



FY26 half-yearly results presentation
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Transcript

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Strategic and operational overview

Brian Cassin
Chief Executive Officer, Experian

Introduction

Hello everyone and welcome to our first half results presentation. I'm joined today by Lloyd who will run through the financials after my initial overview, and then we will open up for Q&A.

We delivered very good first half results, at the top end of our FY26 guidance range, and we are on course to meet our Medium-Term Framework objectives. Revenue, margin and cash performance were strong, supported by significant strategic progress.

H1 FY26 highlights

Financial highlights

- Organic revenue growth accelerated from 8% in Q1 to 9% in Q2, averaging 8% for the first half. Including acquisitions, total constant currency revenue growth reached 12%, with all acquisitions performing well
- North America performance was strong and broad-based, accelerating to 12% organically in Q2, driven by client wins, client expansions, consistently improving lender activity in B2B, and good results in Consumer Services.
- Fiscal conditions in Latin America and particularly Brazil remain constrained by high interest rates and consumer indebtedness, the growth in H1 reflects continued excellent Consumer Services progress.
- And while the UK&I delivered low single digit growth overall, Ascend sandbox adoption among B2B clients has been excellent, with UK Consumer Services driving growth through new products and marketplace expansion.
- And EMEA and Asia Pacific delivered a solid, mid-single digit growth, supported by innovation initiatives and our stronger positioning in key markets.

Revenue growth translated into EBIT margin delivery at the upper end of our expectations, up 50 basis points at constant currency, and 30 basis points at actual rates. Margin expansion in North America, UK&I and EMEA & Asia Pacific offset lower LatAm margins which was driven mainly by acquisition mix.

EBIT strength flowed through to double-digit Benchmark EPS growth and we've raised the interim dividend by 10%.

Cash flow growth was very strong, with our leverage ratio currently at 1.8x.

Strategic highlights

I will just touch on some of the strategic highlights in the half.

- Ascend platform adoption continues to accelerate.

- Earlier this year we introduced new cash flow attributes and analytics in North America and we are seeing very good client demand. B2B achieved organic growth in H1 of 8%.
- Consumer Services delivered 9% growth, reaching over 208m free members. We continue to add more breadth and depth to our products and all of our key metrics, organic traffic, engagement, continue to trend positively, reflecting the successful positioning of the business as a financial partner for our members
- Our recent acquisitions are on track, delivering cost synergies and new product opportunities. We also recently completed a small fraud acquisition in the UK, which further enhances our product portfolio and strengthens our position in non-financial services verticals.
- Finally, cloud migrations in North America and in Brazil (excluding NA Health) are on track. We expect dual run costs to peak this financial year.

Strongly positioned for the AI era

Our progress reflects our consistent commitment to our dual-sided strategy, which has expanded our growth potential and created new value opportunities across our five priority ecosystems.

We are entering a new and exciting era driven by AI and we are strongly positioned to take advantage of the opportunity this brings to our business.

The starting point for this is our data. These datasets are vast, complex, constantly refreshed, subject to expansive and stringent regulation and need to be accurate, all the time. The job of creating these data assets is a huge and complex operational exercise, which relies not just on process but on proprietary intellectual property and significant industry expertise. They simply cannot be replicated and they cannot be accessed unless permissioned by us.

Our strategy has always been to not only sell data but to build solutions on top of our data that provide insight and action, improve client outcomes and reduce cost. Almost all of these solutions require our data as a foundational input, this is a source of huge competitive advantage for us, and that will grow over time.

And we have a long and successful track record of doing this, the evidence of this is everywhere in our current solutions and our history of innovation and business expansion. PowerCurve, Ascend, the expansion of all of our verticals, and the huge growth in our consumer businesses are all examples.

Broadly, the expansion of our opportunity set has been driven by the increasing use of data to automate critical business processes to make better decisions, create better client outcomes and to lower operational cost. AI will accelerate this trend and it is and will continue to expand our opportunities. Despite decades of investment, many client processes remain siloed, inefficient and costly. This is particularly true when it comes to leveraging enterprise data, which of course has to be solved to leverage AI at scale. This is where Experian excels. The opportunity for us remains huge. The excitement for us is that AI will accelerate the speed with which we can bring disruptive new products to market. Our data, our products, our platforms, our product development capability and our industry footprint gives us a strategic position that most companies would kill for. We intend to leverage that to accelerate our growth.

Our AI foundations are strong and we're accelerating

We have built strong foundations over many years to put ourselves into this position as this slide demonstrates. Over the past few years, we have been proactive across the entirety of our B2B and Consumer businesses in leveraging AI use cases to enhance our product sets and penetrate new growth areas. We have not just been talking about it, we already have AI products in the market. A good example of this is Patient Access Curator. It is driving our growth in Heath and redefining the process of insurance discovery.

Platforms like Ascend and Activate have been specifically developed to be modular and to bring all of our data and capabilities together in one place. This is a perfect set-up to allow our clients to take maximum advantage of data at scale, both our data and client data, and for us to easily introduce new functionality, both AI and conventional, for our clients to test and learn and quickly implement and then to put into production.

A good example of this is Model Governance. An AI first solution which virtually eliminates vast amounts of work related to comply with regulatory and internal approval requirements for credit model evaluation and approval. Clients building models in Ascend can now access this module, saving huge amounts of time and expense in time consuming, operationally complex, but mission critical functions

There are many more products in development. For Ascend alone, we expect to have Agentic solutions covering five major categories of activity this year, with each category representing an agglomeration of many different capabilities or activities bundled together to address specific client jobs to be done. And we have more than double that number of categories in production for 2026 and beyond.

Client example – driving long-term strategic partnerships

I want to bring this to life for you with a Tier One client example. The client here is a long term data partner of Experian, a big, global financial services provider. We took them on a journey which started with the value of our data, then into the integration of our data and software.

They used to take Experian bureau data and other data sources. They also used legacy Experian software + competitor software as well as in-house software, and they are now moving all of this onto the platform.

Initially they acquired our data quality tools to help enhance their decisioning systems.

Then they took sandbox to look at all the insights and analytics for the entire lifecycle.

Now they are looking at how to deploy models like the AI Model Risk Manager

We can enable more modules for clients in a managed way. This convergence strategy creates incredible performance and value for clients and opens up new value pools.

We showed them the value of bringing the capabilities into one place. They see the benefits of reducing the number of vendors or in-house systems. This led naturally into a much longer partnership-type arrangement, with increased tenure – in this case from three to five years and a 5x revenue growth over 18 months. We can then continue to grow from here by bringing new value to the table.

Leveraging AI as a force multiplier to seize our future

So AI is already helping our revenue growth and margin today. It is driving productivity improvements, it is speeding up and reducing the cost of new product development and is the fuel for future investment.

As we look at our TAM, the constraint we historically faced was the time it took to develop and bring products to market and the time for these products to gain acceptance and adoption. It often needs a catalyst to create the conditions for change. AI is that catalyst, and we have a huge amount of white space that is now more accessible to us than ever before.

So we see continued opportunities both internally through improving productivity and many new product opportunities. In short, we are excited at the opportunities AI brings and we are positioning our business to capitalise. We intend to take full advantage of the opportunity.

H1 strategic accomplishments B2B

Many of the new products I've referenced contributed towards our successful H1.

Ascend Platform

As just illustrated, Ascend platform momentum continues. The range of capabilities on the platform will continue to expand and it now encompasses AI, data, analytics, marketing and credit services together with complex decisioning. Our progress with clients has been strong, and as the chart here shows, we've seen rapid adoption.

Cash Flow Score

We have introduced new cashflow scores and analytics. These combine credit data with AI-powered, real-time cash flow data and categorisation. This innovation strengthens the predictive power of scores, and results in higher approvals with enhanced model accuracy. Client demand is strong here too, and our pipeline is expanding rapidly.

We've also integrated ClearSale operationally, and we're commencing the launch of unique new propositions like Serasa Pass. This introduces reusable identities and has application across both B2B and B2C.

H1 strategic accomplishments Consumer Services

In Consumer Services, we're focused on delivering deeply personalised experiences by leveraging Experian's data assets. At the centre of this strategy is EVA, which already is an agentic assistant, providing not only guidance, but taking actions on behalf of consumers.

Confirm Your Home uses Experian North America property data to provide home value and mortgage insights. It forms the hub for our new home vertical and leverages data from our B2B housing business.

Over two million interactions have been initiated with EVA.

Two other quick examples to highlight are the Serasa Pass in Brazil I just mentioned, which has consumer applications and will provide secure logins to third-party digital properties using Serasa credentials, and the enhanced UK&I refi feature, which supports debt consolidation for consumers

These are a small sample of an extensive product innovation roadmap designed to drive higher consumer engagement, greater efficiency for our clients, and extend us into new monetisable value pools.

North America H1

Let's turn now to our H1 regional performance.

North America delivered strong momentum, with Q2 strength driving 10% H1 organic revenue growth.

Financial Services excluding mortgage was fuelled by new client wins and client expansions amid a steady and a consistently improving lending environment.

In Financial Services, clients can now access credit, Clarity and cashflow data through a single integration, unlocking new potential with significant wins and a growing list of new prospects.

The Ascend analytical platform saw continued progress, with new clients for Ascend Marketing, further Sandbox adoption and rising interest in the Fraud sandbox. The Experian AI Assistant has also driven cross sell opportunities and deepened client relationships.

Verticals delivered strong growth.

- In Health, Patient Access Curator is transforming how the industry understands a patient's insurance picture to reduce claims denials and accelerate payments. It has positioned Experian as the market leader with a first to market AI solution performing substantially ahead of existing products.
- The milestone partnership we've previously discussed in Auto has expanded availability of our vehicle history reports across dealer networks, strengthening earnings quality through a long term agreement, and re-enforcing our track record for innovation-led wins.
- In Targeting, Audigent is off to an excellent start, driving momentum in audience targeting and activation.

US mortgage score competition

Now I'd like to provide some comments on recent changes to the US mortgage market.

- The FHFA's recent decision to introduce score choice into the conforming mortgage market has introduced new competition and a market opportunity for VantageScore.
- Like in any of our markets, we believe the primary value lies with the data, as a score cannot be generated without the data. There has been much debate on this issue of where the value resides, score or data, but I will summarise it with an important data point. Roughly 50% of all mortgages in the US are acquired by the GSEs. In determining whether to buy a loan, the GSEs are reliant on the data that we and the other bureaus provide. By contrast, the GSEs do not rely on the FICO score in their buying decision, they don't need it. While it is used to help with borrower communication, pricing adjustments and the secondary markets, VantageScore can also enable these use cases.
- Up to now, VantageScore has not been approved for use in mortgage, due to inertia more than anything else, as it outperforms the FICO score currently used in mortgage,
- Where Vantage score has been used is in unsecured lending, and in card, auto and other non-mortgage categories, it has already captured substantial share, we estimate a 30% share or higher for lending originations based on our internal data.
- Now that it is approved for mortgage, we expect that VantageScore will gain share in the same way as it has done in unsecured lending.
- And we will be facilitating lender and consumer choice through the Experian Score Choice Bundle and by making VantageScore available in the Ascend Sandbox.
- We expect this to be a long-term opportunity for Experian, with a shift to VantageScore driving millions more scorable consumers, and ultimately, greater mortgage origination activity.
- As this happens, we expect our profitability to be further enhanced. But to be clear, we do not need a shift to Vantage score to protect our position in the value chain. That resides in our data, and the GSE's and every industry participant knows this.

NA Consumer Services H1

In Consumer Services, organic growth for the half was 8%, or 12% excluding databreach. Membership, Marketplace and Partner Solutions, all contributed favourably in the half.

In membership, we're delivering new value to deepen engagement and drive upsell from across our ecosystem.

We saw particular strength in marketplace as lenders compete for prospects, with clients leveraging Activate to deliver credit and personal loan offers, improving their efficiency. Activity was robust across both cards and personal loans, supported by our popular no ding decline card feature and expanded panel. Insurance too has continued to make good progress.

Latin America H1

- Over the past few years, we've built a superior product portfolio in Brazil and continue to make strong strategic gains. While high interest rates and consumer indebtedness have tempered B2B growth, progress in Consumer Services has been strong.
- We're particularly excited about the prospects arising from the integration of ClearSale with our credit-risk B2B platform. We've built a healthy pipeline for new blended fraud and credit risk products. Prospects for Ascend Analytics are also strong, alongside an encouraging outlook for our SME segment, driven by client growth and upsell into advanced solutions. Despite high interest rates and election uncertainty, we're well positioned to strengthen our market leadership in H2 and beyond.

Latin America Consumer Services H1

- 18% growth in Latin America Consumer Services is a strong result, driven by our expanded opportunity and diversification around financial empowerment, and leveraging our strong brand presence in Brazil.
- Limpa Nome performed well as consumers manage rising indebtedness. Our Q3 credit fair will further support Brazilian consumers to manage their finances.
- Our credit marketplace is scaling rapidly and contributed meaningfully in this half. New payroll loan offers will deepen our marketplace further, to serve the 40m plus Brazilian eligible Brazilian consumers.
- Progress also continues in insurance, as we continue to add new large insurers to our panel.

UK and Ireland H1

The UK&I delivered 1% organic revenue growth, led by Consumer Services.

While not yet fully reflected in revenue performance, B2B new business achievement was good. Ascend Sandbox proof of values converted into major wins and uplift renewals with leading financial institutions, including a Tier One enterprise partnership. More proof of concepts are pending, and new module introductions planned.

Covid aside, UK Consumer Services grew at its fastest rate in a decade. We've transformed this business with an enhanced consumer experience, new features like refi for debt consolidation and by leveraging EVA. The enhanced analytics we deliver through the Activate platform have led to exclusive credit offers on our platform, and this drove strong marketplace performance.

EMEA and Asia Pacific H1

EMEA and Asia Pacific organic revenue delivered 6% organic revenue growth, another solid half of progress, with total revenue up 35% including illion.

The illion integration is on track, and drove the 480 basis points regional margin uplift. Our combined bureaus in Australia now offer a strong and differentiated consumer data asset. We've introduced the Ascend Data Hub and Ascend Ops to Australia to leverage our pre-acquisition leadership in decisioning, and with the combined bureau data now available, have good interest in the Ascend sandbox. We've also advanced our technology and back office integration, while streamlining legacy/non core portfolio elements.

Regionally, organic H1 progress spanned our geographies, supported by new product introductions, leveraging our global solutions.

With that overview, I'll hand over to Lloyd for the financials.

Financial Review

Lloyd Pitchford
Chief Financial Officer, Experian

Introduction

Thanks Brian and good morning everyone;

FY25 Highlights

- As you've seen we delivered another strong performance in H1 FY26, with total revenue growth of 12% at constant rates and 13% at actual rates.
- This was driven by organic revenue growth of 8% at the top end of our guidance range, and a further 4 percentage points from acquisitions.
- Benchmark EBIT Margin from ongoing activities progressed well, up 50 basis points at constant rates and 30 basis points at actual rates. EBIT growth was 14% at both constant and actual rates.
- This converted well into EPS growth with 13% at constant rates and 12% at actual rates.
- Operating cash flow grew 25% reflecting a 77% conversion.
- And our growing capital base continues to generate high post tax Returns on Capital employed of around 16.5% for the half year.
- We've announced an interim dividend of 21.25c which is up 10% on the prior year.
- And finally, we remain strongly financed with our net debt to EBITDA ratio at 1.8x.

Delivering our Medium-Term Framework

- We are in the second year of our medium term financial framework and continue to execute well on our strategic plans.
- And financially we continued last year's momentum with high single digit organic growth, strong organic margin progression and the benefits of capital discipline and deployment all being delivered in this half year.

Strong growth delivery

- Looking back over a longer time horizon, at our performance over the past 6 years, here you can see we have delivered consistently strong financial results across all of our key financial metrics.
- Since FY20, we have grown H1 revenue at an 8% Compound Annual Growth Rate. Benchmark EBIT has grown 9% compound; Benchmark EPS growth is at 10% compound and OCF at 17% compound.
- This highlights the quality and consistency of strategic execution over this period.

Consistently strong revenue growth

- Looking at more current trends.
- Organic revenue growth was at the upper end of our expected performance range for H1. All our regions contributed to the H1 growth with North America at 10%, 4% in Latin America, 1% in the UK and Ireland, and 6% in EMEA and Asia Pacific.
- By quarter, organic revenue growth strengthened from 8% in Q1 to 9% in Q2 supported by a one-time volume true up in North America Consumer Services which added 1% to Group growth in the second quarter.

Global B2B and B2C organic revenue growth

- Looking at organic revenue growth across our segments
- On the left-hand chart, you can see B2B organic revenue growth was 7% in Q2 with good growth across both Financial Services and Verticals and was underpinned by client wins, cross-sell and new product innovations. North America was the key driver, growing at 11% for Q2 with 12% growth in Financial Services, 15% in Automotive and 10% in Health. Financial services growth excluding mortgage was 8% with mortgage growth of 41% on modestly lower volumes.
- On the right-hand side is the Consumer Services trend, in total and excluding our data breach business. As the elevated Data Breach comparable fell away in Q2, Consumer growth rebounded to

12% globally in Q2 and 13% in North America,. In the yellow diamonds you can see the strength and consistency of our underlying consumer growth excluding data breach.

Benchmark EBIT margin

- Turning now to EBIT margin, last year in the first half we added 70 BPs to margin and this year we delivered 100 basis points of organic constant currency margin expansion primarily due to broad strength across the North America business.
- Organic margin progression has been driven by broad scale productivity improvements as our businesses scale. We are also seeing tangible benefits from AI deployment across our business. Organic headcount is broadly flat this year thanks to these productivity programmes, whilst organic revenue grew by 8%. We see many exciting applications of AI in our business which can continue to drive productivity
- Including acquisitions, Total EBIT Margin from ongoing activities increased 50 basis points at constant rates and 30 basis points at actual rates to 28.3%.
- On a Regional level, North America's EBIT margin added 90 basis points from broad expansion across the portfolio; UK & Ireland added 60 basis points and EMEA and Asia Pacific expanded 480 basis points due to the addition of illion. Latin America margin contracted by 240 basis point largely due to the temporary effect of the integration of acquisitions.

Segmental Margin Progression

- When considering our Segmental Margins over a longer-term timeframe, you can see that B2B Margins have been relatively consistent around 30% since FY20 despite the temporary dilution from recent acquisitions and Cloud transformation dual-run costs. As previously indicated, the dual-run costs peak in FY26 and will trend down from FY27, and the margin from our recent acquisitions trend to group average margin over around 3 years.
- Consumer Segment margins have expanded from 21% in H1 20 reaching 30% in H1 26 which has resulted from scaling our audience to over 208 million members and our scaling Marketplace activities

Benchmark earnings per share (EPS)

- Turning now to EPS where last year we delivered 8% growth in H1 and this year we delivered double digit growth of 12% at actual rates.
- Benchmark Continuing EBIT grew 15% at constant currency due to good revenue growth and 50 basis points of margin expansion at constant rates.
- The combination of interest expense, reflecting increased acquisition funding, and a slightly higher tax rate resulted in 13% EPS growth at constant currency, and 12% at actual rates.
- Over a two-year period, since we began our medium term framework, the increase in H1 EPS is over 20%.

Reconciliation of Benchmark to Statutory PBT

Taking a look at our usual reconciliation to statutory results:

- Our Benchmark profit before tax grew 13% at actual FX rates, driven by revenue performance and good margin progression.
- Acquisition related expenses increased to \$32m due to the acquisitions of Clearsale, illion and Audigent.
- There was little change in the fair value of contingent consideration on prior acquisitions and restructuring related costs stand at \$3m for the half.
- The above items resulted in a Statutory profit before tax and non-cash items of \$1,018m representing a 12% growth at the half which is broadly in line with the growth in Benchmark PBT.

- Non-cash items included an increase in Amortisation of acquisition intangibles to \$135m versus \$95m in the prior year...
- ...and financing remeasurements were \$92m favourable versus a \$93m adverse figure in the prior year. This swing was principally driven by remeasurements on Brazilian intra-Group funding resulting in statutory profit before tax at \$975m or 36% growth versus H1 FY25.

Benchmark operating cash flow and ROCE

- Now turning to our cash flow and return on capital
- The left side shows our long-term operating cash flow and conversion metrics. As you can see from the slide, we've delivered strong growth in H1 operating cash flow, growing at a 17% compound rate since FY20. This half year, we generated about \$900million of operating cash flow, at a 77% conversion rate.
- A key part of our framework is to continue to use our cash generation to invest in high return on capital growth opportunities. On the right, you can see our disciplined use of capital where we have significantly grown our capital base to \$10bn whilst delivering consistently high post tax returns, this year at 16.5%

Capex investment and Leverage

Capex and Cloud transformation

- Turning to capital investment, we are significantly progressed with our cloud transformation program and are well on the way to our expected position of over 85% of processing in the cloud in our US and Brazil businesses outside of Health.
- As we approach the latter stages of the program, we expect to benefit from reduced dual run costs and lower change related capital investment. This will allow us to expand our innovation and AI investment activities to drive future growth, all within the financial envelope of our medium term framework.

Leverage

- And as we materially complete our cloud technology programme we are very strongly financed.
- Our key leverage measure of Net Debt to EBITDA was 1.8x at the half year.
- Our fixed debt level stands at c.60% at the half year and we have an average tenor of 5 years remaining. Our average interest rate is 3.5%.
- Our Benchmark Net Interest expense guidance for the full year remains at around US\$190m.

Modelling considerations for FY26

- So, turning now to our full year FY26 modelling considerations, which relate to our ongoing activities
- Based on the strength of our H1 performance, we now expect organic revenue growth for the full year to be c.8%, at the top end of our previous guidance range. We continue to expect a 3% inorganic contribution from completed acquisitions.
- Based on recent FX rates, we expect FX to be a 1% tailwind to both revenue and EBIT growth
- We do not expect any other changes to guidance beyond these two points.

And with that, I will hand back to Brian.

Summary

- In closing, we've started the year with good momentum, with strong H1 financial progress across revenue, margins and cash flow generation.
- We now expect to deliver at the top-end of our FY26 guidance range.

- We've advanced strongly across B2B and B2C, scaling key initiatives and future growth investment.
- Recent acquisitions have integrated well, and have strengthened our market position to unlock new opportunities.
- We're driving AI initiatives with a clear ambition to lead the next wave of data-driven intelligence solutions, and our cloud transformation is on track to peak this financial year.
- This puts us on track to deliver on our medium-term financial framework, and we're very well positioned to sustain growth and high returns.
- With that, I'll hand back to the operator for your questions. To give everyone a chance, please keep it to two questions per person.
- Operator, over to you.

Questions and Answers

Scott Wurtzel, Wolf Research

Good morning, guys, and thank you for taking my questions. The first one is just on the guidance. It is great to see you guys race to the top end of the revenue guide, but with margins staying flat, can you talk a little bit about where you are maybe investing a little bit more in the business with that incremental revenue growth? Then as a follow-up to that, your view on the structural margins within the B2B business, as we get through these dual running costs and lap the impact of the recent acquisitions. Thanks.

Brian Cassin

Lloyd?

Lloyd Pitchford

I think you said we have flat margins. Margins are up 30 basis points.

Scott Wurtzel

Reiterating the guide.

Lloyd Pitchford

Okay. Sorry, I understand. We are really confident in the margin outlook for the business. You have seen when we put our medium-term framework together, obviously we did not have acquisitions to forecast at that time. Organic margin last year was up 90 basis points. First half this year is up 100 basis points. That tells you that we have a lot of capacity to be able to reinvest and to be able to deliver on the margin commitments that we have.

If you look at the full year, we have reiterated the 30 to 50 basis points. Again, we are very confident in that.

As you look out beyond this year, the dual run costs move from a headwind to a tailwind. That 100 basis points will come back over about four or five years. We also get back the dilution that we have had from the recent acquisitions. Last year that was 20 basis points, this year 30 basis points. What you can see is that the margin outlook embedded on medium-term framework is very well underpinned. That gives us a lot of flexibility, and we said this at the time we outlined our medium-term framework, to ensure we are continuing to invest and innovate. As Brian said, we see an exciting future as AI really fuels the opportunity of the value embedded in the proprietary data that we have, and we are going to be investing strongly behind that. We can do that whilst confidently delivering our framework.

Andy Grobler, BNP Paribas

Good morning. Just a couple, if I may. The first one is on productivity. Lloyd, you mentioned that you could see tangible benefits from AI from a productivity perspective. Could you quantify what you are seeing now and how you expect that to move over the next two to three years as that develops?

Then secondly on mortgage, there is a lot going on in that market at this time. What do you think is the timeframe for the market or the resellers to move to the new system? Also, what are your expectations in terms of how long it takes VantageScore to be fully utilised within that market? Thanks very much.

Lloyd Pitchford

Hi, Andy. On productivity, like everybody, we are just seeing an acceleration of the availability of tooling that can really drive productivity across the group. We have a lot of people in producing product and the ability to be able to increase capacity without adding people because deployment of auto coding generation.

Looking more broadly across administrative functions, support functions, customer support functions, all of them are showing the benefit of the deployment of new tooling. As I mentioned in my remarks, we grew 8% organically in the first half and organic headcount was broadly stable. That shows you the potential in the group. We clearly have a lot of capability in the company. It's what we do to be able to deploy AI tooling, and that benefits our clients, but also benefits inside the company. I expect that to continue and that is going to give us a lot of flexibility, as I said, to be able to deliver on our framework but also increasingly invest in product innovation and in AI deployment for our customers.

Brian Cassin

Then just coming back onto the mortgage markets, yes there is a lot going on. On the resellers point, there is no one answer because the reseller market consists of quite a lot of different players, some big ones, some small ones. Probably the big ones are able to cope with operational changes quicker than the smaller ones, but even that is going to take a bit of time. It is difficult to be precise. It will differ from reseller to reseller, but they will have to change operational processes.

Obviously, they are in a new structure. They would be calculating the score. They have never done that before. There are a lot of requirements around that which is ensuring that you actually have completely synced up between the actual data and the score. You have audit requirements around that for the GSEs and for their clients. You have billing that you have to set up. You have to set up processes around ensuring that you can answer any consumer disputes that come because today those consumer disputes around the score data will come to the bureaus. You split between the actual data and the score between bureau and resellers. You probably have a lot of customer confusion about where that liability relies.

There is quite a lot to do, and I suspect that there will be different timescales for different resellers, but we do not expect this to be very quick. Sometime into 2026 and, as I say, some will be quicker than others. Hopefully that answers that question.

The second part was VantageScore adoption. Just to reiterate points that have been made ad nauseam, FICO Score has been the only score available for use for 30 years, so it is embedded in the system in the way that I described when I referenced the GSEs used across the system. People can move. We have seen that. We have seen some people move from FICO to VantageScore pretty quickly in other areas. Some will take longer. Over the next few years you are going to see people move. Those will be individual decisions made by lenders, and so on and so forth, but over the next few years you are going to start to see some of that shift.

Annelies Vermeulen, Morgan Stanley

I have two questions as well. Just coming back to AI, I just wanted to understand a bit better on how that has developed in the pricing of your product to customers. Is that something you can price for, as you embed more AI into these products? You mentioned that it is also reducing the cost of developing new products, so, equally, is any of that being passed on to customers? I am just wondering if there is any risk of pricing pressures.

On the marketplace in North America, it sounded like growth was pretty broad-based across credit and insurance marketplaces. Is there anything in particular to call out in terms of the drivers of that in H1, audience expansion and adding more lenders? As part of that, could you update on your expansion into home insurance and how that's progressing?

Brian Cassin

On the first question, we see AI as a new product that we have introduced that actually has new functionality. If you look at patient access in health, that is a new process that really improves the insurance discovery solution for our clients, and because of the performance of that product we are able to actually get premium prices for that. I referenced model governance, which would be embedded in the Ascend platform. Again, when you look at the value equation, model governance is a hugely complex exercise. There are a lot of people involved in that. It is very important from a risk and compliance perspective. It is very costly. The extent that we automate that and take out significant costs for our clients also represents revenue upside opportunity. We are in the early stages of that, but the evidence that we have seen so far is that this is actually a revenue additive.

In terms of the productivity benefits, we have seen those. That means two really important things. Firstly, we can build more stuff. Secondly, we can actually build more stuff that gets to market quicker. There are two aspects to that. The first is actually building the product to a point that people can pilot and test. The second is making it operational. Overall, we just see that cadence of new product introduction and the ability to get them to market quicker. Leveraging these capabilities is what we are focused on.

Clearly, all clients will do an economic assessment on the value that is provided by any solution. That is not going to go away. People do not just accept solutions because they have AI labelled on them. They will evaluate whether it is better, faster, cheaper, or enable them to take costs out of their own system or give them a better outcome. That evaluation continues. We expect that to be no different in the new world. We are excited about what that does for us, given the big footprint of developers we have across the business. We introduce a huge number of products every year. That cadence is going to improve, which is really positive.

Lloyd Pitchford

I will touch on marketplace and lending more generally. In the US we are in our third quarter of a sequentially-improving lending position. You can see that in the performance of the core financial services business outside of mortgage. The place that first showed up was very strong growth in financial marketplace inside the consumer business, and that continues to grow very strongly. Insurance continues to grow well, even outside of the one-off cash-up that we have, which was helpful in the quarter, but it also reflects that the insurance business was actually a bit better than we thought it was with the volumes that we reported last year.

In his remarks, Brian referenced the launch of Home Hub. Just like we launched the Auto Hub where people can claim their car, and then we use all of our data assets to help consumers around their car-owning journey, the principle is the same around the Home Hub, including home insurance. We will be bringing all of the assets that Experian has around home to bear in the direct consumer market. We will tell you a bit more about that as that product launches.

Simon Clinch, Rothschild & Co Redburn

I have two questions here. The first one is I just wondered if you could just clarify your assessment of the 30% market share that VantageScore has in certain parts of the market. I just want to make sure I understand exactly what you are referencing to there. My second is around the launch of the Cashflow Score recently. I am just curious as to where we are in terms of the bundling or even integration of consumer permission datasets with core credit, and how that is going to really feed the innovation pipeline going forward. To me, that seems to be one of the more unique opportunities for Experian.

Brian Cassin

The 30% market share actually comes from our assessment of our internal data. We obviously do not cover the whole market, but we have a very big market share. We actually expect that that will be replicated across the other bureaus. That is across all unsecured lending, auto, cards, personal loans, and so on and so forth. The biggest penetration is actually in cards, which obviously is the biggest category, and also in fintech. For example, in fintech, VantageScore has over 50% market share across all 10 subcategories. You can see that people have adopted alternative scores where there has been competition available. You then turn back then to the mortgage markets, where VantageScore has not been available for 30 years, and now is. It would be a pretty reasonable assumption to say that VantageScore will gain market share.

On the Cashflow Score point, we are very excited about this product. This is following what we have seen across other territories when open banking was introduced, which is that consumer permission data has a role to play. The role is really an enhancement, in addition to core bureau data, not a replacement. The really powerful solutions combine the two. We are therefore in a fantastic position to develop this market and to be the leading player. Frankly, we have the best solution in the marketplace. We are going to win in this category, and we are going to win very big. The reason is because only we can really do that combination. The attributes and scores we have developed have been really leveraging consumer data that we have had access to at scale. That has a lot of resonance in the marketplace, and we are seeing a lot of client interest in this.

James Rose, Barclays

The first one is how you think AI could affect your medium-term model. On one side, you have productivity evident now, which could push you above the 30 to 50 bps. If you kept the margin profile the same, presumably revenue growth could go up if you have faster product development or more products coming to market. I just wonder how you think it could just move the needle in the longer term.

Secondly, I notice the point you just made that you are now enhancing credit data with your cash flow analytics. Equifax has made some comments around offering TWN in credit reports. I am just wondering whether you think there is a need to counter that, and start building your own employment and verification data a bit more rapidly.

Brian Cassin

Lloyd, do you want to answer the first one?

Lloyd Pitchford

Yes. James, AI is clearly a rapidly-developing area. On the one hand, it is almost impossible to forecast all the different avenues. What you can see in the way that we have been performing is that we have a lot of flexibility. That is going to be important. We cannot forecast out exactly how it will develop over the next three or four years, but financially we have a lot of flexibility to be able to continue to deliver good margin progression as our business scales, and continue investment to make sure that we win in this new field. We have huge, embedded value in our proprietary data sets that AI will accelerate the monetisation of. We plan to invest to make sure that we can do that. We can do that while still adding margin.

Brian Cassin

On the employment data, as you know, we have been building our employment verification business over the last few years. We have significant scale in that. The main point is just that people continue to innovate, and that all bureaus continue to innovate and offer solutions to their clients that they think might add additional value. The Work Number flag is one example of that. There are many others. When we look at the cash flow and the uptake on the cash flow, the interest that we have seen on that is very significant. It is obviously really significant for people at the lower end of the borrowing spectrum, more thin file and less prime customers, but nonetheless, we think it is a very significant new innovation. We are excited about it.

Ben Wild, Deutsche Bank

Good morning, everyone. Thanks for taking my questions. Two for me as well, please. There is obviously a huge range of discussion on AI and its potential impact on your business, but specifically on the consumer services platform, you talked consistently over many years about building a platform that is focused on supporting consumers and enhancing their financial lives. I know that you have talked about your own internal AI assistant either, but how do you think about protecting your consumer audience as consumers increasingly adopt competing AI tools? How do you think about integrating your offer with some of these tools such as ChatGPT? As an adjunct to the question, are you seeing any impacts on active user intensity as ChatGPT grows?

My second question is, again, on the consumer platform. Sorry. If you look at consumer reviews for the Experian app, many consumers flag that access to FICO scores is an important differentiator versus some of your other very large platform competitors. How important is it to retain FICO Score when you are offering consumer services, and is your thinking on that point evolving in light of recent events?

Brian Cassin

Thanks for the questions. I will deal with them one by one. The first point to make is that the metrics we are seeing across our consumer business continues to trend very positively. That includes organic search traffic, which has actually increased this year. That is really in contrast to a lot of other properties. The reason is because of the strength of the brand. We generate a lot of traffic from our brand. That has been enhanced by the investment that we put in our brand over many years. We think that that is a very important point, as we think about how channel distribution is going to change over time.

What we have seen is a really significant increase in traffic from the AI platforms, in excess of 1,000% growth over the last year. The traffic coming from there is still very small, but it is obviously going to be a very important channel going forward. We will be focusing a lot of our efforts on making sure that we have the same level of visibility and profile there, which we do, actually. Again, that is really down to the strength of brand, plus the content and so on and so forth. That is a future opportunity for us as we as we think ahead.

On the EVA capability, this is where it makes a big difference. That capability is able to do things that other AI agents will not be able to do, specifically because of being built around capabilities that will have deep access to our data, but also enabling them to take actions, for example, like freezing your credit report, or retrieving your score, or so on and so forth. We have seen really significant engagement on that; there have been over two million interactions so far, so we are pleased with that. We will continue to build out those propositions. All in all, as we look forward we are excited about where that goes, because we think the strength of our brand and the capability on the platform continues to position us as the winner in the longer term.

On FICO Score, yes, that is a part of our offer. We have had that for a long time. It was introduced over ten years ago. There is much more value that we provide on that platform since we introduced that, so there is less reliance on that as a value proposition. It is still important, but it is not as important as it was. We will continue to evaluate all those propositions as we go forward.

Simon Clinch

Sorry for sneaking just one final one in. Just a very quick one, Lloyd, on a share repurchase. As far as I can see, you pretty much completed your guide for the year. How do we think about capital allocation in the back half of the year?

Lloyd Pitchford

We obviously update on capital allocation once a year, in May. You have seen the strength of cash generation. We finished the half at 1.8 times. If we do not do any further acquisitions for the rest of the year, we would finish the year at about 1.5 times. We expect to do some other acquisitions. We have a good pipeline. You can see that with this level of cash generation we have a lot of financial flexibility for capital allocation. I look forward to updating you in May.

Closing Remarks

Brian Cassin

That concludes today's session. Thanks, everybody, for joining us. I wish you all a good day and we look forward to speaking to you again in January for our Q3 trading update.
