

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

**FORM 8-K**

**CURRENT REPORT**

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

Date of report (Date of earliest event reported): October 20, 2021

**EQUIFAX INC.**

(Exact name of registrant as specified in Charter)

<b>GA</b> (State or other jurisdiction of incorporation)	<b>001-06605</b> (Commission File Number)	<b>58-0401110</b> (IRS Employer Identification No.)
1550 Peachtree Street Atlanta	N.W. GA	30309
(Address of principal executive offices)		(Zip Code)

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

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

**Not Applicable**

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

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

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
  - Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
  - 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.
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**Item 2.02. Results of Operations and Financial Condition.**

On October 20, 2021, Equifax Inc. issued a press release disclosing financial results for the three month period ended September 30, 2021. A copy of the text of the press release is attached as Exhibit 99.1 hereto. The information in Exhibit 99.1 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

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

(d) Exhibits

99.1 [Press release of Equifax Inc. Press release of Equifax Inc. dated October 20, 2021.](#)

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**SIGNATURE**

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

**EQUIFAX INC.**

By:	<u>/s/ John W. Gamble, Jr.</u>
Name:	John W. Gamble, Jr.
Title:	<i>Corporate Vice President and Chief Financial Officer</i>
Date:	October 20, 2021



NEWS RELEASE

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**Equifax Delivers Seventh Consecutive Quarter of Double-Digit Revenue Growth**

ATLANTA, October 20, 2021 -- Equifax Inc. (NYSE: EFX) today announced financial results for the quarter ended September 30, 2021.

- Record third quarter revenue of \$1.2 billion, up 14%
- Workforce Solutions revenue growth of 35%; tenth consecutive quarter of double-digit revenue growth
- Strong new product roll-outs leveraging new EFXCloud
- Executed strategic acquisitions of Appriss Insights, Health e(fx) and Teletrack which enhance differentiated data, strengthen Workforce Solutions and broaden ID & Fraud capabilities
- Increasing full-year revenue and EPS guidance

“We continued our strong financial performance with our seventh consecutive quarter of double-digit revenue growth. Our record third quarter revenue of \$1.223 billion was up 14% and offset the impact of a decline in the U.S. mortgage market. This growth was again powered by Workforce Solutions, growing 35%, as well as strong growth in USIS non-mortgage and International revenue,” said Mark W. Begor, Equifax Chief Executive Officer. “We are investing our strong outperformance in almost \$3 billion of strategic and accretive acquisitions this year which will position Equifax for future growth, including our people-based risk intelligence data provider Appriss Insights, which we closed just after quarter-end. The acquisitions enhance the differentiated data ‘Only Equifax’ can provide, driving substantial revenue growth and synergies in the future. Our EFX2023 strategy, leveraging the EFX Cloud to drive innovation, new products and growth, has positioned us to continue our strong performance into 2022 and beyond. Based on our very strong third quarter results, we are again raising our full-year financial guidance, reflecting revenue to a range of \$4.901 billion to \$4.921 billion, and Adjusted EPS to a range of \$7.52 to \$7.62.”

**Financial Results Summary**

The company reported revenue of \$1,222.9 million in the third quarter of 2021, up 14 percent compared to the third quarter of 2020 on a reported basis and 14 percent on a local currency basis.

Net income attributable to Equifax of \$205.4 million was down 10 percent in the third quarter of 2021 compared to net income attributable to Equifax of \$228.5 million in the third quarter of 2020.

Diluted EPS attributable to Equifax was \$1.66 for the third quarter of 2021, down 11 percent compared to \$1.86 in the third quarter of 2020.

### **Workforce Solutions third quarter results**

- Total revenue was \$508.0 million in the third quarter of 2021, a 35 percent increase compared to the third quarter of 2020. Operating margin for Workforce Solutions was 49.8 percent in the third quarter of 2021 compared to 51.3 percent in the third quarter of 2020. Adjusted EBITDA margin for Workforce Solutions was 54.3 percent in the third quarter of 2021 compared to 57.8 percent in the third quarter of 2020.
- Verification Services revenue was \$402.7 million, up 34 percent compared to the third quarter of 2020.
- Employer Services revenue was \$105.3 million, up 39 percent compared to the third quarter of 2020.

### **USIS third quarter results**

- Total revenue was \$387.8 million in the third quarter of 2021, flat compared to \$386.3 million in the third quarter of 2020. Operating margin for USIS was 30.1 percent in the third quarter of 2021 compared to 33.3 percent in the third quarter of 2020. Adjusted EBITDA margin for USIS was 40.1 percent in the third quarter of 2021 compared to 46.0 percent in the third quarter of 2020.
- Online Information Solutions revenue was \$286.3 million, up 1 percent compared to the third quarter of 2020.
- Mortgage Solutions revenue was \$46.2 million, down 17 percent compared to the third quarter of 2020.
- Financial Marketing Services revenue was \$55.3 million, up 20 percent compared to the third quarter of 2020.

### **International third quarter results**

- Total revenue was \$245.4 million in the third quarter of 2021, up 13 percent and up 10 percent compared to the third quarter of 2020 on a reported and local currency basis, respectively. Operating margin for International was 11.4 percent in the third quarter of 2021, compared to 11.6 percent in the third quarter of 2020. Adjusted EBITDA margin for International was 26.7 percent in the third quarter of 2021, compared to 32.4 percent in the third quarter of 2020.
- Asia Pacific revenue was \$88.7 million, up 11 percent and up 7 percent compared to the third quarter of 2020 on a reported and local currency basis, respectively.
- Europe revenue was \$67.7 million, up 15 percent and up 9 percent compared to the third quarter of 2020 on a reported and local currency basis, respectively.
- Latin America revenue was \$44.6 million, up 11 percent and up 16 percent compared to the third quarter of 2020 on a reported and local currency basis, respectively.
- Canada revenue was \$44.4 million, up 15 percent and up 8 percent compared to the third quarter of 2020 on a reported and local currency basis, respectively.

### **Global Consumer Solutions third quarter results**

- Total revenue was \$81.7 million in the third quarter of 2021, down 6 percent and down 7 percent compared to the third quarter of 2020 on a reported and local currency basis, respectively. Operating margin was 14.4 percent in the third quarter of 2021 compared to 14.4 percent in the third quarter of 2020. Adjusted EBITDA margin was 23.4 percent in the third quarter of 2021, compared to 24.8 percent in the third quarter of 2020.

### **Adjusted EPS and Adjusted EBITDA Margin**

- Adjusted EPS attributable to Equifax was \$1.85 in the third quarter of 2021, down 3 percent compared to the third quarter of 2020.
- Adjusted EBITDA margin was 33.0 percent in the third quarter of 2021 compared to 37.1 percent in the third quarter of 2020.
- These financial measures exclude adjustments as described further in the Non-GAAP Financial Measures section below.

**2021 Fourth Quarter and Full Year Guidance**

	<b>Q4 2021</b>		<b>FY 2021</b>	
	<u>Low-End</u>	<u>High-End</u>	<u>Low-End</u>	<u>High-End</u>
Reported Revenue	\$1,230 million	\$1,250 million	\$4.901 billion	\$4.921 billion
Reported Revenue Growth	10.0%	11.8%	18.7%	19.2%
Local Currency Growth <sup>(1)</sup>	9.9%	11.7%	17.3%	17.8%
Organic Local Currency Growth <sup>(1)</sup>	4.5%	6.3%	14.2%	14.7%
Adjusted Earnings Per Share	\$1.72 per share	\$1.82 per share	\$7.52 per share	\$7.62 per share

(1) Refer to page 9 for definitions.

## **About Equifax**

At Equifax (NYSE: EFX), we believe knowledge drives progress. As a global data, analytics, and technology company, we play an essential role in the global economy by helping financial institutions, companies, employers, and government agencies make critical decisions with greater confidence. Our unique blend of differentiated data, analytics, and cloud technology drives insights to power decisions to move people forward. Headquartered in Atlanta and supported by more than 11,000 employees worldwide, Equifax operates or has investments in 24 countries in North America, Central and South America, Europe, and the Asia Pacific region. For more information, visit [Equifax.com](http://Equifax.com).

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

In conjunction with this release, Equifax will host a conference call on October 21, 2021 at 8:30 a.m. (ET) via a live audio webcast. To access the webcast and related presentation materials, go to the Investor Relations section of our website at [www.equifax.com](http://www.equifax.com). The discussion will be available via replay at the same site shortly after the conclusion of the webcast. This press release is also available at that website.

## **Non-GAAP Financial Measures**

This earnings release presents adjusted EPS attributable to Equifax which is diluted EPS attributable to Equifax adjusted (to the extent noted above for different periods) for acquisition-related amortization expense, costs related to the 2017 cybersecurity incident (these costs are comprised of legal fees for 2021, and legal fees and incremental costs to transformation our information technology infrastructure and data security for 2020), fair value adjustment of equity investments, foreign currency impact of certain intercompany loans, acquisition-related costs other than acquisition amortization, income tax effect of stock awards recognized upon vesting or settlement, Argentina highly inflationary foreign currency adjustment and income tax effects of Q1 2020 gain on fair market value adjustment of equity investment. All adjustments are net of tax, with a reconciling item with the aggregated tax impact of the adjustments. This earnings release also presents adjusted EBITDA and adjusted EBITDA margin which is defined as consolidated net income attributable to Equifax plus net interest expense, income taxes, depreciation and amortization, and also excludes certain one-time items. These are important financial measures for Equifax but are not financial measures as defined by GAAP.

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

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

## **Forward-Looking Statements**

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

Several factors could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including, but not limited to, actions taken by us, including restructuring or strategic initiatives (including our technology, data and security cloud transformation, capital investments and asset acquisitions or dispositions), as well as developments beyond our control, including, but not limited to, 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. The extent to which the COVID-19 pandemic could negatively impact our operations will depend on future developments which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information which may emerge concerning the severity of the COVID-19 pandemic, the actions taken to control the spread of COVID-19 or treat its impact, and changes in U.S. and worldwide economic conditions. Further deteriorations in economic conditions, as a result of COVID-19 or otherwise, could lead to a further or prolonged decline in demand for our products and services and negatively impact our business. It may also impact financial markets and corporate credit markets which could adversely impact our access to financing or the terms of any financing. We cannot at this time predict the extent of the impact of the COVID-19 pandemic and resulting economic impact, but it could have a material adverse effect on our business, financial position, results of operations and cash flows. Other risk factors include the impact of our technology and security transformation and improvements in our information technology and data security

infrastructure; changes in tax regulations; adverse or uncertain economic conditions and changes in credit and financial markets; uncertainties regarding the ultimate amount and timing of payments for the legal proceedings and government investigations related to the 2017 cybersecurity incident; potential adverse developments in new and pending legal proceedings or government investigations; risks associated with our ability to comply with business practice commitments and similar obligations under settlement agreements and consent orders entered into in connection with the 2017 cybersecurity incident; economic, political and other risks associated with international sales and operations; risks relating to unauthorized access to data or breaches of confidential information due to criminal conduct, attacks by hackers, employee or insider malfeasance and/or human error; changes in, and the effects of, laws and regulations and government policies governing or affecting our business, including, without limitation, our examination and supervision by the Consumer Financial Protection Bureau, a federal agency that holds primary responsibility for the regulation of consumer protection with respect to financial products and services in the U.S., oversight by the U.K. Financial Conduct Authority and Information Commissioner's Office of our debt collections services and core credit reporting businesses in the U.K., oversight by the Office of Australian Information Commission, the Australian Competition and Consumer Commission and other regulatory entities of our credit reporting business in Australia and the impact of current privacy laws and regulations, including the European General Data Protection Regulation and the California Consumer Privacy Act, or any future privacy laws and regulations; federal or state responses to identity theft concerns; our ability to successfully develop and market new products and services, respond to pricing and other competitive pressures, complete and integrate acquisitions and other investments and achieve targeted cost efficiencies; timing and amount of capital expenditures; changes in capital markets and corresponding effects on the Company's investments and benefit plan obligations; foreign currency exchange rates and earnings repatriation limitations; and the decisions of taxing authorities which could affect our effective tax rates. A summary of additional risks and uncertainties can be found in our Annual Report on Form 10-K for the year ended December 31, 2020 including without limitation under the captions "Item 1. Business -- Governmental Regulation" and "-- Forward-Looking Statements" and "Item 1A. Risk Factors," and in our other filings with the U.S. Securities and Exchange Commission. Forward-looking statements are given only as at the date of this release and the Company disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.



EQUIFAX  
**CONSOLIDATED STATEMENTS OF INCOME**

	<b>Three Months Ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<i>(Unaudited)</i>	
<i>(In millions, except per share amounts)</i>		
Operating revenue	<b>\$ 1,222.9</b>	<b>\$ 1,068.3</b>
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	<b>489.0</b>	433.2
Selling, general and administrative expenses	<b>344.2</b>	330.0
Depreciation and amortization	<b>116.5</b>	100.7
Total operating expenses	<b>949.7</b>	863.9
Operating income	<b>273.2</b>	204.4
Interest expense	<b>(35.0)</b>	(37.4)
Other income, net	<b>27.2</b>	139.1
Consolidated income before income taxes	<b>265.4</b>	306.1
Provision for income taxes	<b>(58.8)</b>	(76.8)
Consolidated net income	<b>206.6</b>	229.3
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	<b>(1.2)</b>	(0.8)
Net income attributable to Equifax	<b>\$ 205.4</b>	<b>\$ 228.5</b>
Basic earnings per common share:		
Net income attributable to Equifax	<b>\$ 1.68</b>	\$ 1.88
Weighted-average shares used in computing basic earnings per share	<b>121.9</b>	121.5
Diluted earnings per common share:		
Net income attributable to Equifax	<b>\$ 1.66</b>	\$ 1.86
Weighted-average shares used in computing diluted earnings per share	<b>123.7</b>	123.0
Dividends per common share	<b>\$ 0.39</b>	\$ 0.39

EQUIFAX  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

	September 30, 2021	December 31, 2020
	(Unaudited)	
<i>(In millions, except par values)</i>		
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,025.5	\$ 1,684.6
Trade accounts receivable, net of allowance for doubtful accounts of \$11.3 and \$12.9 at September 30, 2021 and December 31, 2020, respectively	694.6	630.6
Prepaid expenses	120.5	104.1
Other current assets	49.7	59.0
Total current assets	2,890.3	2,478.3
Property and equipment:		
Capitalized internal-use software and system costs	1,624.2	1,374.5
Data processing equipment and furniture	301.8	299.9
Land, buildings and improvements	245.4	239.1
Total property and equipment	2,171.4	1,913.5
Less accumulated depreciation and amortization	(918.5)	(774.1)
Total property and equipment, net	1,252.9	1,139.4
Goodwill	5,169.2	4,495.8
Indefinite-lived intangible assets	95.0	94.9
Purchased intangible assets, net	1,271.6	997.8
Other assets, net	404.3	405.6
Total assets	\$ 11,083.3	\$ 9,611.8
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Short-term debt and current maturities of long-term debt	\$ 500.6	\$ 1,101.1
Accounts payable	192.5	159.1
Accrued expenses	213.9	251.8
Accrued salaries and bonuses	222.1	250.3
Deferred revenue	108.1	108.3
Other current liabilities	649.7	612.5
Total current liabilities	1,886.9	2,483.1
Long-term debt	4,969.4	3,277.3
Deferred income tax liabilities, net	372.6	332.3
Long-term pension and other postretirement benefit liabilities	114.3	130.7
Other long-term liabilities	185.0	178.1
Total liabilities	7,528.2	6,401.5
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, 2021 and December 31, 2020; Outstanding shares - 122.0 and 121.8 at September 30, 2021 and December 31, 2020, respectively	236.6	236.6
Paid-in capital	1,517.6	1,470.7
Retained earnings	4,677.4	4,185.4
Accumulated other comprehensive loss	(255.7)	(171.4)
Treasury stock, at cost, 66.7 and 66.9 shares at September 30, 2021 and December 31, 2020, respectively	(2,630.8)	(2,547.0)
Stock held by employee benefit trusts, at cost, 0.6 shares at September 30, 2021 and December 31, 2020	(5.9)	(5.9)
Total Equifax shareholders' equity	3,539.2	3,168.4
Noncontrolling interests including redeemable noncontrolling interests	15.9	41.9
Total equity	3,555.1	3,210.3
Total liabilities and equity	\$ 11,083.3	\$ 9,611.8

EQUIFAX  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

<i>(In millions)</i>	<b>Nine Months Ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<i>(Unaudited)</i>	
Operating activities:		
Consolidated net income	\$ 625.5	\$ 448.6
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	354.9	295.2
Stock-based compensation expense	44.8	43.9
Deferred income taxes	12.6	82.2
Loss (gain) on fair market value adjustment of equity investments	0.1	(162.8)
Gain on divestiture	(0.2)	—
Changes in assets and liabilities, excluding effects of acquisitions:		
Accounts receivable, net	(54.9)	(76.1)
Other assets, current and long-term	5.1	29.6
Current and long term liabilities, excluding debt	(38.4)	(11.6)
Cash provided by operating activities	<u>949.5</u>	<u>649.0</u>
Investing activities:		
Capital expenditures	(332.9)	(309.5)
Acquisitions, net of cash acquired	(1,108.9)	(61.4)
Cash received from divestiture	1.5	—
Investment in unconsolidated affiliates, net	—	(10.0)
Cash used in investing activities	<u>(1,440.3)</u>	<u>(380.9)</u>
Financing activities:		
Net short-term borrowings	499.2	0.3
Payments on long-term debt	(1,100.2)	(125.0)
Borrowings on long-term debt	1,697.3	1,123.3
Treasury stock purchases	(69.9)	—
Dividends paid to Equifax shareholders	(142.6)	(142.1)
Dividends paid to noncontrolling interests	(6.5)	(2.6)
Proceeds from exercise of stock options and employee stock purchase plan	33.4	29.9
Payment of taxes related to settlement of equity awards	(43.9)	—
Purchase of noncontrolling interests	(11.2)	(9.0)
Debt issuance costs	(13.2)	(9.8)
Other	—	0.3
Cash provided by financing activities	<u>842.4</u>	<u>865.3</u>
Effect of foreign currency exchange rates on cash and cash equivalents	(10.7)	0.9
Increase in cash and cash equivalents	340.9	1,134.3
Cash and cash equivalents, beginning of period	1,684.6	401.3
Cash and cash equivalents, end of period	<u>\$ 2,025.5</u>	<u>\$ 1,535.6</u>

## Common Questions & Answers (Unaudited)

(Dollars in millions)

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

Operating revenue consists of the following components:

<i>(In millions)</i>	Three Months Ended September 30,						
	2021	2020	\$ Change	% Change	Local Currency % Change <sup>(1)</sup>	Organic Local Currency % Change <sup>(2)</sup>	
<b>Operating revenue:</b>							
Verification Services	\$ 402.7	\$ 301.1	\$ 101.6	34 %			33 %
Employer Services	105.3	75.7	29.6	39 %			28 %
Total Workforce Solutions	508.0	376.8	131.2	35 %			32 %
Online Information Solutions	286.3	284.7	1.6	1 %			(4) %
Mortgage Solutions	46.2	55.4	(9.2)	(17) %			(17) %
Financial Marketing Services	55.3	46.2	9.1	20 %			20 %
Total U.S. Information Solutions	387.8	386.3	1.5	— %			(3) %
Asia Pacific	88.7	80.2	8.5	11 %	7 %		7 %
Europe	67.7	58.7	9.0	15 %	9 %		8 %
Latin America	44.6	40.4	4.2	11 %	16 %		16 %
Canada	44.4	38.7	5.7	15 %	8 %		8 %
Total International	245.4	218.0	27.4	13 %	10 %		10 %
Global Consumer Solutions	81.7	87.2	(5.5)	(6) %	(7) %		(7) %
Total operating revenue	\$ 1,222.9	\$ 1,068.3	\$ 154.6	14 %	14 %		12 %

(1) Local currency revenue change is calculated by conforming 2021 results using 2020 exchange rates.

(2) Organic local currency revenue growth is defined as local currency revenue growth, adjusted to reflect an increase in prior year Equifax revenue from the revenue of acquired companies in the prior year period. This adjustment is made for 12 months following the acquisition.

### 2. What are the costs related to the technology transformation?

Costs related to the technology transformation are defined as incremental costs to transform our information technology infrastructure and data security. From January 1, 2018 through December 31, 2020, these technology transformation costs were excluded from adjusted net income and adjusted EBITDA. Beginning in the first quarter of 2021, technology transformation costs were included in our adjusted net income and adjusted EBITDA. Technology transformation costs for the third quarter of 2021 are being provided for comparability to prior periods. We recorded \$44.6 million for the third quarter of 2021 and \$83.0 million for the third quarter of 2020 for technology transformation costs.

### 3. What is the estimate of the change in overall U.S. Mortgage Market transaction volume that is included in the 2021 fourth quarter and full year guidance provided?

Equifax estimates the change year over year in overall U.S. Mortgage Market transaction volume as being equal to the change in total U.S. mortgage credit inquiries received by Equifax. The change year over year in total U.S. mortgage credit inquiries received by Equifax in the first quarter of 2021 was an increase of 21%, the second quarter of 2021 was a decline of 5% and the third quarter of 2021 was a decline of 21%. The guidance provided on page 3 assumes a change year over year in total U.S. mortgage credit inquiries received by Equifax in the fourth quarter of 2021 to be a decline of approximately 20% and for the full year 2021 to be a decline of approximately 7%. These percentages provided are rounded to the nearest whole number.

## Reconciliations of Non-GAAP Financial Measures to the Comparable GAAP Financial Measures (Unaudited)

(Dollars in millions, except per share amounts)

### A. Reconciliation of net income attributable to Equifax to diluted EPS attributable to Equifax, defined as net income adjusted for acquisition-related amortization expense, costs related to the 2017 cybersecurity incident, fair value adjustment of equity investments, foreign currency impact of certain intercompany loans, acquisition-related costs other than acquisition amortization, income tax effect of stock awards recognized upon vesting or settlement, Argentina highly inflationary foreign currency adjustment, income tax effects of Q1 2020 gain on fair market value adjustment of equity investment and income tax adjustments:

<i>(In millions, except per share amounts)</i>	Three Months Ended September 30,		\$ Change	% Change
	2021	2020		
Net income attributable to Equifax	\$ 205.4	\$ 228.5	\$ (23.1)	(10) %
Acquisition-related amortization expense of certain acquired intangibles <sup>(1)</sup>	40.1	36.0	4.1	11 %
2017 cybersecurity incident related costs <sup>(2)</sup>	0.1	83.7	(83.6)	nm
Fair market value adjustment of equity investments <sup>(3)</sup>	(17.3)	(129.9)	112.6	nm
Foreign currency impact of certain intercompany loans <sup>(4)</sup>	(0.8)	0.1	(0.9)	nm
Acquisition-related costs other than acquisition amortization <sup>(5)</sup>	6.5	—	6.5	nm
Income tax effects of stock awards that are recognized upon vesting or settlement <sup>(6)</sup>	(2.8)	(0.3)	(2.5)	nm
Argentina highly inflationary foreign currency adjustment <sup>(7)</sup>	0.1	0.1	—	nm
Income tax effects of Q1 2020 gain on fair market value adjustment of equity investment <sup>(8)</sup>	—	(1.5)	1.5	nm
Tax impact of adjustments <sup>(9)</sup>	(2.6)	18.0	(20.6)	nm
Net income attributable to Equifax, adjusted for items listed above	\$ 228.7	\$ 234.7	\$ (6.0)	(3) %
Diluted EPS attributable to Equifax, adjusted for the items listed above	\$ 1.85	\$ 1.91	\$ (0.06)	(3) %
Weighted-average shares used in computing diluted EPS	123.7	123.0		

nm - not meaningful

- (1) During the third quarter of 2021, we recorded acquisition-related amortization expense of certain acquired intangibles of \$40.1 million (\$33.9 million, net of tax). We calculate this financial measure by excluding the impact of acquisition-related amortization expense and including a benefit to reflect the significant cash income tax savings resulting from the income tax deductibility of amortization for certain acquired intangibles. The \$6.2 million of tax is comprised of \$10.2 million of tax expense net of \$4.0 million of a cash income tax benefit. During the third quarter of 2020, we recorded acquisition-related amortization expense of certain acquired intangibles of \$36.0 million (\$30.6 million, net of tax). The \$5.4 million of tax is comprised of \$9.4 million of tax expense net of \$4.0 million of a cash income tax benefit. See the Notes to this reconciliation for additional detail.
- (2) During the third quarter of 2021, we recorded legal fees related to the 2017 cybersecurity incident of \$0.1 million (\$0.1 million, net of tax). During the third quarter of 2020, we recorded pre-tax expenses related to the 2017 cybersecurity incident of \$83.7 million (\$63.0 million, net of tax). \$83.0 million of these expenses related to incremental costs to transform our information technology infrastructure and data security and the remaining \$0.7 million related to 2017 cybersecurity incident legal fees. See the Notes to this reconciliation for additional detail.
- (3) During the third quarter of 2021, we recorded an unrealized gain on the fair market value adjustment of an equity investment of \$17.3 million (\$12.1 million, net of tax). During the third quarter of 2020, we recorded a gain on the fair market value adjustment of an equity investment of \$129.9 million (\$85.8 million, net of tax). The fair value adjustments were recorded to the Other income, net line item within the Consolidated Statements of Income. See the Notes to this reconciliation for additional details.
- (4) During the third quarter of 2021, we recorded foreign currency gains on certain intercompany loans of \$0.8 million. During the third quarter of 2020, we recorded foreign currency losses on certain intercompany loans of \$0.1 million. The impact was recorded to the Other income, net line item within the Consolidated Statements of Income. See the Notes to this reconciliation for additional detail.
- (5) During the third quarter of 2021, we recorded \$6.5 million (\$4.9 million, net of tax) for acquisition costs other than acquisition-related amortization. These costs primarily related to transaction and integration costs resulting from recent acquisitions and were recorded in operating income. See the Notes to this reconciliation for additional detail.

- (6) During the third quarter of 2021, we recorded a tax benefit of \$2.8 million related to the tax effects of deductions for stock compensation in excess of amounts recorded for compensation costs. During the third quarter of 2020, we recorded a tax benefit of \$0.3 million related to the tax effects of deductions for stock compensation expense in excess of amounts recorded for compensation costs. See the Notes to this reconciliation for additional detail.
- (7) Argentina experienced multiple periods of increasing inflation rates, devaluation of the peso, and increasing borrowing rates. As such, Argentina was deemed a highly inflationary economy by accounting policymakers. During both the third quarter of 2021 and third quarter of 2020, we recorded foreign currency losses of \$0.1 million related to the impact of remeasuring the peso denominated monetary assets and liabilities as a result of Argentina being a highly inflationary economy. See the Notes to this reconciliation for additional detail.
- (8) During the third quarter of 2020, we recorded income tax effects of the Q1 2020 gain on fair market value adjustment of equity investment of \$1.5 million. See the Notes to this reconciliation for additional detail.
- (9) During the third quarter of 2021, we recorded the tax impact of adjustments of \$2.6 million comprised of (i) acquisition-related amortization expense of certain acquired intangibles of \$6.2 million (\$10.2 million of tax expense net of \$4.0 million of cash income tax benefit), (ii) a tax adjustment of \$5.2 million related to the gain on fair market value adjustment of equity investments and (iii) a tax adjustment of \$1.6 million related to acquisition costs other than acquisition-related amortization.

During the third quarter of 2020, we recorded the tax impact of adjustments of \$18.0 million comprised of (i) acquisition-related amortization expense of certain acquired intangibles of \$5.4 million (\$9.4 million of tax expense net of \$4.0 million of cash income tax benefit), (ii) a tax adjustment of \$20.7 million related to expenses for the 2017 cybersecurity incident, and (iii) a tax adjustment of \$44.1 million related to the gain on fair market value adjustment of an equity investment.

**B. Reconciliation of net income attributable to Equifax to adjusted EBITDA, defined as net income excluding income taxes, interest expense, net, depreciation and amortization expense, costs related to the 2017 cybersecurity incident, fair value adjustment of equity investments, foreign currency impact of certain intercompany loans, acquisition-related costs other than acquisition amortization, Argentina highly inflationary foreign currency adjustment, and presentation of adjusted EBITDA margin:**

<i>(in millions)</i>	Three Months Ended September 30,		\$ Change	% Change
	2021	2020		
Revenue	\$ 1,222.9	\$ 1,068.3	\$ 154.6	14 %
Net income attributable to Equifax	\$ 205.4	\$ 228.5	\$ (23.1)	(10) %
Income taxes	58.8	76.8	(18.0)	(23) %
Interest expense, net*	34.6	36.8	(2.2)	(6) %
Depreciation and amortization	116.5	100.7	15.8	16 %
2017 cybersecurity incident related costs <sup>(1)</sup>	0.1	83.7	(83.6)	nm
Fair market value adjustment of equity investments <sup>(2)</sup>	(17.3)	(129.9)	112.6	nm
Foreign currency impact of certain intercompany loans <sup>(3)</sup>	(0.8)	0.1	(0.9)	nm
Acquisition-related costs other than acquisition amortization <sup>(4)</sup>	6.5	—	6.5	nm
Argentina highly inflationary foreign currency adjustment <sup>(5)</sup>	0.1	0.1	—	nm
Adjusted EBITDA, excluding the items listed above	\$ 403.9	\$ 396.8	\$ 7.1	2 %
Adjusted EBITDA margin	33.0 %	37.1 %		

nm - not meaningful

\*Excludes interest income of \$0.4 million in 2021 and \$0.6 million 2020.

- (1) During the third quarter of 2021, we recorded legal fees related to the 2017 cybersecurity incident of \$0.1 million (\$0.1 million, net of tax). During the third quarter of 2020, we recorded pre-tax expenses related to the 2017 cybersecurity incident of \$83.7 million (\$63.0 million, net of tax). \$83.0 million of these expenses related to incremental costs to transform our information technology infrastructure and data security and the remaining \$0.7 million related to 2017 cybersecurity incident legal fees. See the Notes to this reconciliation for additional detail.
- (2) During the third quarter of 2021, we recorded an unrealized gain on the fair market value adjustment of an equity investment of \$17.3 million (\$12.1 million, net of tax). During the third quarter of 2020, we recorded a gain on the fair market value adjustment of an equity investment of \$129.9 million (\$85.8 million, net of tax). The fair value adjustments were recorded to the Other income, net line item within the Consolidated Statements of Income. See the Notes to this reconciliation for additional details.
- (3) During the third quarter of 2021, we recorded foreign currency gains on certain intercompany loans of \$0.8 million. During the third quarter of 2020, we recorded foreign currency losses on certain intercompany loans of \$0.1 million. The impact was recorded to the Other income, net line item within the Consolidated Statements of Income. See the Notes to this reconciliation for additional detail.
- (4) During the third quarter of 2021, we recorded \$6.5 million (\$4.9 million, net of tax) for acquisition costs other than acquisition-related amortization. These costs primarily related to transaction and integration costs resulting from recent acquisitions and were recorded in operating income. See the Notes to this reconciliation for additional detail.
- (5) Argentina experienced multiple periods of increasing inflation rates, devaluation of the peso, and increasing borrowing rates. As such, Argentina was deemed a highly inflationary economy by accounting policymakers. During both the third quarter of 2021 and third quarter of 2020, we recorded foreign currency losses of \$0.1 million related to the impact of remeasuring the peso denominated monetary assets and liabilities as a result of Argentina being a highly inflationary economy. See the Notes to this reconciliation for additional detail.

**C. Reconciliation of operating income by segment to Adjusted EBITDA, excluding depreciation and amortization expense, other income, net, noncontrolling interest, costs related to the 2017 cybersecurity incident, fair value adjustment of equity investments, foreign currency impact of certain intercompany loans, acquisition-related costs other than acquisition amortization, Argentina highly inflationary foreign currency adjustment, and presentation of adjusted EBITDA margin for each of the segments:**

<i>(In millions)</i>							Three Months Ended September 30, 2021	
	Workforce Solutions	U.S. Information Solutions	International	Global Consumer Solutions	General Corporate Expense	Total		
Revenue	\$ 508.0	\$ 387.8	\$ 245.4	\$ 81.7	—	\$ 1,222.9		
Operating income	253.1	116.7	27.9	11.8	(136.3)	273.2		
Depreciation and amortization	22.5	36.6	32.4	7.3	17.7	116.5		
Other income, net*	—	0.7	23.3	—	2.8	26.8		
Noncontrolling interest	—	—	(1.2)	—	—	(1.2)		
Adjustments <sup>(1)</sup>	0.2	1.4	(16.8)	—	3.8	(11.4)		
Adjusted EBITDA	\$ 275.8	\$ 155.4	\$ 65.6	\$ 19.1	\$ (112.0)	\$ 403.9		
Operating margin	49.8 %	30.1 %	11.4 %	14.4 %	nm	22.3 %		
Adjusted EBITDA margin	54.3 %	40.1 %	26.7 %	23.4 %	nm	33.0 %		

nm - not meaningful

\*Excludes interest income of \$0.3 million in International and \$0.1 million in General Corporate Expense.

<i>(In millions)</i>							Three Months Ended September 30, 2020	
	Workforce Solutions	U.S. Information Solutions	International	Global Consumer Solutions	General Corporate Expense	Total		
Revenue	\$ 376.8	\$ 386.3	\$ 218.0	\$ 87.2	—	\$ 1,068.3		
Operating income	193.2	128.6	25.4	12.5	(155.3)	204.4		
Depreciation and amortization	18.0	29.2	33.8	5.0	14.7	100.7		
Other income, net*	—	0.7	134.7	—	3.1	138.5		
Noncontrolling interest	—	—	(0.8)	—	—	(0.8)		
Adjustments <sup>(1)</sup>	6.5	19.0	(122.4)	4.1	46.8	(46.0)		
Adjusted EBITDA	\$ 217.7	\$ 177.5	\$ 70.7	\$ 21.6	\$ (90.7)	\$ 396.8		
Operating margin	51.3 %	33.3 %	11.6 %	14.4 %	nm	19.1 %		
Adjusted EBITDA margin	57.8 %	46.0 %	32.4 %	24.8 %	nm	37.1 %		

nm - not meaningful

\*Excludes interest income of \$0.3 million in International and \$0.3 million in General Corporate Expense.

- (1) During the third quarter of 2021, we recorded \$0.1 million in legal fees related to the 2017 cybersecurity incident, a \$17.3 million unrealized gain on the fair value adjustment of an equity investment, a \$0.8 million positive foreign currency impact of certain intercompany loans, \$6.5 million in acquisition costs other than acquisition-related amortization, and a foreign currency loss of \$0.1 million related to the impact of remeasuring the peso denominated monetary assets and liabilities as a result of Argentina being a highly inflationary economy.

During the third quarter of 2020, we recorded pre-tax expenses, excluding depreciation and amortization, related to the 2017 cybersecurity incident of \$83.7 million, a \$129.9 million gain on the fair value adjustment of an equity investment, a \$0.1 million foreign currency impact of certain intercompany loans, and a foreign currency loss of \$0.1 million related to the impact of remeasuring the peso denominated monetary assets and liabilities as a result of Argentina being a highly inflationary economy.



## *Notes to Reconciliations of Non-GAAP Financial Measures to the Comparable GAAP Financial Measures*

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

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

**Costs related to the 2017 cybersecurity incident** - Costs related to the 2017 cybersecurity incident include legal fees to respond to subsequent litigation and government investigations. Through the year ended December 31, 2020, these costs also included incremental costs to transform our information technology, data security and infrastructure. During the third quarters of 2021 and 2020, we recorded expenses of \$0.1 million (\$0.1 million, net of tax) and \$83.7 million (\$63.0 million, net of tax), respectively. Management believes excluding these charges is useful as it allows investors to evaluate our performance for different periods on a more comparable basis. Management makes these adjustments to net income when measuring profitability, evaluating performance trends, setting performance objectives and calculating our return on invested capital. This is consistent with how management reviews and assesses Equifax's historical performance and is useful when planning, forecasting and analyzing future periods. Costs related to the 2017 cybersecurity incident do not include losses accrued for certain legal proceedings and government investigations related to the 2017 cybersecurity incident.

**Fair market value adjustment of equity investments** - During the third quarter of 2021 and 2020, we recorded a \$17.3 million (\$12.1 million, net of tax) and \$129.9 million (\$85.8 million, net of tax) unrealized gain, respectively, related to adjusting our investment in Brazil to fair value. The investment had previously been recorded on our books at cost less impairment, as it did not have a readily determinable fair value. Subsequent to the initial public offering, our investment in Brazil has been adjusted to fair value, and will continue to be adjusted to fair value at the end of each reporting period, with unrealized gains or losses to be recorded within the Consolidated Statements of Income in Other income, net. Management believes excluding these charges from certain financial results provides meaningful supplemental information regarding our financial results for the three months ended September 30, 2021, since the non-operating gains or losses are not comparable among the periods. This is consistent with how our management reviews and assesses Equifax's historical performance and is useful when planning, forecasting and analyzing future periods.

**Foreign currency impact of certain intercompany loans** - During the third quarter of 2021 and 2020, we recorded a \$0.8 million gain and a \$0.1 million loss, respectively, related to foreign currency impact of certain intercompany loans. Management believes excluding this charge is useful as it allows investors to evaluate our performance for different periods on a more comparable basis. This is consistent with how management reviews and assesses Equifax's historical performance and is useful when planning, forecasting and analyzing future periods.

**Acquisition-related costs other than acquisition amortization** - During the third quarter of 2021, we recorded \$6.5 million (\$4.9 million, net of tax) for acquisition costs other than acquisition-related amortization. These costs primarily related to transaction and integration costs resulting from recent acquisitions and were recorded in operating income. Management believes excluding this charge from certain financial results provides meaningful supplemental information regarding our financial results, since a charge of such an amount is not comparable among the periods. This is consistent with how our management reviews and assesses Equifax's historical performance and is useful when planning, forecasting, and analyzing future periods.

**Income tax effects of stock awards that are recognized upon vesting or settlement** - During the third quarter of 2021, we recorded a tax benefit of \$2.8 million related to the tax effects of deductions for stock compensation in excess of amounts recorded for compensation costs. During the third quarter of 2020, we recorded a tax benefit of \$0.3 million related to the tax effects of deductions for stock compensation expense in excess of amounts recorded for compensation costs. Management believes excluding this tax effect from financial results provides meaningful supplemental information regarding our financial results for the three months ended September 30, 2021 and 2020 because these amounts are non-operating and relate to income tax benefits or deficiencies for stock awards recognized when tax amounts differ from recognized stock compensation cost. This is consistent with how management reviews and assesses Equifax's historical performance and is useful when planning, forecasting and analyzing future periods.

**Argentina highly inflationary foreign currency adjustment** - Argentina experienced multiple periods of increasing inflation rates, devaluation of the peso, and increasing borrowing rates. As such, Argentina was deemed a highly inflationary economy by accounting policymakers. We recorded foreign currency losses of \$0.1 million during the third quarter of 2021 and \$0.1 million during the third quarter of 2020 as a result of remeasuring the peso denominated monetary assets and liabilities due to Argentina being highly inflationary. Management believes excluding these charges are useful as it allows investors to evaluate our performance for different periods on a more comparable basis. This is consistent with how management reviews and assesses Equifax's historical performance and is useful when planning, forecasting and analyzing future periods.

**Income tax effects of Q1 2020 gain on fair market value adjustment of equity investment**- During the first quarter of 2020, we recorded a gain related to adjusting our equity method investment in India, in conjunction with the purchase of the remaining interest of our joint venture. Prior to the purchase of the remaining interest, Equifax did not have control over the joint venture. As a result of the transaction, Equifax recognized a gain related to the remeasurement of the preexisting equity interest in the India joint venture at the acquisition-date fair value of the business combination. Additional income tax effects related to this transaction were recorded in the third quarter of 2020. Management believes excluding this gain and related income tax effects from certain financial results provides meaningful supplemental information regarding our financial results for the three months ended September 30, 2020, since the non-operating gain is not comparable among the periods. This is consistent with how our management reviews and assesses Equifax's historical performance and is useful when planning, forecasting and analyzing future periods.

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