ask a question, please submit either through the box on the right-hand side of your screen or email me directly at James.L.Rose@barclays.com. But enough from me, let's get started. It's a great pleasure to introduce Lloyd Pitchford, Group CFO, and thank you Lloyd for the superb lineup that is ahead of us.

## Q&A with Lloyd Pitchford

Lloyd Pitchford (CFO of Experian):

Pleasure. Thanks James, and welcome everyone. It's always an exciting time at this meeting each year to be able to profile some of the exciting strategic developments we have, and you'll see from the team a series of presentations, many of the people that you've seen present at this event every year for the last number of years about the next stage of our progress. So, some exciting things to talk to you about today.

James Rose:

That's great. And if I may, I'd like to begin with focusing on long-term growth and addressable markets. So first of all, in the US\$55 billion market identified in credit fraud and identity, and your goal is to lead the next phase of market evolution, tell us about that, what is that next phase?

Lloyd Pitchford:

Well, I don't want to steal Alex's thunder because he's up next and he'll give a bit more detail in this, but you'll see that the integration of all of the different things that we can do for clients with Ascend at its core, bringing together all of the capabilities to help our clients succeed, that's really the next stage. Many of the building blocks that we've been putting in place for a number of years, with Ascend we now have the capability to integrate and bring better outcomes for clients, and they're demanding it and working with us in helping to develop it. So, Alex will deal with quite a bit of that in his presentation shortly.

James Rose:

And we look forward to it. Within that addressable market as well, can you outline Open Finance and alternative data as being a significant portion, if not the biggest portion of the addressable market? Can you bring that opportunity to life to us and say how do you access that?

Lloyd Pitchford:

I think we've talked, and in the market, you hear people talk a lot about alternative data. In the end, it's just data, it's data that hasn't yet been used in a traditional way to be able to unlock value for clients, but the richness in transaction data that we can bring as we get access more to that data and the new analytical techniques become unlocked by technology, that's how we can expand into those areas of the market. And we're only really scratching the surface of the data that could be available to us to be able to support clients in their analytics and their decision making. And every year the frontier of the data that we can use is unlocked ever further by technology, sometimes organically, sometimes in leaps of changes of technology, and we've seen quite a bit of that this last year with the exposure to Artificial Intelligence and large language models. But the direction of travel is one way, and we have the capabilities, the skills, and the team to be able to unlock that value hidden in that data that hasn't traditionally been used.

James Rose:

And on that theme of technology changing and opening up new opportunities, I think we've spoken in the past as well about how your products and services play a role in the digitisation of financial systems, and ultimately, it's about saving customers money and time. Is that still a material growth driver ahead? Is there still low hanging fruit to go for there?

Lloyd Pitchford:

For sure, and if you talk to any of our clients, in many cases the siloed nature of the different things that they do with data inside their bank or their financial services organisation, there's a real opportunity to integrate that end-to-end for them. They have ever-growing regulatory needs that you can use data to be able to meet in an efficient way, clearly there's a lot of productivity improvements that can come from that, but there's just a huge opportunity to use new sources of data in new and innovative ways to help our clients grow and to create better outcomes for consumers, which of course is what we're all here to do.

James Rose:

And of the broad range of revenue opportunities across the group, which ones do you think that the market is going to see more clearly when building back to high single-digit, even double-digit organic growth in the next few years?

Lloyd Pitchford:

I think you're going to see quite a number of them today actually, and they build on the themes that we've talked to investors about consistently for the last number of years. The consumer opportunity, really becoming the consumer's bureau, helping them to meet their financial goals in life with an ever broadening range of things that we can do, and Jeff Softley will talk about some exciting developments which we're launching in the coming weeks. The opportunity in Brazil, it's been something that we've been working on for quite some time, we're really into our stride in a market that is ever broadening and is being unlocked by data and you've seen us

make a number of acquisitions on top of the organic development we have there. The opportunities that we just talked about in the combined analytics, credit, and fraud, and decisioning arena really unlocked with Ascend at its core.

We've developed in Ascend by a great distance, the market leading platform embedded in the largest financial services organisations globally. We can use that now to tie together in an integrated way that we never have before in the market, can't see from any other competitor. And then as we're seeing the shift more to digital marketing, how identity at the core of that we have a really important and interesting role to play, and Jennifer will talk about that now. I could talk further than that about opportunities in Healthcare and Auto, et cetera, which we're a very broad portfolio of company, which makes us very resilient as you've seen in the financial performance over the last 18 months as the world economy has had a few more headwinds, but those are four really interesting opportunities and you will see a lot more of that as the presentations evolve today.

James Rose:

Great, we look forward to it. I have to ask you about current macro. We've seen credit supply tighten already, and I think there's still concerns out there that the employment statistics or the US consumer could weaken. Do you think that things could still slow before they improve, or what are you tracking most keenly on your side?

Lloyd Pitchford:

Yeah, I think we're all watching the same economic statistics. If you go back a year, a bit more than a year, we were expecting things to slow and they did. I think the pace of that slowing and the tenor of it has shifted a bit to the right. And we've seen that we were expecting this time last year, probably the nadir of that to be in calendar Q1, that's shifted out. And to be in a trend of gradual tightening, I think we've seen that through this last six months, we're still seeing that in terms of the response to a higher interest rates from consumers. It's manageable just now and I think you're seeing, and we talked to the market just five, six weeks ago with our Q1 results. So those trends continue and we're confident that we'll continue to grow well this year and in the guidance range that we've given and translate that to good EPS growth this year, and we'll see how it develops and evolves in the second half of the year.

James Rose:

And to the second half and possibly beyond it as well, what market conditions needs to exist for the business to get back to levels we've seen previously, high single-digit, even double-digit organic?

Lloyd Pitchford:

As we talked about in May and July, it's really the volume bits of our business in core credit origination in the US and the UK particularly that are softer now naturally, given the nature of the market and what's happened with interest rates. So I think we need to see the sentiment shift to get over the edge of the cycle of tightening interest rates towards expecting interest rates to be looser, and then confidence comes a bit more back in the system. Delinquencies whilst they've come back to where we were a little bit above in some cases where we were pre-Covid by historical standards, they're still low, the banks are very well capitalised, but it's the sentiment into the system and the uncertainty into the system that I think we need to see resolve itself before the core volume metrics start to flow.

James Rose:

That all makes sense. And market conditions of course out of your hands, but investments of course aren't. Again, in the past, we've talked about technology platform transformation, can you give us an update as to what stage you are at? What's different parts of the group?

Lloyd Pitchford:

Yeah, I think nothing really new to say here. This is a long-term change programme, as it is for all of our competitors, across all of us. We're in a transformation programme that is five to seven years long, and I would say if you look at our business, we're fully transitioned to the cloud in a number of our businesses, principally the consumer business, we're well progressed in the North America business and expect to really get past the hump of that work over the next year. And in the Brazil business, the positive data bureau is fully cloud enabled and delivered, the negative data bureau will transition to the cloud, and then the UK is still to come. So well transitioned, and you're seeing with the technology launches and the product launches that we're making, we're able to, with that technology, backdrop, put some of the industry-leading products into market that our clients are really pleased with. So we're making good progress, I would say but there's another few years to go.

James Rose:

And you mentioned your peers are also making substantial investments. In your platforms, what does it specifically enable? Is this an incremental growth driver and can you bring products which couldn't have previously brought to market before?

Lloyd Pitchford:

I think it's important to say ultimately everybody in the market will be on the cloud, so it won't be a competitive differentiator. What it will allow us to do is to develop products more quickly. Now in a market where everybody's able to develop product more quickly, it changes the nature of how you compete in terms of the pace of innovation, but it doesn't really change anything fundamentally, and of course, at the point that you're then fully on cloud, technology and the change of technology is a cost of doing business, so there'll be something else that we need to introduce. So I think we've often talked about this a little differently to our competitors, it's the cost of doing business. We report all of this cost in our base financials and we'd expect as we come out of this technology change, there'll be other technology changes, and we've shown that we can deliver those at scale across the group and compete very effectively.

James Rose:

Yeah, that all makes sense. And on margin, if I think about the group overall, finding ever new ways to monetise existing and new data sets you've got in both B2B and B2C with that scalability, different and diverse revenue sources over essentially the same core. Should we perceive Experian as being longer term a much higher margin business?

Lloyd Pitchford:

I think in the end, margins are a function of our of the scale and potential of our businesses and the mix of investment that we're making to pursue are the opportunities. So if we're successful, which we intend to be, the scale of our individual businesses will be bigger and that will give us



margin opportunity. The question as ever then is what are the other things that we can invest in to create new legacy businesses beyond that? And that's the dynamic of margin that we've been managing for the time that I've been CFO, I think we've shown that we're able to deliver margin progression whilst also investing and creating new legacy businesses.

I think in the future we'll probably have more choices, as we get over the hump of the dual running costs on the technology programme, the shift to cloud, as we see the improving trajectory in the UK in the consumer business and EMEA/Asia Pacific, but it'll be choices, we'll then have I think a number of other exciting things to invest in. You'll get a bit of a flavor of that from the presentation we have today, a number of the building blocks we've been building, we're only really just getting started in terms of pursuing the opportunity that's available in the consumer business, in the fraud, data decisioning business, as two examples. So we'll as ever guide on that as we come into each year.

James Rose:

And touching on the consumer business, and as that becomes a broader financial platform, there's always going to be a balancing act between I guess marketing spend, customer acquisition cost, and how much you let drop through really. How do you think about that balance and that pace? Are we going to see Experian advertising at the Super Bowl anytime soon?

Lloyd Pitchford:

Look, I think we manage our marketing spend very, very closely. I think it goes through different phases. So if you look back, we've been building our brands directly with consumers and building an engaged consumer base, and we've made great progress. 180 million consumers engaged across our three biggest markets, and growing well. Whilst we'll continue to grow that membership base, we're shifting now much more into broadening our proposition so that we can do ever more for consumers in a way that keeps them engaged and provides extra value to them, and you've seen with the introduction of Boost, the extension of that into Experian Go, and what we'll talk about today in terms of the next evolution of that, that Jeff will talk about. An increasing number of things that we can do for consumers and keep them engaged. And so the spend that we have in customer activation rather than acquisition shifts around a bit as we start to help consumers understand the various different things that we can do for them.

James Rose:

And nearer term on costs, are you still seeing more notable inflation in any particular cost lines? Anything you're having to manage slightly differently to how you did in prior years?

Lloyd Pitchford:

I think pre the rise in interest rates and the spike in inflation, we were dealing with quite an inflationary environment in technology staff costs, so that was very particular to our industry before we saw it spread more broadly. We saw that come off, so turnover and the ability to manage pay rises, et cetera in the technology industry that softened. We certainly see the effective dual run costs in the shift to the cloud and also technology providers elevating prices, but in the mix of our business, it's manageable across the group in line with the margin guidance that we've given for this year.

James Rose:

I'd like to change tack now and talk about ESG for a moment, and Experian plays a significant role in the financial ecosystem and hence the lives of many, many people around the world. What would you say to investors who invest on a social or an ESG mandate, how would Experian fit into those portfolios?

Lloyd Pitchford:

I think if I look across other companies that I see, often purpose is something that sits to one side that is created alongside the mission for the company, for us, it's central. You have well over a billion people in the world that still lack access to basic financial services, you've got nearly 30 million Americans who are credit invisible, about four to five million people in the UK. Access to the financial system is probably the biggest 'Social' cause that you could have, and our mission and our purpose is to power opportunities, create a better tomorrow for those consumers, so it's utterly central to what it is we do. Clearly as a good company, we will meet our obligations through all of the other areas of ESG but that's our mission, is to help people engage and to realise their dreams and their aspirations through a trusted access to the financial system.

James Rose:

And flip side of the data you have on people, and I think a broader trend, certainly in the EU at least, is a trend from regulators towards greater protections and permissions around consumer data. Is that something you'd welcome and as the business will accumulate more data and find new ways to monetise it, do you see regulation on that topic as risk or an opportunity?

Lloyd Pitchford:

I think we believe in the power of data to do good, and if you think about the efficiency of a financial system, it's about people being able to act with trust with others. That's what a credit score does, that's what the things that we do for all of our clients is to be able to enhance trusted relationships and to take risk out of the ecosystem through creating those relationships, and it is data that does that. So ultimately the shift that we see towards empowering consumers to control their data, we're very positive about that, and I think you see with the engagement that we have with consumers, the creation of direct relationships with 180 million consumers, we're seeking to empower them to free up the value in their data with us to help them and create the basis for them to achieve their financial aspirations. So now clearly it has to evolve in a way that's informed and we have a lot of experience of working with regulators to help them understand that, and we think we've got a powerful platform with engagement with consumers to help consumers improve their lives through empowered control of their data.

James Rose:

Yeah, thank you for that. AI, it's a topic which has moved markets, particularly in the US, could you outline what you see as the risks and opportunities for you?

Lloyd Pitchford:

I think topic for maybe two or three days, but at a high level, if you think about the evolution into large language models, it's really about the interaction between the human and data, and turning that into a way that is manageable and understandable, and that expands the value case for data. So for us, we see any technology enablement that can allow you to do better, newer, more innovative things with data expands our potential market, and we see that as an opportunity. As an example, some of our most complex products can be simplified for mid-tier or

early tier clients who wouldn't naturally perhaps be customers for some of our more complex activities. Internally, it helps us save money, allow customers and consumers to self-serve more in a way that meets their needs, that allows us then to invest more in product development and pursue other growth opportunities.

So a lot of opportunity we see, but still at the early stages. On the threat side, clearly we need to make sure that we have very good control of our data, as we do. We have proprietary data sets that aren't accessible to others to be able to use artificial intelligence models on top of, and we need to make sure that that's the case. And we also need to make sure that we've got our defenses up because artificial intelligence is being used by bad actors to be able to access people's ecosystem and infrastructure. So we're pretty highly attuned to this and it's a topic on our agenda many times every day, and my colleagues will I'm sure touch on that.

James Rose:

Aware that the market could often get ahead of itself as well, what do you think we should think about AI impacting and/or the cost revenue side of the business? What sort of timescale could it actually have an effect?

Lloyd Pitchford:

I think we'll see the ability to introduce new products quite quickly. Are those revenue dial moving products? I don't think so in the short term, I think it's something that it will evolve naturally. Similarly, I think we'll be able to use it to help the interaction with clients and with consumers on the support side, but it will take some time for that to develop meaningfully, I think. You can bet it's something that we're working intensely on, applying capital to, to make sure that we'll be a leader as it develops. Just my nose with how I've seen new technology evolve, it takes a little while for it to move the dial.

James Rose:

Right. Turning to competition, when you look at the competitive landscape, it seems like all three bureaus seem to be diverging somewhat when it comes to strategy or particularly capital allocation. Would you agree with that? And where you are moving into slightly newer markets for yourselves, are you seeing new sources of competition?

Lloyd Pitchford:

I think if you look back over the years, if you just think about the core bureau market for a second, we've each prospected different areas. Some of us have gone into different areas first and others have followed. We moved into Healthcare, TransUnion followed, we moved into device identification, TU and Equifax followed. Equifax pressed successfully into income data, we followed. We established a leading position into Brazil, Equifax followed. So I think you can see a pattern of exploration that then if market opportunity emerges, we can follow each other in a certain way. I think there are some unique pieces though to strategy that I think we sit with. The first one is the scale and breadths of the things that we can do for clients, and you'll see that today. The ability to combine data, fraud, decisioning, and analytics and deliver it in an integrated way for clients, they would have to buy that from multiple providers, including our competitors.

The consumer platform is unique. As you know, we took a very differentiated view at a time that it was hard to do that with consumer, and we're making just outstanding progress in being able to build that platform where we'll be able to do many things, and you'll see again today another product launch that extends us into another area of engagement with consumers, but it's really

exciting for what the consumer business could come over the long term. So I think there's a lot of opportunity that is delivered for us by that unique strategic positioning of the breadth of what we do and our consumer access.

James Rose:

And touching on employment verification and how much of a pillar of growth that could be for you in the future, the market's opened up, you've seen very rapid growth against a large incumbent. How do you see that business evolving and what would make you decide to allocate more capital towards it?

Lloyd Pitchford:

So the answer to that second ones are really simple. We have lots of opportunities, we look at them, we rank them, and we compare them. If we think we can invest more capital in any business, create substantial value and returns, then we will, and you've seen us do that with the verification market. We think it's an interesting market where we can grow well and get a meaningful business. That's a different question from saying, can we be a market leader given the position that Equifax have? But it's going to be a really important growth driver for us and it's important to our clients. There's a competitive market for that data rather than there just being a single provider. So as you know, we entered that market at the encouragement of our clients under Alex's leadership, and we've made a great contribution to growth in quite a short period of time, we expect that to continue.

James Rose:

And as final question, if I can go back to a broader lens again, a common question I'm sure you and we often guess is on the cyclical of the business overall, the credit cycle plus is it just a function of customer markets spending? And I'm aware a lot has changed in the portfolio over the years and there's actually a lot of software sales in the business now, what is your take on cyclical? How do you present that?

Lloyd Pitchford:

I think every cycle is different, and we are such a broad portfolio that it's very difficult to just answer that with a single answer. I think what we've shown is that we're a very resilient company. We've never gone negative across a year, we grew well through the Global Financial Crisis, through Covid. You saw in a difficult environment last year, we grew 7% organically. You've seen our guidance this year in another difficult year to grow, mid-single digit and turned that into mid-single digit range earnings per share growth. That's a really resilient portfolio that we have and that's in a depressed, or an economy that has headwinds in terms of volume and I think it bodes really well for when we see those volume bits of the business recover.

James Rose:

That's great, Lloyd, thank you for giving your perspective on that range of topics. It's much appreciated.

Lloyd Pitchford:

Pleasure. Thanks James.

# Our integrated approach: Credit Decisioning, Analytics and Fraud software

James Rose:

Okay, we now turn to our main presentations, to presumably go into more detail on some of the topics we've just discussed. I'd first like to introduce Alex Lintner, CEO of Experian Software Solutions, to talk us through the future approach to credit decisioning, analytics and fraud software. Alex, floor is yours.

## **Experian operates in large and rapidly expanding markets**

Alexander Lintner (CEO of Experian Software Solutions):

James, thank you very much and good afternoon to London. Good day to everyone here in the US. I'm Alex Lintner, CEO of ESS, Experian Software Solutions, which is a newly formed division of Experian that has pulled together some of our most successful software products under one roof. Go to the next slide, please. It made sense for us to do that, to pull together some of our most successful software products under one roof because software is a significant part of the markets that we operate in. As you know, we serve markets with an overall size of over US\$130 billion in a software propositions within address US\$37 billion of spend by our existing clients and it's spent on analytics, software and services, decisioning software, fraud, risk detection, and fraud monitoring solutions, as well as on ID authentication software. Next slide.

## **Our software business is an exciting growth opportunity**

Our clients invest in these types of software products because there are several trends on their side which allow them to extract more value from their business by implementing programmes that help them execute specific complex tasks that I'll be describing in the course of this presentation. And their demand grows as they leverage more data to better predict credit risk or address growth opportunities. And they refresh the commensurate models and the data that they use and the extrapolated attributes of features that they built on top of the data frequently. And they want to monitor, as they are required by regulation or internal governance, regularly to know that the models that they have developed do not drift, do not perform differently than they have forecasted.

So they may also look to consolidate the number of vendors that they have to cover the entire model lifecycle. Lloyd has touched on that. Let me put that in other words, they may want to avoid the costs that are associated with work that they have to do internally in order to stitch together solutions from a disparate set of vendors in order to make these disparate set of solutions or string of applications inter operate. We take that burden away from them. Next slide please.

## **Experian's clients buy software to harness the range of industry data that enables them to achieve their business outcomes**

In fact, if we look at Experian's own journey line of, for example, our data business here in North America, we find many examples of new data added to our portfolio in order to cover client needs. They wanted to understand alternative or short-term lending, hence the Clarity acquisition. They wanted to understand consumer permission data, hence our consumer

division and Boost to entice consumers to contribute data. Clients want an alternative to the sole provider up to that point of income and employment data. So we added it to our portfolio and most recently, we are accumulating the largest Buy-Now-Pay-Later data bureau in North America. So as you can see, this evolution has accelerated greatly since 2017. All the pink hexagons here are 2017 or beyond, meaning that this sort of data enrichment trend in the industry is a recent phenomenon, one that has happened in the past five years. Next slide, please.

### **Clients are pushing for a more integrated approach to enable them to deploy models more seamlessly into production i.e., drive ModelOps**

Our clients use that data to create credit risk, marketing fraud or decisioning models. And as they explore the data that is available to them, they often realise that some elements would either create inaccuracies or are incomplete for covering their entire target population or they create unintended bias, which would be unlawful. In specific, these first two steps in their process are so tight that they eliminate more than half of the data that is theoretically available to them, and that is a very iterative and tedious process for them to go through. But once they are through that data wrangling, as the industry call it, stage, they verify or certify a model and then register it as ready for production.

But the analysts who develop the model use different languages to validate and test data and to then promote it to production compared to what the IT department uses in order to run a model in their operations. So a manual, paper-intensive handover process is used to move the model into the operating environment in most of our clients today, but they get through that too. And then finally, after many months pass, the new model can be executed.

At Experian, we have collaborated with many of the world's most iconic, most well-known financial institutions to identify inefficiencies, to look for causes of delays or rework, and we co-develop with them a cloud technology platform.

### **As demand for integrated solutions accelerates, we are putting the industry leading Ascend platform at the centre of our strategy**

Next slide please. That includes analytics and model development applications that we have featured and demonstrated before here at the Barclays Credit Bureau forum. Those specifically would be the Ascend Analytical Sandbox and the Ascend Marketing Sandbox, but it also includes, and was augmented by, new applications that round out our analytical use cases, namely the Fraud Sandbox and Feature Engineering Studio. We also launched a new offering called Ascend Ops, which creates that missing link to enable seamless integration of analytics into production, be it for credit risk, decisioning or fraud models. Next slide, please.

### **Over 100 of the largest global financial institutions use Ascend, and they are collaborating to help us build the unique integrated platform of the future**

Of all of those elements, and most of you know how successful the Ascend Analytical Sandbox is, none has been adopted more quickly than Ascend Ops. All the major Ascend Sandbox clients have added it, which as you remember from previous presentations, includes most of the large banks in North America. And we are now rolling out Ascend Ops to the UK, to Brazil, to Spain, to Italy, and I'm sure, in the future, to other countries. Next slide please.

## **PowerCurve is recognised as an industry-leading Decisioning tool; faster deployment and integrated analytics unlocks new client opportunities**

This analytics suite of products is complimented by two other software lines of business that we have at Experian. The first is decisioning, our PowerCurve offering suites, which was launched 13 years ago. It is now easier for clients to implement, resulting in time and money savings when we onboard them. And just recently, it has earned recognition from a very well-known independent industry analyst as best in the industry. And additionally, it's being integrated with the Ascend Analytics suite and I will demo that here in just a few minutes. Next slide please.

## **As Fraud proliferates, Experian software leverages our data, analytics and machine learning for a more timely response and reduced losses**

The second largest business to compliment our analytics suite is fraud. Like analytics, fraud is an area where we have leveraged AI and Machine Learning for years, but fraud is unique. It's unique in terms of its data intensity that can be measured by the number of events screened. In our case, we measure almost 100 events per second, or 8 million every single day. Or you can measure the data intensity by the number of attributes used as fraud protection features. We use currently 2000 of them, and our clients appreciate the ability to choose from such a broad array of attributes, depending on their specific risk profile.

Why are we able to do that? Well, we feel that we're uniquely positioned to provide both the data and the tools to help our clients, to help them stay ahead of the accelerated pace at which the threat landscape is changing, as Lloyd has mentioned earlier. And we're investing in the development of products that do just that, that detect fraud attempts and save our clients billions of dollars. In the upcoming demo, you'll see our newly launched Fraud Sandbox, providing fraud insights previously not available by any means to our clients, not in a manual way and not by any other software provider. Next slide, please.

## **Clients are increasingly buying more products from us, unlocking the potential for integrated solutions, enhanced profitability and retention**

The demo will also show how our solutions are integrated, much like you would like to see on your app store. It's easy to load them on your phone and to switch between applications on that device. That, we have learned, makes it easier for clients to buy more than one of our software applications from us. In fact, clients who purchase two or more products for us make up 90% of the revenue, but only less than half of our clients do so, only less than half our clients buy two or more. With this new integrated platform, we intend to grow that share of clients who buy more than two solutions from us. So let me tee up the demo.

And you will see that all applications feature, and there will be three, reside on the same cloud technology platform. Next slide.

On that platform, we have applications that support analytics and model development, and that includes the tool that you will have seen here before at the Barclays Credit Bureau forum, namely the Ascend Analytics Sandbox and Ascend Marketing Sandbox.



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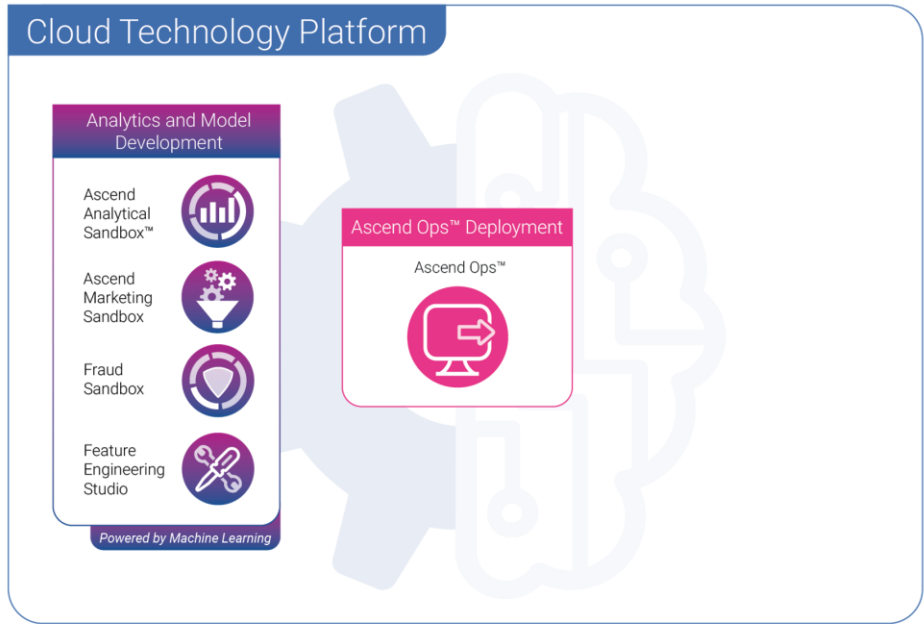
But it also includes new analytics offerings, such as the Fraud Sandbox and our Feature Engineering Studio, both of which we have recently launched.



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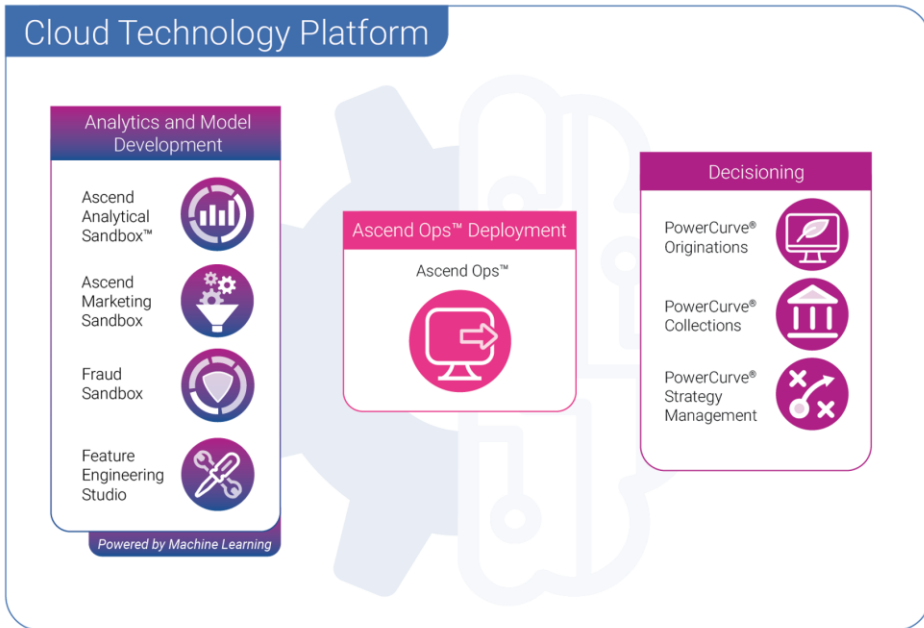


In addition, our cloud technology platform hosts our Ops application, which facilitates this seamless deployment of analytics into production, that I described earlier as explicit client needs that has been articulated to us.



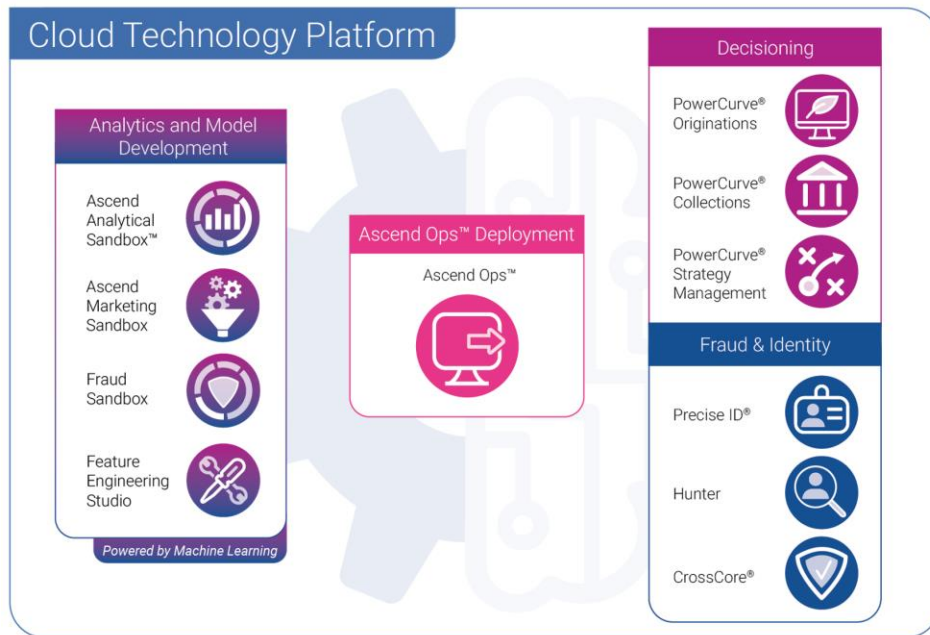
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And production can mean credit risk models for screening loan applicants, or it can mean models within a high velocity online decisioning environment that supports low originations or collections.



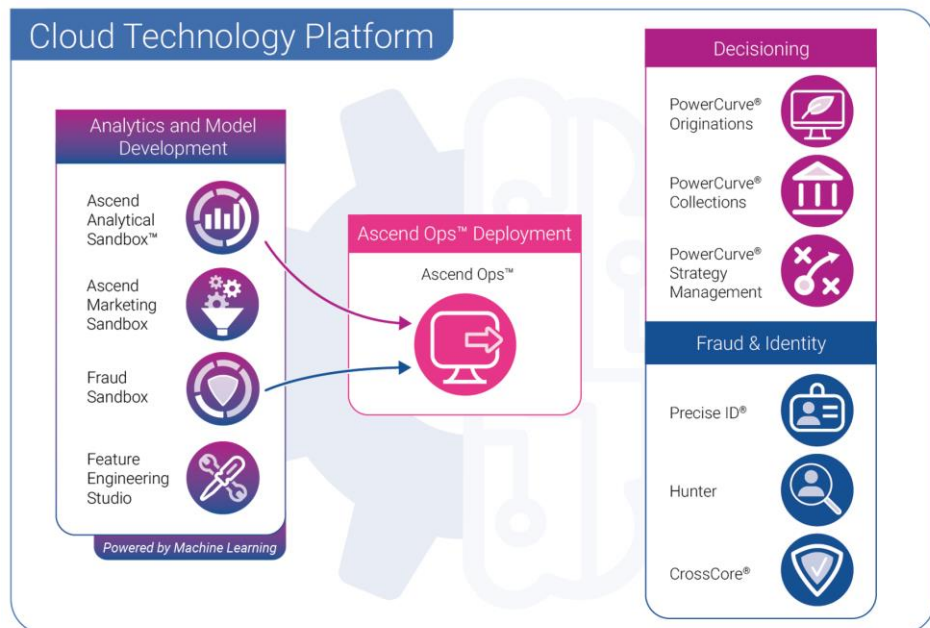
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Production can also mean taking analytics stemming from the Fraud Sandbox into production, into one of our fraud product line products like Precise ID or Hunter.



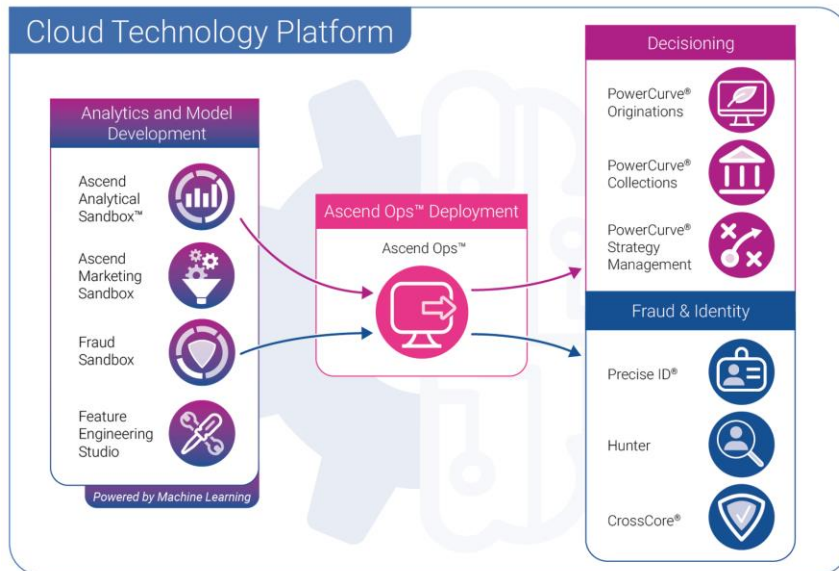
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The beauty of this platform from our client's perspective is that the flow of data features and models through Ascend Ops eliminates much of the tedious, time-consuming and paper intensive deployment of all of that valuable analytics work that has been done at the front end.



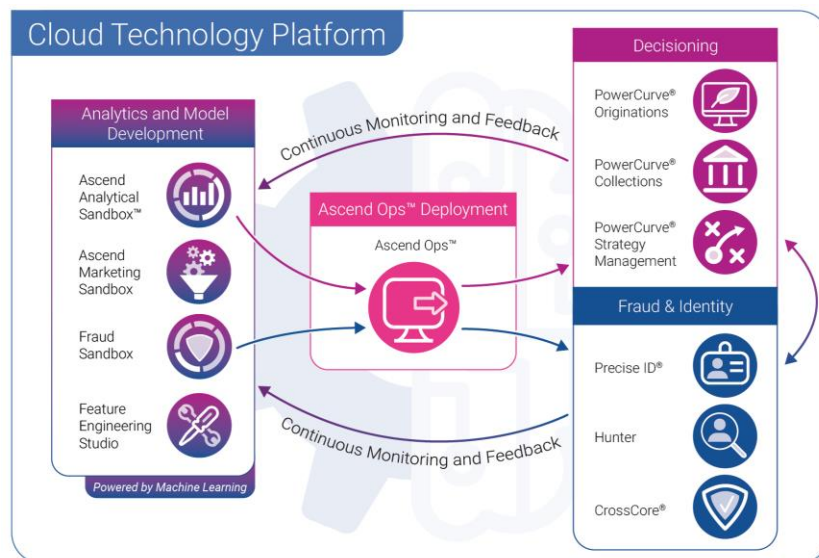
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And it flows the data through Ascend Ops into the production environment of their choice, regardless of whether it's focused on decisioning or whether it's focused on fraud.



Next slide please.

Furthermore, and maybe most importantly from our client's perspective, our platform allows for continuous monitoring of model drift and thereby provides a closed feedback loop, that is next to the earlier described data wrangling process, the second most labor-intensive task in the model lifecycle. And it's mandated by regulators or internal governments in a bank, and therefore it's high stakes for those who are responsible, to say the least. But rather than manual and sporadic monitoring supported by people, this process now is supported by GenAI took me this long to even say that, and therefore it can be continuous. It's a characteristic of our offerings that's particularly appreciated by clients because it allows them to react to any drift immediately and it allows us to proactively prompt them to look at specific attributes as extrapolated data or data elements that they should remove or add in order to avoid the model drift.



Next slide, please.

## How can I...

The target audience for our platform and applications are typically chief risk officers and their teams. They want to understand, manage, and minimize risk of any loan portfolio to a level that is acceptable, while supporting the growth of their business and meeting all regulatory and compliance needs.

So I know I've tried to explain a lot, but nothing will make it come to life as much as a demo. So the demo that you're about to see, next slide please, covers three applications. One from our model development environment, specifically will be the Fraud Sandbox. The second will show how we enable this seamless deployment of analytics into production with Ascend Ops. And the third is a production use case, in this case being our power curve strategy management application. So with that, let's show the demo. [Please access the demo here.](#)

## Demo video:

The world of fraud moves fast. Fraudsters are smart and sophisticated, and they're using many of the same tools as the institutions they target. Fraud trends are keeping in step with advances in fraud detection technology, sometimes even outpacing innovation in the fraud prevention space, all to our clients and consumers detriment. Recent advances in artificial intelligence ensure that the acceleration of technology will only continue to propel us towards new trends, new advances and new threats. Today more than ever, lenders need data and tools, not just to keep up with trends but to stay ahead of them. Last year, US businesses alone saw more than US\$43 billion in total losses due to identity theft and fraud. So how do we respond? How do we combat these ever-evolving threats?

Experian has embraced machine learning and AI allowing our clients to make better decisions faster. Several years ago, Experian launched the Ascend Sandbox, a complete analytics environment designed to allow our clients to build advanced lending models and track their portfolio performance against the industry and their peers. This product has been responsible for new insights and competitive advantages, fundamentally changing the way lending decisions are made today through the use of machine learning.

The market has responded. Experian is proud that we now have over 80 clients worldwide using the Ascend Sandbox, including 22 of the 25 largest financial institutions in the US. In addition to onboarding new clients nearly every month, the number of users per client also continue to be on the rise for the fifth year in a row, indicative of the value that this solution brings to the industry. Today, we introduced the Fraud Sandbox, designed to bring that same strength of insight to fraud detection and mitigation. Using this new tool, our clients can detect and research new fraud trends and build new mitigation models that allow them to make safer decisions while delivering better borrower experiences.

Historically, developing a new model and moving it into production has been a slow, laborious process that takes most organisations weeks, if not months, allowing fraudsters ample time to exploit a vulnerability. With these tools, we're closing the gap in time between fraud detection and mitigation. So how does it work? When a fraud analyst accesses the Fraud Sandbox, they work on the same Ascend big data platform, being able to jump from one application to another using one single control environment. Data science and machine learning tools like Python, H2O and others, that they can point at a treasure trove of fraud data hosted in a cloud-enabled big data environment.

Analysing where and how fraudsters are exploiting vulnerabilities is the first step to identifying trends and building models to detect fraud in real time. Machine learning tools can spot patterns that analysts might miss, like clusters of applications that share some common attributes, not

just at one lender, but across the industry. Here we can see applications originating from email addresses that all have common traits, an address created less than a year ago at a cloud hosted email provider using similar naming formats.

Across the industry, those applications were associated with fraud at a rate of nearly 60%. As a fraud analyst, I can then apply that pattern to my recent applications and account openings and see that I may have a huge problem on my hands, over 100 approved applications, resulting in US\$1.4 million of new exposure. I can dig even deeper. Looking at just one instance, I can see where one of my booked accounts matches up to 10 additional applications across the industry, using different variations of email, phone, and address to avoid raising any flags with different issuers.

Previously, this type of analysis would not have been possible, especially not at this scale or at this speed. Fraud trend detection is a complex exercise with disparate data sources that until now often only brought insight much too late after the damages done and fraudsters have moved on. But with the Fraud Sandbox, we're closing that gap, exposing vulnerabilities at a pace unheard of before in the market.

Now it's time for action. I need to mitigate this exposure in my portfolio and build a new model to detect the threat in new applications. With best-in-class data and tools, the Fraud Sandbox allows me to quickly and easily develop a new model to keep future fraudsters out. Once the model is built, hosting and deploying that model in a powerful, flexible production environment is key. That's where Ascend Ops comes in. Developed as a full cycle model. Operations management console, Ascend Ops allows organisations to containerise, test and promote models into production with ease, all while capturing robust metadata for governance and version control.

We're still on the same Ascend platform, easily toggling between the analytics and model development area to model operations and production and back again, as needed. Once in production, all models are accessible through a modern API that reflects Experian's code once, deploy everywhere philosophy. Meanwhile, our continuous monitoring capability automatically provides feedback to analysts and data scientists when the model features drift and scoring begins to degrade so that models can be retrained, versioned, and always remain relevant.

Now that we've deployed our model in Ascend Ops, that model can be called directly using a restful API request. Or perhaps we want to use that model in a larger, more complex strategy. We need a strategy design environment that allows us to have masterful control over our decision-making capability. Enter PowerCurve Originations essentials. Over the last several decades, Experian's PowerCurve decisioning software has become an industry mainstay. PowerCurve Originations Essentials is the latest cloud-based iteration of our decisioning suite. Using advanced tools and an intuitive design interface, strategy designers can quickly and easily build and modify how applications are decisioned. Calling our newly developed and deployed model in real time, clients can build champion challenger tests with a few clicks of a button and test new strategies and models without interrupting their business as usual operations, allowing them to mitigate their risk while optimising their revenue potential. With the integration of the Ascend Sandbox, Fraud Sandbox, Ascend Ops and PowerCurve, our clients now have the purpose-built tools that they need. Powerful tools on their own, but even more powerful when used together in an end-to-end solution which we've shown here today.

In much of the industry today, these development and operations tools are currently in disparate systems that don't integrate with each other. As such, moving a model from development code into a containerised model, testing and deployment into production in a strategy is a tedious, error-prone and time-consuming process. Yet we've done it here today with just a few clicks. Once again, we're closing the gap between fraud detection and mitigation, and every second

that we have a vulnerability that we either haven't detected or acted on can mean thousands of dollars in fraud losses. Our clients tell us this Experian technology is a leap forward, not only in capability, but ease of use, saving them time and money. It's just another way Experian continues empowering opportunities through world-class data and innovative technology.

## Summary

Alex Lintner:

All right, I hope you enjoyed the little video of this demo, and I hope you got a little bit of a flavour of the large and fast-growing markets that our enterprise solutions address. Our clients buy that software because the combination of our data and the software allows them to integrate not only our data with their data, but our data with their data and third party data in ways they have not been able to do before, and therefore, giving them insights that are truly valuable.

They are pushing for fewer vendors who have this whole value chain arranged. They're pushing for a more integrated approach, and our development investments are all about giving them just that. It gives them efficiency and better performance. It saves them time and money, allows them to retain clients better because a client that suffered fraud is very likely to depart, and improves our own profitabilities, our products that are at scale meanwhile and therefore, are very profitable. Thank-you very much for your attention. James, back to you.

James Rose:

Thank you, Alex. That was a really useful video to bring that to life for us. We now have time for a short break, just under 10 minutes, we'll go for. So we'll see you back here at 4:35 UK time or 11:35 Eastern time. Don't go far. We've got another four speakers lined up for you. See you soon.

## Executing on our opportunity in Brazil

James Rose:

Welcome back everybody. I hope you are sitting comfortably, as we have three more presentations. We first turn to Brazil, where growth has been transformed over the past few years. Brazil's, CEO, Valdemir Bertolo, will tell us why the best is still yet to come. Then we have Jennifer Schultz, CEO of North America, who will introduce and present the opportunity in Marketing Services and Targeting. And then thirdly, Jeff Softley, president of North America Consumer Services and Rakesh Patel, general manager in marketplace, are going to show us the consumer proposition in a rapidly growing and broadening business.

To remind you again, we'll get to your questions at the end of those presentations. Please submit them through the platform or send them directly to me, at [James.L.Rose@barclays.com](mailto:James.L.Rose@barclays.com). And with that, I'll hand over to Valdemir.

### **A clear ambition to extend our lead in the Brazilian market with our platform**

Valdemir Bertolo (CEO of Experian Brazil):

Thanks, James. Hello everyone. Welcome back. It's really a pleasure to be here with you. In the next couple of minutes, I'll show you how we have enhanced our capabilities in Brazil and also our value proposition. Also, how we are positioning ourselves to capture the opportunities that

we see in the marketing in the near future, and of course, how and why we are confident that we are well-prepared to capture those opportunities. If you move to the next slide, please. Our ambition is anchored in four clear pillars, what we call here the OPRs. Now it has to do with our journey to the client, so really creating an incredible journey to our clients across the complete journey, offer the best risk solution, and of course, you just seen Alex presenting, using the platforms and technology to drive that in a similar way to our clients, boost Brazilian access to credit. Now still in Brazil, it's very hard for a typical Brazilian to get access to credit. Now we have a very clear path to improve that, and of course, we are always seeking for new and exponential ways to continue growing the business.

### **We stepped-up our operational performance to unlock new value pools and capture the market potential**

In the next slide, you'll see our trajectory. As you can see, we were performing quite well in Brazil in the last 10 years before the pandemic. Now we have a CAGR of 10%, but we step up substantially in the last three years, despite the macroeconomic situations that everybody else is living. I think we were effective in really managing locally the challenge that we had, and also creating new and differentiated ways to explore the opportunities that we can see. We have accelerated our inorganic growth as well in the last now three years with delivery, 10 new acquisitions that are adding quite a bit to our capabilities and also create new sources of revenue. So in the right side of the chart to see how we also expand our mark penetration and mark potential in a range of different value propositions varying from consumer audience, how to connect these consumers, increase our smart decisions. And of course one of the biggest opportunities that I see in the market right now is the fraud prevention and identity that we have in the market.

### **A winning strategy for growth – creating a unique ecosystem**

So if you move to the next slide please, we have defined a winning strategy that is now, again anchored in a unique ecosystem that we have developed and we are continuing to grow. On one side you have the borrowers and we have all the value propositions that you see in there with the credit mark, debt settlement, eWallets, receivables marketplace that I will cover a little bit later. And also lots of solutions to our lenders with the new positive data that now came into effect in 2019. And of course we are leading that solutions in the market and differentiate ourselves in the market. Although the positive data set is equal to everybody, we have more sources of positive data that are contributed by the small business in Brazil that is very unique. We create a new frontier with the AgriFinance initiative that we had, Fraud prevention and new credit initiatives. I already touched that very briefly, but the SMBs business in Brazil is really relevant and we have accelerated that very much in the last couple of years.

### **Market trends create new high-growth opportunities**

The marketing trends are really creating new opportunities for us in Brazil and we are prepared to capture them. Now since the data protection law that was enacted in 2018, the positive data opt out, that was a quite change in the market now from the previous legislation, our Central Bank here creating the Instant Payment PIX, which is actually the most used means of payment beating out the other means that we have in Brazil from the banks or any other provide. So that is a massive amount of adoption in Brazil. The Open Banking, although it's still in the early stage, we have already now have a pace faster than the UK in our market.

And here I think it's a unique situation is where we have the Open Receivables that will also enhance the capability of now small business or large business to use the receivables from

credit card or trade receivables to use as a collateral and get more access to credit. And also those market trends create new jobs to be done and new opportunities for us. You see that in the model, you see that our credit now as a percentage of our GDPs is still low comparing to Euro, US, and UK. So you can imagine that with all this new trends in all this initiative that we are seeing from the Central Bank and from the government itself, we can see this penetration growing in the near future and of course creating more opportunities for us to drive more revenue.

### **Best positioned player to capture the market trends**

In the next slide, I'll touch on why we feel and we are sure that we are well positioned to capture that. If you look in the middle, you see that we are always recognised. We have been recognised as one of the top employers in Brazil, our GlassDoor is 4.5 and actually we are very optimistic that it's going to grow even further. Why that is important because that creates access to a talent pool that is very scarce in the market, but we are able to attract them, retain them, and develop them.

So on the other side you see our breadth of the portfolio. We have more than 500,000 clients in our database now direct and indirect clients. We have extensive commercial footprint in now the verticals that we operate in very good NPS. Just to give you a flavour of that, we increase our NPS by 35 points in the last now three years and it is the highest in the industry, in the market and also highest compared to many other industries that we operate. Innovation is our DNA here. We have lots of innovation going into the market. We have our innovation data lab here. As also recognised, we've been recognised by several institutes here in Brazil as one of the most innovative companies and the most innovative companies in the service arena.

Talking about the consumer dimension, you can see that our app is the second and just losing for the biggest bank in Brazil. We've lots of downloads in our apps and also we have a very, very strong brand in Brazil. So our brand is top of mind and beats our competitors by far. We have 72% awareness of our brand in the mind. So move on a little to the next is slide.

### **The #1 DataTech in Brazil**

The way that we position ourselves is as a number one data tech in Brazil. We've tested that hypothesis. Everybody recognises our capabilities as a data tech already and that is also sustained by our history in Brazil, since the sixties, we were recognised as a tech company, bringing innovation to the market, bringing very sophisticated products, and very sophisticated analytics that is getting even better now with the new products and with the new data that is available to us right now.

In the bottom of the chart, you can see how our data sets are differentiating, not only the data sets that are captured or purchased, but also data that are contributed either by the consumers or by our large SME base. That creates a unique data set for us and very differentiated in the market. When you look at this potential of differentiation, you can see that if we grab the data from the consumer and we are doing that on a daily basis and the idea is to close this fiscal year with 5 million consumers contributing all sorts of data, you can see the potential of improvement in the quality of our scores if we get those data sets. And we are doing so, we already test that hypothesis and we got millions of contributions just by asking the consumers to contribute the data. Why they do that, even if they do not receive anything directly in exchange, because they trust our brand because they see that we can help them to get better and more access to credit.



## **Very strong growth in Small Business driven by our focus on digitization and analytics**

Moving on in the next slide, I will dig a little bit in our SMB business, which is in the Experian world is the largest that we have now. I already mentioned that we have 500,000 clients in our base and we've been growing this business quite nicely in the last number of years. 15% growth year over year. Our ambition is to continue at least at this pace with now potential to do even better in there with more innovation. And addressing one of the main challenges of the SMBs, which is getting us access to credit and also providing credit in a secure affordable way, in a very straightforward way.

Now the SMBs, they are not sophisticated to really understand the complex of a financial system or all the score is everything that we use here. So we are providing solutions that are more indicative to then what are the risks, whether they can or cannot give credit to a certain number of people or a certain business. So that is being very well received by the market and also it's helping us with the digital sales to advance quite a bit. Now we grew 25% of our sales in the digital arena. We reduce the churn by 10% and also we increase by 12% the lifetime value of all the contracts that we have with this Small Medium Business in Brazil.

## **A clear roadmap to deliver more value to SMBs and lenders with Open Receivables**

So if you go on to the next slide, let's touch a little bit of the open receivables opportunity. And the open receivables as I mentioned early on, it's a good way for us to serve this market as a credit as a service full journey and that was enabled by the recent acquisition of Mova. So we can use now the open receivables that either the SMB or a large company has to boost the financial inclusion of this business and really help them to get access to credit. We already have 125 SMB base consents to use the open receivables and that reduces the thin file, increases the estimate revenue that we have for those business and of course reduces the credit rates for those business because they have a clear and solid collateral to approve the credit.

So on the other side of the slide in the right side you see how big this market can be and we are well positioned to capture that, and really create this lender journey with expanded credit journey, new scoring analytics, receivable as a collateral, and receivables as an advance. So we feel confident that this is going to be a substantial source of income for us in the couple now years ahead of us.

## **Serasa has become one of the biggest Consumer platforms for finance needs in Brazil**

Switching now to the next slide and also putting a little bit of perspective what we've been doing with the consumers platform in Brazil, we are already the biggest consumer platform for finance needs and that's the way that we are communicating, the way that we are working to really get there. And we are very close to that. We have 82 million Brazilians, already connected to our platform, and 20 million active users with us every month. And we are doing lots of things to improve disengagement and to improve the enrolment. You can see that our app again is the top finance app already in Brazil. This is the data that we have from January 23rd. We are just behind a new bank, which is a digital banking offering credit cards and digital account for the consumers. So very powerful. We are ahead of the Caixa Bank, which is a public bank in Brazil. Very powerful position that we have it in there.

## **Evolving to provide more services within a connected journey, offering the greatest payment hub in Brazil**

So if you move on. And what we are doing, we are evolving even more of the service that we provide to the consumers to create that engagement and help us to really have access to more data. So the latest initiative that we put in place and is getting in the mark right now is derived from the acquisition that we complete last month with Flexpag. Flexpag is a FinTech in Brazil that really facilitates the way that a consumer can pay its utility bill in general, but can be used for other bills as well. So the idea behind this is really create a very powerful payment hub that can help the consumers to pay the past due bills. Can also pay any other sort of bills like credit card or loans, can help them to pay bills derived from purchase in the trade. Can pay vehicle debts and utility bills.

And we combined that with the other acquisition that we made two years ago, which is a financial payment institution, Pagueveloz. So with that, a consumer can come to our platform and in one single app solve most of the problems that they have. Of course, if you consolidate with our brand with a mass consumer engagement and this complete one-stop shopping, we really develop a unique ecosystem here in Brazil. So it's a huge marketplace and I'm going show very short a video that now brings to life a little bit of this value proposition. So if you play the video, please. [Please access the video here.](#)

Video:

Serasa already helps millions of Brazilians clear up their debts. Now we're going to help you keep your payments up to date and well organised. All those bills scattered over your desk or tucked into drawers, stuffed into folders, or lost in your email inbox. They'll be gathered in one place. With the new Serasa Payments Hub. You can organise your bills and pick the best way to pay them. Prefer to pay everything in one go? Group all your bills together and get rid of those monthly payments in just a few minutes. Forgot to pay one? We'll notify you. More control and payment autonomy for users. More data and knowledge for Experian.

## **A comprehensive ecosystem for Consumer's financial life**

Valdemir Berttolo:

Thank you. You can move to the next slide please. So when we put all together, we are going to have really a very comprehensive ecosystem in Brazil that will help the consumers to solve most of their financial life requests. And of course our consumer focus areas is things that we can do to the consumers to really help them and also help us to get more and more data that will eventually create this virtual cycle to help the consumer to get more access to credit. So we put things like, we educate them, we can match them, we can protect their identity and ultimately give more access to credit.

And I keep emphasise this because credit access here in Brazil, it's a challenge for the consumers. We have 35 million people here that are invisible to the financial system. Most of them they have very little income or they have informal income. We are putting out together to really get access to this information and make the invisible visible to the financial institution and really improve the way that they get credit. It's a very strategic synergy with our business, also the B2B business. Now we get more transactional data, we get more products for the SMBs, we have contributed data. So this will really enhance even further our value proposition.

## **A clear ambition to extend our lead in the Brazilian market with our platform**

So if you move to the next slide please. I think this summarised well, we have a clear ambition to extend our leadership in Brazil to this market and platform. We are on track to and we continue to deliver double-digit growth organically and inorganic. We have expanded but we can expand even more the margins in Brazil. Consolidate our leadership and of course we can and will touch in new high growth markets that are open up for us. I think we have this winning strategy and I hope you enjoyed the presentation and stay with us to see this story, how it plays along. And with that I will hand over to my colleague Jennifer Schulz that will cover the marketing business in US.

## **North America Marketing Services**

Jennifer Schulz (CEO North America):

Okay, good morning everyone. It's nice to be here again and thanks to the Barclays team for hosting this annual conference. I was telling Alex earlier that the Barclays conference signifies the end of summer, the start of fall, and usually the insanity of back to school in my house. So it really is such a hallmark in the year and today I'm excited to talk to you about our Marketing Services business in North America. For those of you who track it externally, we tend to refer to it as our North America Targeting business. If you'll flip to the next slide please.

### **Well positioned with significant growth opportunities**

So this business builds on Experian's core expertise in both data and identity. And we use it to help serve the needs of marketers across multiple industries. I'm sure many of you have heard the phrase that data is the new oil. To me, this statement rings really true, especially when you think about the needs of a marketer in today's very competitive and digital economy. Our business at North America, we believe is very well positioned with significant growth opportunities for several reasons and I'll highlight three. First, Marketing Services or Targeting operates in a US\$10 billion addressable market, so there's a lot to go after. And that market, especially the digital side of that market, is growing double-digit. It's also a market that is increasingly moving towards a set of experience core strengths, data analytics, expertise in the jobs to be done and certainly credibility.

It's also a market where the jobs to be done themselves tend to play to our core capabilities. Let's consider for a second the number of places that you as a consumer get to receive advertisements. You have your phone, your laptop, your TV, your tablet, your streaming devices, and your apps that are on your phone. There are a number of places and devices and those numbers continue to explode. At the same time, marketers are still seeking to maximise their return on spend, to make sure that the dollars they're using to deploy are effective. And consumers, they want to see ads that are relevant to them. I'm sure all of you can remember looking at an ad that you realised were not for you. It has become an increasingly challenging puzzle for our clients, not only because of this explosion of devices, but the puzzle is also challenged because of things like regulation, data security, technology, and of course consumer behavior that continues to change.

Our services help marketers navigate that complexity. We can help a marketer know that this laptop, this phone, and the TV behind me all belong to me, and we connect important behaviour and demographic data to these devices. So let's take for an example, a 67-year-old woman who is an avid traveler and likes to stay active. We can find that women, that type of personality and we can also connect that demographic information to the devices that that woman might have.

Knowing that information enables marketers to effectively find and reach the right customer at the right time and in the right channel. And as a result, our services become more and more critical to our clients. So let me take a second and give you an overview of our business. Next slide please.

## **The Experian Marketing Services (EMS) Business**

As I mentioned, Marketing Services enables our clients who tend to be Chief Marketing Officers or work in ad agencies or in ad tech to connect and find consumers. We do this through two primary capabilities. First is Consumer View. Think of consumer view as our suite of data powered solutions. We have the largest database of consumer marketing information in America. It includes contact, behavioral, and demographic information on over 126 million American households and over 300 million individuals. Historically, we were the leader in what we think of as offline information. Think of that as any data that has a physical or tangible application in the real world. Names, postal addresses, an age bracket, an income bracket, hobbies, shopping preferences, and lifestyle information.

Today in addition to that very rich offline information, our database also includes information about the online or digital world. You can think emails, IP addresses, device IDs, and online behavior. Our databases now have information on over 2 billion devices and include over 1 trillion digital signals. So that information that is coming off of those devices. With all of this data covering both offline and online, we are able to do a lot of different things for our clients, one of which is creating audiences. You can think of audiences as a targeted list of people or households that a marketer wants to reach.

So let's say you happen to be a large clothing retailer and you want to run a marketing campaign Targeting high income men between the ages of 40 and 50 years old who like fashion and consider themselves trendsetters and live in New York City. They would work with us, our clients would work with us to create an audience that fits that profile and then they would use this audience to send out their advertisement. Which brings us to consumer sync on the other side of the slide. This is our suite of identity services. This is essentially a set of technologies which uses artificial intelligence, machine learning, and years of trained logic to match the data sets that can come out of Consumer View and sometimes our client sets to a likely household or single individual identifier.

So taking that clothing retailer example, let's say they want to send out an email campaign and they also want to send out a display ad to the same audience. Our identity solution would then match that list, that audience to the right emails. As well as to the right online addresses so the advertisement can reach the consumer and the households they are trying to target. After that, the client might also use our identity technology to connect into a social media platform to further distribute their campaign across multiple channels. This identity syncing capability is a foundational activity for a marketer. It can be done against our data, our client's data, and a third party's data, which is oftentimes the solution we provide. And of course there are many other use cases for our data and our identity solutions.

## **EMS built upon its robust, quality offline data and identity leadership with digital identity capabilities**

If you'll flip to the next slide, I'd like to dive a little bit deeper into the core of the asset. As I mentioned, we have a market leading proprietary database. And it starts with the blue section on the left. We source this data from a wide variety of places, including information from within Experian, purchase data, and then client contributed data. This has resulted in a data asset with

a depth and breadth that we believe is unrivaled in our market, and is an important differentiator for ourselves.

By combining the data in the blue with our best in class identity information, which you will see in the purple side of the slide, we are able to link our data to any other data or data set. For example, let's say a marketer has a CRM set of data or data with publishers or media or some other player within the marketing ecosystem. Simply said, our identity technology makes the data usable and actionable for marketing. Customers are also often ending up using our identity technology to better match and link and manage their own data. We offer them a single source of the truth, and as a result, our identity and proprietary identifiers become embedded in our user systems and critical to how they operate.

This is important because it creates a flywheel effect that I'll get into a little bit later on. And one last point here. I want to mention that we've been a longstanding leader in offline data, so that blue set. As well as an offline identity, that's that dark purple. But with the acquisition of Tapad, which many of you will remember we did in the middle of the pandemic, that acquisition, the purchase of Tapad enabled us to accelerate our expansion into digital and digital identity. And today we are proud to offer a market leading solution that provides our clients a comprehensive combined offline and online understanding of their consumers. This offline and online identity capability is definitely a differentiator and has significantly grown the applicable use cases for our service. It's also put us more solidly at the center of high growth markets, which I'll explain on the next slide.

### **Meeting the market need for effective digital solutions**

Next slide please. So bear with me a bit because I think in order to understand how our services are used, it's helpful to understand how marketers actually get advertisements to consumers. So the top here is what we refer to as the offline marketing value chain. These are the advertisements through non-digital chains like mail, radio, broadcast television. The bottom is the online or digital value, display ads, in-app ads, streaming videos, and connected television. One thing you might notice is the steps the marketer needs to take don't differ that much between the top and the bottom line, but it is the how that is different.

Let's take a mail ad for example. A marketer will start by creating a list or audience of their targeted consumers. They'll create the flyer and look to mail it out. They will use our identity technology to match that audience to an identifier. Specifically the physical identifier which will be used is the postal address to mail the ad. Now, let's say you're a marketer and you want to reach that same consumer, but you want to reach them digitally, you will start by creating the audience list. Although in this case, you might want to also consider someone's digital behaviors in addition to their physical ones. That's where the digital data combined with the offline data becomes very powerful. Next, identity. You're not sending to a postal code, you're sending to a consumer's laptop or their phone or a website or a TV where they are likely to be. And you need to be able to match your list with the appropriate online identifiers.

So if postal code is an offline identifier, a device ID is an online identifier, and that is of course where our solution comes in. We marry that audience to all the necessary online and offline identifiers so a marketer can reach the consumer in their chosen channel. Our digital of that investments, that acquisition of Tapad and other investments we have made have taken us squarely into the high growth digital advertising market. This year, a full 75% of marketing spend in the ecosystem will be on digital, and that market is slated to continue to grow strong double digits for the foreseeable future.

## **We are well positioned for the issues of today**

So next slide. Now, let's talk about why our capabilities are important to our clients and why we have the right to win. First, let me outline a few of the more challenging issues our clients face, complexity. 50 years ago, a marketer had the choice of TV, newspaper, or magazine. We already talked about the proliferate explosion of devices. The average consumer now has seven.

Data fidelity. The data continues to move throughout the ecosystem, and with each hop in that ecosystem, an inability to match will then mean that that marketer loses some of the data. So at each transition, data is lost.

And finally, technology fragmentation. Just like before, a marketer wants and needs to measure the success of their advertising, but today they're expected to make sense of data and performance across thousands of different environments. It's challenging for our clients, but our capabilities allow our clients to have a confident single source of the truth.

## **Why we win: EMS' embedded identity creates a flywheel effect across all customer sets**

Next slide. Our capabilities mean that we become deeply ingrained in our client's operations as well as the digital ecosystem creating a flywheel effect. On this slide, we'll take a closer look at what I mean by that. In the middle, the gray bars, at a high level, the various players in the digital marketing ecosystem. Clearly there's a lot more detail behind each of these bars.

Here's the thing that many people don't realise. Nearly every part of the digital advertising ecosystem, from the brands, to the agencies, to the platforms, to the networks need data and identity to transact with one another. So to communicate with one another. So all of the players in the ecosystems require data to get a digital ad from a marketer to a consumer and to coordinate and collaborate between each other. That means they're all prospective clients for us, which is good news to us, because if the two parties are both using our services, the match rates between them will be higher. That's the data fidelity I talked about earlier. Higher match rates means less data loss and more effective collaboration, and that's the first part of the flywheel. The second is that if a party is using our identity solutions, let's say because one of their counterparties does or because they're using it within their CRM, they're also more likely to use our data as well, because our data is optimised to our identity technology. That means our data works best with our identity and our identity works best with our data.

And lastly, as an overall digital advertising system grows, so does the volume moving through the system. The volume of that data helps our revenue grow as a multiple tailwind effect is created. Let me use one of our major verticals as an example to ground this. Advanced TV. Starting a few years ago, we had the idea that we could use our data and offline identity to enable Targeting for linear broadcast television, what the industry calls addressable TV. And let me further explain. So let's say Nadia and Lloyd are watching the same TV programme at the same time on the same channel, but clearly Nadia and Lloyd are very different consumers. With addressable TV, the media company is able to target each of them with two totally different commercials based on their profiles and buying interests. To do this, we create on behalf of the media company two custom audiences and using our identity technology, we match these audiences to the media company's subscriber file. So they know that Lloyd is associated with subscriber A and that Nadia is associated with subscriber B. And most importantly, the TV ads our client wants to deliver can be seen by Lloyd or Nadia. This has become very popular and still is, as you might imagine. And as a result, our proprietary household identifier, which we effectively call our LUID, which is a Living Unit household ID became very embedded with the

traditional TV ecosystem. Every media programmer, every cable provider, they're all using our LUID in some way, and in many cases, not just for advertising but for their customer management and operational purposes. It's really embedded. But now of course, TV advertising is moving quickly to digital and streaming and connected TV. So using Consumer Sync, we can translate that same understanding of a linear household into the digital environment, which means our data and identity is getting proliferated even further.

Now, let's use the right side of the slide to bring to life. Let's say a marketer wants to run a TV campaign using linear and streaming. They want the ads to be efficient and targeted. They want to understand how people seeing their ad on TV relate to people seeing their ad on social media and Facebook. First, like the marketer, let's use the clothing retailer again to pull that analogy. They will work with Experian to better understand their existing customer base and create a list or audience that looks like their very best customers. Next, their agency will build a media plan to reach those customers. They will use consumer sync to match those audiences to the right identifiers so they can distribute the campaign to the appropriate channels. This is repeated across the entire chain. Whenever the next entity in the chain is also using our data and identity, the match rates between each step increase, which like I mentioned earlier, means a marketer's advertising reach will increase and they'll have better results.

### **M&A, Partnerships and One Experian have shifted the financial and growth profile of the business**

If you flip to the next slide, I'll walk you through how this approach is changing the profile of our business. As we enhanced our digital capabilities and created more connectivity into the ecosystem, our digital business has grown significantly. We've moved from a business where digital was just 26% of our revenues just a few years ago to a business where it's 58%, and we're projecting to go north of 60% this year. We've also become, as you would expect, a much faster growing business, adding new logos and benefiting from the growth in overall digital advertising. It's also led to a stronger diversification across verticals and channels. Next slide, please.

### **Leading big box retailer: drive expansion within existing client, totaling 14% YoY increase in FY23**

The impact of our strategy is even seen in some of our longest standing relationships. This is an example of a top big box, multi-channel retailer, a client who has been ours for over 20 years. But you can see that in the last three years as we brought our digital capabilities forward, we have been able to expand our relationship with this client significantly. We historically had a relationship based on offline data and solutions, and now we are providing a significantly richer set of data and identity assets to this client. And we have grown this to over a US\$14 million client relationship from US\$5.3m back in 2021. Whether it is a TV network, a social platform, or another brand, we're enabling our big box retailer to have and be an effective partner. Next slide.

### **Marketing + Financial Services: combined expertise to better serve financial services clients**

Alex talked a lot about our role in financial services, and he talked about it and he mentioned marketing and credit marketing. Credit marketing is a game changer for us with the work that Alex and his team have done to build out the Ascend platform. We enhanced the Ascend platform with our marketing data and our audience building technology. So what does that mean? It means that in Ascend, clients can now toggle between credit data and Consumer View

data in a compliant way. Now, let's take an example here. A large regional bank wants to launch a new credit card and acquire new customers. Using Ascend Marketing we matched their customer file with our marketing and credit data and created a segmented audience or list for their new credit card marketing campaign. Our identity technology also supported this regional bank to convert these audiences to digital identifiers so they can partner and distribute through the likes of TikTok or Trade Desk or Xandr. And so once again, we are growing our position in the ecosystem and the value chain. And as a result, we are more aggressively growing our credit marketing revenue. Next slide.

## **Conclusion**

So in conclusion, we are very proud of the transformation of this business and the foundation we've created for growth. Our focus will continue to be on differentiating our data assets, improving our identity technology, and building out that deep distribution system within the network. We will also leverage the rich data sets across Experian to enhance our offerings within specific verticals like Automotive. Thanks a lot for your time today again. I'm excited to transition this to Jeff Softley and Rakesh Patel, who will provide an update on another really exciting part of the North America portfolio, our Consumer Services business.

## **North America Consumer Services**

Jeff Softley (Group President Consumer Services (North America)):

Thank you, Jennifer. It's good to be here today. Good morning, good afternoon. I am incredibly excited to provide an update on the Consumer Services business and our strategic progress today. But before we dive in, I want to reflect a little bit on the growing role of this business within our portfolio. Let's go to the first slide.

### **Consumer Services is a growth business with rich data and deep customer engagement that makes the whole of Experian stronger**

Put directly the size, the shape and the role of the consumer business is truly a strategic advantage that sets us apart from our competitors. Looking at the first row of this slide, we are a scaled growth business. We fill out a substantial component of the financial footprint of Experian, US\$1.5 billion of annual revenue, double digit growth over the last five years with expanding margins. In the middle row, our strategic role in the portfolio is to connect Experian to consumers, to anchor what we see as half of an expanding flywheel that brings consumers and our partners together. This business allows us to generate unique and scale data directly from our base of 64 million plus members. Think of the potential of that in relation to the use cases that both Alex and Jennifer outlined. And as we discussed today, we have massive adjacent markets that we can access through this member base and the distribution platform that we've built.

### **Our ambition is to create the world's largest, most inclusive financial platform**

Let's go to the next slide. Our ambition is to create the world's largest, most inclusive financial platform, to bring financial power to all of our members. And you'll see our mission on display in every single product that we build. Today we serve more than 64 million total members. We enable them to gain access to the financial ecosystem through innovations like Experian Go that allow a consumer to move from credit invisible to visible to within minutes. We provide products



like Experian Boost that allow consumers to instantly get credit for payments, which traditionally were not included in a credit report. And moving forward, increasingly we see our role as helping our members save time and money across their daily financial lives. That is a massive market opportunity. And we intend to leverage AI and our broader data assets to become a consumer's financial copilot, helping them make small and large financial decisions every single day. So our strategy is to execute a broad scale business transformation that leverages our roots in credit and of course our expanding role to help remove the complexity that consumers face every single day in their financial lives.

## **Financial power to all**

Let's go to the next slide. So what gives us confidence in this strategy and in our future growth? Well, first and foremost, we have a really strong track record of results and innovation. In the past five years, we have doubled our revenue within the consumer segment by leveraging product expansions into new markets, product innovations that only Experian could build, and that gives us great confidence in our strategy, in the growth platform and in our potential. And we have ambition to double our revenue again. And you can look at past innovations like Identity, the introduction of our Marketplace business, which Rakesh Patel will outline through a demo a little bit later. And more recently, our advancement into financial health, helping consumers save time and money through our premium subscription business.

So today I'm going to update you on the substantial progress we're making towards this ambition. And for the first time, we're going to be talking about some of those new innovations. You'll hear about new products like Experian Smart Money, which is a digital checking account that's just rolling out, which is a natural evolution of our financial inclusion focus. It helps consumers build credit without going into debt. You'll hear about new expansions for Experian Boost into insurance. For the first time ever, consumers will be able to build their credit through their insurance payments. And you'll also hear about the expansion of Experian Activate, which helps our partners acquire customers with an incredible precision on our platform. And of course, we're going to continue to innovate to sustain growth in our core business, like our premium membership business, which continues to experience strong growth. Let's go to the next slide.

## **We are making significant progress in key growth drivers**

As we've highlighted in prior sessions, there's four key drivers of our business, size of our audience, engagement, data, and monetisation. And when you scale these growth drivers concurrently, you can create remarkable growth potential. Now, if you look at the history of the growth of these metrics, we've seen really strong compound annual growth rates over the last five years across each of them, north of 30%, creating what is now clearly the second largest aggregator financial platform in the US market. And it's one of the largest financial platforms globally as Lloyd outlined. And we've taken share in the last five years, and we intend to take more share over the next five. So what could this business look like in the future? Well, we're going to grow our customer base to north of a hundred million members, solidifying our place as one of the largest financial platforms.

Our plan will generate a highly engaged member base with more than 30 million active users. That engagement will be bolstered through consumer contributed data, which has been a foundation of our business strategy for the last several years. No other competitor has the scale and the potential to leverage consumer permission data as well as we do. Roughly one in five of our members today is sharing their financial transaction data with us. And our plan will secure permission data from more than half of our customer base, creating a really unique and rich

dataset that delivers an unprecedented amount of control and precision to our members as well as the partners who access our customer base through our business portfolio.

And we'll continue to expand our product and our monetisation into more parts of members' lives, building out our customer lifetime value to north of a hundred dollars for our free customers and adding new verticals and more ways for consumers to save time and money every single day. And lastly, we're going to leverage AI across the scaled business to create a whole host of next generation innovations for our members as well as our partners in our marketplace panel. So there's substantial incremental lifetime value to untap in our customer base and our data as we look to the future. Let's go to the next slide.

### **Our product innovation and expanding business model is linking us to broader market opportunities**

As I mentioned earlier, we have a strong track record of accessing adjacent growth markets. We now see that we've got access to more than US\$30 billion of total addressable market. And I want to deconstruct both the progress that we've made in our core scaled markets as well as our emerging and newly launching markets. Our membership business, which has traditionally been about credit and identity, is expanding into new categories like privacy and financial health. Earlier this year, in fact, we combined our credit and our identity product giving our premium members access to all of our premium value in one offering. In our cards and loans marketplace, which is benefiting greatly from the launch of Experian Activate, which is a platform which leverages the foundational capabilities that Alex showcased with a whole host of custom capabilities built specifically for our marketplace customers to leverage.

A hundred percent of our partners are using Experian Activate to get offer analytics. They love benchmarking how their performance is and relates to their competitors in our marketplace. Roughly one quarter of all of our card and loan offers in our marketplace are running through Experian Activate. That enables our partners to build and deploy offers with industry leading capabilities linked directly to the Ascend platform. And all of this is helping our customers get access to new products and better outcomes. And again, Rakesh will showcase this in the demo coming up. Since we acquired BillFixer, which was a small startup in the financial health category last year, we've saved our customers millions of dollars with things like bill negotiation, which is a new feature in our premium membership. And we just rolled out subscription cancellation capabilities, enabling our customers to save money canceling unwanted subscriptions that build up over time. So this firmly pushes our product into the financial health category, which we see as a US\$5 billion plus total addressable market.

And of course, we aim to change the way consumers shop for and get insurance in the US market. We integrated our digital agency Gabi last year, and we're launching several enhancements this quarter, which will bolster our ability to really scale our presence in insurance. I'll tell you, key carriers are onboarding to Experian Activate for insurance, which is a new extension of that platform. Experian Boost for insurance will be launching shortly. And we're seeing tremendous response from direct carriers in the insurance category who see us as a completely new way to profitably acquire new customers with a level of precision that they can't get anywhere else. Lastly, to extend our mission of financial inclusion and to help consumers in their daily financial lives, you have to be relevant to them every single day. Experian Smart Money is a new digital checking account that extends our platform into an exciting new category. It creates a whole new way for us to help consumers build credit with their everyday spending while opening up a new way for us to engage with our customers. More on that in just a moment. Let's go to the next slide.

## **Experian's Flywheel: Our strategic advantage which connects Consumers and Partners**

I think you've seen this reflected in the discussion across all the other speakers. Experian has a huge strategic advantage in our scaled business. None of our traditional competitors have direct access to consumers. Conversely, none of our direct to consumer competitors have the advantage of Experian's broader assets, and so this allows us to provide more value to our members as well as more value to our partners. The consumer undoubtedly fuels this flywheel. If you look at the bottom right component of the slide, the more value we build into our platform, the more consumer engagement we can generate. This becomes a rich source of data, both behavioral and consumer permission data, which when paired with Experian's broader data assets in our broader data estate creates really substantial potential. Potential to fuel our partners with data and Targeting, which truly differentiates the value that Experian can bring to the table.

If you look at the bottom left component of this slide, things like Experian Boost, Experian Go, claim your car, the list goes on, we produce products that allow our members to leverage their data to improve their financial lives. In the top left part of the slide, our partners are leveraging this data to create better outcomes for our consumers and our members. And given the sheer scale of our member base, we have strong demand for partners to integrate deeper and deeper into our platform. In some cases, our partners are building products which are uniquely tailored just for our customers. And the quality outcomes that we're driving off the platform earn us more share of marketing spend across the partners in our marketplace business.

And then in the top right part of the slide, this creates better choice and certainty for our customers. They get expanded lending, better approval odds, just to name a few benefits. And then the offers delivered through Experian Activate have a 32% lift in conversion rate versus offers that are not delivered through the platform. This in turn generates even more engagement in our platform. So it truly is a win win win model where things like certainty, low friction, hyper Targeting, and more control for consumers create product innovation which are beneficial to both the constituents that we serve, consumers and our partners. Let's go to the next slide.

## **We've built a diversified, resilient business model**

So we've talked a little bit about this in the prior comments, but we've really prided ourselves. We've built a resilient business model that's comprised of both a high growth marketplace business as well as a steadily expanding subscription model with a recurring revenue stream. Now, that provides us with leverage to adaptable, cyclical and counter-cyclical macro environments. In fact, both businesses have delivered really strong compound annual growth rates over the last five years, and we've built an enviable growth platform that really adapts well to any market condition that we find ourselves in. As an example, our marketplace business experienced rapid growth in strong market conditions delivering 300 million plus in annual revenue in the past four years. In a countercyclical environment, lenders rapidly want to onboard into Experian Activate. They want to access more precise Targeting, they want competitive advantage, and we're expanding our vertical presence to even more revenue streams through that platform, which we'll show you.

In our premium business, it's diversified into adjacent categories like privacy, as demand for credit slows in a cyclical market. And then as the importance of credit increases in a counter-cyclical environment, we see heightened customer acquisition growth. So in total, our revenue is diversified as we scale into new parts of our business. It's also allowed us to create an industry leading revenue per member across our customer base with materially more value to untap as we expand this business. Let's go to the next slide.

## **Experian Activate allows partners to compete with a new level of precision and efficiency across a growing slate of verticals**

Great. So now we get to showcase some of the new innovations that are propelling our business towards even more growth. As I mentioned previously in strained market conditions, partners want to leverage new capabilities, they want to find their best customers, and Experian Activate is a custom instance of Ascend Ops. It integrates within the Ascend operating system that Alex outlined, and it enables partners to seamlessly build and deploy models directly into our marketplace. It allows our partners to understand the performance of their offers in relation to competitors, and ultimately it allows our partners to get more out of their marketing budgets and more efficiently acquire customers.

We're seeing really great adoption of the platform. As I mentioned, anybody who is in our panel has access to the offer analytics, roughly a quarter of our card and loan offers on our platform are running through Experian Activate, and that figure is growing every single month and it certainly allows us to create differentiated offers.

So we're just getting started with this platform, which is now expanding into new verticals such as insurance, vehicle refi, as well as personal loans. I'll talk a little bit about each of those and then I'll pass to Rakesh for the demo.

Insurance carriers are seeing this platform as an entirely new way to deploy marketing. Large direct carriers view this as a way of competing with digitally native carriers in a heightened competitive environment. We have a large new addressable market to pursue its capability and as more and more onboard into Activate, the models can be seamlessly deployed across the rest of the Ascend platform. So this creates incredible stickiness for our large partners within Experian's broader stack.

Now I'd like to hand to Rakesh Patel, who's the General Manager of the Marketplace business, who's going to showcase how this capability helps to build value for consumers.

Rakesh Patel (General Manager, NA ECS Marketplace):

Thanks, Jeff. Hello everyone. I'm super, super excited today to talk about Experian Activate and how it is truly creating a unique, differentiated experience for our consumers. If I take a step back, our vision around consumers and lenders coming closer together, Experian Activate is truly the foundation that is creating our ability to do so.

### **Experian Activate**

If we move to the next slide, the capability is coming to fruition through three key components. It is firstly through creating greater confidence through consumers applying for our products with a high conversion rate. Secondly, it's creating greater transparency by giving consumers more information about the offer without their credit being impacted. And then thirdly, it's actually about eliminating the need for the consumer to go to the lender and complete and fulfill an application. So I'm going to take a little bit of time to demonstrate how all of these capabilities are coming together.

So if you go ahead and play the first part of the video, please.

[Watch the demo here.](#)

## **Each time a consumer logs in, there are number of steps that are occurring in the background**

So intentionally it was a very short video and the part of the reason for that is to demonstrate how Experian Activate creates a fast and seamless experience for our consumers. You saw in a matter of seconds the consumer going through a number of different steps as they log into our product. The key steps that these consumers go through is firstly validation and verification of their identity. Secondly, it's about creating and pulling a new credit report profile and thousands of credit attributes from the bureau. And then as Jeff talked about, where we are leveraging the strength is really around taking those attributes and executing them against custom models and attributes at an offer level that lenders have provided to us through the capability of Ascend ops. And then finally, Experian Activate brings together the capability of our own proprietary models as well as those lender eligibility rules and displays those offers back to the consumer.

What I'd like to do in the next video is actually demonstrate how the consumer is engaging with the offers that are presented to them. With that, please play video number two please.

[Watch the demo here.](#)

So the consumer lands on a pre-approved marketplace. They can scroll through the offers and have a look at what is available to them. As they're navigating through those offers there are certain marketing hooks that come to fruition. The key thing here is that they see an offer that is pre-approved with a risk-free application. The consumer has the ability to unlock those and go through a pre-filled application. That pre-filled application also has a couple of verification steps that they must provide to the lender. And then as they go through and submit the application through the verification of their last four digits of their Social Security Number, and the terms and conditions, they then submit the application, the lender creates a decision, and then within our product ecosystem, the lender is then rendering a decision back to the consumer. In this case here, the lender has fully approved the consumer for this product.

## **Easy. Direct. No risk.**

So as the consumer is looking at this value proposition through Experian Activate, the key thing to really describe here is there's really a strong use case and ease of the consumer seeing pre-approved offers. There is the ability for consumers to have direct access to the lender through the mechanism of Experian creating that frictionless environment. And then finally, it's the risk-free application which really is about the consumer having greater transparency about their offer without impact to their credit. So I'm hoping you saw the power of Experian Activate and how it's bringing all of these capabilities together. I'm super excited about some of the results that Jeff has shared. And with that, Jeff, I'll pass back to you.

Jeff Softley:

Thanks Rakesh. Appreciate it. I think you can see the potential of this platform and the unique position we have by combining the scaled customer base as well as our broader software capabilities.

## **We are making significant progress scaling insurance, with Activate, Boost and major new carriers set to launch**

So let's talk about insurance briefly. I want to provide a brief update in this really important vertical for us. With the purchase of Gabi, we secured the foundational capabilities to break open a new market opportunity within North America. And our platform is providing carriers and consumers a whole new way of connecting. And I'm confident Experian is going to play a

central role in changing how the insurance market is fueled within the US. In fact, we're seeing pronounced policy growth in our platform against a market backdrop where very few marketplaces are growing in insurance. Consumers want limited friction and clarity on the right time to shop. They want choice and they want the best coverage built uniquely for them.

Through a combination of new products and capabilities that we're rolling out this quarter, consumers will be able to confirm their car, understanding the important facts about its value that's live in market today. We're seeing great uptake on that. Next, they'll be able to understand factors that influence their insurance costs for the first time ever within what we call the insurance hub. This allows members to understand what factors are helping their rates and their coverage in a very similar way to how we show consumers what's helping and hurting their credit. And for the first time ever, consumers will be able to boost their credit scores with insurance payments with the launch of Experian Boost for insurance, we're the first credit bureau to enable this trade line for inclusion in a consumer's file through Experian Boost. And consumers will be able to build their credit with their payments and that opens up a rich set of transaction data that allows us to identify the best time for them to shop and switch.

And lastly, carriers are contending with a once in a generation shift in this market, which is putting pressure on profitability and the need to acquire customers digitally with a new level of precision. We are very uniquely positioned to help them with that problem. And we're making great progress in onboarding large national carriers into our panel. I'm confident the results will be an industry changing platform which we will aggressively scale given our market position and our assets.

### **Introducing Experian Smart Money™ – a game changing way for consumers to build credit**

Okay, next slide. Turning to Experian Smart Money. So last week we began rolling out a game-changing new extension of our financial inclusion strategy with a product called Experian Smart Money. It was the first time we've talked about it publicly. I want to talk a little bit about why Experian's stepping into this category. First and foremost, this product is a natural evolution of our mission to help consumers build their credit file. It's a natural extension of our strategy. It fuels each of our key strategic growth drivers that I mentioned previously, and it allows us to get very close to our customers, creating a new interaction model, helping them save time and money every single day. So it's a logical next step for us as we expand both the depth and the breadth of our product. We see a substantial market opportunity to bring new consumers into the financial ecosystem through this platform.

Experian Smart Money takes our most successful product ever in Experian Boost to a completely new level of simplicity, ease and impact. Think about the product as a no fee digital checking account that automatically builds your credit in a completely frictionless way. So we build products to solve gaps in markets and to solve consumer problems. And so we built this product for the new to credit consumer as well as the credit building consumer. And as I mentioned, it's got Experian Boost embedded into it so it automatically scans for eligible payments and purchases, which could be added to a consumer's credit file over time. And because it's not a lending product, it's a checking account, there's never been an easier way to establish and build credit without taking on the risk of going into debt, which we've heard from consumers is a key concern about credit building. So we're leveraging a tried and true model to bring this product to market, working with a leading bank as a service provider, and then a banking as a service provider who enable us to access this market. Let's go to the next slide.

## **Driving the next generation of financial inclusion with Experian Smart Money**

As a reminder, Experian is a market leader in creating financial inclusion through our products. More than 13 million consumers have connected to Experian Boost through account aggregation. Millions more have used Boost providing us a great starting position with this product. We have a whole host of new features launching in the product, including early paycheck access, free ATM access, and significantly more innovation that only Experian could be rolling out over the next several quarters.

So how does this fit into our business model and our product ecosystem? Well, first and foremost, it lives in the middle of our product in our app. You can open an Experience Smart Money account in a matter of minutes and you'll have a digitally enabled card in your digital wallet. It fuels our existing business model, creating engagement to expand our footprint into new and exciting verticals in marketplace. And of course, it's highly synergistic to our B2B portfolio, creating many new ways to connect with partners and consumers with a rich transaction set.

## **Helping credit invisible consumers establish and build credit... without going into debt**

Let's go to the next slide. I think one of the easiest ways to highlight what we can do with this product is to show you a customer journey. If you look at the left, a consumer will be able to move from being credit invisible to visible with prior innovations like Experian Go. They can create their own credit profile in a matter of minutes. A logical first step for many consumers who use Experian Go is to open up a digital checking account. And of course, Experian Smart Money is a great first step for them because it's focused exclusively on credit building. And as I mentioned previously, a consumer can start using that Smart Money account instantly after they fund it with any eligible payments such as electric, water and gas payments, rental payments, streaming service payments like Netflix, mobile phone payments, and even insurance payments, all of those will be eligible to be added to the consumer's credit profile automatically through this platform and this product.

Now it's important to note in this customer journey, the consumer has established credit through Go and built credit with Experian Smart Money without taking on any debt. And that's an incredible new innovation that we're excited to bring to market. And when the time's right, the member will be able to find the right lending products from our partners within our marketplace as they graduate into the next phase of their financial journey. So as you can see, nobody else can do this and we've built a really strong set of tools for consumers to leverage to grow their financial lives.

I want to show a quick video to introduce Experian Smart Money. Let's roll the video.

## **We have substantial opportunities available in near adjacencies and continue to fuel investments to drive growth**

So as you can see, our plan to build an unrivaled consumer platform is progressing. We have a strong track record of innovations that we've unveiled over the last five years. And the wheel on the right side of this slide showcases the key consumer needs that we believe we can address within our platform. We have a total of 12 new product expansions planned across our foundational markets, protection and borrowing, and 10 new products planned to launch in under penetrated adjacencies like payment savings and spend management. Let's go to the next slide.

## Creating an unrivaled consumer financial platform

In closing, we believe the potential of this business is massive. Nobody's better positioned to help consumers access their financial power. And based on our role, our assets and our strategy, we can really bring that to life in some exciting new ways. We're building a flywheel which connects consumers and partners and that's expanding across more components of a consumer's life. And as I showcased, we have a diversified business with a leading revenue per member and a massively differentiated set of data and assets. In closing, we're just getting started with our growth, creating an unrivaled consumer platform. And now I'll pass it back to James for Q&A.

James Rose:

Thank you, Jeff. That's a great scope of the opportunity and a fascinating new development in Experian Smart Money. I'd now like to invite back all of our presenters from the Experian team we've had so far and we'll dig into Q&A that the audience has sent over.

## Q&A session

James Rose:

So if I kick off, which is perhaps for Jennifer and perhaps Alex as well. So it's firstly, how are bureaus combating the trend that sees more consumer debt being captured outside of a traditional credit score and the question references, Buy-Now-Pay-Later, as an example, do you see this as being incorporated into credit data in the future? And what about crypto lending as well?

Jennifer Schulz:

So in general, our issuers or our bank partners like to have holistic pictures of consumers in order to make lending decisions or credit decisions. And under Alex's leadership, when he was running our core bureau operations, one of the things he did was establish the Buy-Now-Pay-Later bureau that we have in North America. And today that data is being contributed by all of the major lenders that participate in buy now pay later. That data is being made available to our credit clients and partners in order for them to have a holistic view of the debt that a consumer has taken on, whether it's through a traditional financial service or a Buy-Now-Pay-Later lender. And so yes, our credit ecosystem is evolving and changing. We're in the business of data and we will continue to augment our bureau data with additional data such as the Buy-Now-Pay-Later bureau, as well as our clarity database. Alex, anything you'd like to add?

Alexander Lintner:

No, you covered it really well. One thing I would say, we continuously run experiments on new channels. So for example, on crypto or something, we would run experiments and just see if it's feasible to do it in a compliant way. And if and when it is, then I wouldn't be surprised if Experian were the first one with a specialty bureau, if you want to call it that at scale.

James Rose:

Okay, great. Thanks. And then one for Alex specifically as well. How is the Ascend and fraud software you talked about penetrating non-typical financial services clients? So non-financial customers, basically.



Alexander Lintner:

Fraud is, I'm going to call it prolific in sectors outside of financial services. So if I think about Experian's Auto business, sells fraud products, and certainly they service lenders, but the lenders can be captive automotive companies or large automobile dealerships with national coverage here in North America around the world. Our health business sells fraud, our insurance business sells fraud. I'm probably forgetting something here in the list. Fraud is unfortunately everywhere and commensurately, our fraud products are being used by all industries that we address.

James Rose:

Great. One for Valdemir here, it's about the sharing of practices across the group and how that can benefit Brazil. So what is the ease of taking products, business lines developed within North America and applying that to the Brazil market? And will Brazil end up looking like the US in terms of the product ranges it offers?

Valdemir Bertolo:

Yes, of course. No, we don't want to reinvent any products here that we have elsewhere. So in most of the cases we just customise to our specific needs of the region. We do have a very different composition of the population here, mostly comprised by low income householders. But other than that, no, we leverage everything that we have elsewhere and we try to use common platforms every time that is possible. And also in the other way around, sometimes we develop capabilities locally or we acquire capabilities locally that are perfectly suitable for other markets either in Europe or Asia or even in the United States.

James Rose:

Great, thanks very much. Jennifer, we've got one for you on Marketing Services. Who do you see as your key competitors? And the big social media and e-commerce platforms, do you view them as customers, competitors, or both?

Jennifer Schulz:

It's interesting, the marketing system, the ecosystem that I had highlighted, we often have people who are competitors but also partners of ours in the ecosystem. And so we have strong relationships with what you would think of as the social media platforms. Our clients and in service of our clients we often combine data assets with other folks in the ecosystem who have unique data sets. So there's a lot of co-opetition I guess is what I would say in Marketing Services. And depending on whether or not we're talking about data or our identity solutions, the competitors are different.

James Rose:

And moving over to Jeff, Rakesh and consumer Marketplace. Within Marketplace and the different markets we're expanding into there. How many partners do you have signed up and how far through the journey of signing up all the partners there are, how far through that journey are we to completion? And also related to Activate as well, how many partners use Experian Activate and do you have any metrics you can provide on usership or uptake of Activate within Marketplace so far?

Jeff Softley:

Sure. Well, it's a good question. I think our panel across all the verticals that we participate in is fairly fluid, but definitely expanding. I think if you were to look into any of the mature markets that we've been in such as cards and now personal loans where we've had a strong presence, that panel represents every large partner you would expect to see. And so we feel very strong there.

There's a typical life cycle we see with our partners. They tend to come in, they get a strong understanding of the quality and the value and the efficiency of our platform. And then they get deeper and deeper integrated through capabilities like Experian Activate. And notably, once you have access to the capabilities within Experian Activate, some of which are not new for our partners because they're users of Ascend, it's very sticky and it tends to be a very strong draw on marketing dollars, which seek the most efficient vehicle possible to acquire customers. So I think given the scale of our customer base and the potential audience that we have access to, the adoption and the growth of verticals is most definitely accelerating because partners want critical mass. They want scale in any vertical that they access. So I'd say we feel very confident about where we're at and the potential to bring more verticals in and stand them up very quickly.

James Rose:

And on the particular use of Activate so far, how's the uptake looking there?

Jeff Softley:

Very good, very good. I'd say, as I mentioned, about a quarter of our cards and loans offers are all served directly through the Activate capability, but every partner is accessing the offer analytics embedded in the platform. And so that's really valuable to them because in a masked way, they can understand where their offer performs well, which cohorts it performs well against and which cohorts it doesn't perform as strongly against. And that allows them to adapt their practices, their targeting, and even build new products to bring into the platform, which could cover gaps or areas where they think they've got competitive advantage across any of the other partners in our panel.

James Rose:

Great, thank you. And then the last one, it's a broad one. I think maybe for Jennifer to start off on, it touches on, Gen AI again and how that can allow more real time adjustments to data and to models. And the question broadly is will bureaus ever adapt to real time data?

Jennifer Schulz:

Lloyd talked about earlier, a lot of our technology investments that we have been putting across the ecosystem and real time is one of the enabling capabilities that those technology investments will give us. On Gen AI in particular, it is our belief that Gen AI will be a part of our ecosystem on two levels. First is on productivity, and the second is on innovation. Fueling that productivity is focused primarily on how do we support and enable efficiency in our operations. From an AI perspective, we will be appropriately cautious as we step into products around regulated data because of the requirements and the compliance required. However, we do believe it will lead to innovation that real-time capabilities is a bit decoupled from Generative AI. It's a belief that we need to have our systems ready and able to feed in a real-time, whether it be Generative AI models or normal models within our system.

## Close

James Rose:

Great. Thanks very much and thank you all. That's it for our Q&A session and now I'd like to hand over to Lloyd. Can you close us out and bring it together for us with your perspective?

Lloyd Pitchford:

Thanks, James. And I guess start by saying thanks to my colleagues for the presentations there. I think what it shows, and this builds each year that we do this meeting, is the pace with which we are doing unique, very complex things is increasing. You just look at some of the things we've talked about today, launching Experian Smart Money, helping in a completely new way consumers build their credit, changing the way that insurance gets delivered in the US market, expanding our payments portal in Brazil, the creation and the expansion of Ascend at the heart of a new broad platform inside financial services institutions. The coming together of our online and offline data to take a leading position in finding audience. These are really big complex things that we're uniquely placed to do, and I think it shows the breadth and the accelerating pace of innovation that we have in the company and the expanding opportunities that we're pursuing. And we appreciate the interest and support from all of our investors as we continue that journey. And well thanks. Back to you, James.

James Rose:

Brilliant. I want to extend a huge thank you to the Experian team. To the presenters, but also to acknowledge the huge amount of work that goes on behind the scenes to deliver this as well. From Experian and myself, it's thank you for your time and your engagement. And goodbye.

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