



Equifax performed well against our EFX2025 strategic priorities in 2023 and delivered a strong 4Q of \$1.327 billion, up a strong 11%, and adjusted EPS of \$1.81 per share up 19% compared to last year, both at the top end of our October guidance ranges. Our non-mortgage business, which was over 80% of revenue in the fourth quarter, delivered 14% local currency growth, and 9% organic local currency growth from strong performances in EWS and Latin American.

Workforce Solutions delivered fourth quarter revenue growth of 10%, with strong 17% non-mortgage revenue growth, which was their strongest quarter of 2023 and up almost 700 BPs sequentially, and Verification Services non-mortgage revenue growth of 27% led by Government up 47% and Talent Solutions up 13%. EWS grew TWN database records 11% in the quarter to 168 million current records on 124 million unique individuals. During the quarter, EWS also signed agreements with 6 new payroll processors, with 17 new payroll processors added in 2023, a record for EWS, that will deliver records in 2024. Also during the quarter, EWS surpassed a significant milestone with over 3 million companies contributing data to The Work Number every pay period.

USIS revenue was up over 5%, above our expectations, due to stronger than expected mortgage revenue in the quarter. USIS delivered non-mortgage total and organic revenue growth of just over 3% in 4Q. USIS mortgage revenue for the quarter was up 16% and outperformed mortgage credit inquiries that were down 17% by 33 BPs. B2B non-mortgage Online revenue growth was down slightly less than 1% in the quarter. We continue to see double-digit growth in Commercial, and single-digit growth in Telco and Auto, with Banking and Lending about flat. USIS adjusted EBITDA margins were 35.1% in the quarter, and in line with our October guidance.

International revenue was up 22% in constant currency and up 6% in organic constant currency, excluding the impact of Brazil, for the fourth quarter. This is better than the 20% growth we guided to in October, due to better than expected revenue in Latin America and our UK credit reporting business, slightly offset by lower Asia Pacific revenue. International adjusted EBITDA margin of 31.2% was up almost 500 BPs sequentially, a very strong performance, driven by revenue growth and execution of 2023 cost reduction plans for the fourth quarter.

We delivered a very strong 14% Vitality Index again in the quarter led by a strong performance in EWS, with a VI of over 20%, as well as over 15% in Latin America. Importantly, USIS VI of 7% is accelerating with the fourth quarter up over 200 bps sequentially as we are closer to EFX Cloud completion and able to leverage our new Cloud-native infrastructure for innovation and new products. Our strong Vitality Index results are not only led by the over 100 new products launched in each of the last 4 years, but the increasing average revenue per new product, up approaching 50% since 2021. During the quarter, about 90% of new product revenue came from non-mortgage products leveraging the EFX Cloud.

In 2023, we executed very well against our Cloud and broader operational restructuring plan across Equifax, reflecting cost reductions from the closure of major North American data centers and other broader spending controls in excess of our original \$210 million goal. We expect an incremental \$90 million of run rate spending reductions in 2024, up about \$25 million from our prior forecast due to the additional actions taken in the fourth quarter that will benefit 2024. Of this \$90 million 2024 spending reduction, about \$60 million reduces operating expenses and \$30 million reduces capital spending. These actions are improving operating margins and lowering the capital intensity of our business. By the end of 2024, we expect to have about 90% of our revenue in the New EFX Cloud with the vast majority of new models and scores being built using AI.

Equifax is also making tremendous progress in advancing our AI capabilities. We believe EFX AI leveraging our differentiated data assets, new EFXCloud capabilities, and new product focus is positioning our industry leading EFX AI powered models, scores, and products. Our proprietary data at scale, keyed and linked in our single Data Fabric leveraging our new EFXCloud, gives us significant advantages in using AI to build more predictive multi data models, scores and products. In 2023, 70% of our new models were built using AI and ML tools, up from 60% in 2022 with a goal of over 80% in 2024. EFX AI is enabled by EFX developed explainable AI solutions that leverage our Ignite platform and Google Vertex; modern AI and ML enabled cloud based model scoring

engines; and led by over 1,000 Equifax D&A professionals. We are energized about the capabilities that EFX AI is bringing to strengthen our business and accelerate the value of our proprietary data through richer data combinations.

As we look to 2024, we expect revenue of \$5.720 billion, up 8.6% on a reported basis and organic local currency growth of 8.5%, at the midpoint of our guidance range. We believe the US mortgage market has appeared to bottom, and our 2024 planning assumption is that the current level of US mortgage activity will continue for the rest of the year with adjustments for seasonality. Our guidance reflects an expectation of an over 16% decline in our 2024 US mortgage credit inquiries, compared to down 34% in 2023, with first half mortgage inquiries weaker than second half. Across USIS and Workforce Solutions, we expect to outperform the US mortgage market by 24%. Non-mortgage local currency revenue growth is expected to be up a very strong 10.5% versus 2023, reflecting strong growth in our EWS Government and Talent businesses as well as our USIS Identity and Fraud and Commercial businesses, and we are expecting adjusted EPS of \$7.35 per share at the midpoint. EBITDA margins are expected to expand over 100 basis points to 33.3%, reflecting organic revenue growth and the additional cost savings from Cloud spending reductions plans partially offset by higher costs from normalization of incentive plans.

The unprecedented 50% decline in the mortgage market from normal 2015-2019 levels had a significant impact removing close to \$1 billion of revenue from EFX in the past 24 months. As the market bottoms and mortgage moves from a headwind to a tailwind and the market recovers towards its historic norms, that represents over \$1 billion of annual revenue opportunity for Equifax – none of which is reflected in our current 2024 Guidance. At our mortgage gross margins, this over \$1 billion of mortgage revenue would deliver on the order of \$700 million of EBITDA and over \$4 per share that we would expect to move into our P&L in 24, 25, and 26.

We enter 2024 with momentum from 4Q in the underlying growth of our non-mortgage businesses, mortgage outperformance, and in the strong execution against our strategic priorities. Our 2024 guidance builds on our strong 2023 non-mortgage growth from new products, record growth and pricing. To read more about our 4Q and full-year 2023 financial results and 2024 Guidance, please see our press release and investor presentation. You may also reach out to [Sam](#) or [me](#) with any questions you may have. Thanks as always for your time and attention.

Best regards,

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