

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): July 27, 2016

**EQUIFAX INC.**

(Exact name of registrant as specified in Charter)

**Georgia**

(State or other jurisdiction  
of incorporation)

**001-06605**

(Commission File  
Number)

**58-0401110**

(IRS Employer  
Identification No.)

**1550 Peachtree Street, N.W.  
Atlanta, Georgia**

(Address of principal executive offices)

**30309**

(Zip Code)

Registrant's telephone number, including area code:**(404) 885-8000**

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- \* Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - \* Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - \* Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - \* Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

**Item 2.02. Results of Operations and Financial Condition.**

On July 27, 2016, Equifax Inc. issued a press release disclosing financial results for the three month period ended June 30, 2016. A copy of the text of the press release is attached as Exhibit 99.1 hereto. The information in Exhibit 99.1 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

99.1 Press release of Equifax Inc. dated July 27, 2016.

---

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**EQUIFAX INC.**

By:	<u>/s/ John W. Gamble, Jr.</u>
Name:	John W. Gamble, Jr.
Title:	Corporate Vice President and Chief Financial Officer

Date: July 27, 2016

---

**Exhibit Index**

The following exhibit is being filed with this report:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Equifax Inc. dated July 27, 2016.



**Contact:**

Jeff Dodge  
Investor Relations  
(404) 885-8804  
[jeff.dodge@equifax.com](mailto:jeff.dodge@equifax.com)

Dianne Bernez  
Media Relations  
(404) 885-8325  
[dianne.bernez@equifax.com](mailto:dianne.bernez@equifax.com)

**Another very strong operating performance, broad-based growth momentum, and continuing progress on strategic initiatives**

- Revenue of \$811.3 million was up 20 percent (22 percent in local currency) compared to the second quarter of 2015.
- Diluted EPS of \$1.08 was up 17 percent compared to the second quarter of 2015.
- Adjusted EPS of \$1.43 was up 24 percent compared to the second quarter of 2015.
- Net income attributable to Equifax of \$130.9 million was up 18 percent compared to the second quarter of 2015.
- Adjusted EBITDA margin was 36.6 percent compared to 35.0 percent in the second quarter of 2015.

**ATLANTA, July 27, 2016** -- Equifax Inc. (NYSE: EFX) today announced financial results for the quarter ended June 30, 2016.

“The team continues to operate at a high level,” said Richard F. Smith, Equifax’s Chairman and Chief Executive Officer. “The momentum we have developed served us well in the second quarter. Also, the integration of Veda is going very well and the team there has continued to deliver a performance consistent with its historical results. My continuing optimism for 2016 extends well into 2017 as our strategic initiatives develop and mature.”

**Financial Results Summary**

The company reported revenue of \$811.3 million in the second quarter of 2016, a 20 percent increase from the second quarter of 2015 on a reported basis and up 22 percent on a local currency basis.

Second quarter diluted EPS attributable to Equifax was \$1.08, up 17 percent from the second quarter of 2015. Adjusted EPS attributable to Equifax was \$1.43, up 24 percent from the second quarter of 2015. This financial measure for 2016 excludes the Veda acquisition-related amounts and for 2015 excludes an impairment in our cost method investment and an unanticipated income tax benefit. The financial measure for both 2016 and 2015 excludes the acquisition-related amortization expense, net of associated tax impacts, as described more fully in the attached Q&A.

Net income attributable to Equifax of \$130.9 million was up 18 percent compared to the second quarter of 2015. Adjusted EBITDA margin was 36.6 percent, compared to 35.0 percent in the second quarter of 2015. These financial measures for 2016 and 2015 have been adjusted for certain items, which affect the comparability of the underlying operational performance and are described more fully in the attached Q&A.

**USIS delivered solid growth and very attractive Adjusted EBITDA margins.**

- Total revenue was \$307.9 million in the second quarter of 2016 compared to \$298.2 million in the second quarter of 2015, an increase of 3 percent. Operating margin for USIS was 43.5 percent in the second quarter of 2016 compared to 42.9 percent in the second quarter of 2015. Adjusted EBITDA margin for USIS was 50.4 percent in the second quarter of 2016 compared to 50.1 percent in the second quarter of 2015.
- Online Information Solutions revenue was \$220.0 million, up 2 percent from the second quarter of 2015.
- Mortgage Solutions revenue was \$35.0 million, up 6 percent from the second quarter of 2015.
- Financial Marketing Services revenue was \$52.9 million, up 7 percent when compared to the second quarter of 2015.

**International delivered strong double-digit growth and improved Adjusted EBITDA margins.**

- Total revenue was \$218.8 million in the second quarter of 2016, up 51 percent from the second quarter of 2015 and a 62 percent increase on a local currency basis. Operating margin for International was 15.4 percent in the second quarter of 2016, compared to 19.7 percent in the second quarter of 2015. Adjusted EBITDA margin for International was 28.4 percent in the second quarter of 2016, compared to 25.9 percent in the second quarter of 2015.
- Europe revenue was \$67.3 million, up 12 percent from the second quarter of 2015 and up 18 percent on a local currency basis.
- Latin America revenue was \$46.9 million, down 8 percent from the second quarter of 2015 and up 14 percent on a local currency basis.
- Asia Pacific revenue was \$72.3 million, driven largely by the Veda acquisition.
- Canada revenue was \$32.3 million, flat from the second quarter of 2015 and up 5 percent on a local currency basis.

**Workforce Solutions delivered very attractive double-digit growth and Adjusted EBITDA margins.**

- Total revenue was \$177.3 million in the second quarter of 2016, a 21 percent increase from the second quarter of 2015. Operating margin for Workforce Solutions was 44.2 percent in the second quarter of 2016 compared to 38.3 percent in the second quarter of 2015. Adjusted EBITDA margin for Workforce Solutions was 50.2 percent in the second quarter of 2016 compared to 45.4 percent in the second quarter of 2015.
- Verification Services revenue was \$109.9 million, up 17 percent when compared to the second quarter of 2015.
- Employer Services revenue was \$67.4 million, up 29 percent when compared to the second quarter of 2015.

**Global Consumer Solutions delivered very attractive double-digit growth and solid Adjusted EBITDA margins.**

- Revenue was \$107.3 million, a 21 percent increase from the second quarter of 2015 and up 22 percent on a local currency basis.
- Operating margin was 24.0 percent compared to 27.8 percent in the second quarter of 2015. Adjusted EBITDA margin was 26.4 percent compared to 30.6 percent in the second quarter of 2015.

**Third Quarter 2016 and Full Year 2016 Outlook**

For the third quarter, we expect revenue to be between \$795 and \$805 million, reflecting constant currency growth of 22% to 24%, partially offset by 3% of foreign exchange headwind. Adjusted EPS is expected to be between \$1.33 and \$1.36 which is up 17% to 19%. Excluding \$0.03 per share negative impact from foreign exchange, this reflects constant currency EPS growth of 19% to 22%.

With our strong Q2 performance and outlook for Q3, we are also increasing our full year outlook. For the year, we expect revenue to be between \$3.13 and \$3.16 billion, reflecting constant currency growth of 20% to 22%, partially offset by 3% of foreign exchange headwind. This is up from the previous guidance of \$3.05 to \$3.15 billion and will move us above the high end of our multi-year financial model of 6% to 8% revenue growth. We also expect additional revenue growth from our acquisition pipeline, which is not included in our current 2016 outlook.

Adjusted EPS for the year is expected to be between \$5.35 and \$5.40, which is up 19% to 20%. Excluding approximately \$0.12 full year per share negative impact from foreign exchange, this reflects constant currency EPS growth of 22% to 23%. This too is up from the \$5.15 to \$5.25 that we guided to during our Q1 earnings call.

## **About Equifax**

Equifax powers the financial future of individuals and organizations around the world. Using the combined strength of unique trusted data, technology and innovative analytics, Equifax has grown from a consumer credit company into a leading provider of insights and knowledge that helps its customers make informed decisions. The company organizes, assimilates and analyzes data on more than 800 million consumers and more than 88 million businesses worldwide, and its database includes employee data contributed from more than 5,000 employers.

Headquartered in Atlanta, Ga., Equifax operates or has investments in 21 countries in North America, Central and South America, Europe and the Asia Pacific region. It is a member of Standard & Poor's (S&P) 500® Index, and its common stock is traded on the New York Stock Exchange (NYSE) under the symbol EFX. Equifax employs approximately 9,200 employees worldwide.

## **Earnings Conference Call and Audio Webcast**

In conjunction with this release, Equifax will host a conference call tomorrow, July 28, 2016 at 8:30 a.m. (ET) via a live audio webcast. To access the webcast, go to the Investor Relations section of our website at [www.equifax.com](http://www.equifax.com). The discussion will be available via replay at the same site shortly after the conclusion of the webcast. This press release is also available at that website.

## **Non-GAAP Financial Measures**

This earnings release presents adjusted EPS attributable to Equifax which (to the extent noted above for different periods) excludes acquisition-related amortization expense, acquisition-specific transaction and due diligence expense, as well as integration expense in the first twelve months following the closure of the acquisition, and the adjustment of redeemable noncontrolling interest that reflects a redemption value in excess of fair value. This earnings release also presents adjusted EBITDA and adjusted EBITDA margin which is defined as consolidated net income attributable to Equifax plus net interest expense, income taxes, depreciation and amortization, and also excludes certain one-time items. These are important financial measures for Equifax but are not financial measures as defined by GAAP.

These non-GAAP financial measures should be reviewed in conjunction with the relevant GAAP financial measures and are not presented as an alternative measure of net income or EPS as determined in accordance with GAAP.

Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures and related notes are presented in the Q&A. This information can also be found under "Investor Relations/GAAP/Non-GAAP Measures" on our website at [www.equifax.com](http://www.equifax.com).

## **Forward-Looking Statements**

This release contains forward-looking statements and forward-looking information. These statements can be identified by expressions of belief, expectation or intention, as well as statements that are not historical fact. These statements are based on certain factors and assumptions including with respect to foreign exchange rates, expected growth, results of operations, performance, business prospects and opportunities and effective tax rates. While the company believes these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect.

Several factors could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including, but not limited to actions taken by us, including restructuring or strategic initiatives (including capital investments or asset acquisitions or dispositions), as well as from developments beyond our control, including, but not limited to, changes in worldwide and U.S. economic conditions that materially impact consumer spending, consumer debt and employment and the demand for Equifax's products and services. Other risk factors include adverse or uncertain economic conditions and changes in credit and financial markets; economic, political and other risks associated with international sales and operations; risks relating to illegal first party efforts to access data or other cybersecurity or physical security breaches; changes in, and the effects of, laws and regulations and government policies governing our business, including, without limitation, our examination and supervision by the Consumer Financial Protection Bureau ("CFPB"), a federal agency that holds primary responsibility for the regulation of consumer protection with respect to financial products and services in the U.S., supervision by the U.K. Financial Conduct Authority of our debt collections services and core credit reporting businesses in the U.K. (including the requirement that we obtain certain authorizations to carry on these businesses, which for debt collections services has been received and for the core businesses was applied for in March 2016); federal or state responses to identity theft concerns; potential adverse developments in new and pending legal proceedings or government investigations, including investigations or examinations undertaken by the



CFPB, State Attorneys General or other governmental agencies; our ability to successfully develop and market new products and services, respond to pricing and other competitive pressures, complete and integrate acquisitions and other investments and achieve targeted cost efficiencies; timing and amount of capital expenditures; changes in capital markets and corresponding effects on the company's investments and benefit plan obligations; foreign currency exchange rates and earnings repatriation limitations; and the decisions of taxing authorities, all of which could affect our effective tax rates. A summary of additional risks and uncertainties can be found in our Annual Report on Form 10-K for the year ended December 31, 2015, including without limitation under the captions "Item 1. Business -- Governmental Regulation" and "-- Forward-Looking Statements" and "Item 1A. Risk Factors," and in our other filings with the U.S. Securities and Exchange Commission. Forward-looking statements are given only as at the date of this release and the company disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

EQUIFAX  
**CONSOLIDATED STATEMENTS OF INCOME**

<i>(In millions, except per share amounts)</i>	<b>Three Months Ended June 30,</b>	
	<b>2016</b>	<b>2015</b>
	<i>(Unaudited)</i>	
Operating revenue	<b>\$ 811.3</b>	\$ 678.1
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	<b>285.8</b>	220.8
Selling, general and administrative expenses	<b>231.6</b>	218.7
Depreciation and amortization	<b>68.2</b>	50.1
Total operating expenses	<b>585.6</b>	489.6
Operating income	<b>225.7</b>	188.5
Interest expense	<b>(23.6)</b>	(16.2)
Other expense, net	<b>(0.8)</b>	(13.9)
Consolidated income from operations before income taxes	<b>201.3</b>	158.4
Provision for income taxes	<b>(68.3)</b>	(45.9)
Consolidated net income	<b>133.0</b>	112.5
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	<b>(2.1)</b>	(1.5)
Net income attributable to Equifax	<b>\$ 130.9</b>	\$ 111.0
Basic earnings per common share:		
Net income attributable to Equifax	<b>\$ 1.10</b>	\$ 0.94
Weighted-average shares used in computing basic earnings per share	<b>119.2</b>	118.6
Diluted earnings per common share:		
Net income attributable to Equifax	<b>\$ 1.08</b>	\$ 0.92
Weighted-average shares used in computing diluted earnings per share	<b>121.1</b>	120.9
Dividends per common share	<b>\$ 0.33</b>	\$ 0.29

EQUIFAX  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

	June 30, 2016	December 31, 2015
	<i>(Unaudited)</i>	
<i>(In millions, except par values)</i>		
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 96.8	\$ 93.3
Trade accounts receivable, net of allowance for doubtful accounts of \$9.1 and \$7.5 at June 30, 2016 and December 31, 2015, respectively	418.0	349.8
Prepaid expenses	55.9	39.3
Other current assets	56.5	79.2
Total current assets	627.2	561.6
Property and equipment:		
Capitalized internal-use software and system costs	252.5	212.5
Data processing equipment and furniture	264.8	247.8
Land, buildings and improvements	202.3	194.6
Total property and equipment	719.6	654.9
Less accumulated depreciation and amortization	(301.4)	(288.1)
Total property and equipment, net	418.2	366.8
Goodwill	3,971.6	2,571.0
Indefinite-lived intangible assets	94.9	94.7
Purchased intangible assets, net	1,404.9	827.9
Other assets, net	124.0	79.5
Total assets	\$ 6,640.8	\$ 4,501.5
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Short-term debt and current maturities of long-term debt	\$ 447.5	\$ 49.3
Accounts payable	43.4	40.6
Accrued expenses	129.9	112.7
Accrued salaries and bonuses	101.2	139.2
Deferred revenue	98.6	96.8
Other current liabilities	141.3	165.2
Total current liabilities	961.9	603.8
Long-term debt	2,498.7	1,138.4
Deferred income tax liabilities, net	365.9	205.5
Long-term pension and other postretirement benefit liabilities	143.2	146.4
Other long-term liabilities	87.7	57.0
Total liabilities	4,057.4	2,151.1
Equifax shareholders' equity:		
Preferred stock, \$0.01 par value: Authorized shares - 10.0; Issued shares - none	—	—
Common stock, \$1.25 par value: Authorized shares - 300.0; Issued shares - 189.3 at June 30, 2016 and December 31, 2015; Outstanding shares - 119.3 and 118.7 at June 30, 2016 and December 31, 2015, respectively	236.6	236.6
Paid-in capital	1,288.4	1,260.5
Retained earnings	3,988.3	3,834.4
Accumulated other comprehensive loss	(447.8)	(484.8)
Treasury stock, at cost, 69.4 shares and 70.0 shares at June 30, 2016 and December 31, 2015, respectively	(2,518.1)	(2,529.9)
Stock held by employee benefit trusts, at cost, 0.6 shares at June 30, 2016 and December 31, 2015	(5.9)	(5.9)
Total Equifax shareholders' equity	2,541.5	2,310.9
Noncontrolling interests	41.9	39.5
Total equity	2,583.4	2,350.4
Total liabilities and equity	\$ 6,640.8	\$ 4,501.5

EQUIFAX  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Six months ended June 30,	
	2016	2015
	<i>(Unaudited)</i>	
<i>(In millions)</i>		
Operating activities:		
Consolidated net income	\$ 235.4	\$ 202.1
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Impairment of cost method investment	—	14.8
Depreciation and amortization	124.7	100.8
Stock-based compensation expense	22.2	24.5
Excess tax benefits from stock-based compensation plans	(20.0)	(17.1)
Deferred income taxes	2.6	(18.6)
Changes in assets and liabilities, excluding effects of acquisitions:		
Accounts receivable, net	(42.5)	(34.8)
Prepaid expenses and other current assets	12.4	2.7
Other assets	(4.9)	4.4
Current liabilities, excluding debt	(65.7)	9.4
Other long-term liabilities, excluding debt	15.3	1.4
Cash provided by operating activities	<u>279.5</u>	<u>289.6</u>
Investing activities:		
Capital expenditures	(82.8)	(55.2)
Acquisitions, net of cash acquired	(1,727.8)	(4.4)
Economic hedges	(10.8)	—
Investment in unconsolidated affiliates, net	—	(0.1)
Cash used in investing activities	<u>(1,821.4)</u>	<u>(59.7)</u>
Financing activities:		
Net short-term borrowings (repayments)	207.5	(45.2)
Payments on long-term debt	(210.0)	—
Borrowings on long-term debt	1,574.7	—
Treasury stock purchases	—	(182.2)
Dividends paid to Equifax shareholders	(78.6)	(69.0)
Dividends paid to noncontrolling interests	(5.6)	(6.0)
Proceeds from exercise of stock options	15.7	17.2
Excess tax benefits from stock-based compensation plans	20.0	17.1
Debt issuance costs	(5.5)	—
Cash provided by (used in) financing activities	<u>1,518.2</u>	<u>(268.1)</u>
Effect of foreign currency exchange rates on cash and cash equivalents	27.2	(5.9)
Increase (decrease) in cash and cash equivalents	3.5	(44.1)
Cash and cash equivalents, beginning of period	93.3	128.3
Cash and cash equivalents, end of period	<u>\$ 96.8</u>	<u>\$ 84.2</u>

**Common Questions & Answers (Unaudited)**  
(Dollars in millions)

**1. Can you provide a further analysis of operating revenue by operating segment?**

Operating revenue consists of the following components:

<i>(In millions)</i>	<b>Three months ended June 30,</b>				
<b>Operating revenue:</b>	<b>2016</b>	<b>2015</b>	<b>\$ Change</b>	<b>% Change</b>	<b>Local Currency % Change*</b>
Online Information Solutions	\$ 220.0	\$ 215.9	\$ 4.1	2 %	
Mortgage Solutions	35.0	33.1	1.9	6 %	
Financial Marketing Services	52.9	49.2	3.7	7 %	
Total U.S. Information Solutions	307.9	298.2	9.7	3 %	
Europe	67.3	60.1	7.2	12 %	18 %
Latin America	46.9	50.9	(4.0)	(8)%	14 %
Asia Pacific	72.3	1.9	70.4	nm	nm
Canada	32.3	32.2	0.1	— %	5 %
Total International	218.8	145.1	73.7	51 %	62 %
Verification Services	109.9	94.0	15.9	17 %	
Employer Services	67.4	52.3	15.1	29 %	
Total Workforce Solutions	177.3	146.3	31.0	21 %	
Global Consumer Solutions	107.3	88.5	18.8	21 %	22 %
Total operating revenue	<u>\$ 811.3</u>	<u>\$ 678.1</u>	<u>\$ 133.2</u>	20 %	22 %

\*Reflects percentage change in revenue conforming 2016 results using 2015 exchange rates, except for Veda which did not have 2015 results.

nm - not meaningful.

**2. What was the currency impact on the foreign operations?**

The U.S. dollar impact on operating revenue is as follows:

<i>(In millions)</i>	<b>Three Months Ended June 30, 2016</b>	
	<b>Operating Revenue</b>	
	<b>Amount</b>	<b>%</b>
Europe	\$ (3.4)	(6)%
Latin America	(11.0)	(22)%
Canada	(1.6)	(5)%
Asia Pacific	nm	nm
Global Consumer Solutions	(0.9)	(1)%
Total	<u>\$ (16.9)</u>	(2)%

**Reconciliations of Non-GAAP Financial Measures to the Comparable GAAP Financial Measures (Unaudited)**  
(Dollars in millions, except per share amounts)

**A. Reconciliation of net income attributable to Equifax to diluted EPS attributable to Equifax, adjusted for Veda acquisition related amounts other than acquisition-related amortization, an impairment of our cost method investment in Brazil, state income tax benefit generated from a tax law change, and acquisition-related amortization expense:**

<i>(In millions)</i>	Three Months Ended June 30,		\$ Change	% Change
	2016	2015		
Net income attributable to Equifax	\$ 130.9	\$ 111.0	\$ 19.9	18%
Acquisition-related amortization expense of certain acquired intangibles <sup>(1)</sup>	47.1	31.3	\$ 15.8	50%
Veda acquisition related amounts other than acquisition-related amortization <sup>(2)</sup>	6.5	—	6.5	nm
Impairment of Brazil investment <sup>(3)</sup>	—	14.8	(14.8)	nm
State income tax benefit <sup>(4)</sup>	—	(8.6)	8.6	nm
Tax impact of adjustments <sup>(5)</sup>	(11.8)	(9.4)	(2.4)	nm
Net income attributable to Equifax, adjusted for items listed above	172.7	139.1	\$ 33.6	24%
Diluted EPS attributable to Equifax, adjusted for items listed above	\$ 1.43	\$ 1.15	\$ 0.28	24%
Weighted-average shares used in computing diluted EPS	121.1	120.9		

nm - not meaningful

- (1) During the second quarter of 2016, we recorded acquisition-related amortization expense of certain acquired intangibles of \$47.1 million (\$37.9 million net of tax). We calculate this financial measure by excluding the impact of acquisition-related amortization expense and including a benefit to reflect the material cash income tax savings resulting from the income tax deductibility of amortization for certain acquired intangibles. The \$9.2 million of tax is comprised of \$15.4 million of tax expense net of \$6.2 million of a cash income tax benefit. During the second quarter of 2015, we recorded acquisition-related amortization expense of certain acquired intangibles of \$31.3 million (\$26.9 million net of tax). The \$4.4 million of tax is comprised of \$10.6 million of tax expense net of \$6.2 million of a cash income tax benefit.
- (2) During the second quarter of 2016, we recorded \$6.5 million (\$3.9 million, net of tax) for Veda acquisition related amounts other than acquisition-related amortization. \$3.4 million relates to transaction and integration costs in operating income and \$3.1 million is recorded in other income and is the impact of foreign currency changes on the transaction structure. See the Notes to this reconciliation for additional detail.
- (3) Impairment of Brazil investment of \$14.8 million (\$9.8 million, net of tax) relates to the impairment of our cost method investment in Brazil in the second quarter of 2015. The impairment of \$14.8 million is recorded in other (expense) income, net, on our consolidated statements of income, and does not impact our operating margin. See the Notes to this reconciliation for additional detail.
- (4) The state income tax benefit of \$8.6 million was generated from a tax law change enacted in the second quarter of 2015.

- (5) During the second quarter of 2016 we recorded the tax impact of adjustments of \$11.8 million comprised of (i) acquisition-related amortization expense of certain acquired intangibles of \$9.2 million (\$15.4 million of tax expense net of \$6.2 million of a cash income tax benefit) and (ii) tax adjustment of \$2.6 million for Veda acquisition related amounts other than acquisition-related amortization.

During the second quarter of 2015 we recorded the tax impact of adjustments of \$9.4 million comprised of (i) acquisition-related amortization expense of certain acquired intangibles of \$4.4 million (\$10.6 million of tax expense net of \$6.2 million of a cash income tax benefit) and (ii) a tax adjustment of \$5.0 million related to the impairment of our cost method investment in Brazil.

**B. Reconciliation of net income attributable to Equifax to adjusted EBITDA, excluding Veda acquisition related amounts, realignment of internal resources and other costs, income taxes, interest expense, and depreciation and amortization expense, and presentation of adjusted EBITDA margin:**

<i>(In millions)</i>	Three Months Ended June 30,		\$ Change	% Change
	2016	2015		
Revenue	\$ 811.3	\$ 678.1	\$ 133.2	20%
Consolidated net income	130.9	111.0	19.9	18%
Income taxes	68.3	45.9	22.4	49%
Interest expense, net*	23.1	15.8	7.3	46%
Depreciation and amortization	68.2	50.1	18.1	36%
Veda acquisition related amounts <sup>(1)</sup>	6.5	—	6.5	nm
Impairment of Brazil investment <sup>(2)</sup>	—	14.8	(14.8)	nm
Adjusted EBITDA, excluding the items listed above	\$ 297.0	\$ 237.6	\$ 59.4	25%
Adjusted EBITDA margin	36.6%	35.0%		

nm - not meaningful

\*Excludes interest income of \$0.5 million in 2016 and \$0.4 million in 2015.

- (1) During the second quarter of 2016, we recorded \$6.5 million (\$3.9 million, net of tax) for Veda acquisition related amounts other than acquisition-related amortization. \$3.4 million relates to transaction and integration costs in operating income and \$3.1 million is recorded in other (expense) income, net and is the impact of foreign currency changes on the transaction structure. See the Notes to this reconciliation for additional detail.
- (2) During the second quarter of 2015 we recorded an impairment of our cost method investment in Brazil of \$14.8 million (\$9.8 million, net of tax). The impairment of \$14.8 million is recorded in other (expense) income, net, on our Consolidated Statements of Income, and does not impact our operating margin.



**C. Reconciliation of operating income to Adjusted EBITDA, excluding Veda acquisition related amounts, realignment of internal resources and other costs, depreciation and amortization expense, other income (expense), net, and noncontrolling interest, and presentation of adjusted EBITDA margin for each of the segments:**

<i>(In millions)</i>							
<b>Three Months Ended June 30, 2016</b>							
	<b>U.S. Information Solutions</b>	<b>International</b>	<b>Workforce Solutions</b>	<b>Global Consumer Solutions</b>	<b>General Corporate Expense</b>	<b>Total</b>	
Revenue	\$ 307.9	\$ 218.8	\$ 177.3	\$ 107.3	nm	\$ 811.3	
Operating Income	134.0	33.7	78.3	25.8	(46.1)	225.7	
Depreciation and Amortization	20.7	28.2	10.8	2.5	6.0	68.2	
Other income/(expense), net*	0.6	(1.5)	—	—	(0.4)	(1.3)	
Noncontrolling interest	—	(2.1)	—	—	—	(2.1)	
Adjustments <sup>(1)</sup>	—	3.9	—	—	2.6	6.5	
Adjusted EBITDA	\$ 155.3	\$ 62.2	\$ 89.1	\$ 28.3	\$ (37.9)	\$ 297.0	
Operating Margin	43.5%	15.4%	44.2%	24.0%	nm	27.8%	
Adjusted EBITDA Margin	50.4%	28.4%	50.2%	26.4%	nm	36.6%	

nm - not meaningful

\*Excludes interest income of \$0.5 million in International.

<i>(In millions)</i>							
<b>Three Months Ended June 30, 2015</b>							
	<b>U.S. Information Solutions</b>	<b>International</b>	<b>Workforce Solutions</b>	<b>Global Consumer Solutions</b>	<b>General Corporate Expense</b>	<b>Total</b>	
Revenue	\$ 298.2	\$ 145.1	\$ 146.3	\$ 88.5	nm	\$ 678.1	
Operating Income	128.0	28.5	56.0	24.5	(48.5)	188.5	
Depreciation and Amortization	20.9	10.5	10.3	2.5	5.9	50.1	
Other income/(expense), net*	0.4	(14.6)	—	—	(0.1)	(14.3)	
Noncontrolling interest	—	(1.5)	—	—	—	(1.5)	
Adjustments <sup>(2)</sup>	—	14.8	—	—	—	14.8	
Adjusted EBITDA	\$ 149.3	\$ 37.7	\$ 66.3	\$ 27.0	\$ (42.7)	\$ 237.6	
Operating Margin	42.9%	19.7%	38.3%	27.8%	nm	27.8%	
Adjusted EBITDA Margin	50.1%	25.9%	45.4%	30.6%	nm	35.0%	

nm - not meaningful

\*Excludes interest income of \$0.4 million in International.

- (1) During the second quarter of 2016, we recorded \$6.5 million for Veda acquisition related amounts other than acquisition-related amortization. \$3.4 million relates to transaction and integration costs in operating income and \$3.1 million is recorded in other (expense) income, net and is the impact of foreign currency changes on the transaction structure. See the Notes to this reconciliation for additional detail.
- (2) Impairment of Brazil investment of \$14.8 million relates to the impairment of our cost method investment in Brazil in the second quarter of 2015. The impairment of \$14.8 million is recorded in other (expense) income, net, on our consolidated statements of income, and does not impact our operating margin.

**Diluted EPS attributable to Equifax is adjusted for the following items:**

**Acquisition-related amortization expense, net of tax** - We calculate this financial measure by excluding the impact of acquisition-related amortization expense and including a benefit to reflect the material cash income tax savings resulting from the income tax deductibility of amortization for certain acquired intangibles. These financial measures are not prepared in conformity with GAAP. Management believes excluding the impact of amortization expense is useful because excluding acquisition-related amortization, and other items that are not comparable, allows investors to evaluate our performance for different periods on a more comparable basis. Certain acquired intangibles result in material cash income tax savings which are not reflected in earnings. Management believes that including a benefit to reflect the cash income tax savings is useful as it allows investors to better value Equifax. Management makes these adjustments to earnings when measuring profitability, evaluating performance trends, setting performance objectives and calculating our return on invested capital.

**Redeemable noncontrolling interest adjustment** - During the second quarter of 2016, there was not an adjustment of redeemable noncontrolling interest as the redemption value is not in excess of fair value. Management believes excluding this charge is useful as it allows investors to evaluate our performance for different periods on a more comparable basis. Management makes these adjustments to net income when measuring profitability, evaluating performance trends, setting performance objectives and calculating our return on invested capital. This is consistent with how management reviews and assesses Equifax's historical performance and is useful when planning, forecasting and analyzing future periods.

**Veda acquisition related amounts for transaction expenses incurred as a direct result of the acquisition, as well as integration expense in the first year following the closure of the acquisition** - During the second quarter of 2016, we recorded \$6.5 million (\$3.9 million, net of tax) for Veda acquisition related amounts other than acquisition-related amortization. \$3.4 million relates to transaction and integration costs in operating income and \$3.1 million is recorded in other (expense) income, net and is the impact of foreign currency changes on the transaction structure. Management believes excluding this charge is useful as it allows investors to evaluate our performance for different periods on a more comparable basis. Management makes these adjustments to net income when measuring profitability, evaluating performance trends, setting performance objectives and calculating our return on invested capital. This is consistent with how management reviews and assesses Equifax's historical performance and is useful when planning, forecasting and analyzing future periods.

**Adjusted EBITDA and Adjusted EBITDA margin, excluding the Veda acquisition related amounts and realignment of internal resources and other costs** - Management defines adjusted EBITDA as consolidated net income attributable to Equifax plus net interest expense, income taxes, depreciation and amortization, and also excludes certain one-time items. Management believes the use of adjusted EBITDA and adjusted EBITDA margin, allows investors to evaluate our performance for different periods on a more comparable basis.

## Appendix A: Presentation of 2015 adjusted EBITDA

### 4. Can you provide a presentation of adjusted EBITDA by all quarters and in total for 2015?

(In millions)	Three months ended					Total 2015
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015		
Revenue	\$ 651.8	\$ 678.1	\$ 667.4	\$ 666.3	\$ 2,663.6	
Consolidated net income	88.3	111.0	117.9	111.9	429.1	
Income taxes	48.0	45.9	53.2	54.7	201.8	
Interest expense, net*	15.4	15.8	15.4	14.9	61.5	
Depreciation and amortization	49.6	50.1	49.4	48.9	198.0	
Veda acquisition related amounts <sup>(1)</sup>				(0.5)	(0.5)	
Impairment of Brazil investment <sup>(2)</sup>		14.8			14.8	
Income from the settlement of escrow amounts <sup>(3)</sup>			(12.3)		(12.3)	
Accrual for certain legal claims <sup>(4)</sup>			7.5		7.5	
Realignment of internal resources and other costs <sup>(5)</sup>	23.4				23.4	
Adjusted EBITDA, excluding the items listed above	<b>\$ 224.7</b>	<b>\$ 237.6</b>	<b>\$ 231.1</b>	<b>\$ 229.9</b>	<b>\$ 923.3</b>	
Adjusted EBITDA margin	34.5%	35.0%	34.6%	34.5%	34.7%	

nm - not meaningful

\*Excludes interest income of \$2.3 million in total for 2015 and \$0.7 million, \$0.4 million, \$0.4 million, and \$0.8 million for each quarter in 2015, respectively.

- (1) During the fourth quarter of 2015, we recorded \$0.5 million (\$0.3 million, net of tax) for Veda acquisition related amounts. \$3.7 million relates to due diligence expenses and fees incurred as a direct result of the proposed acquisition, recorded in selling, general, and administrative expenses on our consolidated statement of income. \$4.2 million relates to a mark-to-market gain on foreign currency options and amortization of acquisition specific debt issuance costs, recorded in other income, net, on our consolidated statement of income.
- (2) Impairment of Brazil investment of \$14.8 million (\$9.8 million, net of tax) relates to the impairment of our cost method investment in Brazil in the second quarter of 2015. The impairment of \$14.8 million is recorded in other (expense) income, net, on our consolidated statements of income.
- (3) Income from the settlement of escrow amounts related to a past acquisition - During the third quarter of 2015, we recorded income of \$12.3 million (\$11.1 million, net of tax) from the settlement of escrow amounts related to an acquisition completed in January 2014.
- (4) Accrual for certain legal claims - During the third quarter of 2015, we recorded a charge of \$7.5 million (\$4.7 million, net of tax) related to an accrual for certain legal claims. This charge is recorded in selling, general and administrative expenses, on our consolidated statements of income.
- (5) The realignment of internal resources and other costs for \$23.4 million (\$14.9 million, net of tax) predominantly relates to the realignment of our internal resources to support the Company's strategic objectives and increase the integration of our global operations.

5. Can you provide a presentation of adjusted EBITDA margin for each of the segments for Q1-Q4 and in total for 2015?

<i>(In millions)</i>						
Three Months Ended March 31, 2015						
	U.S. Information Solutions	International	Workforce Solutions	Global Consumer Solutions	General Corporate Expense	Total
Revenue	\$ 284.5	\$ 135.4	\$ 148.7	\$ 83.2	nm	\$ 651.8
Operating Income	123.1	27.1	60.0	22.4	(78.4)	154.2
Depreciation and Amortization	20.9	10.3	10.4	2.4	5.6	49.6
Other income/(expense), net*	0.4	(1.5)	—	—	(0.1)	(1.2)
Noncontrolling interest	—	(1.3)	—	—	—	(1.3)
Adjustments <sup>(1)</sup>	—	—	—	—	23.4	23.4
Adjusted EBITDA	\$ 144.4	\$ 34.6	\$ 70.4	\$ 24.8	\$ (49.5)	\$ 224.7
Operating Margin	43.3%	19.9%	40.3%	26.9%	nm	23.7%
Adjusted EBITDA Margin	50.8%	25.5%	47.3%	29.8%	nm	34.5%

nm - not meaningful

\*Excludes interest income of \$0.7 million in International.

<i>(In millions)</i>						
Three Months Ended June 30, 2015						
	U.S. Information Solutions	International	Workforce Solutions	Global Consumer Solutions	General Corporate Expense	Total
Revenue	\$ 298.2	\$ 145.1	\$ 146.3	\$ 88.5	nm	\$ 678.1
Operating Income	128.0	28.5	56.0	24.5	(48.5)	188.5
Depreciation and Amortization	20.9	10.5	10.3	2.5	5.9	50.1
Other income/(expense), net*	0.4	(14.6)	—	—	(0.1)	(14.3)
Noncontrolling interest	—	(1.5)	—	—	—	(1.5)
Adjustments <sup>(2)</sup>	—	14.8	—	—	—	14.8
Adjusted EBITDA	\$ 149.3	\$ 37.7	\$ 66.3	\$ 27.0	\$ (42.7)	\$ 237.6
Operating Margin	42.9%	19.7%	38.3%	27.8%	nm	27.8%
Adjusted EBITDA Margin	50.1%	25.9%	45.4%	30.6%	nm	35.0%

nm - not meaningful

\*Excludes interest income of \$0.4 million in International.

<i>(In millions)</i>						
Three Months Ended September 30, 2015						
	U.S. Information Solutions	International	Workforce Solutions	Global Consumer Solutions	General Corporate Expense	Total
Revenue	\$ 292.5	\$ 145.4	\$ 139.0	\$ 90.5	nm	\$ 667.4
Operating Income	117.0	28.5	49.9	25.6	(46.7)	174.3
Depreciation and Amortization	20.9	9.9	10.5	2.3	5.8	49.4
Other income/(expense), net*	0.5	1.4	—	—	12.1	14.0
Noncontrolling interest	—	(1.8)	—	—	—	(1.8)
Adjustments <sup>(3)(4)</sup>	7.5	—	—	—	(12.3)	(4.8)
Adjusted EBITDA	\$ 145.9	\$ 38.0	\$ 60.4	\$ 27.9	\$ (41.1)	\$ 231.1
Operating Margin	40.0%	19.6%	35.9%	28.3%	nm	26.1%
Adjusted EBITDA Margin	49.9%	26.2%	43.5%	30.8%	nm	34.6%

nm - not meaningful

\*Excludes interest income of \$0.4 million in International.

	Three Months Ended December 31, 2015					
	U.S. Information Solutions	International	Workforce Solutions	Global Consumer Solutions	General Corporate Expense	Total
Revenue	\$ 296.1	\$ 142.6	\$ 143.7	\$ 83.9	nm	\$ 666.3
Operating Income	123.1	29.4	52.9	22.7	(51.2)	176.9
Depreciation and Amortization	20.6	9.4	10.8	2.2	5.9	48.9
Other income/(expense), net*	0.4	1.2	—	—	4.1	5.7
Noncontrolling interest	—	(1.1)	—	—	—	(1.1)
Adjustments <sup>(5)</sup>	—	—	—	—	(0.5)	(0.5)
Adjusted EBITDA	\$ 144.1	\$ 38.9	\$ 63.7	\$ 24.9	\$ (41.7)	\$ 229.9
Operating Margin	41.6%	20.6%	36.8%	27.1%	nm	26.5%
Adjusted EBITDA Margin	48.7%	27.3%	44.3%	29.7%	nm	34.5%

nm - not meaningful

\*Excludes interest income of \$0.8 million in International.

	Twelve Months Ended December 31, 2015					
	U.S. Information Solutions	International	Workforce Solutions	Global Consumer Solutions	General Corporate Expense	Total
Revenue	\$ 1,171.3	\$ 568.5	\$ 577.7	\$ 346.1	nm	\$ 2,663.6
Operating Income	491.2	113.5	218.8	95.2	(224.8)	693.9
Depreciation and Amortization	83.3	40.1	42.0	9.4	23.2	198.0
Other income/(expense), net*	1.7	(13.5)	—	—	16.0	4.2
Noncontrolling interest	—	(5.7)	—	—	—	(5.7)
Adjustments <sup>(1)(2)(3)(4)(5)</sup>	7.5	14.8	—	—	10.6	32.9
Adjusted EBITDA	\$ 583.7	\$ 149.2	\$ 260.8	\$ 104.6	\$ (175.0)	\$ 923.3
Operating Margin	41.9%	20.0%	37.9%	27.5%	nm	26.1%
Adjusted EBITDA Margin	49.8%	26.2%	45.1%	30.2%	nm	34.7%

nm - not meaningful

\*Excludes interest income of \$2.3 million in International.

- The realignment of internal resources and other costs for \$23.4 million (\$14.9 million, net of tax) predominantly relates to the realignment of our internal resources to support the Company's strategic objectives and increase the integration of our global operations.
- Impairment of Brazil investment of \$14.8 million (\$9.8 million, net of tax) relates to the impairment of our cost method investment in Brazil in the second quarter of 2015. The impairment of \$14.8 million is recorded in other (expense) income, net, on our consolidated statements of income.
- Accrual for certain legal claims - During the third quarter of 2015, we recorded a charge of \$7.5 million (\$4.7 million, net of tax) related to an accrual for certain legal claims. This charge is recorded in selling, general and administrative expenses, on our consolidated statements of income.
- Income from the settlement of escrow amounts related to a past acquisition - During the third quarter of 2015, we recorded income of \$12.3 million (\$11.1 million, net of tax) from the settlement of escrow amounts related to an acquisition completed in January 2014.
- During the fourth quarter of 2015, we recorded \$0.5 million (\$0.3 million, net of tax) for Veda acquisition related amounts. \$3.7 million relates to due diligence expenses and fees incurred as a direct result of the proposed acquisition, recorded in selling, general, and administrative expenses on our consolidated statement of income. \$4.2 million relates to a mark-to-market gain on foreign currency options and amortization of acquisition specific debt issuance costs, recorded in other income, net, on our consolidated statement of income.