



As I indicated to you earlier today when informing you of the related investor call details, Equifax has signed a definitive agreement to acquire Appriss Insights, a portfolio company of Clearlake Capital Group, L.P. and Insight Partners, for \$1.825 billion. In conjunction with the acquisition, Equifax will receive a tax benefit with a net present value of approximately \$360 million.

Appriss Insights provides data used in public and workplace safety, law enforcement, fraud detection and prevention, and healthcare credentialing. This acquisition will enhance the breadth of differentiated data sources that *Only Equifax* can provide, by fortifying our market-leading and fast growing Workforce Solutions verification capabilities, enhancing our identity and fraud prevention offerings, advancing our strategy for a comprehensive Workforce Solutions data hub, and helping public and private organizations tap into timely, decision-critical data that helps employers reduce workforce risk and communities improve delivery of government entitlement programs.

Below is some further background on Appriss Insights and its key lines of business:

- Founded in 1994 with the creation of the VINE® network, a proprietary victim notification network that empowers victims with timely and reliable information regarding incarcerated persons, Appriss Insights maintains the nation's most comprehensive and up-to-date incarceration data network with more than 170 million historical booking records, accounting for on a near real-time basis, over 90 percent of incarcerations in the United States.
- National Precursor Log Exchange (NPLEx) is a real-time electronic logging and compliance system that tracks sales of over-the-counter cold and allergy medications containing pseudoephedrine, precursors to the illegal drug, methamphetamine.
- Risk Intelligence supports background checks, employee screening, and monitoring related to incarceration, conviction, and sanction-related events.
- ProviderSafe™ is a set of database solutions and services that streamlines healthcare credentialing and compliance with faster, more comprehensive screening services for the healthcare industry.
- Justice Intelligence provides real-time incarceration and monitoring solutions to police and other law enforcement agencies.
- Incarceration Intelligence provides solutions to federal and state governments relating to unemployment claims, medicaid, food and rental assistance and child support payments.

The strategic and financial rationale for the Appriss Insights acquisition is quite strong, highlighted by the following:

- The acquisition enables EWS to further penetrate the \$5 billion U.S. talent acquisition market and \$2 billion U.S. government social services delivery market - areas seeing increasing demand for criminal background checks and continuous monitoring
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- services.
- Appriss Insights advances our plan to build out a comprehensive EWS data hub for our Talent and Government solutions.
  - Both Equifax and Appriss Insights leverage cloud-native infrastructures that drive faster delivery of solutions to customers and enable them to more quickly realize the benefits of new services and technologies.
  - Appriss Insights is expected to generate approximately \$150 million of revenue in 2021, up more than 30% over last year and over 15% on an organic basis.
  - The combination with EWS is expected to drive \$75M in high-margin run-rate revenue and data synergies by 2025.
  - Stand-alone EBITDA is anticipated to be about 40% in 2021 and to expand to about 50% by 2025.
  - The 2021 Adjusted EPS impact of Appriss, Health(e)fx and Teletrack acquisitions is about flat, however, they will be about \$0.02/share dilutive in 3Q21 due to pre-financing the purchase of Appriss.
    - The 2022 Adjusted EPS impact of the acquisitions is expected to be strongly accretive.

When the transaction closes, we will be able to use Appriss Insights' and Workforce Solutions' complementary datasets to enable employers and background screeners to further accelerate hiring systems. We will also be able to help more employers consider and monitor the hiring of formerly incarcerated people and help those formerly incarcerated people gain access to government services upon their release.

Appriss Insights and its approximately 650 employees and contractors will continue to be led by company President Brian Matthews, and be based in Louisville, Kentucky. Appriss Health and Appriss Retail will remain part of Appriss Inc. and are not a part of this transaction. The transaction is subject to customary closing conditions and regulatory review, and is expected to close in the second half of 2021.

The Appriss Insights acquisition strengthens and broadens our strongest and fastest growing business - Workforce Solutions. EWS has grown over 2X faster than the rest of EFX over the past 2 years with margins that are highly accretive to EFX. With their strong core growth and Appriss Insights, Health e(fx), HireTech, and i2Verify acquisitions, we expect EWS to approach 50% of EFX revenue in the future which is a powerful EFX lever for growth. We also expect our non-Mortgage revenue, which in 2021 is expected to represent just under 70% of Total EFX revenue, to increase to 75% of Total EFX revenue in the future, driven by both core and acquisition growth.

We are reinvesting our strong outperformance and leveraging the Equifax Cloud in bolt-on acquisitions to strengthen Equifax, and have announced or completed eight acquisitions that we expect to add over \$300 million of run-rate revenue in 2022. We plan to pause on further larger acquisitions over the next several quarters to focus on integration and bringing our leverage back in line.

Thank you for your time, and as always please don't hesitate to reach out with any questions or comments. You can read more about the acquisition in the [press release](#), and also review the related presentation materials and a recording of this morning's investor conference call with senior management at the [IR Calendar](#) section of our [investor website](#).

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