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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission File Number: 001-06605

EQUIFAX INC.
(Exact name of registrant as specified in its charter)

Georgia	**58-0401110**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1550 Peachtree Street	**N.W.**	**Atlanta**	**Georgia**	**30309**
	(Address of principal executive offices)			(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, $1.25 par value per share	EFX	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
☒	☐	☐	☐	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On October 9, 2020, there were 121,642,955 shares of the registrant's common stock outstanding.

EQUIFAX INC.

QUARTERLY REPORT ON FORM 10-Q

QUARTER ENDED SEPTEMBER 30, 2020

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FORWARD-LOOKING STATEMENTS

This report contains information that may constitute “forward-looking statements.” Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will,” “may” and similar expressions identify forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future, including statements relating to future operating results, the 2017 cybersecurity incident, improvements in our information technology and data security infrastructure, including as part of our EFX 2020 cloud technology, data and security transformation, our strategy, our ability to mitigate or manage disruptions posed by COVID-19, the impact of COVID-19 and changes in U.S. and worldwide economic conditions that materially impact consumer spending, consumer debt and employment and the demand for Equifax's products and services, our culture, our ability to innovate, the market acceptance of new products and services and similar statements about our business plans are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company’s historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in Part II, “Item 1A. Risk Factors,” and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2019, as well as subsequent reports filed with the Securities and Exchange Commission. As a result of such risks and uncertainties, we urge you not to place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date when made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In millions, except per share amounts)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019
Operating revenue	**$ 1,068.3**	$ 875.7
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	**433.2**	374.5
Selling, general and administrative expenses	**330.0**	295.5
Depreciation and amortization	**100.7**	84.1
Total operating expenses	**863.9**	754.1
Operating income	**204.4**	121.6
Interest expense	**(37.4)**	(28.0)
Other income, net	**133.4**	2.9
Consolidated income before income taxes	**300.4**	96.5
Provision for income taxes	**(75.4)**	(14.0)
Consolidated net income	**225.0**	82.5
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	**(0.8)**	(1.4)
Net income attributable to Equifax	**$ 224.2**	$ 81.1
Basic earnings per common share:		
Net income attributable to Equifax	**$ 1.84**	$ 0.67
Weighted-average shares used in computing basic earnings per share	**121.5**	121.0
Diluted earnings per common share:		
Net income attributable to Equifax	**$ 1.82**	$ 0.66
Weighted-average shares used in computing diluted earnings per share	**123.0**	122.3
Dividends per common share	**$ 0.39**	$ 0.39

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(Unaudited)

(In millions, except per share amounts)	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Operating revenue	**$ 3,009.1**	$ 2,601.8
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	**1,256.5**	1,138.9
Selling, general and administrative expenses	**955.9**	1,601.2
Depreciation and amortization	**289.5**	244.2
Total operating expenses	**2,501.9**	2,984.3
Operating income (loss)	**507.2**	(382.5)
Interest expense	**(104.7)**	(82.3)
Other income, net	**171.1**	7.9
Consolidated income (loss) before income taxes	**573.6**	(456.9)
(Provision) benefit for income taxes	**(138.0)**	53.3
Consolidated net income (loss)	**435.6**	(403.6)
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	**(2.9)**	(4.4)
Net income (loss) attributable to Equifax	**$ 432.7**	$ (408.0)
Basic earnings per common share:		
Net income (loss) attributable to Equifax	**$ 3.56**	$ (3.38)
Weighted-average shares used in computing basic earnings per share	**121.4**	120.8
Diluted earnings per common share:		
Net income (loss) attributable to Equifax	**$ 3.53**	$ (3.35)
Weighted-average shares used in computing diluted earnings per share	**122.7**	122.0
Dividends per common share	**$ 1.17**	$ 1.17

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

	Three Months Ended September 30,					
	2020			2019		
	Equifax Shareholders	Noncontrolling Interests	Total	Equifax Shareholders	Noncontrolling Interests	Total
	(In millions)					
Net income	**$ 224.2**	**$ 0.8**	**$ 225.0**	$ 81.1	$ 1.4	$ 82.5
Other comprehensive income (loss):						
Foreign currency translation adjustment	**49.4**	**0.2**	**49.6**	(80.5)	(1.4)	(81.9)
Change in unrecognized prior service cost and actuarial losses related to our pension and other postretirement benefit plans, net	**3.8**	**—**	**3.8**	3.0	—	3.0
Comprehensive income	**$ 277.4**	**$ 1.0**	**$ 278.4**	$ 3.6	$ —	$ 3.6

	Nine Months Ended September 30,					
	2020			2019		
	Equifax Shareholders	Noncontrolling Interests	Total	Equifax Shareholders	Noncontrolling Interests	Total
	(In millions)					
Net income (loss)	**$ 432.7**	**$ 2.9**	**$ 435.6**	$ (408.0)	$ 4.4	$ (403.6)
Other comprehensive income (loss):						
Foreign currency translation adjustment	**(8.2)**	**(1.5)**	**(9.7)**	(100.3)	(1.5)	(101.8)
Change in unrecognized prior service cost and actuarial losses related to our pension and other postretirement benefit plans, net	**11.3**	**—**	**11.3**	9.0	—	9.0
Change in cumulative loss from cash flow hedging transactions, net	**—**	**—**	**—**	0.1	—	0.1
Comprehensive income (loss)	**$ 435.8**	**$ 1.4**	**$ 437.2**	$ (499.2)	$ 2.9	$ (496.3)

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In millions, except par values)	September 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 1,535.6**	$ 401.3
Trade accounts receivable, net of allowance for doubtful accounts of $15.8 and $11.2 at September 30, 2020 and December 31, 2019, respectively	**605.9**	532.1
Prepaid expenses	**123.3**	88.1
Other current assets	**46.8**	187.9
Total current assets	**2,311.6**	1,209.4
Property and equipment:		
Capitalized internal-use software and system costs	**1,254.3**	979.4
Data processing equipment and furniture	**329.5**	325.1
Land, buildings and improvements	**235.9**	236.3
Total property and equipment	**1,819.7**	1,540.8
Less accumulated depreciation and amortization	**(749.1)**	(593.2)
Total property and equipment, net	**1,070.6**	947.6
Goodwill	**4,366.0**	4,308.3
Indefinite-lived intangible assets	**94.8**	94.9
Purchased intangible assets, net	**1,001.4**	1,044.6
Other assets, net	**405.4**	304.2
Total assets	**$ 9,249.8**	$ 7,909.0
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt and current maturities of long-term debt	**$ 1,102.1**	$ 3.1
Accounts payable	**159.5**	148.3
Accrued expenses	**186.4**	163.5
Accrued salaries and bonuses	**207.1**	156.1
Deferred revenue	**103.5**	104.0
Other current liabilities	**632.4**	784.1
Total current liabilities	**2,391.0**	1,359.1
Long-term debt	**3,275.3**	3,379.5
Deferred income tax liabilities, net	**339.9**	248.0
Long-term pension and other postretirement benefit liabilities	**106.1**	118.9
Other long-term liabilities	**170.7**	180.6
Total liabilities	**6,283.0**	5,286.1
Commitments and Contingencies (see Note 5)		
Equifax shareholders' equity:		
Preferred stock, $0.01 par value: Authorized shares - 10.0; Issued shares - none	**—**	—
Common stock, $1.25 par value: Authorized shares - 300.0; Issued shares - 189.3 at September 30, 2020 and December 31, 2019; Outstanding shares - 121.6 and 121.2 at September 30, 2020 and December 31, 2019, respectively	**236.6**	236.6
Paid-in capital	**1,454.1**	1,405.1
Retained earnings	**4,423.1**	4,131.8
Accumulated other comprehensive loss	**(628.5)**	(631.6)
Treasury stock, at cost, 67.1 shares and 67.5 shares at September 30, 2020 and December 31, 2019, respectively	**(2,550.4)**	(2,557.4)
Stock held by employee benefit trusts, at cost, 0.6 shares at September 30, 2020 and December 31, 2019	**(5.9)**	(5.9)
Total Equifax shareholders' equity	**2,929.0**	2,578.6
Noncontrolling interests including redeemable noncontrolling interests	**37.8**	44.3
Total equity	**2,966.8**	2,622.9
Total liabilities and equity	**$ 9,249.8**	$ 7,909.0

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Nine Months Ended September 30,	
	2020	**2019**
	(In millions)	
Operating activities:		
Consolidated net income (loss)	**$ 435.6**	$ (403.6)
Adjustments to reconcile consolidated net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	**295.2**	248.8
Stock-based compensation expense	**43.9**	40.6
Deferred income taxes	**78.0**	(81.7)
Gain on fair market value adjustment of equity investments	**(162.8)**	—
Changes in assets and liabilities, excluding effects of acquisitions:		
Accounts receivable, net	**(76.1)**	(49.9)
Other assets, current and long-term	**29.6**	32.6
Current and long term liabilities, excluding debt	**5.6**	296.3
Cash provided by operating activities	**649.0**	83.1
Investing activities:		
Capital expenditures	**(309.5)**	(305.7)
Acquisitions, net of cash acquired	**(61.4)**	(234.8)
Investment in unconsolidated affiliates, net	**(10.0)**	(25.0)
Cash used in investing activities	**(380.9)**	(565.5)
Financing activities:		
Net short-term borrowings	**0.3**	367.0
Payments on long-term debt	**(125.0)**	(50.0)
Borrowings on long-term debt	**1,123.3**	250.0
Dividends paid to Equifax shareholders	**(142.1)**	(141.4)
Dividends paid to noncontrolling interests	**(2.6)**	(4.8)
Proceeds from exercise of stock options and employee stock purchase plan	**29.9**	15.3
Payment of taxes related to settlement of equity awards	**—**	(9.7)
Purchase of redeemable noncontrolling interests	**(9.0)**	—
Debt issuance costs	**(9.8)**	—
Other	**0.3**	—
Cash provided by financing activities	**865.3**	426.4
Effect of foreign currency exchange rates on cash and cash equivalents	**0.9**	(0.1)
Increase (decrease) in cash and cash equivalents	**1,134.3**	(56.1)
Cash and cash equivalents, beginning of period	**401.3**	223.6
Cash and cash equivalents, end of period	**$ 1,535.6**	$ 167.5

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND OTHER COMPREHENSIVE LOSS

(Unaudited)

For the Three Months Ended September 30, 2020

	Equifax Shareholders								
	Common Stock								
	Shares Outstanding	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Stock Held By Employee Benefits Trusts	Noncontrolling Interests	Total Equity
	(In millions, except per share amounts)								
Balance, June 30, 2020	121.5	$ 236.6	$ 1,447.8	$ 4,248.0	$ (681.7)	$ (2,550.7)	$ (5.9)	$ 40.2	$ 2,734.3
Net income	—	—	—	224.2	—	—	—	0.8	225.0
Other comprehensive income	—	—	—	—	53.2	—	—	0.2	53.4
Shares issued under stock and benefit plans, net of minimum tax withholdings	0.1	—	(1.0)	—	—	0.3	—	—	(0.7)
Cash dividends ($0.39 per share)	—	—	—	(47.6)	—	—	—	—	(47.6)
Dividends paid to employee benefits trusts	—	—	0.2	—	—	—	—	—	0.2
Stock-based compensation expense	—	—	12.2	—	—	—	—	—	12.2
Redeemable noncontrolling interest adjustment	—	—	—	(1.5)	—	—	—	1.5	—
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(1.0)	(1.0)
Purchases of noncontrolling interests	—	—	(5.1)	—	—	—	—	(3.9)	(9.0)
Balance, September 30, 2020	121.6	$ 236.6	$ 1,454.1	$ 4,423.1	$ (628.5)	$ (2,550.4)	$ (5.9)	$ 37.8	$ 2,966.8

At September 30, 2020, $590.1 million was available for future purchases of common stock under our share repurchase authorization.

For the Three Months Ended September 30, 2019

	Equifax Shareholders								
	Common Stock								
	Shares Outstanding	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Stock Held By Employee Benefits Trusts	Noncontrolling Interests	Total Equity
	(In millions, except per share amounts)								
Balance, June 30, 2019	120.9	$ 236.6	$ 1,381.5	$ 4,135.5	$ (640.0)	$ (2,564.3)	$ (5.9)	$ 44.5	$ 2,587.9
Net income	—	—	—	81.1	—	—	—	1.4	82.5
Other comprehensive loss	—	—	—	—	(77.5)	—	—	(1.4)	(78.9)
Shares issued under stock and benefit plans, net of minimum tax withholdings	0.2	—	0.1	—	—	3.9	—	—	4.0
Cash dividends ($0.39 per share)	—	—	—	(47.4)	—	—	—	—	(47.4)
Dividends paid to employee benefits trusts	—	—	0.2	—	—	—	—	—	0.2
Stock-based compensation expense	—	—	10.8	—	—	—	—	—	10.8
Redeemable noncontrolling interest adjustment	—	—	—	1.2	—	—	—	(1.2)	—
Balance, September 30, 2019	121.1	$ 236.6	$ 1,392.6	$ 4,170.4	$ (717.5)	$ (2,560.4)	$ (5.9)	$ 43.3	$ 2,559.1

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND OTHER COMPREHENSIVE LOSS

(Unaudited)

For the Nine Months Ended September 30, 2020

	Equifax Shareholders								
	Common Stock								
	Shares Outstanding	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Stock Held By Employee Benefits Trusts	Noncontrolling Interests	Total Equity
	(In millions, except per share amounts)								
Balance, December 31, 2019	121.2	$ 236.6	$ 1,405.1	$ 4,131.8	$ (631.6)	$ (2,557.4)	$ (5.9)	$ 44.3	$ 2,622.9
Net income	—	—	—	**432.7**	—	—	—	**2.9**	**435.6**
Other comprehensive income (loss)	—	—	—	—	**3.1**	—	—	**(1.5)**	**1.6**
Shares issued under stock and benefit plans, net of minimum tax withholdings	**0.4**	—	**9.5**	—	—	**7.0**	—	—	**16.5**
Cash dividends ($1.17 per share)	—	—	—	**(142.8)**	—	—	—	—	**(142.8)**
Dividends paid to employee benefits trusts	—	—	**0.7**	—	—	—	—	—	**0.7**
Stock-based compensation expense	—	—	**43.9**	—	—	—	—	—	**43.9**
Redeemable noncontrolling interest adjustment	—	—	—	**1.8**	—	—	—	**(1.8)**	—
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	**(2.6)**	**(2.6)**
Purchases of noncontrolling interests	—	—	**(5.1)**	—	—	—	—	**(3.9)**	**(9.0)**
Cumulative adjustment from change in accounting principle	—	—	—	**(0.4)**	—	—	—	—	**(0.4)**
Other	—	—	—	—	—	—	—	**0.4**	**0.4**
Balance, September 30, 2020	**121.6**	**$ 236.6**	**$ 1,454.1**	**$ 4,423.1**	**$ (628.5)**	**$ (2,550.4)**	**$ (5.9)**	**$ 37.8**	**$ 2,966.8**

At September 30, 2020, $590.1 million was available for future purchases of common stock under our share repurchase authorization.

For the Nine Months Ended September 30, 2019

	Equifax Shareholders								
	Common Stock								
	Shares Outstanding	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Stock Held By Employee Benefits Trusts	Noncontrolling Interests	Total Equity
	(In millions, except per share amounts)								
Balance, December 31, 2018	120.6	$ 236.6	$ 1,356.6	$ 4,717.8	$ (626.3)	$ (2,571.0)	$ (5.9)	$ 47.9	$ 3,155.7
Net (loss) income	—	—	—	(408.0)	—	—	—	4.4	(403.6)
Other comprehensive loss	—	—	—	—	(91.2)	—	—	(1.5)	(92.7)
Shares issued under stock and benefit plans, net of minimum tax withholdings	0.5	—	(5.3)	—	—	10.6	—	—	5.3
Cash dividends ($1.17 per share)	—	—	—	(142.1)	—	—	—	—	(142.1)
Dividends paid to employee benefits trusts	—	—	0.7	—	—	—	—	—	0.7
Stock-based compensation expense	—	—	40.6	—	—	—	—	—	40.6
Redeemable noncontrolling interest adjustment	—	—	—	2.7	—	—	—	(2.7)	—
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(4.8)	(4.8)
Balance, September 30, 2019	121.1	$ 236.6	$ 1,392.6	$ 4,170.4	$ (717.5)	$ (2,560.4)	$ (5.9)	$ 43.3	$ 2,559.1

Accumulated Other Comprehensive Loss consists of the following components:

	September 30, 2020	December 31, 2019
	(In millions)	
Foreign currency translation	**$ (360.6)**	$ (352.4)
Unrecognized actuarial losses and prior service cost related to our pension and other postretirement benefit plans, net of accumulated tax of $84.5 and $88.4 at September 30, 2020 and December 31, 2019, respectively	**(266.8)**	(278.1)
Cash flow hedging transactions, net of accumulated tax of $0.7 at September 30, 2020 and December 31, 2019, respectively	**(1.1)**	(1.1)
Accumulated other comprehensive loss	**$ (628.5)**	$ (631.6)

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

September 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

Nature of Operations. We collect, analyze and manage various types of financial, demographic, employment and marketing information. Our products and services enable businesses to make credit and service decisions, manage their portfolio risk, automate or outsource certain payroll-related, tax and human resources business processes, and develop marketing strategies concerning consumers and commercial enterprises. We serve customers across a wide range of industries, including the financial services, mortgage, retail, telecommunications, utilities, automotive, brokerage, healthcare and insurance industries, as well as government agencies. We also enable consumers to manage and protect their financial health through a portfolio of products offered directly to consumers. As of September 30, 2020, we operated in the following countries: Argentina, Australia, Canada, Chile, Costa Rica, Ecuador, El Salvador, Honduras, India, Ireland, Mexico, New Zealand, Paraguay, Peru, Portugal, Spain, the United Kingdom, or U.K., Uruguay and the United States of America, or U.S. We also offer Equifax branded credit services in Russia through a joint venture, have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia, Singapore and the United Arab Emirates and have an investment in a consumer and commercial credit information company in Brazil.

We develop, maintain and enhance secured proprietary information databases through the compilation of consumer specific data, including credit, income, employment, asset, liquidity, net worth and spending activity, and business data, including credit and business demographics, that we obtain from a variety of sources, such as credit granting institutions, and income and tax information primarily from large to mid-sized companies in the U.S. We process this information utilizing our proprietary information management systems. We also provide information, technology and services to support debt collections and recovery management.

Basis of Presentation. The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP, the instructions to Form 10-Q and applicable sections of SEC Regulation S-X. This Form 10-Q should be read in conjunction with the Consolidated Financial Statements and the notes thereto included in our annual report on Form 10-K for the year ended December 31, 2019 (“2019 Form 10-K”).

Our unaudited Consolidated Financial Statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the periods presented and are of a normal recurring nature.

Earnings Per Share. Our basic earnings per share, or EPS, is calculated as net income attributable to Equifax divided by the weighted-average number of common shares outstanding during the period. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options, restricted stock units, or other contracts to issue common stock were exercised and resulted in additional common shares outstanding. The net income (loss) amounts used in both our basic and diluted EPS calculations are the same. A reconciliation of the weighted-average outstanding shares used in the two calculations is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(In millions)			
Weighted-average shares outstanding (basic)	**121.5**	121.0	**121.4**	120.8
Effect of dilutive securities:				
Stock options and restricted stock units	**1.5**	1.3	**1.3**	1.2
Weighted-average shares outstanding (diluted)	**123.0**	122.3	**122.7**	122.0

For the three months ended September 30, 2020 and 2019, stock options that were anti-dilutive werenot material. For the nine months ended September 30, 2020 and 2019, stock options that were anti-dilutive were 0.6 million and 1.1 million, respectively.

Financial Instruments. Our financial instruments consist of cash and cash equivalents, accounts and notes receivable, accounts payable and short- and long-term debt. The carrying amounts of these items, other than long-term debt, approximate their fair market values due to the short-term nature of these instruments. The fair value of our fixed-rate debt is determined using Level 2 inputs such as quoted market prices for similar publicly traded instruments and for non-publicly traded instruments through valuation techniques involving observable inputs based on the specific characteristics of the debt instrument. As of September 30, 2020 and December 31, 2019, the fair value of our long-term debt, including the current portion, was $4.7 billion and $3.6 billion, respectively, compared to its carrying value of $4.4 billion and $3.4 billion, respectively.

Fair Value Measurements. Fair value is determined based on the assumptions marketplace participants use in pricing the asset or liability. We use a three level fair value hierarchy to prioritize the inputs used in valuation techniques between observable inputs that reflect quoted prices in active markets, inputs other than quoted prices with observable market data and unobservable data (e.g., a company's own data).

The following table presents items measured at fair value on a recurring basis:

		Fair Value Measurements at Reporting Date Using:		
Description	Fair Value of Assets (Liabilities) at September 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(In millions)		
Deferred Compensation Plan Assets[(1)]	$ 38.5	$ 38.5	$ —	$ —
Deferred Compensation Plan Liability[(1)]	(38.5)	—	(38.5)	—
Total	$ —	$ 38.5	$ (38.5)	$ —

(1) We maintain deferred compensation plans that allow for certain management employees to defer the receipt of compensation (such as salary and incentive compensation) until a later date based on the terms of the plan. The liability representing benefits accrued for plan participants is valued at the quoted market prices of the participants' investment elections. The asset consists of mutual funds reflective of the participants' investment selections and is valued at daily quoted market prices.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis. We completed various acquisitions during the nine months ended September 30, 2020 and the year ended December 31, 2019. The values of net assets acquired and the resulting goodwill were recorded at fair value using Level 3 inputs. The majority of the related current assets acquired and liabilities assumed were recorded at their carrying values as of the date of acquisition, as their carrying values approximated their fair values due to their short-term nature. The fair values of goodwill and definite-lived intangible assets acquired in these acquisitions were internally or externally estimated primarily based on the income approach. The income approach estimates fair value based on the present value of the cash flows that the assets are expected to generate in the future. We developed internal estimates for the expected cash flows and discount rates used in the present value calculations.

Trade Accounts Receivable and Allowance for Doubtful Accounts. Accounts receivable are stated at cost. Significant payment terms for customers are identified in the contract. We do not recognize interest income on our trade accounts receivable. Additionally, we generally do not require collateral from our customers related to our trade accounts receivable.

The allowance for doubtful accounts is based on management's estimate for expected credit losses for outstanding trade accounts receivables. We determine expected credit losses based on historical write-off experience, an analysis of the aging of outstanding receivables, customer payment patterns, the establishment of specific reserves for customers in an adverse financial condition and adjusted based upon our expectations of changes in macro-economic conditions that may impact the collectability of outstanding receivables. We reassess the adequacy of the allowance for doubtful accounts each reporting period. Increases to the allowance for doubtful accounts are recorded as bad debt expense, which are included in selling, general and administrative expenses on the accompanying Consolidated Statements of Income (Loss). Below is a rollforward of our allowance for doubtful accounts for the three and nine months ended September 30, 2020 and 2019, respectively.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(In millions)			
Allowance for doubtful accounts, beginning of period	$ 16.9	$ 13.3	$ 11.2	$ 10.9
Current period bad debt expense	0.2	0.9	7.1	4.6
Write-offs, net of recoveries	(1.3)	(1.7)	(2.5)	(3.0)
Allowance for doubtful accounts, end of period	$ 15.8	$ 12.5	$ 15.8	$ 12.5

Other Current Assets. Other current assets on our Consolidated Balance Sheets include amounts receivable from tax authorities and director and officers liability insurance receivable for costs incurred to date related to the 2017 cybersecurity incident that are reimbursable and probable for recovery under our insurance coverage. Other current assets also include amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. As of September 30, 2020, these assets were approximately $18.1 million, with a corresponding balance in other current liabilities. These amounts are restricted as to their current use, and will be released according to the specific customer agreements.

Other Assets. Other assets on our Consolidated Balance Sheets primarily represent the Company's operating lease right-of-use assets, our investments in unconsolidated affiliates, employee benefit trust assets, and assets related to life insurance policies covering certain officers of the Company.

Equity Investment. We record our equity investment in Brazil within Other Assets using the new measurement method of cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions. As the fair value of the investment has not historically been readily determinable, our investment has been recorded at cost, less impairment. On September 30, 2020, the company in which we are invested in Brazil underwent an initial public offering and began to trade publicly in Brazilian stock markets. The carrying value of the investment has been adjusted to $133.8 million based on observable Level 1 inputs as of the date noted above, resulting in an unrealized gain of $129.9 million for the three and nine months ended September 30, 2020. All unrealized gains or losses on the investment are recorded in Other Income (Expense), Net within the Consolidated Statements of Income (Loss).

Other Current Liabilities. Other current liabilities on our Consolidated Balance Sheets consist of the current portion of operating lease liabilities and various accrued liabilities such as costs related to the 2017 cybersecurity incident as described more fully in Note 5. Other current liabilities also include corresponding amounts of other current assets related to amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. As of September 30, 2020, these funds were approximately $18.1 million. These amounts are restricted as to their current use and will be released according to the specific customer agreements.

Change in Accounting Principle. In June 2016, the FASB issued ASU No. 2016-13 "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. ASU 2016-13 is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2019. As of January 1, 2020, we adopted the standard. The adoption of the standard did not have a material impact on our consolidated financial statements with the most significant impact being the increase in allowance for doubtful accounts related to our trade accounts receivable. The adoption adjustment was recorded to Retained Earnings, as seen in the Consolidated Statements of Changes in Equity.

In January 2017, the FASB issued ASU 2017-04 "Simplifying the Test for Goodwill Impairment (Topic 350)." This standard eliminates Step 2 from the current goodwill impairment test, instead requiring an entity to recognize a goodwill impairment charge for the amount by which the reporting unit's carrying amount exceeds the reporting unit's fair value. This guidance is effective for interim and annual goodwill impairment tests in fiscal years beginning after December 15, 2019 with early adoption permitted. This guidance must be applied on a prospective basis. The adoption of this standard did not materially impact our consolidated financial statements or disclosures.

In August 2018, the FASB issued ASU No. 2018-13 "Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement" which eliminates, adds, and modifies certain disclosure requirements for fair value measurements as part of its disclosure framework project. ASU 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019, and interim periods therein, but entities are permitted to early adopt either the entire standard or only the provisions that eliminate or modify the requirements. The adoption of this standard did not materially impact our consolidated financial statements or disclosures.

In August 2018, the FASB issued ASU No. 2018-15 "Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract." ASU 2018-15 requires that issuers follow the internal-use software guidance in Accounting Standards Codification (ASC) 350-40 to determine which costs to capitalize as assets or expense as incurred. The ASC 350-40 guidance requires that certain costs incurred during the application development stage be capitalized and other costs incurred during the preliminary project and post-implementation stages be expensed as they are incurred. ASU 2018-15 is effective for fiscal years beginning after December 15, 2019 and interim periods therein. The adoption of the standard did not have a material impact on our consolidated financial statements.

Recent Accounting Pronouncements. *Retirement Benefits*. In August 2018, the FASB issued ASU No. 2018-14 "Compensation-Retirement Benefits-Defined Benefit Plans-General (Subtopic 715-20): Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans" which requires minor changes to the disclosure requirements for employers that sponsor defined benefit pension and/or other postretirement benefit plans. ASU 2018-14 is effective for fiscal years ending after December 15, 2020 and early adoption is permitted. The adoption of this standard will have an impact on our disclosures and will not materially impact our consolidated financial statements.

Reference Rate Reform. In March 2020, the FASB issued ASU No. 2020-04 "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The update provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) contract modifications on financial reporting, caused by reference rate reform. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. We are still evaluating the impact, but do not expect the adoption of the standard to have a material impact on our Consolidated Financial Statements.

2. REVENUE

Revenue Recognition. Based on the information that management reviews internally for evaluating operating segment performance and nature, amount, timing, and uncertainty of revenue and cash flows affected by economic factors, we disaggregate revenue as follows:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
Consolidated Operating Revenue	**2020**	**2019**	**$**	**%**	**2020**	**2019**	**$**	**%**
	(In millions)				*(In millions)*			
Online Information Solutions	**$ 284.7**	$ 233.0	$ 51.7	22 %	**$ 800.3**	$ 696.7	$ 103.6	15 %
Mortgage Solutions	**55.4**	36.7	18.7	51 %	**149.4**	104.4	45.0	43 %
Financial Marketing Services	**46.2**	45.8	0.4	1 %	**145.4**	145.4	—	— %
Total U.S. Information Solutions	**386.3**	315.5	70.8	22 %	**1,095.1**	946.5	148.6	16 %
Verification Services	**301.1**	185.3	115.8	63 %	**773.2**	506.5	266.7	53 %
Employer Services	**75.7**	55.3	20.4	37 %	**258.2**	192.7	65.5	34 %
Total Workforce Solutions	**376.8**	240.6	136.2	57 %	**1,031.4**	699.2	332.2	48 %
Asia Pacific	**80.2**	77.4	2.8	4 %	**215.1**	226.4	(11.3)	(5)%
Europe	**58.7**	64.8	(6.1)	(9)%	**173.2**	199.3	(26.1)	(13)%
Latin America	**40.4**	49.2	(8.8)	(18)%	**117.8**	144.0	(26.2)	(18)%
Canada	**38.7**	39.1	(0.4)	(1)%	**108.5**	114.9	(6.4)	(6)%
Total International	**218.0**	230.5	(12.5)	(5)%	**614.6**	684.6	(70.0)	(10)%
Global Consumer Solutions	**87.2**	89.1	(1.9)	(2)%	**268.0**	271.5	(3.5)	(1)%
Total operating revenue	**$ 1,068.3**	$ 875.7	$ 192.6	22 %	**$ 3,009.1**	$ 2,601.8	$ 407.3	16 %

Remaining Performance Obligation – We have elected to disclose only the remaining performance obligations for those contracts with an expected duration of greater than one year and do not disclose the value of remaining performance obligations for contracts in which we recognize revenue at the amount to which we have the right to invoice. We expect to recognize as revenue the following amounts related to our remaining performance obligations as of September 30, 2020 inclusive of foreign exchange impact:

Performance Obligation	**Amount**
	(In millions)
Less than 1 year	$ 29.6
1 to 3 years	28.2
3 to 5 years	21.3
Thereafter	46.3
Total remaining performance obligation	$ 125.4

3. GOODWILL AND INTANGIBLE ASSETS

Goodwill. Goodwill represents the cost in excess of the fair value of the net assets acquired in a business combination. Goodwill is tested for impairment at the reporting unit level on an annual basis and on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. We perform our annual goodwill impairment tests as of September 30.

Our annual goodwill impairment testing was completed during the third quarter of 2020. The estimated fair value for all reporting units exceeded the carrying value for those units as of September 30, 2020. As a result, no goodwill impairment was recorded.

Changes in the amount of goodwill for the nine months ended September 30, 2020, are as follows:

	U.S. Information Solutions	**Workforce Solutions**	**International**	**Global Consumer Solutions**	**Total**
			(In millions)		
Balance, December 31, 2019	$ 1,280.7	$ 1,010.4	$ 1,829.2	$ 188.0	$ 4,308.3
Acquisitions	**6.0**	—	**52.3**	—	**58.3**
Adjustments to initial purchase price allocation	—	**0.3**	—	—	**0.3**
Foreign currency translation	—	—	**0.5**	**(1.4)**	**(0.9)**
Balance, September 30, 2020	**$ 1,286.7**	**$ 1,010.7**	**$ 1,882.0**	**$ 186.6**	**$ 4,366.0**

Indefinite-Lived Intangible Assets. Indefinite-lived intangible assets consist of indefinite-lived reacquired rights representing the value of rights which we had granted to various affiliate credit reporting agencies that were reacquired in the U.S. and Canada. At the time we acquired these agreements, they were considered perpetual in nature under the accounting guidance in place at that time and, therefore, the useful lives are considered indefinite. Indefinite-lived intangible assets are not amortized. We are required to test indefinite-lived intangible assets for impairment annually and whenever events or circumstances indicate that there may be an impairment of the asset value. We perform our annual indefinite-lived intangible asset impairment test as of September 30. The estimated fair value of our indefinite-lived intangible assets exceeded the carrying value as of September 30, 2020. As a result, no impairment was recorded. Our indefinite-lived intangible asset carrying amounts did not change materially during the nine months ended September 30, 2020.

Purchased Intangible Assets. Purchased intangible assets represent the estimated acquisition date fair value of acquired intangible assets used in our business. Purchased data files represent the estimated acquisition date fair value of consumer credit files acquired primarily through the purchase of independent credit reporting agencies in the U.S., Canada and Australia. We expense the cost of modifying and updating credit files in the period such costs are incurred. We amortize all of our purchased intangible assets on a straight-line basis. For additional information about the useful lives related to our purchased intangible assets, see Note 1 of the Notes to Consolidated Financial Statements in our 2019 Form 10-K.

Purchased intangible assets at September 30, 2020 and December 31, 2019 consisted of the following:

	September 30, 2020			December 31, 2019		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Definite-lived intangible assets:			*(In millions)*			
Purchased data files	**$ 884.7**	**$ (375.2)**	**$ 509.5**	$ 904.0	$ (351.8)	$ 552.2
Acquired software and technology	**106.9**	**(94.3)**	**12.6**	110.1	(84.0)	26.1
Customer relationships	**672.0**	**(323.6)**	**348.4**	673.0	(305.1)	367.9
Proprietary database	**148.5**	**(26.4)**	**122.1**	108.3	(20.9)	87.4
Non-compete agreements	**6.0**	**(2.7)**	**3.3**	7.8	(3.5)	4.3
Trade names and other intangible assets	**15.3**	**(9.8)**	**5.5**	17.3	(10.6)	6.7
Total definite-lived intangible assets	**$ 1,833.4**	**$ (832.0)**	**$ 1,001.4**	$ 1,820.5	$ (775.9)	$ 1,044.6

Amortization expense related to purchased intangible assets was $36.0 million and $35.1 million during the three months ended September 30, 2020 and 2019, respectively. Amortization expense related to purchased intangible assets was $105.8 million and $104.9 million for the nine months ended September 30, 2020 and 2019, respectively.

Estimated future amortization expense related to definite-lived purchased intangible assets at September 30, 2020 is as follows:

Years ending December 31,	**Amount**
	(In millions)
2020	$ 35.3
2021	126.9
2022	121.1
2023	119.6
2024	111.5
Thereafter	487.0
	$ 1,001.4

4. DEBT

Debt outstanding at September 30, 2020 and December 31, 2019 was as follows:

	September 30, 2020	December 31, 2019
	(In millions)	
Notes, 2.30%, due June 2021	**$ 500.0**	$ 500.0
Notes, 3.60%, due August 2021	**300.0**	300.0
Notes, Floating Rate, due August 2021	**300.0**	300.0
Notes, 3.30%, due December 2022	**500.0**	500.0
Notes, 3.95%, due June 2023	**400.0**	400.0
Notes, 2.60%, due December 2024	**750.0**	750.0
Notes, 2.60%, due December 2025	**400.0**	—
Notes, 3.25%, due June 2026	**275.0**	275.0
Debentures, 6.90%, due July 2028	**125.0**	125.0
Notes, 3.1%, due May 2030	**600.0**	—
Notes, 7.00%, due July 2037	**250.0**	250.0
Other	**3.4**	3.1
Total debt	**4,403.4**	3,403.1
Less short-term debt and current maturities	**(1,102.1)**	(3.1)
Less unamortized discounts and debt issuance costs	**(26.0)**	(20.5)
Total long-term debt, net	**$ 3,275.3**	$ 3,379.5

2.6% and 3.1% Senior Notes. On April 22, 2020, we issued $400.0 million aggregate principal amount of 2.6% five-year Senior Notes due 2025 (the "2025 Notes") and $600.0 million aggregate principal amount of 3.1% ten-year Senior Notes due 2030 (the "2030 Notes") in an underwritten public offering. Interest on the 2025 Notes accrues at a rate of 2.6% per year and is payable semi-annually in arrears on June 15 and December 15, beginning on December 15, 2020. Interest on the 2030 Notes accrues at a rate of 3.1% per year and is payable semi-annually in arrears on May 15 and November 15, beginning on November 15, 2020. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility, while the remaining funds are intended for general corporate purposes, which may include the repayment of a portion of the 2021 debt maturities or borrowings under our Revolver. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2025 Notes and 2030 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

2.6% Senior Notes. On November 15, 2019, we issued $750.0 million aggregate principal amount of 2.6% five-year Senior Notes due 2024 (the “2024 Notes”) in an underwritten public offering. Interest on the 2024 Notes accrues at a rate of 2.6% per year and is payable semi-annually in arrears on June 1 and December 1 of each year. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility and our Commercial Paper program and for general corporate purposes. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2024 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

Senior Credit Facility. In September 2018, the Company entered into a $1.1 billion five-year unsecured revolving credit facility with a group of financial institutions, which will mature in September 2023 (the “Revolver”). The Revolver replaced the Company’s previous $900.0 million unsecured revolving credit facility that was scheduled to mature in November 2020. Borrowings under the Revolver may be used for general corporate purposes, including working capital, capital expenditures, acquisitions and share repurchase programs. The Revolver has an accordion feature that allows us to request an increase in the total commitment to $1.6 billion. The Revolver includes an option to request a maximum of two one-year extensions of the maturity date, any time after the first anniversary of the Revolver closing. Availability of the Revolver is reduced by the outstanding principal balance of our commercial paper notes and by any letters of credit issued under the facility. As of September 30, 2020, there were $0.7 million of letters of credit outstanding, no principal drawn amounts under the Revolver, and no commercial paper borrowings. Availability under the Revolver was $1.1 billion at September 30, 2020.

Commercial Paper Program. In the second quarter of 2019, we increased our commercial paper program to $1.1 billion. Our commercial paper program has been established through the private placement of commercial paper notes from time-to-time, in which borrowings bear interest at either a floating rate (based on LIBOR or other benchmarks), or a fixed rate, plus the applicable margin. Maturities of commercial paper can range from overnight to 397 days. Because the CP is backstopped by our Revolver, the amount of CP which may be issued under the program is reduced by the outstanding face amount of any letters of credit issued and by the outstanding borrowings under our Revolver. At September 30, 2020, there were no outstanding commercial paper notes.

Receivables Funding Facility. In 2017, Equifax entered into a $225.0 million, two-year receivables funding facility (the “Receivables Facility”), which had an original maturity in November 2019. In November 2018, we amended the Receivables Facility to extend the maturity to November 2020. In December 2019, we amended the Receivables Facility to extend the maturity to December 2022. Under the Receivables Facility, Equifax and certain of its U.S. subsidiaries sell the eligible third-party receivables of its U.S. based business, to Equifax Receivables Funding LLC, a consolidated, wholly-owned, bankruptcy-remote subsidiary that may subsequently transfer, without recourse, an undivided interest in these accounts receivable to investors. The investors have no recourse to the Company’s other assets except for customary repurchase, warranty and indemnity claims. Creditors of Equifax do not have recourse to the assets of Equifax Receivables Funding LLC. The Receivables Facility contains standard representations, warranties and covenants made by Equifax and its U.S. subsidiaries in connection with the sale of the receivables, and any repurchase, warranty or indemnity obligations of the U.S. subsidiaries in connection with the sale of the receivables (but no obligations of Equifax Receivables Funding LLC) are guaranteed by Equifax.

There were no outstanding borrowings under the Receivables Facility at September 30, 2020. The Receivables Facility was supported by $313.5 million of accounts receivable as collateral at September 30, 2020 which, as a retained interest, is included in accounts receivable, net in our Consolidated Balance Sheets.

For additional information about our debt agreements, see Note 5 of the Notes to Consolidated Financial Statements in our 2019 Form 10-K.

5. COMMITMENTS AND CONTINGENCIES

Litigation, Claims and Government Investigations Related to the 2017 Cybersecurity Incident. In fiscal 2017, we experienced a cybersecurity incident following a criminal attack on our systems that involved the theft of certain personally identifiable information of U.S., Canadian and U.K. consumers. Following the 2017 cybersecurity incident, hundreds of class actions and other lawsuits were filed against us typically alleging harm from the incident and seeking various remedies, including monetary and injunctive relief. We were also subject to investigations and inquiries by federal, state and foreign governmental agencies and officials regarding the 2017 cybersecurity incident and related matters. Most of these lawsuits and government investigations have concluded or been resolved, including pursuant to the settlement agreements described below, while others remain ongoing. The Company’s participation in these settlements does not constitute an admission by the Company of any fault or liability, and the Company does not admit fault or liability.

We believe it is probable that we will incur losses associated with certain of the proceedings and investigations related to the 2017 cybersecurity incident. In 2019, we recorded expenses, net of insurance recoveries, of $800.9 million in other current liabilities and selling, general, and administrative expenses in our Consolidated Balance Sheets and Statements of Income (Loss), respectively, exclusive of our legal and professional services expenses. The amount accrued represents our best estimate of the liability related to these matters. The Company will continue to evaluate information as it becomes known and adjust accruals for new information and further developments in accordance with ASC 450-20-25. While it is reasonably possible that losses exceeding the amount accrued may be incurred, it is not possible at this time to estimate the additional possible loss in excess of the amount already accrued that might result from adverse judgments, settlements, penalties or other resolution of the proceedings and investigations described below based on a number of factors, such as the various stages of these proceedings and investigations, including matters on appeal, that alleged damages have not been specified or are uncertain, the uncertainty as to the certification of a class or classes and the size of any certified class, as applicable, and the lack of resolution on significant factual and legal issues. The ultimate amount paid on these actions, claims and investigations in excess of the amount already accrued could be material to the Company’s consolidated financial condition, results of operations, or cash flows in future periods.

Consumer Settlement. On July 19, 2019 and July 22, 2019, we entered into multiple agreements that resolve the U.S. consolidated consumer class action cases, captioned *In re: Equifax, Inc. Customer Data Security Breach Litigation, MDL No. 2800* (the “U.S. Consumer MDL Litigation”), and the investigations of the FTC, the CFPB, the Attorneys General of 48 states, the District of Columbia and Puerto Rico (the "MSAG Group") and the NYDFS (collectively, the “Consumer Settlement”).

Under the terms of the Consumer Settlement, the Company will contribute $380.5 million to a non-reversionary settlement fund (the "Consumer Restitution Fund") to provide restitution for U.S. consumers identified by the Company whose personal information was compromised as a result of the 2017 cybersecurity incident as well as to pay reasonable attorneys' fees and reasonable costs and expenses for the plaintiffs' counsel in the U.S. Consumer MDL Litigation (not to exceed $80.5 million), settlement administration costs and notice costs. The Company has agreed to contribute up to an additional $125.0 million to the Consumer Restitution Fund to cover certain unreimbursed costs and expenditures incurred by affected U.S. consumers in the event the $380.5 million in the Consumer Restitution Fund is exhausted. The Company also agreed to various business practice commitments related to consumer assistance and its information security program, including conducting third party assessments of its information security program.

On January 13, 2020, the Northern District of Georgia, the U.S. District Court overseeing centralized pre-trial proceedings for the U.S. Consumer MDL Litigation and numerous other federal court actions relating to the 2017 cybersecurity incident (the "MDL Court"), entered an order granting final approval of the settlement in connection with the U.S. Consumer MDL Litigation. The MDL Court entered an amended order granting final approval of the settlement on March 17, 2020. Several objectors have appealed the final approval order. Until the appeals are finally adjudicated or dismissed, we can provide no assurance that the U.S. Consumer MDL Litigation will be resolved as contemplated by the settlement agreement. If the MDL Court's order approving the settlement is reversed by an appellate court, there is a risk that we would not be able to settle the U.S. Consumer MDL Litigation on acceptable terms or at all, which could have a material adverse effect on our financial condition.

Other Settlements.

Financial Institutions MDL Class Action. On May 15, 2020, the Company entered into a settlement agreement to resolve the consolidated financial institutions class action cases pending before the MDL Court (the "Financial Institutions MDL Litigation"). Under the settlement, the Company agreed to pay for valid claims submitted by class members up to a maximum amount, reasonable settlement administration and notice costs, and reasonable attorneys' fees and expenses. The Company also agreed to adopt and/or maintain certain business practices related to its information security program. The court granted final approval of the settlement on October 22, 2020.

Pennsylvania State Court Financial Institution Class Action. The Company entered into a settlement agreement to resolve the individual claims brought by one of the original named plaintiffs in the Financial Institutions MDL Litigation in the Court of Common Pleas of Lawrence County, Pennsylvania on behalf of itself and a class of financial institutions headquartered in Pennsylvania. The claims asserted in this matter were substantially similar to claims asserted by financial institutions that previously were dismissed in the MDL proceeding for lack of standing. The court granted approval of the settlement on July 13, 2020.

Other Matters. We face other lawsuits and government investigations related to the 2017 cybersecurity incident that have not yet been concluded or resolved. These ongoing matters may result in judgments, fines or penalties, settlements or other relief. We dispute the allegations in the remaining lawsuits and intend to defend against such claims. Set forth below are descriptions of the main categories of these matters.

Georgia State Court Consumer Class Actions. Four putative class actions arising from the 2017 cybersecurity incident were filed against us in Fulton County Superior Court and Fulton County State Court in Georgia based on similar allegations and theories as alleged in the U.S. Consumer MDL Litigation and seek monetary damages, injunctive relief and other related relief on behalf of Georgia citizens. These cases were transferred to a single judge in the Fulton County Business Court and three of the cases were consolidated into a single action. On July 27, 2018, the Fulton County Business Court granted the Company's motion to stay the remaining single case, and on August 17, 2018, the Fulton County Business Court granted the Company's motion to stay the consolidated case. These cases remain stayed pending final resolution of the U.S. Consumer MDL Litigation.

Canadian Class Actions. Five putative Canadian class actions, four of which are on behalf of a national class of approximately 19,000 Canadian consumers, are pending against us in Ontario, British Columbia and Alberta. Each of the proposed Canadian class actions asserts a number of common law and statutory claims seeking monetary damages and other related relief in connection with the 2017 cybersecurity incident. In addition to seeking class certification on behalf of Canadian consumers whose personal information was allegedly impacted by the 2017 cybersecurity incident, in some cases, plaintiffs also seek class certification on behalf of a larger group of Canadian consumers who had contracts for subscription products with Equifax around the time of the incident or earlier and were not impacted by the incident.

On December 13, 2019, the court in Ontario granted certification of a nationwide class that includes all impacted Canadians as well as Canadians who had subscription products with Equifax between March 7, 2017 and July 30, 2017 who were not impacted by the incident. Our motion for leave to appeal this decision was granted in part, and our appeal is now pending. All remaining purported class actions are at preliminary stages or stayed.

Government Investigations. We have cooperated with federal, state and foreign governmental agencies and officials investigating or otherwise seeking information, testimony and/or documents, regarding the 2017 cybersecurity incident and related matters and most of these investigations have been resolved as discussed in prior filings.

The U.K.'s Financial Conduct Authority ("FCA") opened an enforcement investigation against our U.K. subsidiary, Equifax Limited, in October 2017. The investigation by the FCA has involved a number of information requirements and interviews. We continue to respond to the information requirements and are cooperating with the investigation.

The New York State Attorney General Investor Protection Bureau ("IPB") issued a subpoena in September 2017 relating to its investigation of whether there has been a violation of the Martin Act. We have cooperated with the IPB in its investigation, and the IPB has not contacted us regarding the investigation since January 2019.

Although we continue to cooperate in the above investigations and inquiries, an adverse outcome to any such investigations and inquiries could subject us to fines or other obligations, which may have an adverse effect on how we operate our business or our results of operations.

Data Processing, Outsourcing Services and Other Agreements

We have separate agreements with Google, Amazon Web Services, IBM, Tata Consultancy Services and others to outsource portions of our network and security infrastructure, computer data processing operations, applications development, business continuity and recovery services, help desk service and desktop support functions, operation of our voice and data networks, maintenance and related functions and to provide certain other administrative and operational services. Annual payment obligations in regard to these agreements vary due to factors such as the volume of data processed; changes in our servicing needs as a result of new product offerings, acquisitions or divestitures; the introduction of significant new technologies; foreign currency; or the general rate of inflation. In certain circumstances (e.g., a change in control or for our convenience), we may terminate these data processing and outsourcing agreements, and, in doing so, certain of these agreements require us to pay significant termination fees.

Guarantees and General Indemnifications

We may issue standby letters of credit and performance and surety bonds in the normal course of business. The aggregate notional amounts of all performance and surety bonds and standby letters of credit was not material at September 30, 2020 and generally have a remaining maturity of one year or less. We may issue other guarantees in the ordinary course of business. The maximum potential future payments we could be required to make under the guarantees in the ordinary course of business was not material at September 30, 2020. We have agreed to guarantee the liabilities and performance obligations (some of which have limitations) of a certain debt collections and recovery management variable interest entity under its commercial agreements.

We have agreed to standard indemnification clauses in many of our lease agreements for office space, covering such things as tort, environmental and other liabilities that arise out of or relate to our use or occupancy of the leased premises. Certain of our credit agreements include provisions which require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In conjunction with certain transactions, such as sales or purchases of operating assets or services in the ordinary course of business, or the disposition of certain assets or businesses, we sometimes provide routine indemnifications, the terms of which range in duration and sometimes are not limited. Additionally, the Company has entered into indemnification agreements with its directors and executive officers to indemnify such individuals to the fullest extent permitted by applicable law against liabilities that arise by reason of their status as directors or officers. The Company maintains directors and officers liability insurance coverage to reduce its exposure to such obligations.

We cannot reasonably estimate our potential future payments under the guarantees and indemnities and related provisions described above because we cannot predict when and under what circumstances these provisions may be triggered.

Contingencies

In addition to the matters set forth above, we are involved in legal and regulatory matters, government investigations, claims and litigation arising in the ordinary course of business. We periodically assess our exposure related to these matters based on the information which is available. We have recorded accruals in our Consolidated Financial Statements for those matters in which it is probable that we have incurred a loss and the amount of the loss, or range of loss, can be reasonably estimated.

For additional information about these and other commitments and contingencies, see Note 6 of the Notes to Consolidated Financial Statements in our 2019 Form 10-K.

6. INCOME TAXES

We are subject to U.S. federal, state and international income taxes. We are generally no longer subject to federal, state, or international income tax examinations by tax authorities for years before 2017 with few exceptions. Due to the potential for resolution of state and foreign examinations, and the expiration of various statutes of limitations, it is reasonably possible that our gross unrecognized tax benefit balance may change within the next twelve months by a range of $0 to $1.4 million.

Effective Tax Rate

Our effective income tax rate was25.1% for the three months ended September 30, 2020, compared to14.5% for the three months ended September 30, 2019. Our third quarter effective 2020 tax rate was adversely impacted by the tax treatment associated with the gain on the fair value adjustment of the Brazil investment.

Our effective income tax rate was24.1% for the nine months ended September 30, 2020, compared to an11.7% benefit for the nine months ended September 30, 2019. Our effective tax rate was higher year-to-date for 2020 as compared to 2019 due to permanent tax differences resulting from the accrual for losses associated with certain legal proceedings and investigations related to the 2017 cybersecurity incident included in the 2019 effective tax rate. The 2020 year-to-date rate has been adversely impacted by valuation allowances against the deferred tax assets of certain international operations as well as the tax treatment associated with the gain on the fair value adjustment of the Brazil investment. However, these impacts were partially offset by favorable adjustments related to the 2019 legal proceedings. 2019 income taxes were calculated using the discrete method, applying the actual year-to-date effective tax rate to our pre-tax loss.

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (The CARES Act), also known as the Third COVID-19 Supplemental Relief bill, and the President of the United States signed the legislation into law. The provisions of the legislation have not had a significant impact on the effective tax rate or the income tax payable and deferred income tax positions of the Company.

The adverse economic effects of the current COVID-19 pandemic have caused the Company to reassess the need for valuation allowances against deferred tax assets. As a result of this analysis the Company determined it was necessary to place valuation allowances against deferred tax assets of certain subsidiaries. The total amount of the valuation allowances recorded year-to-date is approximately $7.0 million.

7. ACCUMULATED OTHER COMPREHENSIVE LOSS

Changes in accumulated other comprehensive loss by component, after tax, for the nine months ended September 30, 2020, are as follows:

	Foreign currency	Pension and other postretirement benefit plans	Cash flow hedging transactions	Total
		(In millions)		
Balance, December 31, 2019	$ (352.4)	$ (278.1)	$ (1.1)	$ (631.6)
Other comprehensive loss before reclassifications	**(8.2)**	—	—	**(8.2)**
Amounts reclassified from accumulated other comprehensive loss	—	**11.3**	—	**11.3**
Net current-period other comprehensive (loss) income	**(8.2)**	**11.3**	—	**3.1**
Balance, September 30, 2020	**$ (360.6)**	**$ (266.8)**	**$ (1.1)**	**$ (628.5)**

Reclassifications out of accumulated other comprehensive loss for the nine months ended September 30, 2020, are as follows:

Details about accumulated other comprehensive loss components	Amount reclassified from accumulated other comprehensive loss	Affected line item in the statement where net income is presented
	(In millions)	
Amortization of pension and other postretirement plan items:		
Prior service cost	$ (0.3)	(1)
Recognized actuarial loss	15.3	(1)
	15.0	Total before tax
	(3.7)	Tax benefit
	$ 11.3	Net of tax

(1) These accumulated other comprehensive loss components are included in the computation of net periodic pension cost (See Note 8 Benefit Plans for additional details).

Changes in accumulated other comprehensive loss related to noncontrolling interests were not material as of September 30, 2020.

8. BENEFIT PLANS

We sponsor defined benefit pension plans and defined contribution plans. For additional information about our benefit plans, see Note 9 of the Notes to Consolidated Financial Statements in our 2019 Form 10-K.

The following table provides the components of net periodic benefit cost. The service cost component is included in selling, general and administrative expenses and the other components of net periodic benefit cost are included in other income, net in the Consolidated Statements of Income (Loss) for the three and nine months ended September 30, 2020 and 2019:

	Pension Benefits		Other Benefits	
	Three Months Ended September 30,			
	2020	2019	2020	2019
		(In millions)		
Service cost	**$ 0.4**	$ 0.7	**$ 0.1**	$ 0.1
Interest cost	**5.9**	7.1	**0.1**	0.2
Expected return on plan assets	**(8.8)**	(9.0)	**(0.2)**	(0.2)
Amortization of prior service cost	—	0.1	**(0.1)**	(0.3)
Recognized actuarial loss	**4.9**	3.7	**0.2**	0.3
Total net periodic benefit cost	**$ 2.4**	$ 2.6	**$ 0.1**	$ 0.1

	Pension Benefits		Other Benefits	
	Nine months ended September 30,			
	2020	2019	2020	2019
	(In millions)			
Service cost	**$ 1.2**	$ 2.1	**$ 0.3**	$ 0.3
Interest cost	**17.7**	21.3	**0.3**	0.6
Expected return on plan assets	**(26.4)**	(27.0)	**(0.6)**	(0.6)
Amortization of prior service cost	**—**	0.3	**(0.3)**	(0.9)
Recognized actuarial loss	**14.7**	11.1	**0.6**	0.9
Total net periodic benefit cost	**$ 7.2**	$ 7.8	**$ 0.3**	$ 0.3

9. SEGMENT INFORMATION

Reportable Segments. We manage our business and report our financial results through the followingfour reportable segments, which are the same as our operating segments:

- U.S. Information Solutions ("USIS")
- Workforce Solutions
- International
- Global Consumer Solutions ("GCS")

The accounting policies of the reportable segments are the same as those described in our summary of significant accounting policies in Note 1 of the Notes to Consolidated Financial Statements in our 2019 Form 10-K. We evaluate the performance of these reportable segments based on their operating revenues, operating income and operating margins, excluding unusual or infrequent items, if any. The measurement criteria for segment profit or loss and segment assets are substantially the same for each reportable segment. Inter-segment sales and transfers are not material for all periods presented. All transactions between segments are accounted for at fair market value or cost depending on the nature of the transaction, and no timing differences occur between segments.

A summary of segment products and services is as follows:

U.S. Information Solutions. This segment includes consumer and commercial information services (such as credit information and credit scoring, credit modeling services and portfolio analytics (decisioning tools), which are derived from our databases of business credit and financial information, locate services, fraud detection and prevention services, identity verification services and other consulting services); mortgage loan origination information; financial marketing services; and identity management.

Workforce Solutions. This segment includes employment, income and social security number verification services as well as complementary payroll-based transaction services and employment tax management services.

International. This segment includes information services products, which includes consumer and commercial services (such as credit and financial information, credit scoring and credit modeling services), credit and other marketing products and services. In Asia Pacific, Europe, Latin America and Canada, we also provide information, technology and services to support debt collections and recovery management.

Global Consumer Solutions. This segment includes credit information, credit monitoring and identity theft protection products sold directly and indirectly to consumers via the internet and in various hard-copy formats in the U.S., Canada, and the U.K. We also sell consumer and credit information to resellers who combine our information with other information to provide direct to consumer monitoring, reports and scores.

Operating revenue and operating income by operating segment during the three and nine months ended September 30, 2020 and 2019 are as follows:

(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
Operating revenue:	**2020**	**2019**	**2020**	**2019**
U.S. Information Solutions	**$ 386.3**	$ 315.5	**$ 1,095.1**	$ 946.5
Workforce Solutions	**376.8**	240.6	**1,031.4**	699.2
International	**218.0**	230.5	**614.6**	684.6
Global Consumer Solutions	**87.2**	89.1	**268.0**	271.5
Total operating revenue	**$ 1,068.3**	$ 875.7	**$ 3,009.1**	$ 2,601.8

(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
Operating income (loss):	**2020**	**2019**	**2020**	**2019**
U.S. Information Solutions	**$ 128.6**	$ 98.2	**$ 349.3**	$ 312.2
Workforce Solutions	**193.2**	99.6	**500.8**	291.4
International	**25.4**	26.0	**34.5**	59.9
Global Consumer Solutions	**12.5**	11.9	**33.4**	36.2
General Corporate Expense	**(155.3)**	(114.1)	**(410.8)**	(1,082.2)
Total operating income (loss)	**$ 204.4**	$ 121.6	**$ 507.2**	$ (382.5)

Total assets by operating segment at September 30, 2020 and December 31, 2019 are as follows:

(In millions)	September 30, 2020	December 31, 2019
Total assets:		
U.S. Information Solutions	**$ 1,966.7**	$ 1,922.9
Workforce Solutions	**1,344.5**	1,338.6
International	**3,161.3**	2,977.0
Global Consumer Solutions	**294.5**	275.3
General Corporate	**2,482.8**	1,395.2
Total assets	**$ 9,249.8**	$ 7,909.0

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

All references to earnings per share data in Management’s Discussion and Analysis, or MD&A, are to diluted earnings per share, or EPS, unless otherwise noted. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding.

BUSINESS OVERVIEW

Equifax Inc. is a global data, analytics and technology company. We provide information solutions and human resources business process outsourcing services for businesses, governments and consumers. We have a large and diversified group of clients, including financial institutions, corporations, governments and individuals. Our services are based on comprehensive databases of consumer and business information derived from numerous sources including credit, financial assets, telecommunications and utility payments, employment, income, demographic and marketing data. We use advanced statistical techniques, machine learning and proprietary software tools to analyze available data to create customized insights, decision-making solutions and processing services for our clients. We also provide information, technology and services to support debt collections and recovery management. Additionally, we are a leading provider of payroll-related and human resource management business process outsourcing services in the United States of America, or U.S. For consumers, we provide products and services to help people understand, manage and protect their personal information and make more informed financial decisions.

We currently operate in four global regions: North America (U.S. and Canada), Asia Pacific (Australia, New Zealand and India), Europe (the United Kingdom, or U.K., Spain and Portugal) and Latin America (Argentina, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay). We maintain support operations in the Republic of Ireland, Chile, Costa Rica and India. We also offer Equifax branded credit services in Russia through a joint venture, have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia, Singapore and the United Arab Emirates, and have an investment in a consumer and commercial credit information company in Brazil.

Recent Events and Company Outlook

As further described in our 2019 Form 10-K, we operate in the United States, which represented 73% of our revenue in 2019, and internationally in 24 countries. Our products and services span a wide variety of vertical markets including financial services, mortgage, federal, state and local governments, automotive, telecommunications and many others.

On March 11, 2020, the World Health Organization designated the novel coronavirus disease (“COVID-19”) as a global pandemic. The impact of COVID-19 and related actions to attempt to control its spread began to impact our consolidated operating results in March 2020. The impact on the operating results in each country in which we operate differed based on the conditions and the vertical markets we serve in that country. In the United States, consolidated revenue grew during the three months ended September 30, 2020, compared to the three months ended September 30, 2019, reflecting very strong mortgage market related revenue in both USIS and Workforce Solutions, and, to a lesser degree than we experienced in the three months ended June 30, 2020, higher revenue growth in our Workforce Solutions unemployment claims management business. However, in the U.S., we experienced year-over-year revenue declines in most other vertical markets including commercial, financial services and telecommunications. Internationally, all countries in which we operate experienced revenue declines, across most vertical markets. The year-over-year reductions in countries and vertical markets referenced were most pronounced in the second quarter. Although most countries continue to show year-over-year declines, performance in the third quarter of 2020 has improved from the levels seen in the second quarter. Due to the strong revenue growth in the U.S., total Equifax consolidated operating results improved in the third quarter of 2020 compared to both the first and second quarters of 2020 and the third quarter of 2019. We are unable to determine the severity or duration of the impact of the COVID-19 pandemic on Equifax or how the impact on the individual markets in the countries we serve will change with time. Although consolidated revenue has grown during the first nine months of 2020 when compared to 2019, due to the uncertain effects of the global economy caused by the impact of COVID-19, there can be no assurances that revenues will continue to grow in the fourth quarter of 2020.

We expect that the global COVID-19 pandemic will continue to adversely impact our business and results of operations. During this uncertain time, our critical priorities are:

(i) the health and safety of our employees and their families;

(ii) providing support to consumers;

(iii) helping our customers execute their changing business plans by providing innovative solutions combining our unique data assets and leading analytical and technology capabilities; and

(iv) executing on our EFX2020 cloud technology, data and security transformation per our previously stated plans.

In the first quarter of 2020, we executed on our business continuity plans and formed a crisis management team to address the challenges related to the ongoing COVID-19 pandemic. In March and April 2020, our employees worked from home in each country where we operate, with only essential employees in customer support and data center operations working on site at our facilities. Beginning in May, in jurisdictions where local restrictions implemented to prevent the further spread of the virus were lifted, our employees began to return to their assigned offices, with limits placed on the number of employees on site at one time. For employees working at our offices and facilities, we have instituted social distancing protocols, increased the level of cleaning and sanitizing in those facilities and undertaken other actions to make these sites safer. We have also substantially reduced employee travel to only essential business needs. As part of our business continuity plans, we are generally following the requirements and protocols published by the U.S. Centers for Disease Control and the World Health Organization, and state and local governments. If public health authorities dictate further measures to limit further spread of the virus, we may need to reinstate our business continuity plans in certain countries or regions in which we operateAs of the date of this filing, we do not believe our work from home and return to office protocol have materially adversely impacted our internal controls, financial reporting systems or our operations.

Our data and analytics, product and sales teams are focused on how to refine existing products and services, as well as generate new products and services, to meet changing needs of our customer in this environment. Our technology teams continue to execute on our EFX2020 cloud technology, data and security transformation, including the continued migration of our technology to cloud native environments. To date, the change in working environment has not caused material disruptions in the execution of these plans.

As a response to the ongoing COVID-19 pandemic, we have implemented plans to manage our costs. We have significantly limited the addition of new employees and third party contracted services, eliminated all travel except where necessary to meet customer or regulatory needs, and acted to limit discretionary spending. To the extent the business disruption continues for an extended period, additional cost management actions will be considered. Recovery from the COVID-19 induced recession remains highly uncertain and may require several years to return to economic levels experienced prior to the pandemic and may affect certain markets or regions we serve differently. Any future asset impairment charges, increase in allowance for doubtful accounts, or restructuring charges could be more likely and will be dependent on the severity and duration of this crisis.

At September 30, 2020, we had approximately $1.5 billion in cash and $1.3 billion available to borrow under our revolving credit facility that matures in September 2023 and receivables funding facility. In the second quarter of 2020, we amended our revolving credit facility to increase the maximum leverage ratio through 2021 to provide us with additional financial flexibility.

In light of the evolving health, social, economic and business environment, governmental regulations or mandates, and business disruptions that could occur, the potential impact that COVID-19 could have on our financial condition and operating results remains highly uncertain.

For more information, see “Item 1A. Risk Factors—*Our business has been and will continue to be negatively impacted by the recent COVID-19 outbreak*,” in our June 30, 2020 Form 10-Q.

2017 Cybersecurity Incident

Litigation, Claims and Government Investigations. As a result of the 2017 cybersecurity incident, we are subject to a significant number of proceedings and investigations as described in Part II, “Item 1. Legal Proceedings” in this Form 10-Q.

In 2019, we recorded expenses, net of insurance recoveries, of $800.9 million in other current liabilities and selling, general, and administrative expenses in our Consolidated Balance Sheets and Statements of Income (Loss), respectively, exclusive of our legal and professional services expenses. The amount accrued represents our best estimate of the liability related to these matters. The Company will continue to evaluate information as it becomes known and adjust accruals for new information and further developments in accordance with ASC 450-20-25. The ultimate amount paid on these actions, claims and investigations in excess of the amount already accrued could be material to the Company’s consolidated financial condition, results of operations, or cash flows in future periods.

Future Costs. We are currently executing substantial initiatives in security and consumer support, and a company-wide transformation of our technology infrastructure, which we refer to as our technology transformation, and incurred substantial increased expenses and capital expenditures in 2019 and the first nine month of 2020 related to these initiatives. We expect to continue to incur significant expenses and capital expenditures in the remainder of 2020 related to these initiatives, at similar levels as those incurred in 2019.

We incurred significant legal and professional services expenses related to the lawsuits, claims and government investigations to which we were a party in 2019, and expect to continue to incur these expenses until all matters are fully resolved. However, due to the settlement of all significant matters in the U.S. in 2019, the level of legal and professional service expenses related to these matters was significantly lower in the first nine months of 2020 compared to the same period in 2019, and we expect that these expenses will continue to be significantly lower in the remainder of 2020.

We will recognize the expenses and capital expenditures referenced herein as they are incurred.

Segment and Geographic Information

Segments. The USIS segment, the largest of our four segments, consists of three service lines: Online Information Solutions; Mortgage Solutions; and Financial Marketing Services. Online Information Solutions and Mortgage Solutions revenue is principally transaction-based and is derived from our sales of products such as consumer and commercial credit reporting and scoring, identity management, fraud detection and modeling services. USIS also markets certain decisioning software services, which facilitate and automate a variety of consumer and commercial credit-oriented decisions. Financial Marketing Services revenue is principally project and subscription based and is derived from our sales of batch credit and consumer wealth information such as those that assist clients in acquiring new customers, cross selling to existing customers and managing portfolio risk.

The Workforce Solutions segment consists of the Verification Services and Employer Services business lines. Verification Services revenue is transaction-based and is derived primarily from employment and income verification. Employer Services revenues are derived from our provision of certain human resources business process outsourcing services that include both transaction and subscription based product offerings. These services include unemployment claims management, employment-based tax credit services and other complementary employment-based transaction services.

The International segment consists of Asia Pacific, Europe, Latin America and Canada. Canada's services are similar to our USIS offerings, while Asia Pacific, Europe and Latin America are made up of varying mixes of service lines that are generally in our USIS segment. We also provide information and technology services to support lenders and other creditors in the collections and recovery management process.

Global Consumer Solutions revenue is both transaction and subscription based and is derived from the sale of credit monitoring and identity theft protection products, which we deliver electronically to consumers primarily via the internet in the U.S., Canada, and the U.K. We also sell consumer and credit information to resellers who combine our information with other information to provide direct-to-consumer monitoring, reports and scores.

Geographic Information. We currently have operations in the following countries: Argentina, Australia, Canada, Chile, Costa Rica, Ecuador, El Salvador, Honduras, India, Mexico, New Zealand, Paraguay, Peru, Portugal, the Republic of Ireland, Spain, the U.K., Uruguay and the U.S. We also offer Equifax branded credit services in Russia through a joint venture, have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia, Singapore, and the United Arab Emirates, have an investment in a consumer and commercial credit information company in Brazil, and have an investment in an identity authentication company in Canada. Approximately 78% and 72% of our revenue was generated in the U.S. during the three months ended September 30, 2020 and 2019, respectively. Approximately 78% and 72% of our revenue was generated in the U.S. during the nine months ended September 30, 2020 and 2019, respectively.

Key Performance Indicators. Management focuses on a variety of key indicators to monitor operating and financial performance. These performance indicators include measurements of operating revenue, change in operating revenue, operating income, operating margin, net income, diluted earnings per share, cash provided by operating activities and capital expenditures. The key performance indicators for the three and nine months ended September 30, 2020 and 2019 were as follows:

	Key Performance Indicators			
	Three Months Ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	(In millions, except per share data)		*(In millions, except per share data)*	
Operating revenue	**$ 1,068.3**	$ 875.7	**$ 3,009.1**	$ 2,601.8
Operating revenue change	**22 %**	5 %	**16 %**	1 %
Operating income (loss)	**$ 204.4**	$ 121.6	**$ 507.2**	$ (382.5)
Operating margin	**19.1 %**	13.9 %	**16.9 %**	(14.7)%
Net income (loss) attributable to Equifax	**$ 224.2**	$ 81.1	**$ 432.7**	$ (408.0)
Diluted earnings (loss) per share	**$ 1.82**	$ 0.66	**$ 3.53**	$ (3.35)
Cash provided by (used in) operating activities	**$ 367.0**	$ (164.9)	**$ 649.0**	$ 83.1
Capital expenditures*	**$ (112.3)**	$ (87.8)	**$ (309.6)**	$ (285.9)

*Amounts include accruals for capital expenditures.

Operational and Financial Highlights

- We did not repurchase shares of our common stock during the first nine months of 2020. At September 30, 2020, $590.1 million was available for future purchases of common stock under our share repurchase authorization.

- We paid out $142.1 million or $1.17 per share in dividends to our shareholders during the first nine months of 2020.

RESULTS OF OPERATIONS—THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

Consolidated Financial Results

Operating Revenue

Consolidated Operating Revenue	Three Months Ended September 30, 2020	2019	Change $	%	Nine Months Ended September 30, 2020	2019	Change $	%
	(In millions)				(In millions)			
U.S. Information Solutions	**$ 386.3**	$ 315.5	**$ 70.8**	**22 %**	**$ 1,095.1**	$ 946.5	**$ 148.6**	**16 %**
Workforce Solutions	**376.8**	240.6	**136.2**	**57 %**	**1,031.4**	699.2	**332.2**	**48 %**
International	**218.0**	230.5	**(12.5)**	**(5)%**	**614.6**	684.6	**(70.0)**	**(10)%**
Global Consumer Solutions	**87.2**	89.1	**(1.9)**	**(2)%**	**268.0**	271.5	**(3.5)**	**(1)%**
Consolidated operating revenue	**$ 1,068.3**	$ 875.7	**$ 192.6**	**22 %**	**$ 3,009.1**	$ 2,601.8	**$ 407.3**	**16 %**

Revenue increased by $192.6 million, or 22%, and by $407.3 million, or 16%, in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. Total revenue was not materially impacted by foreign exchange rates in the third quarter of 2020 but was negatively impacted in the first nine months of 2020, which decreased revenue by $30.1 million, or 1%, compared to the same periods in 2019.

Revenue in the third quarter and first nine months of 2020 increased due to growth in our Workforce Solutions and USIS businesses, primarily due to strong U.S. mortgage volume as well as growth in our Workforce Solutions unemployment claims business. Revenue growth was negatively impacted due to a significant decline beginning in the second half of March across International and GCS, due to the economic impact of the COVID-19 pandemic.

Operating Expenses

Consolidated Operating Expenses	Three Months Ended September 30, 2020	2019	Change $	%	Nine Months Ended September 30, 2020	2019	Change $	%
	(In millions)				(In millions)			
Consolidated cost of services	**$ 433.2**	$ 374.5	**$ 58.7**	**16 %**	**$ 1,256.5**	$ 1,138.9	**$ 117.6**	**10 %**
Consolidated selling, general and administrative expenses	**330.0**	295.5	**34.5**	**12 %**	**955.9**	1,601.2	**(645.3)**	**(40)%**
Consolidated depreciation and amortization expense	**100.7**	84.1	**16.6**	**20 %**	**289.5**	244.2	**45.3**	**19 %**
Consolidated operating expenses	**$ 863.9**	$ 754.1	**$ 109.8**	**15 %**	**$ 2,501.9**	$ 2,984.3	**$ (482.4)**	**(16)%**

Cost of services increased $58.7 million and $117.6 million in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The increases were due to an increase in royalty and production costs, as well as incremental technology and data security costs related to our ongoing technology transformation. The impact of changes in foreign exchange rates on costs of services led to an increase of $0.6 million in the third quarter of 2020 and a decrease of $13.4 million for the first nine months of 2020, compared to the same periods in 2019.

Selling, general and administrative expenses increased $34.5 million and decreased $645.3 million in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The increase in the third quarter was due to an increase in people costs, partially offset by a decrease in legal expenses and lower business travel costs. For the nine months ended September 30, 2020, the decrease is due to $701.3 million in legal accruals associated with certain legal proceedings and investigations related to the 2017 cybersecurity incident recorded in the first nine months of 2019 that did not recur in 2020, partially offset by an increase in people costs. The impact of changes in foreign currency exchange rates decreased selling, general and administrative expenses by $0.9 million and $10.8 million for the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019.

Depreciation and amortization expense increased $16.6 million and $45.3 million for the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The increases are due to the higher amortization of capitalized internal-use software and system costs.

Operating Income and Operating Margin

Consolidated Operating Income (Loss)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Change $	Change %	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	Change $	Change %
	(In millions)				*(In millions)*			
Consolidated operating revenue	**$ 1,068.3**	$ 875.7	**$ 192.6**	**22 %**	**$ 3,009.1**	$ 2,601.8	**$ 407.3**	**16 %**
Consolidated operating expenses	**863.9**	754.1	**109.8**	**15 %**	**2,501.9**	2,984.3	**(482.4)**	**(16) %**
Consolidated operating income (loss)	**$ 204.4**	$ 121.6	**$ 82.8**	**68 %**	**$ 507.2**	$ (382.5)	**$ 889.7**	**233 %**
Consolidated operating margin	**19.1 %**	13.9 %		**5.2 pts**	**16.9 %**	(14.7)%		**31.6 pts**

Total company operating margin increased by 5.2 percentage points and 31.6 percentage points in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019.

The margin increase in the third quarter of 2020 is due to increased revenue, partially offset by increased people, royalty and technology costs. The margin increase for the first nine months of 2020 is due to increased revenue and the prior year accrual for losses associated with certain legal proceedings and investigations related to the 2017 cybersecurity incident that did not recur in 2020, partially offset by increased people, royalty and technology costs.

Interest Expense and Other (Expense) Income, net

Consolidated Interest Expense and Other Income, net	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Change $	Change %	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	Change $	Change %
	(In millions)				*(In millions)*			
Consolidated interest expense	**$ (37.4)**	$ (28.0)	**$ (9.4)**	**34 %**	**$ (104.7)**	$ (82.3)	**$ (22.4)**	**27 %**
Consolidated other income, net	**133.4**	2.9	**130.5**	**nm**	**171.1**	7.9	**163.2**	**nm**
Average cost of debt	**3.4 %**	3.7 %			**3.5 %**	3.9 %		
Total consolidated debt, net, at quarter end	**$ 4,377.4**	$ 3,206.7	**$ 1,170.7**	**37 %**	**$ 4,377.4**	$ 3,206.7	**$ 1,170.7**	**37 %**

nm - not meaningful

Interest expense increased by $9.4 million and $22.4 million for the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The increase is due to the issuance of $1.0 billion senior notes in April 2020 and $750.0 million senior notes issued in November 2019, partially offset by Commercial Paper and Receivables Funding Facility balances that were outstanding in 2019, but not in 2020.

Other income, net, increased by $130.5 million and $163.2 million in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The increase in the third quarter of 2020 is due to a $129.9 million gain recorded related to a fair value adjustment of our investment in Brazil, due to its initial public offering during the quarter. The increase in the first nine months of 2020 also benefited from a $32.9 million gain recorded related to a fair value adjustment of the equity investment in India, for which we completed the acquisition of the remaining shareholder interests in the first quarter of 2020.

Income Taxes

Consolidated (Provision) Benefit for Income Taxes	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Change $	Change %	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	Change $	Change %
	(In millions)				*(In millions)*			
Consolidated (provision) benefit for income taxes	**$ (75.4)**	$ (14.0)	**$ (61.4)**	**439 %**	**$ (138.0)**	$ 53.3	**$ (191.3)**	**(359)%**
Effective income tax rate	**25.1 %**	14.5 %			**24.1 %**	(11.7)%		

Our effective income tax rate was 25.1% for the three months ended September 30, 2020, compared to 14.5% for the three months ended September 30, 2019. Our third quarter effective 2020 tax rate was adversely impacted by the tax treatment associated with the gain on the fair value adjustment of the Brazil investment.

Our effective income tax rate was 24.1% for the nine months ended September 30, 2020, compared to an 11.7% benefit for the nine months ended September 30, 2019. Our effective tax rate was higher year-to-date for 2020 as compared to 2019 due to permanent tax differences resulting from the accrual for losses associated with certain legal proceedings and investigations related to the 2017 cybersecurity incident included in the 2019 effective tax rate. The 2020 year-to-date rate has been adversely impacted by valuation allowances against the deferred tax assets of certain international operations as well as the tax treatment associated with the gain on the fair value adjustment of the Brazil investment. However, these impacts were partially offset by favorable adjustments related to the 2019 legal proceedings. 2019 income taxes were calculated using the discrete method, applying the actual year-to-date effective tax rate to our pre-tax loss.

Net Income

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
Consolidated Net Income (Loss)	**2020**	**2019**	**$**	**%**	**2020**	**2019**	**$**	**%**
	(In millions, except per share amounts)				*(In millions, except per share amounts)*			
Consolidated operating income (loss)	**$ 204.4**	$ 121.6	**$ 82.8**	**68 %**	**$ 507.2**	$ (382.5)	**$ 889.7**	**233 %**
Consolidated other income (expense), net	**96.0**	(25.1)	**121.1**	**483 %**	**66.4**	(74.4)	**140.8**	**(189) %**
Consolidated (provision) benefit for income taxes	**(75.4)**	(14.0)	**(61.4)**	**437 %**	**(138.0)**	53.3	**(191.3)**	**(359) %**
Consolidated net income (loss)	**225.0**	82.5	**142.5**	**173 %**	**435.6**	(403.6)	**839.2**	**208 %**
Net income (loss) attributable to noncontrolling interests	**(0.8)**	(1.4)	**0.6**	**40 %**	**(2.9)**	(4.4)	**1.5**	**33 %**
Net income (loss) attributable to Equifax	**$ 224.2**	$ 81.1	**$ 143.1**	**177 %**	**$ 432.7**	$ (408.0)	**$ 840.7**	**206 %**
Diluted earnings per common share:								
Net income (loss) attributable to Equifax	**$ 1.82**	$ 0.66	**$ 1.16**	**175 %**	**$ 3.53**	$ (3.35)	**$ 6.88**	**205 %**
Weighted-average shares used in computing diluted earnings per share	**123.0**	122.3			**122.7**	122.0		

Consolidated net income (loss) increased by $142.5 million and $839.2 million in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The increase for the third quarter of 2020 is due to increased operating income resulting from the increase in revenue as well as the gain recorded on the fair value adjustment of the Brazil investment, partially offset by the increase in tax expense, people costs, royalty costs and technology costs. The increase for the first nine months of 2020 is due to increased operating income resulting from the increase in revenue, the prior year accrual for losses associated with certain legal proceedings and investigations related to the 2017 cybersecurity incident that did not recur in 2020 and an increase in Other Income resulting from the fair value adjustments of the Brazil and India investments, partially offset by an increase in tax expense, people costs, royalty costs, technology costs, depreciation of capitalized projects and higher interest expense.

Segment Financial Results

USIS

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
U.S. Information Solutions	**2020**	**2019**	**$**	**%**	**2020**	**2019**	**$**	**%**
	(In millions)				*(In millions)*			
Operating revenue:								
Online Information Solutions	**$ 284.7**	$ 233.0	**$ 51.7**	**22 %**	**$ 800.3**	$ 696.7	**$ 103.6**	**15 %**
Mortgage Solutions	**55.4**	36.7	**18.7**	**51 %**	**149.4**	104.4	**45.0**	**43 %**
Financial Marketing Services	**46.2**	45.8	**0.4**	**1 %**	**145.4**	145.4	**—**	**— %**
Total operating revenue	**$ 386.3**	$ 315.5	**$ 70.8**	**22 %**	**$ 1,095.1**	$ 946.5	**$ 148.6**	**16 %**
% of consolidated revenue	**36 %**	36 %			**36 %**	36 %		
Total operating income	**$ 128.6**	$ 98.2	**$ 30.4**	**31 %**	**$ 349.3**	$ 312.2	**$ 37.1**	**12 %**
Operating margin	**33.3 %**	31.1 %		**2.2 pts**	**31.9 %**	33.0 %		**(1.1) pts**

USIS revenue increased by 22% and 16% in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The increases are due to improvements in our core credit decisioning services and mortgage solutions volumes related to the strength of the U.S. mortgage market in 2020.

Online Information Solutions

Revenue increased by 22% and 15% in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The increases in both periods are due to improved core credit decisioning services volumes related to improvements in the mortgage market. 2019 revenue was negatively impacted by a $15.0 million settlement with a commercial customer. We continue to see a reduction year over year related to non-mortgage online revenue that has declined due to the economic impact of COVID-19, which began in the latter half of March 2020.

Mortgage Solutions

Revenue increased by 51% and 43% in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The increases are due to increased mortgage market transaction volumes.

Financial Marketing Services

Revenue increased 1% and was flat in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019 due to the timing of project related revenue. 2019 revenue was negatively impacted by a $5.0 million settlement with a commercial customer. We also continue to see a reduction year over year in Financial Marketing Services due to the economic impact of COVID-19.

USIS Operating Margin

USIS operating margin increased from 31.1% in the third quarter of 2019 to 33.3% in the third quarter of 2020, and decreased from 33.0% in the first nine months of 2019 to 31.9% in the first nine months of 2020. The margin increase during the third quarter of 2020 was due to an increase of revenue, partially offset by the increase in people, incremental technology and data security, royalty and depreciation costs. The margin decrease for the first nine months of 2020 was due to increased people, royalty, technology and depreciation costs, as well as incremental technology and data security costs, partially offset by the increase in revenue.

Workforce Solutions

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
Workforce Solutions	**2020**	**2019**	**$**	**%**	**2020**	**2019**	**$**	**%**
	(In millions)				*(In millions)*			
Operating revenue:								
Verification Services	**$ 301.1**	$ 185.3	**$ 115.8**	**63 %**	**$ 773.2**	$ 506.5	**$ 266.7**	**53 %**
Employer Services	**75.7**	55.3	**20.4**	**37 %**	**258.2**	192.7	**65.5**	**34 %**
Total operating revenue	**$ 376.8**	$ 240.6	**$ 136.2**	**57 %**	**$ 1,031.4**	$ 699.2	**$ 332.2**	**48 %**
% of consolidated revenue	**35 %**	28 %			**34 %**	27 %		
Total operating income	**$ 193.2**	$ 99.6	**$ 93.6**	**94 %**	**$ 500.8**	$ 291.4	**$ 209.4**	**72 %**
Operating margin	**51.3 %**	41.4 %		**9.9 pts**	**48.6 %**	41.7 %		**6.9 pts**

Workforce Solutions revenue increased by 57% and 48% in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The increases were due to strong growth in both Verification Services and Employer Services, driven by growth in mortgage and unemployment claims management during the first nine months of 2020.

Verification Services

Revenue increased by 63% and 53% in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019 due to strong growth in the mortgage vertical and continued addition of new records to The Work Number database. Starting in the second half of March, revenue from the commercial non-mortgage segment of Verification Services, including the talent solutions, debt management and auto segments, have experienced declines versus the same period in 2019 due to the economic impact of COVID-19.

Employer Services

Revenue increased by 37% and 34% in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The increase for both periods is due to increases in our unemployment claims management services, as U.S. unemployment claims increased substantially due to the economic impact of COVID-19 on the U.S. economy.

Workforce Solutions Operating Margin

Operating margin increased to 51.3% for the third quarter of 2020 from 41.4% for the third quarter of 2019 and to 48.6% for the first nine months of 2020 from 41.7% in 2019. The increased margins in both periods were due to an increase in revenue, partially offset by increases in royalty, people, technology and depreciation costs.

International

International	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Change $	Change %	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	Change $	Change %
	(In millions)				*(In millions)*			
Operating revenue:								
Asia Pacific	**$ 80.2**	$ 77.4	**$ 2.8**	**4 %**	**$ 215.1**	$ 226.4	**$ (11.3)**	**(5) %**
Europe	**58.7**	64.8	**(6.1)**	**(9) %**	**173.2**	199.3	**(26.1)**	**(13) %**
Latin America	**40.4**	49.2	**(8.8)**	**(18) %**	**117.8**	144.0	**(26.2)**	**(18) %**
Canada	**38.7**	39.1	**(0.4)**	**(1) %**	**108.5**	114.9	**(6.4)**	**(6) %**
Total operating revenue	**$ 218.0**	$ 230.5	**$ (12.5)**	**(5) %**	**$ 614.6**	$ 684.6	**$ (70.0)**	**(10) %**
% of consolidated revenue	**21 %**	26 %			**21 %**	26 %		
Total operating income	**$ 25.4**	$ 26.0	**$ (0.6)**	**(2) %**	**$ 34.5**	$ 59.9	**$ (25.4)**	**(42) %**
Operating margin	**11.6 %**	11.3 %		**0.3 pts**	**5.6 %**	8.7 %		**(3.1) pts**

International revenue decreased by 5% and 10% in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. On a local currency basis, revenue decreased by 5% and 6% in the third quarter and first nine months of 2020, respectively, driven by declines in Latin America and Europe in the third quarter of 2020 and declines across all geographies for the nine month period. Local currency fluctuations against the U.S. dollar had minimal impact on revenue during the third quarter of 2020 and negatively impacted revenue by $29.8 million, or 4%, for the first nine months of 2020. Revenue growth was negatively impacted by a significant decline in volume beginning in the second half of March in each of the four regions within our International business, due to the impact of the COVID-19 pandemic on the regions, although local economies have begun to show signs of recovery in the third quarter.

Asia Pacific

On a local currency basis, revenue was flat and decreased by 2% in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. For the third quarter of 2020, the negative impacts of COVID-19 on the consumer business were offset by non-recurring projects within the recovery management business. The decrease in revenue for the first nine months of 2020 was driven by decreases in our consumer and commercial businesses, marketing services and personal solutions related revenue, primarily driven by the economic recession in Australia and New Zealand due to COVID-19, partly offset by an increase in offline transactions within recovery management. Local currency fluctuations positively impacted revenue by $2.7 million, or 4%, in the third quarter of 2020 and negatively impacted revenue by $6.8 million, or 3%, for the first nine months of 2020. Reported revenue increased by 4% and decreased by 5% in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019.

Europe

On a local currency basis, revenue decreased by 13% in both the third quarter and first nine months of 2020, compared to the same periods in 2019. The decreases are primarily in the U.K. consumer and commercial businesses and debt services which experienced double digit declines in the third quarter and first nine months of 2020, due to the impact the COVID-19 pandemic has had on local economies. Local currency fluctuations against the U.S. dollar positively impacted revenue by $2.7 million, or 4%, for the third quarter and did not have a material impact on revenue for the first nine months of 2020. Reported revenue decreased by 9% and 13% in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019.

Latin America

On a local currency basis, revenue decreased by 6% and 4% in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The decrease was driven by COVID-19, which negatively impacted consumer credit operations in all Latin America countries in which Equifax operates. Local currency fluctuations against the U.S. dollar negatively impacted revenue by $5.8 million, or 12%, and $20.9 million, or 14%, in the third quarter and first nine months of 2020, respectively, primarily from Argentina and Chile. Reported revenue decreased by 18% in both the third quarter and first nine months of 2020, compared to the same periods in 2019.

Canada

On a local currency basis, revenue was flat and decreased by 4% in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The decrease in the first nine months of 2020 is due to declines in consumer and commercial online volumes and offline analytics revenue, driven by the impacts of COVID-19. Local currency fluctuations against the U.S. dollar negatively impacted revenue by $0.3 million, or 1%, and $1.9 million, or 2%, in the third quarter and first nine months of 2020, respectively. Reported revenue decreased by 1% and 6% in the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019.

International Operating Margin

Operating margin increased to 11.6% in the third quarter of 2020 from 11.3% in the third quarter of 2019 and decreased to 5.6% in the first nine months of 2020, down from 8.7% in the first nine months of 2019. The increased margin in the third quarter of 2020 is due to a decline in people costs and discretionary expense control across all geographies, offset by the negative effects of COVID-19 on the countries' revenue where Equifax operates. The decreased margin in first nine months of 2020 was primarily due to the negative effects of COVID-19 on revenue, as well as an increase in depreciation costs and incremental technology costs related to the ongoing technology transformation, partially offset by discretionary expense control across the regions.

Global Consumer Solutions

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
Global Consumer Solutions	**2020**	**2019**	**$**	**%**	**2020**	**2019**	**$**	**%**
	(In millions)				*(In millions)*			
Total operating revenue	**$ 87.2**	$ 89.1	**$ (1.9)**	**(2) %**	**$ 268.0**	$ 271.5	**$ (3.5)**	**(1) %**
% of consolidated revenue	**8 %**	10 %			**9 %**	11 %		
Total operating income	**$ 12.5**	$ 11.9	**$ 0.6**	**5 %**	**$ 33.4**	$ 36.2	**$ (2.8)**	**(8) %**
Operating margin	**14.4 %**	13.4 %		**1.0 pts**	**12.5 %**	13.3 %		**(0.8) pts**

Revenue decreased 2% and 1% for the third quarter and first nine months of 2020, respectively, compared to the same periods in 2019. The decreases in the third quarter and first nine months of 2020 were driven by decreases in partner revenue, partially offset by increases in event based business, benefits revenue and in the third quarter of 2020 in the direct to consumer business due to strong consumer subscription performance in North America. Local currency fluctuations had minimal impact on the third quarter and first nine months of 2020.

Global Consumer Solutions Operating Margin

Operating margin increased to 14.4% in the third quarter of 2020 from 13.4% in the third quarter of 2019 and decreased to 12.5% in the first nine months of 2020 from 13.3% in the first nine months of 2019. The increased margin in the third quarter of 2020 was due to a reduction in royalty costs due to lower revenue, partially offset by increased advertising and technology costs. The decreased margin in the first nine months of 2020 was driven by increased customer support and marketing costs, partially offset by lower royalty costs due to lower revenue.

General Corporate Expense

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
General Corporate Expense	**2020**	**2019**	**$**	**%**	**2020**	**2019**	**$**	**%**
	(In millions)				*(In millions)*			
General corporate expense	**$ 155.3**	$ 114.1	**$ 41.2**	**36 %**	**$ 410.8**	$ 1,082.2	**$ (671.4)**	**(62)%**

Our general corporate expenses are unallocated costs that are incurred at the corporate level and include those expenses impacted by corporate direction, including shared services, technology, security, data and analytics, administrative, legal, restructuring, and the portion of management incentive compensation determined by total company-wide performance.

General corporate expense increased $41.2 million and decreased $671.4 million in the third quarter and first nine months of 2020, respectively, compared to the prior year periods. The increase in the third quarter is due to an increase in people costs, partially offset by lower technology and litigation expense. The decrease for the first nine months of 2020 is due to the legal accruals for losses associated with certain legal proceedings and investigations related to the 2017 cybersecurity incident of $701.3 million that were recorded in 2019 and did not recur in 2020 and lower technology costs, partially offset by increased people costs.

LIQUIDITY AND FINANCIAL CONDITION

Management assesses liquidity in terms of our ability to generate cash to fund operating, investing and financing activities. We continue to generate substantial cash from operating activities, remain in a strong financial position, and manage our capital structure to meet short- and long-term objectives including reinvestment in existing businesses and strategic acquisitions.

Sources and Uses of Cash

Funds generated by operating activities, our Revolver and related commercial paper program and our Receivables Facility, more fully described below, are our most significant sources of liquidity. In April 2020, we issued $1.0 billion aggregate principal amount of senior notes. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility, while the remaining funds are intended for general corporate purposes. At September 30, 2020, we had $1.5 billion in cash balances, as well as $1.1 billion available to borrow under our Revolver. As of September 30, 2020, $225.0 million was available to borrow under our Receivables Facility; however, we intend to terminate this facility in the fourth quarter of 2020.

The Company has and expects to make payments to resolve certain legal proceedings and investigations related to the 2017 cybersecurity incident, described more fully in Part II, "Item 1. Legal Proceedings" in this Form 10-Q. Through September 30, 2020, the Company has made payments of $439.3 million for legal settlements related to the 2017 cybersecurity incident. The remaining $346.7 million to be paid to the Consumer Restitution Fund will be made after a final adjudication affirming the U.S. Consumer MDL Litigation settlement or dismissal of the pending appeals. Although we expect this payment and the remaining settlement payments to be made later in 2020 or 2021, we can give no assurance that these payments will occur in 2020 due to pending approvals or appeals. As a result of the possible payments that could be made in 2020 related to the losses associated with certain legal proceedings and government investigations related to the 2017 cybersecurity incident, funds generated by operating activities are not expected to be sufficient to fund working capital and other cash requirements throughout 2020. Our plan is to finance the payments with existing available cash balances and borrowing capacity.

Fund Transfer Limitations. The ability of certain of our subsidiaries and associated companies to transfer funds to the U.S. may be limited, in some cases, by certain restrictions imposed by foreign governments. These restrictions do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends. As of September 30, 2020, we held $235.1 million of cash in our foreign subsidiaries.

Information about our cash flows, by category, is presented in the Consolidated Statements of Cash Flows. The following table summarizes our cash flows for the nine months ended September 30, 2020 and 2019:

	Nine Months Ended September 30,		Change
Net cash provided by (used in):	**2020**	**2019**	**2020 vs. 2019**
		(In millions)	
Operating activities	**$ 649.0**	$ 83.1	**$ 565.9**
Investing activities	**$ (380.9)**	$ (565.5)	**$ 184.6**
Financing activities	**$ 865.3**	$ 426.4	**$ 438.9**

Operating Activities

Cash provided by operating activities in the nine months ended September 30, 2020 increased by $565.9 million compared the prior year period. The increase in cash from operations is due to increased net income and additional payments made in 2019 associated with certain legal proceedings and investigations related to the 2017 cybersecurity incident.

Investing Activities

Capital Expenditures

	Nine Months Ended September 30,		Change
Net cash used in:	**2020**	**2019**	**2020 vs. 2019**
		(In millions)	
Capital expenditures*	**$ (309.5)**	$ (305.7)	**$ (3.8)**

*Amounts above are total cash outflows for capital expenditures.

Our capital expenditures are used for developing, enhancing and deploying new and existing software in support of our expanding product set, replacing or adding equipment, updating systems for regulatory compliance, the licensing of standard software applications, investing in system reliability, security and disaster recovery enhancements, and updating or expanding our office facilities.

Capital expenditures paid in the first nine months of 2020 increased by $3.8 million from the same period in 2019. We are continuing to invest in enhanced technology systems, infrastructure and data security following the 2017 cybersecurity incident.

Acquisitions, Divestitures and Investments

	Nine Months Ended September 30,		Change
Net cash used in:	**2020**	**2019**	**2020 vs. 2019**
		(In millions)	
Acquisitions, net of cash acquired	**$ (61.4)**	$ (234.8)	**$ 173.4**
Investment in unconsolidated affiliates, net	**$ (10.0)**	$ (25.0)	**$ 15.0**

During the first nine months of 2020 we acquired the remaining interest in our India joint venture within the International segment and a tuck-in acquisition within our USIS segment. During the first nine months of 2019, we completed the acquisition of PayNet in our USIS and International operating segments and completed an additional acquisition in our Workforce Solutions segment.

Financing Activities

Borrowings and Credit Facility Availability

	Nine Months Ended September 30,		Change
Net cash provided by (used in):	**2020**	**2019**	**2020 vs. 2019**
		(In millions)	
Net short-term borrowings	**$ 0.3**	$ 367.0	**$ (366.7)**
Payments on long-term debt	**$ (125.0)**	$ (50.0)	**$ (75.0)**
Borrowings on long-term debt	**$ 1,123.3**	$ 250.0	**$ 873.3**

Credit Facility Availability

In September 2018, the Company entered into a $1.1 billion five-year unsecured revolving credit facility with a group of financial institutions, which will mature in September 2023 (the "Revolver"). In the second quarter of 2019, we increased our commercial paper program to $1.1 billion. Borrowings under the Revolver may be used for general corporate purposes, including working capital, capital expenditures, acquisitions and share repurchase programs. The Revolver has an accordion feature that allows us to request an increase in the total commitment to $1.6 billion. The Revolver includes an option to request a maximum of two one-year extensions of the maturity date, any time after the first anniversary of the Revolver closing. We believe we are currently in compliance with all representations and warranties necessary as a condition for borrowing under the Revolver, but we cannot assure that we will be able to comply with all such conditions to borrowing in the future. Availability of the Revolver is reduced by the outstanding principal balance of our commercial paper notes and by any letters of credit issued under the facility.

Our $1.1 billion commercial paper (CP) program has been established to allow for borrowing through the private placement of CP with maturities ranging from overnight to 397 days. We may use the proceeds of CP for general corporate purposes. The CP program is supported by our Revolver and the total amount of CP which may be issued is reduced by the amount of any outstanding borrowings under our Revolver.

As of September 30, 2020, there were $0.7 million of letters of credit issued under the Revolver, no principal drawn amounts under the Revolver, and no commercial paper borrowings. Availability under the Revolver was $1.1 billion at September 30, 2020.

At September 30, 2020, 93% of our debt was fixed-rate debt and 7% was effectively variable debt. Our variable-rate debt consists of the Floating Rate Senior Notes, our commercial paper and our Receivables Facility. The interest rates reset periodically, depending on the terms of the respective financing agreements. At September 30, 2020, the interest rate on our variable-rate debt was 1.15%.

Borrowing and Repayment Activity

We primarily borrow under our CP program, our Revolver or our Receivables Facility as needed and as availability allows.

Net short-term borrowings primarily represent borrowings or repayments of outstanding amounts under our CP program in the first nine months of 2019.

Payments on long-term debt reflect $125.0 million and $50.0 million payments made on our Receivables Facility in the first nine months of 2020 and 2019, respectively.

Borrowings on long-term debt represent the net proceeds received from issuance of the 2025 and 2030 senior notes in the first nine months of 2020, as well as the net proceeds received from draw downs on our Receivables Facility in the first nine months of 2020 and 2019.

There were no borrowings outstanding under the Receivables Facility as of September 30, 2020. The Receivables Facility was supported by $313.5 million of accounts receivable as collateral at September 30, 2020 which, as a retained interest, is included in accounts receivable, net in our Consolidated Balance Sheets.

Debt Covenants. A downgrade in our credit ratings would increase the cost of borrowings under our CP program and Revolver, and could limit or, in the case of a significant downgrade, preclude our ability to issue CP. Our outstanding indentures and comparable instruments also contain customary covenants including, for example, limits on mortgages, liens, and sale/leaseback transactions.

On April 10, 2020, we amended our existing revolving credit facility to increase the maximum leverage ratio to provide additional financial flexibility. The amendment increases the maximum leverage ratio, defined as consolidated funded debt divided by consolidated EBITDA for the preceding four quarters, to (i) 4.5 to 1.0 for fiscal quarters ending on June 30, 2020 through and including September 30, 2021 and (ii) 4.0 to 1.0 for the fiscal quarter ending on December 31, 2021. The maximum leverage ratio will return to 3.5 to 1.0 beginning with the fiscal quarter ending March 31, 2022 and thereafter. Beginning January 1, 2021, we may also elect to increase the maximum leverage ratio by 0.5 to 1.0 (not to exceed 4.5 to 1.0) in connection with certain material acquisitions if we satisfy certain requirements.

The amendment also (i) permits cash in excess of $200 million to be netted against debt in the calculation of the leverage ratio through September 30, 2021, subject to certain restrictions and (ii) extends the add-back of certain expenses related to the 2017 cybersecurity incident to the definition of Consolidated EBITDA through December 31, 2021.

As of September 30, 2020, we were in compliance with all of our debt covenants.

We do not have any credit rating triggers that would accelerate the maturity of a material amount of our outstanding debt; however, our 2.3% senior notes due 2021, 3.6% senior notes due 2021, floating rate notes due 2021, 3.3% senior notes due 2022, 3.95% senior notes due 2023, 2.6% senior notes due 2024, 2.6% senior notes due 2025, 3.25% senior notes due 2026, 3.1% senior notes due 2030 and 7.0% senior notes due 2037 (together, the “Senior Notes”) contain change in control provisions. If we experience a change in control or publicly announce our intention to effect a change in control and the rating on the Senior Notes is lowered by each of Standard & Poor’s, or S&P, and Moody’s Investors Service, or Moody’s, below an investment grade rating within 60 days of such change in control or notice thereof, we will be required to offer to repurchase the Senior Notes at a price equal to 101% of the aggregate principal amount of the Senior Notes plus accrued and unpaid interest. As of September 30, 2020, our S&P credit rating was BBB with a negative outlook and our Moody’s credit rating was Baa2 with a stable outlook. These ratings are subject to change as events and circumstances change.

For additional information about our debt, including the terms of our financing arrangements, basis for floating interest rates and debt covenants, see Note 5 of the Notes to Consolidated Financial Statements in our 2019 Form 10-K.

Equity Transactions

	Nine Months Ended September 30,		Change
Net cash provided by (used in):	**2020**	**2019**	**2020 vs. 2019**
		(In millions)	
Dividends paid to Equifax shareholders	**$ (142.1)**	$ (141.4)	**$ (0.7)**
Dividends paid to noncontrolling interests	**$ (2.6)**	$ (4.8)	**$ 2.2**
Proceeds from exercise of stock options and employee stock purchase plan	**$ 29.9**	$ 15.3	**$ 14.6**

Sources and uses of cash related to equity during the nine months ended September 30, 2020 and 2019 were as follows:

- During the first nine months of 2020 and 2019, we did not repurchase any shares of our stock.

- We maintained our quarterly dividend of $0.39 per share in the third quarter of 2020. We paid cash dividends to Equifax shareholders of $142.1 million and $141.4 million, or $1.17 per share, during the nine months ended September 30, 2020 and 2019, respectively.

- We received cash of $29.9 million and $15.3 million during the first nine months of 2020 and 2019, respectively, from the exercise of stock options and the employee stock purchase plan.

At September 30, 2020, the Company had $590.1 million remaining for stock repurchases under the existing Board authorization.

Contractual Obligations, Commercial Commitments and Other Contingencies

Our contractual obligations have not changed materially from those reported in our 2019 Form 10-K. For additional information about certain obligations and contingencies, see Note 5 of the Notes to Consolidated Financial Statements in this Form 10-Q.

Off-Balance Sheet Arrangements

There have been no material changes with respect to our off-balance sheet arrangements from those presented in our 2019 Form 10-K.

Benefit Plans

At December 31, 2019, our U.S. Retirement Income Plan, or USRIP, met or exceeded ERISA's minimum funding requirements. In the future, we expect to make minimum funding contributions as required and may make discretionary contributions, depending on certain circumstances, including market conditions and our liquidity needs. We believe additional funding contributions, if any, would not prevent us from continuing to meet our liquidity needs, which are primarily funded from cash flows generated by operating activities, available cash and cash equivalents, our CP program, our Revolver and our Receivables Facility.

For our non-U.S., tax-qualified retirement plans, we fund an amount sufficient to meet minimum funding requirements but no more than allowed as a tax deduction pursuant to applicable tax regulations. For our non-qualified supplementary retirement plans, we fund the benefits as they are paid to retired participants, but accrue the associated expense and liabilities in accordance with GAAP.

For additional information about our benefit plans, see Note 9 of the Notes to Consolidated Financial Statements in our 2019 Form 10-K.

Seasonality

Traditionally we experience seasonality in certain of our revenue streams. Revenue generated by the online consumer information services component of our USIS operating segment are typically the lowest during the first quarter, when consumer lending activity is at a seasonal low. Revenue generated from the Employer Services business unit within the Workforce Solutions operating segment is generally higher in the first quarter due primarily to the provision of Form W-2, 1094, and 1095 preparation services which occur in the first quarter each year. Revenue generated from our financial wealth asset products and data management services in our Financial Marketing Services business are generally higher in the fourth quarter each year. Mortgage related revenue is generally higher in the second and third quarters of the year due to the increase in consumer home purchasing during the summer in the U.S. Due to the COVID-19 pandemic, as described above within "Recent Events and Company Outlook," we are unsure of how future results will compare to historic seasonality trends.

Foreign Currency

Argentina has experienced multiple periods of increasing inflation rates, devaluation of the peso, and increasing borrowing rates. As such, Argentina has been deemed a highly inflationary economy by accounting policymakers. Beginning in the third quarter of 2018, we have accounted for Argentina as highly inflationary which resulted in the recognition of a $0.1 million and $0.5 million foreign currency loss that was recorded in other income, net in our Consolidated Statements of Income (Loss) during the three and nine months ended September 30, 2020, respectively.

RECENT ACCOUNTING PRONOUNCEMENTS

For information about new accounting pronouncements and the potential impact on our Consolidated Financial Statements, see Note 1 of the Notes to Consolidated Financial Statements in this Form 10-Q and Note 1 of the Notes to Consolidated Financial Statements in our 2019 Form 10-K.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

The Company's Consolidated Financial Statements are prepared in conformity with U.S. generally accepted accounting principles, or GAAP. This requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in our Consolidated Financial Statements and the Notes to Consolidated Financial Statements. We believe the most complex and sensitive judgments, because of their significance to the Consolidated Financial Statements, result primarily from the need to make estimates and assumptions about the effects of matters that are inherently uncertain. The "Application of Critical Accounting Policies and Estimates" section in the MD&A, and Note 1 of the Notes to Consolidated Financial Statements, in our 2019 Form 10-K describe the significant accounting estimates and policies used in the preparation of our Consolidated Financial Statements. Although we believe that our estimates, assumptions and judgments are reasonable, they are based upon information available at the time. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

Goodwill

We review goodwill and indefinite lived intangible assets for impairment annually (as of September 30) and whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. These events or circumstances could include a significant change in the business climate, legal factors, operating performance or trends, competition, or sale or disposition of a significant portion of a reporting unit. We have seven reporting units comprised of USIS (which includes Online Information Solutions, Mortgage Solutions and Financial Marketing Services), Asia Pacific, Europe, Latin America, Canada, GCS, and Equifax Workforce Solutions (which includes Verification Services and Employer Services).

The goodwill balance at September 30, 2020, for our seven reporting units was as follows:

	September 30, 2020
	(In millions)
U.S. Information Solutions	$ 1,286.7
Workforce Solutions	1,010.7
Asia Pacific	1,457.0
Europe	156.5
Latin America	217.7
Canada	50.8
Global Consumer Solutions	186.6
Total goodwill	$ 4,366.0

We performed a qualitative assessment to determine whether further impairment testing was necessary for our USIS, Workforce Solutions, Europe, Canada and GCS reporting units. In this qualitative assessment, we considered the following items for each of the reporting units: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, for each of these reporting units, the most recent fair value determination resulted in an amount that significantly exceeded the carrying amount of the reporting units. Based on these assessments, we determined the likelihood that a current fair value determination would be less than the current carrying amount of the reporting unit is not more likely than not. As a result of our conclusions, no further testing was required for these reporting units.

Valuation Techniques

We performed a quantitative assessment for our Asia Pacific and Latin America reporting units to determine whether impairment exists from the most recent valuation dates due to the size of the cushion and lower current year forecasts than the 2020 projections from the most recent valuations in relation to our other reporting units. In determining the fair value of the reporting unit, we used a combination of the income and market approaches to estimate the reporting unit’s business enterprise value.

Under the income approach, we calculate the fair value of a reporting unit based on estimated future discounted cash flows which require assumptions about short and long-term revenue growth rates, operating margins for each reporting unit, discount rates, foreign currency exchange rates and estimates of capital expenditures. The assumptions we use are based on what we believe a hypothetical marketplace participant would use in estimating fair value. Under the market approach, we estimate the fair value based on market multiples of revenue or earnings before income taxes, depreciation and amortization, for benchmark companies or guideline transactions. We believe the benchmark companies used for our Asia Pacific and Latin America reporting units serve as an appropriate input for calculating a fair value for the reporting unit as those benchmark companies have similar risks, participate in similar markets, provide similar services for their customers and compete with us directly. The companies we use as benchmarks are principally outlined in our discussion of Competition in our 2019 Form 10-K. Competition for our Asia Pacific and Latin America reporting units generally includes global consumer credit reporting companies, such as Experian, which offer a product suite similar to the reporting unit's credit reporting solutions.

The values separately derived from each of the income and market approach valuation techniques were used to develop an overall estimate of a reporting unit’s fair value. We use a consistent approach across all reporting units when considering the weight of the income and market approaches for calculating the fair value of each of our reporting units. This approach relies more heavily on the calculated fair value derived from the income approach, with 70% of the value coming from the income approach. We believe this approach is consistent with that of a market participant in valuing prospective purchase business combinations. The selection and weighting of the various fair value techniques may result in a higher or lower fair value. Judgment is applied in determining the weightings that are most representative of fair value.

We have not made any material changes to the valuation methodology we use to assess goodwill impairment since the date of our last annual impairment test.

Growth Assumptions

The assumptions for our future cash flows begin with our historical operating performance, the details of which are described in our Management's Discussion & Analysis of operating performance. Additionally, we consider the impact that known economic, industry and market trends, including the potential impact of the COVID-19 global pandemic, will have on our future forecasts, as well as the impact that we expect from planned business initiatives including new product initiatives, client service and retention standards, and cost management programs. At the end of the forecast period, the long-term growth rate we used to determine the terminal value of our Asia Pacific and Latin American reporting units were between 3.0% and 5.0% based on management's assessment of the minimum expected terminal growth rate of the reporting unit, as well as broader economic considerations such as GDP, inflation and the maturity of the markets we serve.

We projected revenue growth in 2021 for our Asia Pacific and Latin America reporting units in completing our 2020 impairment testing based on expected economic recovery from the negative impact the COVID-19 pandemic has had on these regions in 2020, planned business initiatives and prevailing trends exhibited by these units and not based on the assumption of meaningful acceleration in economic growth. The anticipated revenue growth in these reporting units, however, is partially offset by assumed increases in expenses for the reporting unit which reflects the additional level of investment needed in order to achieve the planned revenue growth and completion of our technology transformation initiatives.

Discount Rate Assumptions

We utilize a weighted average cost of capital, or WACC, in our impairment analysis that makes assumptions about the capital structure that we believe a market participant would make and include a risk premium based on an assessment of risks related to the projected cash flows for the reporting unit. We believe this approach yields a discount rate that is consistent with an implied rate of return that a market participant would require for an investment in a company having similar risks and business characteristics to the reporting unit being assessed. To calculate the WACC, the cost of equity and cost of debt are multiplied by the assumed capital structure of the reporting unit as compared to industry trends and relevant benchmark company structures. The cost of equity was computed using the Capital Asset Pricing Model which considers the risk-free interest rate, beta, equity risk premium and specific company risk premium related to a particular reporting unit. The cost of debt was computed using a benchmark rate and the Company's tax rate. For the 2020 annual goodwill impairment evaluation, the discount rates used to develop the estimated fair value of the Asia Pacific and Latin America reporting units were between 9.0% and 16.0%.

Estimated Fair Value and Sensitivities

The estimated fair value of the reporting units is derived from the valuation techniques described above, incorporating the related projections and assumptions. Impairment occurs when the estimated fair value of the reporting unit is below the carrying value of its equity. The estimated fair value for our Asia Pacific and Latin America reporting units exceeded their related carrying values as of September 30, 2020. As a result, no goodwill impairment was recorded.

The estimated fair value of the reporting unit is highly sensitive to changes in these projections and assumptions; therefore, in some instances changes in these assumptions could impact whether the fair value of a reporting unit is greater than its carrying value. For example, an increase in the discount rate and decline in the projected cumulative cash flow of a reporting unit could cause the fair value of certain reporting units to be below its carrying value. We perform sensitivity analyses around these assumptions in order to assess the reasonableness of the assumptions and the resulting estimated fair values. Ultimately, future potential changes in these assumptions may impact the estimated fair value of a reporting unit and cause the fair value of the reporting unit to be below its carrying value. Due to the lower cushions when compared to other reporting units, Asia Pacific and Latin America are more sensitive to changes in the assumptions noted above that could result in a fair value that is less than its carrying value. The excess of fair value over carrying value for the Asia Pacific reporting unit was less than 5% and the excess fair value over carrying value for the Latin America reporting unit was between 15% and 20% as of September 30, 2020.

Given the small excess of fair value over carrying value for the Asia Pacific reporting unit, we believe that it is at risk of a possible future goodwill impairment. Although we experienced growth in this reporting unit for the three months ended

March 31, 2020 in comparison to the estimates used in the 2019 goodwill impairment testing, the COVID-19 pandemic has had a substantial negative impact on our results over the last six months. Avoidance of a future impairment will be dependent on continued economic recovery from the negative impact caused by COVID-19 in 2020 and our ability to execute on initiatives to grow revenue and manage expenses prudently. We will continue to monitor the performance of this reporting unit to ensure no interim indications of possible impairment have occurred before our next annual goodwill impairment assessment in September 2021.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For information regarding our exposure to certain market risks, see “Quantitative and Qualitative Disclosures about Market Risk,” in Part II, Item 7A of our 2019 Form 10-K. There were no material changes to our market risk exposure during the three and nine months ended September 30, 2020.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, an evaluation was carried out by the Company’s management, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of the end of the period covered by this report. In addition, no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Litigation and Investigations related to the 2017 Cybersecurity Incident

In fiscal 2017, we experienced a cybersecurity incident following a criminal attack on our systems that involved the theft of certain personally identifiable information of U.S., Canadian and U.K. consumers. Following the 2017 cybersecurity incident, hundreds of class actions and other lawsuits were filed against us typically alleging harm from the incident and seeking various remedies, including monetary and injunctive relief. We were also subject to investigations and inquiries by federal, state and foreign governmental agencies and officials regarding the 2017 cybersecurity incident and related matters. Most of these lawsuits and government investigations have concluded or been resolved, including pursuant to the settlement agreements described below, while others remain ongoing. The Company's participation in these settlements does not constitute an admission by the Company of any fault or liability, and the Company does not admit fault or liability.

Consumer Settlement.

On July 19, 2019 and July 22, 2019, we entered into multiple agreements that resolve the U.S. consolidated consumer class action cases, captioned *In re: Equifax, Inc. Customer Data Security Breach Litigation, MDL No. 2800* (the "U.S. Consumer MDL Litigation"), and the investigations of the FTC, the CFPB, the Attorneys General of 48 states, the District of Columbia and Puerto Rico (the "MSAG Group") and the NYDFS (collectively, the "Consumer Settlement"). Under the terms of the Consumer Settlement, the Company will contribute $380.5 million to a non-reversionary settlement fund (the "Consumer Restitution Fund") to provide restitution for U.S. consumers identified by the Company whose personal information was compromised as a result of the 2017 cybersecurity incident as well as to pay reasonable attorneys' fees and reasonable costs and expenses for the plaintiffs' counsel in the U.S. Consumer MDL Litigation (not to exceed $80.5 million), settlement administration costs and notice costs. The Company has agreed to contribute up to an additional $125.0 million to the Consumer Restitution Fund to cover certain unreimbursed costs and expenditures incurred by affected U.S. consumers in the event the $380.5 million in the Consumer Restitution Fund is exhausted. The Company also agreed to various business practice commitments related to consumer assistance and its information security program, including conducting third party assessments of its information security program.

On January 13, 2020, the Northern District of Georgia, the U.S. District Court overseeing centralized pre-trial proceedings for the U.S. Consumer MDL Litigation and numerous other federal court actions relating to the 2017 cybersecurity incident (the "MDL Court"), entered an order granting final approval of the settlement in connection with the U.S. Consumer MDL Litigation. The MDL Court entered an amended order granting final approval of the settlement on March 17, 2020. Several objectors have appealed the final approval order. Until the appeals are finally adjudicated or dismissed, we can provide no assurance that the U.S. Consumer MDL Litigation will be resolved as contemplated by the settlement agreement. If the MDL Court's order approving the settlement is reversed by an appellate court, there is a risk that we would not be able to settle the U.S. Consumer MDL Litigation on acceptable terms or at all, which could have a material adverse effect on our financial condition.

Other Settlements.

Financial Institutions MDL Class Action. On May 15, 2020, the Company entered into a settlement agreement to resolve the consolidated financial institutions class action cases pending before the MDL Court (the "Financial Institutions MDL Litigation"). Under the settlement, the Company agreed to pay for valid claims submitted by class members up to a maximum amount, reasonable settlement administration and notice costs, and reasonable attorneys' fees and expenses. The Company also agreed to adopt and/or maintain certain business practices related to its information security program. The court granted final approval of the settlement on October 22, 2020.

Pennsylvania State Court Financial Institution Class Action. The Company entered into a settlement agreement to resolve the individual claims brought by one of the original named plaintiffs in the Financial Institutions MDL Litigation in the Court of Common Pleas of Lawrence County, Pennsylvania on behalf of itself and a class of financial institutions headquartered in Pennsylvania. The claims asserted in this matter were substantially similar to claims asserted by financial institutions that previously were dismissed in the MDL proceeding for lack of standing. The court granted approval of the settlement on July 13, 2020.

Other Matters.

We face other lawsuits and government investigations related to the 2017 cybersecurity incident that have not yet been concluded or resolved. These ongoing matters may result in judgments, fines or penalties, settlements or other relief. We dispute the allegations in the remaining lawsuits and intend to defend against such claims. Set forth below are descriptions of the main categories of these matters.

Georgia State Court Consumer Class Actions. Four putative class actions arising from the 2017 cybersecurity incident were filed against us in Fulton County Superior Court and Fulton County State Court in Georgia based on similar allegations and theories as alleged in the U.S. Consumer MDL Litigation and seek monetary damages, injunctive relief and other related relief on behalf of Georgia citizens. These cases were transferred to a single judge in the Fulton County Business Court and three of the cases were consolidated into a single action. On July 27, 2018, the Fulton County Business Court granted the Company's motion to stay the remaining single case, and on August 17, 2018, the Fulton County Business Court granted the Company's motion to stay the consolidated case. These cases remain stayed pending final resolution of the U.S. Consumer MDL Litigation.

Canadian Class Actions. Five putative Canadian class actions, four of which are on behalf of a national class of approximately 19,000 Canadian consumers, are pending against us in Ontario, British Columbia and Alberta. Each of the proposed Canadian class actions asserts a number of common law and statutory claims seeking monetary damages and other related relief in connection with the 2017 cybersecurity incident. In addition to seeking class certification on behalf of Canadian consumers whose personal information was allegedly impacted by the 2017 cybersecurity incident, in some cases, plaintiffs also seek class certification on behalf of a larger group of Canadian consumers who had contracts for subscription products with Equifax around the time of the incident or earlier and were not impacted by the incident.

On December 13, 2019, the court in Ontario granted certification of a nationwide class that includes all impacted Canadians as well as Canadians who had subscription products with Equifax between March 7, 2017 and July 30, 2017 who were not impacted by the incident. Our motion for leave to appeal this decision was granted in part, and our appeal is now pending. All remaining purported class actions are at preliminary stages or stayed.

Government Investigations. We have cooperated with federal, state and foreign governmental agencies and officials investigating or otherwise seeking information, testimony and/or documents, regarding the 2017 cybersecurity incident and related matters and most of these investigations have been resolved as discussed in prior filings.

The U.K.'s Financial Conduct Authority ("FCA") opened an enforcement investigation against our U.K. subsidiary, Equifax Limited, in October 2017. The investigation by the FCA has involved a number of information requirements and interviews. We continue to respond to the information requirements and are cooperating with the investigation.

The New York State Attorney General Investor Protection Bureau ("IPB") issued a subpoena in September 2017 relating to its investigation of whether there has been a violation of the Martin Act. We have cooperated with the IPB in its investigation, and the IPB has not contacted us regarding the investigation since January 2019.

Although we continue to cooperate in the above investigations and inquiries, an adverse outcome to any such investigations and inquiries could subject us to fines or other obligations, which may have an adverse effect on how we operate our business or our results of operations.

California Bankruptcy Litigation

In consolidated actions filed in the U.S. District Court for the Central District of California, captioned Terri N. White, et al. v. Equifax Information Services LLC, Jose Hernandez v. Equifax Information Services LLC, Kathryn L. Pike v. Equifax Information Services LLC, and Jose L. Acosta, Jr., et al. v. Trans Union LLC, et al., plaintiffs asserted that Equifax violated federal and state law (the FCRA, the California Credit Reporting Act and the California Unfair Competition Law) by failing to follow reasonable procedures to determine whether credit accounts are discharged in bankruptcy, including the method for updating the status of an account following a bankruptcy discharge. On August 20, 2008, the District Court approved a Settlement Agreement and Release providing for certain changes in the procedures used by defendants to record discharges in bankruptcy on consumer credit files. That settlement resolved claims for injunctive relief, but not plaintiffs' claims for damages. On May 7, 2009, the District Court issued an order preliminarily approving an agreement to settle remaining class claims. The District Court subsequently deferred final approval of the settlement and required the settling parties to send a supplemental notice to those class members who filed a claim and objected to the settlement or opted out, with the cost for the re-notice to be deducted from the plaintiffs' counsel fee award. Mailing of the supplemental notice was completed on February

15, 2011 and the deadline for this group of settling plaintiffs to provide additional documentation to support their damage claims or to opt-out of the settlement was March 31, 2011. On July 15, 2011, the District Court approved the settlement. Several objecting plaintiffs subsequently filed notices of appeal to the U.S. Court of Appeals for the Ninth Circuit, which, on April 22, 2013, issued an order vacating the settlement and remanding the case to the District Court for further proceedings. On January 21, 2014, the District Court denied the objecting plaintiffs' motion to disqualify counsel for the settling plaintiffs and granted the motion of counsel for the settling plaintiffs to be appointed as interim lead class counsel. On March 28, 2016, the U.S. Court of Appeals for the Ninth Circuit affirmed the District Court's lead counsel appointment. On January 9, 2017, the United States Supreme Court denied the objectors' Petition for a Writ of Certiorari. The parties re-engaged in settlement discussions, including participation in mediations in August 2016 and November 2016, and reached an agreement to again settle the monetary claims. Settlement documents were filed with the District Court on April 14, 2017. On June 16, 2017, the Court granted preliminary approval of the proposed settlement, conditionally certified the settlement class, and appointed class counsel and administrator. A Final Fairness Hearing was held on December 11, 2017 and on April 6, 2018, the Court granted final approval. A Notice of Appeal was filed on May 7, 2018. Following the Notice of Appeal, the parties reached a Stipulation Regarding Attorneys' Fees and Costs with the District Court subject to affirmance of the settlement with the U.S. Court of Appeals for the Ninth Circuit. On December 12, 2019, the Ninth Circuit affirmed the settlement and remanded to the District Court for recalculation of the attorneys' fee award to class counsel. On January 10, 2020, the objecting plaintiffs filed a Petition for Rehearing and Rehearing En Banc which was denied. On March 16, 2020, the objecting plaintiffs filed a Petition for Writ of Certiorari with the United States Supreme Court, which was denied. On July 17, 2020, the district court signed an order granting the final award of attorneys' fees and setting forth deadlines for payment of the settlement costs and the distribution of the non-monetary award. Equifax has now paid all settlement costs and is in the process of distributing the non-monetary award to consumers.

Other

Equifax has been named as a defendant in various other legal actions, including administrative claims, regulatory matters, government investigations, class actions and other litigation arising in connection with our business. Some of the legal actions include claims for substantial compensatory or punitive damages or claims for indeterminate amounts of damages. We believe we have defenses to and, where appropriate, will contest, many of these matters. Given the number of these matters, some are likely to result in adverse judgments, penalties, injunctions, fines or other relief. We may explore potential settlements before a case is taken through trial because of the uncertainty and risks inherent in the litigation process.

For information regarding our accounting for legal contingencies, see Note 5 of the Notes to Consolidated Financial Statements in this Form 10-Q.

ITEM 1A. RISK FACTORS

There have been no material changes with respect to the risk factors disclosed in our 2019 Form 10-K and our Form 10-Q for the quarter ended June 30, 2020.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table contains information with respect to purchases made by or on behalf of Equifax or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934), of our common stock during our third quarter ended September 30, 2020:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as Part of Publicly-Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (3)
July 1 - July 31, 2020	7,155	$ —	—	$ 590,092,166
August 1 - August 31, 2020	2,660	$ —	—	$ 590,092,166
September 1 - September 30, 2020	36,270	$ —	—	$ 590,092,166
Total	46,085		—	

(1) The total number of shares purchased for the quarter includes shares surrendered, or deemed surrendered, in satisfaction of the exercise price and/or to satisfy tax withholding obligations in connection with the exercise of

employee stock options, totaling 7,155 shares for the month of July 2020, 2,660 shares for the month of August 2020, and 36,270 shares for the month of September 2020.

(2) Average price paid per share for shares purchased as part of our share repurchase program (includes brokerage commissions).

(3) At September 30, 2020, the amount authorized for future share repurchases under the share repurchase program was $590.1 million. The program does not have a stated expiration date.

Dividend and Share Repurchase Restrictions

Our Revolver restricts our ability to pay cash dividends on our capital stock or repurchase capital stock if a default or event of default exists or would result if these payments were to occur, according to the terms of the applicable credit agreements.

ITEM 6. EXHIBITS

Exhibit No.	Description
31.1	Rule 13a-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a) Certification of Chief Financial Officer
32.1	Section 1350 Certification of Chief Executive Officer
32.2	Section 1350 Certification of Chief Financial Officer
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

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 thereunto duly authorized.

Equifax Inc.
(Registrant)

Date: October 22, 2020	By:	/s/ Mark W. Begor
		Mark W. Begor *Chief Executive Officer* *(Principal Executive Officer)*
Date: October 22, 2020		/s/ John W. Gamble, Jr.
		John W. Gamble, Jr. *Corporate Vice President and* *Chief Financial Officer* *(Principal Financial Officer)*
Date: October 22, 2020		/s/ James M. Griggs
		James M. Griggs *Chief Accounting Officer and Corporate Controller* *(Principal Accounting Officer)*

EXHIBIT 31.1

CERTIFICATIONS

I, Mark W. Begor, certify that:

1 I have reviewed this quarterly report on Form 10-Q of Equifax Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 22, 2020

/s/ Mark W. Begor

Mark W. Begor

Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, John W. Gamble, Jr., certify that:

1 I have reviewed this quarterly report on Form 10-Q of Equifax Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5 The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 22, 2020

/s/ John W. Gamble, Jr.

John W. Gamble, Jr.
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U. S. C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Equifax Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark W. Begor, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 22, 2020

/s/ Mark W. Begor

Mark W. Begor
Chief Executive Officer

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
18 U. S. C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Equifax Inc. (the "Company") on Form 10-Q for the period ended September 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John W. Gamble, Jr., Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 22, 2020

/s/ John W. Gamble, Jr.

John W. Gamble, Jr.
Chief Financial Officer