

**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): April 20, 2022

EQUIFAX INC.

(Exact name of registrant as specified in Charter)

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

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.

Item 2.02. Results of Operations and Financial Condition.

On April 20, 2022, Equifax Inc. issued a press release disclosing financial results for the three month period ended March 31, 2022. 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 April 20, 2022.](#)

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: /s/ John W. Gamble, Jr.
Name: John W. Gamble, Jr.
Title: *Executive Vice President, Chief Financial Officer
and Chief Operations Officer*

Date: April 20, 2022



Exhibit 99.1

1550 Peachtree Street, N.W. Atlanta, Georgia 30309

NEWS RELEASE

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Equifax Delivers Ninth Consecutive Quarter of Double-Digit Revenue Growth

ATLANTA, April 20, 2022 -- Equifax® (NYSE: EFX) today announced financial results for the quarter ended March 31, 2022.

- Record first quarter 2022 revenue of \$1.36 billion, up over 12%; ninth consecutive quarter of double-digit growth
- Workforce Solutions revenue growth of 33%; twelve consecutive quarters of double-digit revenue growth
- Strong new product innovation leveraging EFX Cloud
- Completed acquisitions of Efficient Hire, to enhance differentiated data and strengthen Workforce Solutions; and Data-Crédito, the largest credit bureau in the Dominican Republic
- Revising Full Year Guidance to reflect expected significant acceleration in decline of U.S. mortgage market from higher rates

"We delivered a very strong First Quarter, with our ninth consecutive quarter of double-digit revenue growth. Our First Quarter revenue of \$1.363 billion was the highest quarterly revenue in our history, up 12% despite the 24.5% decline in the U.S. mortgage market. Workforce Solutions, which is approaching half of Equifax total revenue, again powered our results, with total growth of 33% and organic growth of 20%, along with strong 10% local currency growth contributed from International," said Mark W. Begor, Equifax Chief Executive Officer. "We are continuing to reinvest our strong free cash flow in bolt-on, strategic acquisitions to broaden and strengthen Equifax for diversified growth, including Efficient Hire, which enhances our robust suite of employer services, and Data-Crédito, the largest credit bureau in the Dominican Republic."

"Despite our very strong First Quarter, we are adjusting our full-year 2022 guidance principally to reflect the impact of the large and rapid increase in U.S. mortgage rates over the last several months, with rates now at a 10-year high. Our revised guidance reflects an expectation that the U.S. mortgage market, as measured by mortgage market credit inquiries, will decline by 37.5% over the remainder of 2022 and exit the year at a run-rate down 40%, which is approaching 25% below the average levels of mortgage market credit inquiries prior to 2020. This rate of decline would result in a full year decline in U.S. mortgage market credit inquiries of 33.5%, 12 percentage points weaker than the 21.5% included in our February guidance. This decline in the U.S. mortgage market would negatively impact our guidance for 2022 revenue growth by over 350 basis points, or \$175 million, at the mid-point of our guidance, but given our strong First Quarter, we are expecting higher non-mortgage revenue growth to offset just under half of this impact, by about 150 basis points, or \$75 million. The net impact is a \$100 million reduction in our guidance for 2022 revenue growth, with a resulting midpoint in our guidance for 2022 revenue of \$5.2 billion. This revenue reduction, and the elimination of income from our non-controlling interest in a Russian joint venture, results in a reduction in our guidance for 2022 Adjusted EPS of \$0.50 per share, with a resulting midpoint in our 2022 Adjusted EPS guidance of \$8.15 per share."

"Our strong First Quarter results and momentum gives us confidence in the future of Equifax. We are rapidly building a new company – a New Equifax – a resilient, faster growing, higher margin, diversified data, analytics and technology company. We remain confident in our long-term 8-12% growth framework that will deliver higher margins and free cash flow. I remain energized about the future of the New Equifax in 2022 and beyond."

Financial Results Summary

The company reported revenue of \$1,363.2 million in the first quarter of 2022, up 12 percent compared to the first quarter of 2021 on a reported basis and 13 percent on a local currency basis.

Net income attributable to Equifax of \$221.8 million was up 10 percent in the first quarter of 2022 compared to net income attributable to Equifax of \$201.6 million in the first quarter of 2021.

Diluted EPS attributable to Equifax was \$1.80 for the first quarter of 2022, up 10 percent compared to \$1.64 in the first quarter of 2021.

Workforce Solutions first quarter results

- Total revenue was \$649.0 million in the first quarter of 2022, a 33 percent increase compared to the first quarter of 2021. Operating margin for Workforce Solutions was 47.5 percent in the first quarter of 2022 compared to 54.5 percent in the first quarter of 2021. Adjusted EBITDA margin for Workforce Solutions was 54.6 percent in the first quarter of 2022 compared to 58.9 percent in the first quarter of 2021.
- Verification Services revenue was \$513.3 million, up 33 percent compared to the first quarter of 2021.
- Employer Services revenue was \$135.7 million, up 33 percent compared to the first quarter of 2021.

USIS first quarter results

- Total revenue was \$432.9 million in the first quarter of 2022, down 6 percent compared to \$459.4 million in the first quarter of 2021. Operating margin for USIS was 28.1 percent in the first quarter of 2022 compared to 33.7 percent in the first quarter of 2021. Adjusted EBITDA margin for USIS was 39.3 percent in the first quarter of 2022 compared to 42.1 percent in the first quarter of 2021.
- Online Information Solutions revenue was \$343.8 million, down 2 percent compared to the first quarter of 2021.
- Mortgage Solutions revenue was \$43.4 million, down 20 percent compared to the first quarter of 2021.
- Financial Marketing Services revenue was \$45.7 million, down 14 percent compared to the first quarter of 2021.

International first quarter results

- Total revenue was \$281.3 million in the first quarter of 2022, up 6 percent and up 10 percent compared to the first quarter of 2021 on a reported and local currency basis, respectively. Operating margin for International was 13.2 percent in the first quarter of 2022, compared to 11.2 percent in the first quarter of 2021. Adjusted EBITDA margin for International was 25.4 percent in the first quarter of 2022, compared to 26.9 percent in the first quarter of 2021.
- Asia Pacific revenue was \$86.5 million, down 1 percent and up 6 percent compared to the first quarter of 2021 on a reported and local currency basis, respectively.
- Europe revenue was \$85.8 million, up 11 percent and up 16 percent compared to the first quarter of 2021 on a reported and local currency basis, respectively.
- Canada revenue was \$61.6 million, up 1 percent and up 2 percent compared to the first quarter of 2021 on a reported and local currency basis, respectively.
- Latin America revenue was \$47.4 million, up 14 percent and up 23 percent compared to the first quarter of 2021 on a reported and local currency basis, respectively.

Adjusted EPS and Adjusted EBITDA Margin

- Adjusted EPS attributable to Equifax was \$2.22 in the first quarter of 2022, up 13 percent compared to the first quarter of 2021.
- Adjusted EBITDA margin was 35.5 percent in the first quarter of 2022 compared to 35.6 percent in the first quarter of 2021.
- These financial measures exclude adjustments as described further in the Non-GAAP Financial Measures section below.

2022 Second Quarter and Full Year Guidance

	Q2 2022		FY 2022	
	<u>Low-End</u>	<u>High-End</u>	<u>Low-End</u>	<u>High-End</u>
Reported Revenue	\$1.31 billion	\$1.33 billion	\$5.15 billion	\$5.25 billion
Reported Revenue Growth	6.1%	7.7%	4.6%	6.6%
Local Currency Growth ⁽¹⁾	7.2%	8.8%	5.2%	7.2%
Organic Local Currency Growth ⁽¹⁾	2.8%	4.4%	1.6%	3.6%
Adjusted Earnings Per Share	\$1.98 per share	\$2.08 per share	\$8.00 per share	\$8.30 per share

(1) Refer to page 8 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 13,000 employees worldwide, Equifax operates or has investments in 25 countries in North America, Central and South America, Europe, and the Asia Pacific region. For more information, visit Equifax.com.

Earnings Conference Call and Audio Webcast

In conjunction with this release, Equifax will host a conference call on April 21, 2022 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. 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, legal expenses 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 and adjustments to deferred tax balances. 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.

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, changes in the U.S. mortgage market environment, as well as changes more generally 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, such as rising interest rates and inflation; 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, 2021 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

	Three Months Ended March 31,	
	2022	2021
	<i>(Unaudited)</i>	
<i>(In millions, except per share amounts)</i>		
Operating revenue	\$ 1,363.2	\$ 1,213.0
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	553.4	483.3
Selling, general and administrative expenses	340.3	308.8
Depreciation and amortization	137.1	114.3
Total operating expenses	1,030.8	906.4
Operating income	332.4	306.6
Interest expense	(39.7)	(37.2)
Other income (expense), net	11.1	(0.9)
Consolidated income before income taxes	303.8	268.5
Provision for income taxes	(81.0)	(65.6)
Consolidated net income	222.8	202.9
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	(1.0)	(1.3)
Net income attributable to Equifax	\$ 221.8	\$ 201.6
Basic earnings per common share:		
Net income attributable to Equifax	\$ 1.82	\$ 1.66
Weighted-average shares used in computing basic earnings per share	122.2	121.8
Diluted earnings per common share:		
Net income attributable to Equifax	\$ 1.80	\$ 1.64
Weighted-average shares used in computing diluted earnings per share	123.5	123.2
Dividends per common share	\$ 0.39	\$ 0.39

EQUIFAX
CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except par values)

ASSETS

Current assets:

	March 31, 2022	December 31, 2021
	(Unaudited)	
Cash and cash equivalents	\$ 200.9	\$ 224.7
Trade accounts receivable, net of allowance for doubtful accounts of \$14.9 and \$13.9 at March 31, 2022 and December 31, 2021, respectively	856.8	727.6
Prepaid expenses	147.7	108.4
Other current assets	58.8	60.2
Total current assets	<u>1,264.2</u>	<u>1,120.9</u>
Property and equipment:		
Capitalized internal-use software and system costs	1,842.2	1,727.3
Data processing equipment and furniture	305.4	299.6
Land, buildings and improvements	<u>253.5</u>	<u>250.3</u>
Total property and equipment	2,401.1	2,277.2
Less accumulated depreciation and amortization	<u>(1,017.8)</u>	<u>(961.3)</u>
Total property and equipment, net	<u>1,383.3</u>	<u>1,315.9</u>
Goodwill	6,378.1	6,258.1
Indefinite-lived intangible assets	95.0	94.9
Purchased intangible assets, net	1,907.8	1,898.0
Other assets, net	363.3	353.1
Total assets	<u>\$ 11,391.7</u>	<u>\$ 11,040.9</u>

LIABILITIES AND EQUITY

Current liabilities:

Short-term debt and current maturities of long-term debt	\$ 1,342.1	\$ 824.8
Accounts payable	187.1	211.6
Accrued expenses	264.5	237.5
Accrued salaries and bonuses	117.3	257.9
Deferred revenue	127.7	121.3
Other current liabilities	<u>304.7</u>	<u>638.2</u>
Total current liabilities	<u>2,343.4</u>	<u>2,291.3</u>
Long-term debt	4,471.9	4,470.1
Deferred income tax liabilities, net	411.8	358.2
Long-term pension and other postretirement benefit liabilities	124.7	130.1
Other long-term liabilities	<u>188.8</u>	<u>190.0</u>
Total liabilities	<u>7,540.6</u>	<u>7,439.7</u>
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 March 31, 2022 and December 31, 2021; Outstanding shares - 122.3 and 122.1 at March 31, 2022 and December 31, 2021, respectively	236.6	236.6
Paid-in capital	1,548.8	1,536.7
Retained earnings	4,925.5	4,751.6
Accumulated other comprehensive loss	<u>(217.7)</u>	<u>(295.4)</u>
Treasury stock, at cost, 66.4 and 66.6 shares at March 31, 2022 and December 31, 2021, respectively	<u>(2,653.2)</u>	<u>(2,639.2)</u>
Stock held by employee benefit trusts, at cost, 0.6 shares at March 31, 2022 and December 31, 2021	<u>(5.9)</u>	<u>(5.9)</u>
Total Equifax shareholders' equity	<u>3,834.1</u>	<u>3,584.4</u>
Noncontrolling interests including redeemable noncontrolling interests	<u>17.0</u>	<u>16.8</u>
Total equity	<u>3,851.1</u>	<u>3,601.2</u>
Total liabilities and equity	<u>\$ 11,391.7</u>	<u>\$ 11,040.9</u>

EQUIFAX
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,	
	2022	2021
<i>(In millions)</i>		<i>(Unaudited)</i>
Operating activities:		
Consolidated net income	\$ 222.8	\$ 202.9
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	139.3	116.7
Stock-based compensation expense	22.3	20.7
Deferred income taxes	40.2	23.1
(Gain) loss on fair market value adjustment of equity investments	(8.3)	11.9
Gain on divestiture	—	(0.2)
Changes in assets and liabilities, excluding effects of acquisitions:		
Accounts receivable, net	(124.9)	(65.8)
Other assets, current and long-term	(0.6)	14.7
Current and long term liabilities, excluding debt	(489.3)	(180.6)
Cash (used in) provided by operating activities	(198.5)	143.4
Investing activities:		
Capital expenditures	(156.5)	(113.0)
Acquisitions, net of cash acquired	(111.7)	(862.0)
Cash received from divestiture	—	1.5
Cash used in investing activities	(268.2)	(973.5)
Financing activities:		
Net short-term borrowings	516.8	(0.7)
Treasury stock purchases	—	(34.1)
Dividends paid to Equifax shareholders	(47.9)	(47.5)
Dividends paid to noncontrolling interests	(0.5)	(0.7)
Proceeds from exercise of stock options and employee stock purchase plan	5.7	6.6
Payment of taxes related to settlement of equity awards	(29.8)	(8.6)
Purchase of noncontrolling interests	—	(3.6)
Cash provided by (used in) financing activities	444.3	(88.6)
Effect of foreign currency exchange rates on cash and cash equivalents	(1.4)	—
Decrease in cash and cash equivalents	(23.8)	(918.7)
Cash and cash equivalents, beginning of period	224.7	1,684.6
Cash and cash equivalents, end of period	\$ 200.9	\$ 765.9

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:

	Three Months Ended March 31,				Local Currency	Organic Local
	2022	2021	\$ Change	% Change	% Change ⁽¹⁾	Currency % Change ⁽²⁾
Operating revenue:						
Verification Services	\$ 513.3	\$ 385.1	\$ 128.2	33 %		22 %
Employer Services	135.7	102.1	33.6	33 %		12 %
Total Workforce Solutions	649.0	487.2	161.8	33 %		20 %
Online Information Solutions	343.8	352.0	(8.2)	(2) %		(4) %
Mortgage Solutions	43.4	54.1	(10.7)	(20) %		(20) %
Financial Marketing Services	45.7	53.3	(7.6)	(14) %		(14) %
Total U.S. Information Solutions	432.9	459.4	(26.5)	(6) %		(7) %
Asia Pacific	86.5	87.0	(0.5)	(1) %	6 %	6 %
Europe	85.8	77.0	8.8	11 %	16 %	15 %
Canada	61.6	60.7	0.9	1 %	2 %	1 %
Latin America	47.4	41.7	5.7	14 %	23 %	22 %
Total International	281.3	266.4	14.9	6 %	10 %	10 %
Total operating revenue	\$ 1,363.2	\$ 1,213.0	\$ 150.2	12 %	13 %	8 %

(1) Local currency revenue change is calculated by conforming 2022 results using 2021 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 is the estimate of the change in overall U.S. Mortgage Market transaction volume that is included in the 2022 second quarter and full year guidance provided?

Equifax estimates the change year over year in overall U.S. Mortgage Market transaction volume based on 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 2022 was a decrease of 24.5%. The guidance provided on page 3 assumes a change year over year in total U.S. Mortgage Market Credit inquiries received by Equifax in the second, third and fourth quarters of 2022 to be declines of approximately 33%, 40% and 40%, respectively. For full year 2022 our guidance assumes a decline of 33.5%. This is a significant reduction from the levels included in the guidance we provided in February, reflecting the large and rapid increase that has occurred in mortgage rates in the last several months. At the levels indicated for the second half of 2022, U.S. Mortgage Market Credit Inquiries will be approaching 25% below the average second half of year levels from the period prior to the pandemic, measured as the average credit inquiries in the second half of each year over the 2015-2019 period.

3. Why is operating cash flow for the three months ended March 31, 2022 a use of cash of \$198.5 million?

In the first quarter of 2022, Equifax deposited the balance of \$345.0 million into the restitution fund for the U.S consumer class action settlement. This payment is reflected as a use of cash in the Consolidated Statement of Cash Flows within the operating cash flow section under the line titled *Current and long term liabilities, excluding debt*.

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, legal expenses 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, adjustments to deferred tax balances and income tax adjustments:

(In millions, except per share amounts)	Three Months Ended March 31,		\$ Change	% Change
	2022	2021		
Net income attributable to Equifax	\$ 221.8	\$ 201.6	\$ 20.2	10 %
Acquisition-related amortization expense of certain acquired intangibles ⁽¹⁾	57.3	39.4	17.9	45 %
Legal expenses related to the 2017 cybersecurity incident ⁽²⁾	0.6	0.6	—	— %
Fair market value adjustment of equity investments ⁽³⁾	(8.3)	11.9	(20.2)	(170)%
Foreign currency impact of certain intercompany loans ⁽⁴⁾	0.8	(1.2)	2.0	(167)%
Acquisition-related costs other than acquisition amortization ⁽⁵⁾	11.8	2.8	9.0	321 %
Income tax effects of stock awards that are recognized upon vesting or settlement ⁽⁶⁾	(4.1)	(1.9)	(2.2)	116 %
Argentina highly inflationary foreign currency adjustment ⁽⁷⁾	—	(1.1)	1.1	nm
Adjustments to deferred tax balances ⁽⁸⁾	3.9	—	3.9	nm
Tax impact of adjustments ⁽⁹⁾	(9.0)	(9.9)	0.9	nm
Net income attributable to Equifax, adjusted for items listed above	<u>\$ 274.8</u>	<u>\$ 242.2</u>	<u>\$ 32.6</u>	<u>13 %</u>
Diluted EPS attributable to Equifax, adjusted for the items listed above	<u>\$ 2.22</u>	<u>\$ 1.97</u>	<u>\$ 0.25</u>	<u>13 %</u>
Weighted-average shares used in computing diluted EPS	<u>123.5</u>	<u>123.2</u>		

nm - not meaningful

- (1) During the first quarter of 2022, we recorded acquisition-related amortization expense of certain acquired intangibles of \$57.3 million (\$46.9 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 \$10.4 million of tax is comprised of \$14.5 million of tax expense net of \$4.1 million of a cash income tax benefit. During the first quarter of 2021, we recorded acquisition-related amortization expense of certain acquired intangibles of \$39.4 million (\$33.1 million, net of tax). The \$6.3 million of tax is comprised of \$10.3 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 first quarter of 2022, we recorded legal expenses related to the 2017 cybersecurity incident of \$0.6 million (\$0.5 million, net of tax). During the first quarter of 2021, we recorded legal expenses related to the 2017 cybersecurity incident of \$0.6 million (\$0.5 million, net of tax). See the Notes to this reconciliation for additional detail.
- (3) During the first quarter of 2022, we recorded an unrealized gain on the fair market value adjustment of equity investments of \$8.3 million (\$2.9 million, net of tax). During the first quarter of 2021, we recorded an unrealized loss on the fair market value adjustment of an equity investment of \$11.9 million (\$8.9 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 first quarter of 2022, we recorded a foreign currency loss on certain intercompany loans of \$0.8 million. During the first quarter of 2021, we recorded a foreign currency gain on certain intercompany loans of \$1.2 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 first quarter of 2022, we recorded \$11.8 million (\$7.9 million, net of tax) for acquisition costs other than acquisition-related amortization. During the first quarter of 2021, we recorded \$2.8 million (\$2.3 million, net of tax) for acquisition costs other than acquisition-related amortization. These costs primarily related to integration costs resulting from recent acquisitions and were recorded in operating income. See the Notes to this reconciliation for additional detail.
- (6) During the first quarter of 2022, we recorded a tax benefit of \$4.1 million related to the tax effects of deductions for stock compensation in excess of amounts recorded for compensation costs. During the first quarter of 2021, we recorded a tax

benefit of \$1.9 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 in 2018. During the first quarter of 2021, we recorded a foreign currency gain of \$1.1 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) For the first quarter of 2022, we recorded a tax expense of \$3.9 million related to adjustments to deferred tax balances resulting from changes in state tax law. See Notes to this reconciliation for additional detail.
- (9) During the first quarter of 2022, we recorded the tax impact of adjustments of \$9.0 million comprised of (i) acquisition-related amortization expense of certain acquired intangibles of \$10.4 million (\$14.5 million of tax expense net of \$4.1 million of cash income tax benefit), (ii) a tax adjustment of \$0.1 million related to legal expenses for the 2017 cybersecurity incident, (iii) a tax adjustment of \$5.4 million related to the gain on fair market value adjustment of equity investments and (iv) a tax adjustment of \$3.9 million related to acquisition costs other than acquisition-related amortization.

During the first quarter of 2021, we recorded the tax impact of adjustments of \$9.9 million comprised of (i) acquisition-related amortization expense of certain acquired intangibles of \$6.3 million (\$10.3 million of tax expense net of \$4.0 million of cash income tax benefit), (ii) a tax adjustment of \$0.1 million for legal expenses related to the 2017 cybersecurity incident, (iii) a tax adjustment of \$3.0 million related to the loss on fair market value adjustment of an equity investment and (iv) a tax adjustment of \$0.5 million related to acquisition costs other than acquisition-related amortization.

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, legal expenses 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:

(in millions)	Three Months Ended March 31,			\$ Change	% Change
	2022	2021			
Revenue	\$ 1,363.2	\$ 1,213.0		\$ 150.2	12 %
Net income attributable to Equifax	\$ 221.8	\$ 201.6	\$ 20.2	10 %	
Income taxes	81.0	65.6	15.4	23 %	
Interest expense, net*	39.4	36.8	2.6	7 %	
Depreciation and amortization	137.1	114.3	22.8	20 %	
Legal expenses related to the 2017 cybersecurity incident ⁽¹⁾	0.6	0.6	—	— %	
Fair market value adjustment of equity investments ⁽²⁾	(8.3)	11.9	(20.2)	(170) %	
Foreign currency impact of certain intercompany loans ⁽³⁾	0.8	(1.2)	2.0	(167) %	
Acquisition-related amounts other than acquisition amortization ⁽⁴⁾	11.8	2.8	9.0	321	
Argentina highly inflationary foreign currency adjustment ⁽⁵⁾	—	(1.1)	1.1	(100)	
Adjusted EBITDA, excluding the items listed above	\$ 484.2	\$ 431.3	\$ 52.9	12 %	
Adjusted EBITDA margin	35.5 %	35.6 %			

nm - not meaningful

*Excludes interest income of \$0.3 million in 2022 and \$0.4 million 2021.

- (1) During the first quarter of 2022, we recorded legal expenses related to the 2017 cybersecurity incident of \$0.6 million (\$0.5 million, net of tax). During the first quarter of 2021, we recorded legal expenses related to the 2017 cybersecurity incident of \$0.6 million (\$0.5 million, net of tax). See the Notes to this reconciliation for additional detail.
- (2) During the first quarter of 2022, we recorded an unrealized gain on the fair market value adjustment of equity investments of \$8.3 million (\$2.9 million, net of tax). During the first quarter of 2021, we recorded an unrealized loss on the fair market value adjustment of an equity investment of \$11.9 million (\$8.9 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 first quarter of 2022, we recorded a foreign currency loss on certain intercompany loans of \$0.8 million. During the first quarter of 2021, we recorded a foreign currency gain on certain intercompany loans of \$1.2 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 first quarter of 2022, we recorded \$11.8 million (\$7.9 million, net of tax) for acquisition costs other than acquisition-related amortization. During the first quarter of 2021, we recorded \$2.8 million (\$2.3 million, net of tax) for acquisition costs other than acquisition-related amortization. These costs primarily related to 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 in 2018. During the first quarter of 2021, we recorded a foreign currency gain of \$1.1 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, legal expenses 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:

(In millions)	Three Months Ended March 31, 2022				
	Workforce Solutions	U.S. Information Solutions	International	General Corporate Expense	Total
Revenue	\$ 649.0	\$ 432.9	\$ 281.3	—	\$ 1,363.2
Operating income	308.4	121.5	37.0	(134.5)	332.4
Depreciation and amortization	40.6	45.1	33.0	18.4	137.1
Other income, net*	—	0.4	(18.5)	28.9	10.8
Noncontrolling interest	—	—	(1.0)	—	(1.0)
Adjustments ⁽¹⁾	5.1	3.2	20.9	(24.3)	4.9
Adjusted EBITDA	\$ 354.1	\$ 170.2	\$ 71.4	\$ (111.5)	\$ 484.2
Operating margin	47.5 %	28.1 %	13.2 %	nm	24.4 %
Adjusted EBITDA margin	54.6 %	39.3 %	25.4 %	nm	35.5 %

nm - not meaningful

*Excludes interest income of \$0.3 million in International.

(In millions)	Three Months Ended March 31, 2021				
	Workforce Solutions	U.S. Information Solutions	International	General Corporate Expense	Total
Revenue	\$ 487.2	\$ 459.4	\$ 266.4	—	\$ 1,213.0
Operating income	265.7	154.9	29.8	(143.8)	306.6
Depreciation and amortization	21.2	36.4	37.1	19.6	114.3
Other income, net*	—	0.5	(4.7)	2.9	(1.3)
Noncontrolling interest	—	—	(1.3)	—	(1.3)
Adjustments ⁽¹⁾	—	1.8	10.7	0.5	13.0
Adjusted EBITDA	\$ 286.9	\$ 193.6	\$ 71.6	\$ (120.8)	\$ 431.3
Operating margin	54.5 %	33.7 %	11.2 %	nm	25.3 %
Adjusted EBITDA margin	58.9 %	42.1 %	26.9 %	nm	35.6 %

nm - not meaningful

*Excludes interest income of \$0.2 million in International and \$0.2 million in General Corporate Expense.

- (1) During the first quarter of 2022, we recorded pre-tax expenses of \$0.6 million for legal expenses related to the 2017 cybersecurity incident, a \$8.3 million unrealized gain on the fair value adjustment of equity investments, a \$0.8 million foreign currency loss on certain intercompany loans and \$11.8 million in acquisition costs other than acquisition-related amortization.

During the first quarter of 2021, we recorded \$0.6 million of legal fees related to the 2017 cybersecurity incident, a \$11.9 million unrealized loss on the fair value adjustment of an equity investment, a \$1.2 million foreign currency gain on certain intercompany loans, \$2.8 million in acquisition costs other than acquisition-related amortization and a foreign currency gain of \$1.1 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 - During the first quarter of 2022 and 2021, we recorded acquisition-related amortization expense of certain acquired intangibles of \$57.3 million (\$46.9 million, net of tax) and \$39.4 million (\$33.1 million, net of tax), respectively. 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.

Legal expenses related to the 2017 cybersecurity incident - Legal expenses related to the 2017 cybersecurity incident include legal fees to respond to subsequent litigation and government investigations for both periods presented. During the first quarters of 2022 and 2021, we recorded legal expenses related to the 2017 cybersecurity incident of \$0.6 million (\$0.5 million, net of tax) in each period. 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. The legal expenses 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 first quarter of 2022 and 2021, we recorded a \$27.8 million (\$22.4 million, net of tax) unrealized gain and \$11.9 million (\$8.9 million, net of tax) unrealized loss, respectively, related to adjusting our investment in Brazil to fair value. The investment in Brazil has a readily determinable fair value and is 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. During the first quarter of 2022, we recorded a \$19.5 million non-tax deductible loss related to the write down of our equity investment in Russia. Management believes excluding these charges from certain financial results provides meaningful supplemental information regarding our financial results for the three months ended March 31, 2022 and 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 first quarter of 2022 and 2021, we recorded a \$0.8 million loss and a \$1.2 million gain, 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 first quarter of 2022 and 2021, we recorded \$11.8 million (\$7.9 million, net of tax) and \$2.8 million (\$2.3 million, net of tax), respectively, for acquisition costs other than acquisition-related amortization. These costs primarily relate to 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 first quarter of 2022, we recorded a tax benefit of \$4.1 million related to the tax effects of deductions for stock compensation in excess of amounts recorded for compensation costs. During the first quarter of 2021, we recorded a tax benefit of \$1.9 million related to the tax effects of deductions for stock compensation 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 March 31, 2022 and 2021 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 a foreign currency gain of \$1.1 million during the first quarter of 2021 as a result of remeasuring the peso denominated monetary assets and liabilities due to Argentina being highly inflationary. 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.

Adjustments to deferred tax balances - For the first quarter of 2022, we recorded a tax expense of \$3.9 million related to adjustments to deferred tax balances resulting from changes in U.S. state tax law. Management believes excluding this tax effect from certain financial results provides meaningful supplemental information regarding our financial results for the three months ended March 31, 2022, since a charge of such amount for 2022 is not comparable among the periods. This is consistent with how management reviews and assesses Equifax's historical performance and is useful when planning, forecasting and analyzing future periods.

Adjusted EBITDA and 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.