

Experian PLC

CORE HOLDING*

Recommended since 29.06.18

07.11.2024



Country GB	Market capitalization (bn) GBP 35,5
Sector Media	Free float 99,9%
Factset EXPN-GB	Closing price GBP 38,37
ISIN GB00B19NLV48	ESG Risk score* 10,7 Low risk

Perf. since reco. (%)
Experian PLC 104,7
Sector 67,6



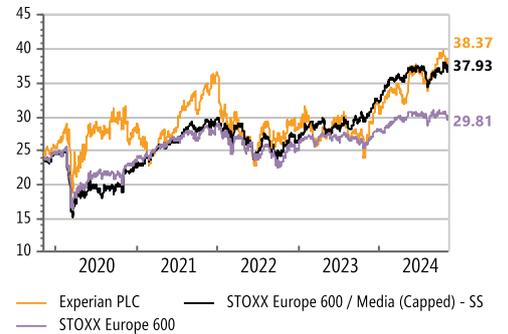
*From 2015, B&Cie separates its investment recommendations into Core Holdings (higher organic growth potential, high free cash flow, ROCE in excess of the cost of capital and balance sheet efficiency throughout the cycle) and Satellite Recommendations, which do not meet the above criteria but are likely to outperform in the short-to-medium term.

Profile

Active in the global distribution of information, Experian plc is first and foremost a credit bureau, providing credit-related information and analysis tools (profiles of credit applicants, repayment ability, risk, etc.). This sensitive information is used by credit institutions and many other public and private sector institutions, mainly in the UK and US.

Market - competition - positions - barriers to entry

Experian operates in an oligopolistic market in which it is market leader in the UK and Brazil and one of the top three players in the US (vs. Equifax and TransUnion). Many markets are still dominated by state-owned institutions or bank subsidiaries. Experian is positioned to buy up credit bureaux as soon as they become available, as it recently did in Germany. Barriers to entry are high and there is substantial regulation.



Source: Factset

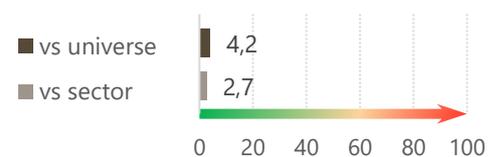
Investment case

- Experian organizes its activities into two main segments: a B2B (Business-to-Business) entity, which includes Credit Services, Decision Analytics, and Marketing Services, accounting for 79% of the group's revenue, and Consumer Services, which represents 21% of revenue.
- Experian's business model relies on data collection, obtained either free or at low cost, from its own clients (1.2 billion consumers and 145 million businesses). This transactional model allows clients—primarily financial services (36% of revenue), Direct to Consumer (D2C, 16%), healthcare (14%), and other industries such as retail, automotive, insurance, and telecommunications—to use this data to refine risk assessment, improve credit allocation, combat over-indebtedness, and prevent fraud.
- Experian benefits from several growth drivers. Digital transformation and evolving consumer behaviors demand constant innovation and adaptation, especially with the rise of online shopping and smartphone usage. In emerging markets, credit growth remains a key opportunity, while the aging population requires tailored service offerings.
- The proliferation of data is a major driver of innovation for Experian, particularly in risk analysis and cybercrime prevention. AI and automation play an increasingly central role in Experian's operations, enabling real-time analysis and more sophisticated fraud detection solutions. Through these technologies, Experian strengthens its position as a leader in Big Data and data analytics.
- With a solid business model and an innovation strategy focused on AI and large-scale data management, Experian is well-positioned to capture growth in the data and risk assessment space while remaining resilient to regulatory and technological changes.

ESG - risks and key points

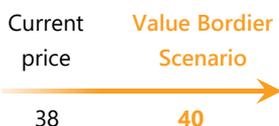
- The regulatory framework remains crucial in a sector where data sensitivity is paramount. Experian actively works with over 120 jurisdictions to ensure compliance, while also participating in regulatory discussions to adapt its practices to the highest standards.
- The company is noted for its strong corporate governance performance, which lowers its overall risk (minimizes data and reputation risks).

ESG risk vs. universe & sector (percentile)*



Source: Sustainalytics

Valuation** in GBP



We are adjusting the 2025/2026 revenue growth to +8%, with an EBIT margin of 28% in 2026 (with improvements over the years). Our scenario includes a risk-free rate in the UK of 3%.

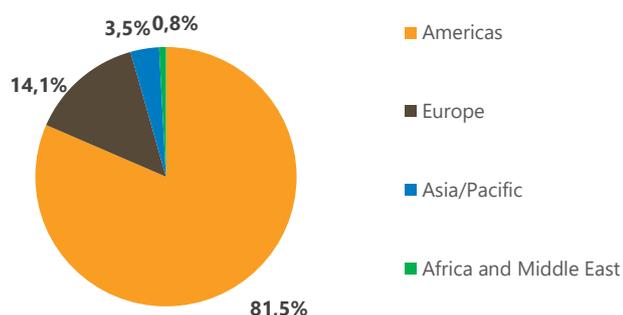
** The theoretical value reflects the company's business model, our baseline growth and profit scenario and market data, exogenous to the company (risk-free rate and equity risk premium). It does not in itself constitute a target price.

"Bordier Core Holding" indicators

In millions of USD	2022	2023	2024e	2025e	2026e
Sales revenue	6 288	6 619	6 917	7 436	8 068
Sales growth %	17,1%	5,3%	4,5%	7,5%	8,5%
a/w organic	17,1%	8,0%	4,0%	7,0%	8,0%
EBIT adjusted	1 642	1 793	1 919	2 072	2 248
% of sales	26,1%	27,1%	27,7%	27,9%	27,9%
Net income	1 235	1 236	1 393	1 513	1 651
Adjusted EPS	1,34	1,27	1,43	1,56	1,70
Adjusted EPS growth	53,1%	-5,2%	12,7%	8,6%	9,1%
Capex/Sales	7,7%	9,5%	8,3%	8,0%	7,3%
Free cash-flow	1 312	1 090	1 407	1 491	1 680
FCF/Sales	20,9%	16,5%	20,3%	20,1%	20,8%
Dividend per share	0,62	0,55	0,71	0,71	0,71
Dividend yield	1,6%	1,4%	1,8%	1,8%	1,8%
ROCE - WACC	10,2%	11,0%	12,3%	13,8%	15,7%
ROE (%)	31,1%	31,4%	29,1%	26,9%	25,1%
Net debt/Ebitda	178,6%	158,0%	121,8%	82,9%	42,3%

Source: Factset, Bordier estimates

Sales breakdown - 03/2024



Ratios

	Experian PLC	Stoxx Europe 600	
		Sector	Market
PE (x)***		Media	STOXX 600
2023	25,2	22,2	14,4
2024e	27,2	21,4	14,4
2025e	25,0	19,5	13,2
P/B (x)***			
2023	7,5	4,2	2,0
2024e	7,5	4,2	1,9
2025e	6,4	4,0	1,8
Beta (2Y, daily) vs market:			0,77

***) The valuation ratios set out are provided for information only. They do not constitute the criteria based upon which Core Holdings are selected, and may present significant premiums representing the quality of the company's business model.

Governance and ownership structure

Since 2012, Brian Cassin (CEO).

Key shareholders (if any):

WCM Investment Management 4,97% / BlackRock Investment Management (UK) Ltd 2.94% / Fidelity Management & Research Co. LLC 2.84%.

Agenda

13.11.2024 : Earnings Q2-FY2025

15.01.2025 : Earnings trading update Q3-FY2025

Any special characteristics of ownership (multiple voting rights, controlling holding company, shareholders' agreements, etc.):

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Glossary

ESG Risk Score

At B&Cie, we take particular care to ensure that the companies in which we recommend investing are sustainable. Accordingly, our selection process takes account of risks relating to environmental, social and governance (ESG) issues. This approach is underpinned by research from Sustainalytics, the global leader in ESG and corporate governance analysis, whose methodology aims to identify major controversies and risks and assess a company's ESG risks relative to both its sector and the investment universe as a whole. The corresponding score is expressed as a percentile: the lower the overall risk score, the lower the risk within the investment universe.

b-Digital, b-Transition & b-Well

Over and above the conventional geographical and sectoral approaches to asset management, at B&Cie we believe the world of tomorrow is being shaped by structural trends. We have identified three main megatrends: ongoing digital globalisation of the economy; economic transition, particularly in the energy sector; and the quest for wellness. We believe selecting and investing in companies that play an active role in these transformations should lead to more resilient portfolios that generate higher long-term returns. Our investment recommendations in the digital globalisation space are labelled "b-Digital", those in the economic transition space "b-Transition" and those in the wellness space "b-Well". A given recommendation may fall under more than one theme, in which case it will carry the relevant matching labels.

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