EQUIFAX

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended June 30,	
	2018	**2017**
(In millions, except per share amounts)	*(Unaudited)*	
Operating revenue	**$ 876.9**	$ 856.7
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	**348.6**	293.7
Selling, general and administrative expenses	**257.5**	226.6
Depreciation and amortization	**77.2**	70.5
Total operating expenses	**683.3**	590.8
Operating income	**193.6**	265.9
Interest expense	**(26.4)**	(24.6)
Other income, net	**2.2**	1.3
Consolidated income before income taxes	**169.4**	242.6
Provision for income taxes	**(23.3)**	(75.0)
Consolidated net income	**146.1**	167.6
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	**(1.3)**	(2.2)
Net income attributable to Equifax	**$ 144.8**	$ 165.4
Basic earnings per common share:		
Net income attributable to Equifax	**$ 1.20**	$ 1.37
Weighted-average shares used in computing basic earnings per share	**120.3**	120.3
Diluted earnings per common share:		
Net income attributable to Equifax	**$ 1.19**	$ 1.36
Weighted-average shares used in computing diluted earnings per share	**121.4**	121.9
Dividends per common share	**$ 0.39**	$ 0.39

EQUIFAX

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except par values)	June 30, 2018	December 31, 2017
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 327.4**	$ 336.4
Trade accounts receivable, net of allowance for doubtful accounts of $11.0 and $9.1 at June 30, 2018 and December 31, 2017, respectively	**473.5**	444.8
Prepaid expenses	**87.7**	94.3
Other current assets	**60.2**	122.9
Total current assets	**948.8**	998.4
Property and equipment:		
Capitalized internal-use software and system costs	**532.5**	427.9
Data processing equipment and furniture	**309.3**	306.6
Land, buildings and improvements	**212.3**	212.5
Total property and equipment	**1,054.1**	947.0
Less accumulated depreciation and amortization	**(417.6)**	(380.0)
Total property and equipment, net	**636.5**	567.0
Goodwill	**4,135.9**	4,184.0
Indefinite-lived intangible assets	**94.8**	95.0
Purchased intangible assets, net	**1,154.9**	1,247.0
Other assets, net	**146.0**	142.0
Total assets	**$ 7,116.9**	$ 7,233.4
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt and current maturities of long-term debt	**$ 4.0**	$ 965.3
Accounts payable	**121.4**	110.3
Accrued expenses	**171.6**	160.9
Accrued salaries and bonuses	**94.4**	119.4
Deferred revenue	**101.5**	108.4
Other current liabilities	**184.7**	209.2
Total current liabilities	**677.6**	1,673.5
Long-term debt	**2,628.4**	1,739.0
Deferred income tax liabilities, net	**293.2**	305.1
Long-term pension and other postretirement benefit liabilities	**153.6**	175.8
Other long-term liabilities	**84.4**	101.0
Total liabilities	**3,837.2**	3,994.4
Equifax shareholders' equity:		
Preferred stock, $0.01 par value: Authorized shares - 10.0; Issued shares - none	**—**	—
Common stock, $1.25 par value: Authorized shares - 300.0; Issued shares - 189.3 at June 30, 2018 and December 31, 2017; Outstanding shares - 120.4 and 120.1 at June 30, 2018 and December 31, 2017, respectively	**236.6**	236.6
Paid-in capital	**1,339.8**	1,332.7
Retained earnings	**4,748.3**	4,600.6
Accumulated other comprehensive loss	**(522.0)**	(412.0)
Treasury stock, at cost, 68.3 shares and 68.6 shares at June 30, 2018 and December 31, 2017, respectively	**(2,574.2)**	(2,577.6)
Stock held by employee benefit trusts, at cost, 0.6 shares at June 30, 2018 and December 31, 2017	**(5.9)**	(5.9)
Total Equifax shareholders' equity	**3,222.6**	3,174.4
Noncontrolling interests including redeemable noncontrolling interests	**57.1**	64.6
Total equity	**3,279.7**	3,239.0
Total liabilities and equity	**$ 7,116.9**	$ 7,233.4

EQUIFAX

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
	2018	**2017**
(In millions)	*(Unaudited)*	
Operating activities:		
Consolidated net income	**$ 240.0**	$ 323.0
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	**157.5**	143.5
Stock-based compensation expense	**20.7**	25.3
Deferred income taxes	**(10.0)**	(6.8)
Changes in assets and liabilities, excluding effects of acquisitions:		
Accounts receivable, net	**(36.3)**	(24.1)
Other assets, current and long-term	**64.5**	(30.3)
Current and long term liabilities, excluding debt	**(81.6)**	(101.5)
Cash provided by operating activities	**354.8**	329.1
Investing activities:		
Capital expenditures	**(118.7)**	(99.9)
Acquisitions, net of cash acquired	**(30.7)**	(9.6)
Cash received from sale of asset	**—**	8.6
Cash used in investing activities	**(149.4)**	(100.9)
Financing activities:		
Net short-term (repayments) borrowings	**(960.2)**	208.8
Payments on long-term debt	**(100.0)**	(50.0)
Borrowings on long-term debt	**994.8**	—
Dividends paid to Equifax shareholders	**(93.9)**	(93.9)
Dividends paid to noncontrolling interests	**(8.7)**	(6.6)
Proceeds from exercise of stock options	**5.7**	13.0
Payment of taxes related to settlement of equity awards	**(12.6)**	(27.0)
Purchase of redeemable noncontrolling interests	**(21.3)**	—
Debt issuance costs	**(7.3)**	—
Payment of contingent consideration	**(1.5)**	—
Cash (used in) provided by financing activities	**(205.0)**	44.3
Effect of foreign currency exchange rates on cash and cash equivalents	**(9.4)**	2.1
(Decrease) increase in cash and cash equivalents	**(9.0)**	274.6
Cash and cash equivalents, beginning of period	**336.4**	129.3
Cash and cash equivalents, end of period	**$ 327.4**	$ 403.9

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:

(In millions)	Three months ended June 30,				
Operating revenue:	**2018**	**2017**	**$ Change**	**% Change**	**Local Currency % Change***
Online Information Solutions	**$ 224.1**	$ 232.6	$ (8.5)	(4)%	
Mortgage Solutions	**45.5**	38.6	6.9	18 %	
Financial Marketing Services	**55.0**	60.7	(5.7)	(9)%	
Total U.S. Information Solutions	**324.6**	331.9	(7.3)	(2)%	
Asia Pacific	**86.1**	76.5	9.6	12 %	12 %
Europe	**72.3**	68.5	3.8	6 %	(1)%
Latin America	**54.2**	52.9	1.3	2 %	15 %
Canada	**37.7**	33.5	4.2	13 %	8 %
Total International	**250.3**	231.4	18.9	8 %	8 %
Verification Services	**149.3**	130.3	19.0	15 %	
Employer Services	**58.3**	64.2	(5.9)	(9)%	
Total Workforce Solutions	**207.6**	194.5	13.1	7 %	
Global Consumer Solutions	**94.4**	98.9	(4.5)	(5)%	(5)%
Total operating revenue	**$ 876.9**	$ 856.7	$ 20.2	2 %	2 %

*Reflects percentage change in revenue conforming 2018 results using 2017 exchange rates.

2. What was the currency impact on the foreign operations compared to the second quarter of 2017?

The U.S. dollar impact on operating revenue is as follows:

	Three months ended June 30, 2018
	Operating Revenue
(In millions)	**%**
Asia Pacific	**— %**
Europe	**7 %**
Latin America	**(12)%**
Canada	**5 %**
Global Consumer Solutions	**— %**
Total	**— %**

We experienced significant currency fluctuations between the time we gave guidance in April 2018 and June 30, 2018. We estimate this represented a 1% negative impact to our reported revenue for the quarter.

3. What drove the fluctuation in the effective tax rate?

Our effective income tax rate was 13.7% and 30.9% for the three months ended June 30, 2018 and June 30, 2017, respectively. Statutory U.S. income tax rates decreased in 2018 compared to 2017 due to the Tax Act that was enacted in the fourth quarter of 2017 which favorably impacts the second quarter of 2018 effective tax rate. In addition, our second quarter tax rate was favorably impacted by a settlement with tax authorities of uncertain tax positions related to the 2016 and 2017 tax years.

4. What is included in the costs related to the September 2017 cybersecurity incident?

Costs related to the cybersecurity incident are defined as incremental costs to transform our Information Technology Infrastructure and Data Security; legal fees and professional services costs to investigate the cybersecurity incident and respond to legal, government and regulatory claims; as well as costs to provide the free product and related support to the consumer.

We recorded $36.3 million ($27.3 million, net of tax) and $105.0 million ($77.9 million, net of tax) for the second quarter and first six months of 2018, respectively, for expenses related to the cybersecurity incident and incremental information technology ("IT") and data security costs. The components of the costs are as follows:

(in millions)	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
IT and data security	$ 45.7	$ 54.9	$ 100.6
Legal and investigative fees	28.9	16.4	45.3
Product liability	4.1	—	4.1
Insurance recoveries	(10.0)	(35.0)	(45.0)
Total	$ 68.7	$ 36.3	$ 105.0

In the second quarter and first six months of fiscal 2018, the Company recorded a total of $71.3 million and $150.0 million, respectively, of pretax expenses related to the cybersecurity incident and incremental IT and data security costs. The $54.9 million and $100.6 million of IT and data security costs include incremental costs to transform our IT infrastructure and improve application, network, and data security, and the costs of development and launch of Lock and Alert™. These include, but are not limited to, costs for people, professional and contracted services, technical services and products, and other costs added either directly or indirectly to manage, execute, and support the implementation of these plans. The $16.4 million and $45.3 million of legal and investigative fees include legal fees and professional services costs to investigate the cybersecurity incident and respond to legal, government, and regulatory investigations and claims related to the cybersecurity incident. The $4.1 million of product liability costs incurred in the first quarter of 2018 include the expected costs of fulfillment of TrustedID Premier and support of consumers using TrustedID Premier.

Since the announcement of the cybersecurity incident in September 2017, we have incurred a total of $314.0 million of expenses related to the incident and incremental IT and data security costs.

We expect costs related to the 2017 cybersecurity incident, excluding insurance recoveries, to be approximately $85 million for the third quarter of 2018 and $300 million for the full year.

We maintain $125.0 million of cybersecurity insurance coverage, above a $7.5 million deductible, to limit our exposure to losses such as those related to the cybersecurity incident. During the three and six months ended June 30, 2018, the Company has recorded insurance recoveries of $35.0 million and $45.0 million, respectively. Since the announcement of the cybersecurity incident in September 2017, we have recorded and received insurance recoveries of $95.0 million for costs incurred through June 30, 2018.

5. What impact will Argentina being a highly inflationary economy have on future results?

Argentina has experienced multiple periods of increasing inflation rates, devaluation of the peso, and increasing borrowing rates. As such, Argentina has been deemed a highly inflationary economy by accounting policymakers. Beginning in the third quarter, the foreign exchange impact of remeasuring the peso denominated monetary assets and liabilities will be recorded in other income, net in our consolidated statements of income. Currently, the result of this currency conversion is reported in the other comprehensive income line item of the consolidated balance sheet. We do not expect it to have a material impact on our consolidated financial statements.

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, adjusted for Veda acquisition related amounts other than acquisition-related amortization, the income tax effect of stock awards recognized upon vesting or settlement, cybersecurity incident related costs, adjustments for uncertain tax positions, income tax adjustments, and acquisition-related amortization expense:

	Three Months Ended June 30,			
(In millions, except per share amounts)	**2018**	**2017**	$ Change	% Change
Net income attributable to Equifax	**$ 144.8**	$ 165.4	$ (20.6)	(12)%
Acquisition-related amortization expense of certain acquired intangibles (1)	**39.2**	41.8	(2.6)	(6)%
Cybersecurity incident related costs (2)	**36.3**	—	36.3	nm
Income tax effects of stock awards that are recognized upon vesting or settlement (3)	**(1.9)**	(4.8)	2.9	(60)%
Adjustments for uncertain tax positions(4)	**(14.1)**	—	(14.1)	nm
Tax impact of adjustments (5)	**(15.2)**	(7.6)	(7.6)	nm
Net income attributable to Equifax, adjusted for items listed above	**$ 189.1**	$ 194.8	$ (5.7)	(3)%
Diluted EPS attributable to Equifax, adjusted for items listed above	**$ 1.56**	$ 1.60	$ (0.04)	(3)%
Weighted-average shares used in computing diluted EPS	**121.4**	121.9		

nm - not meaningful

(1) During the second quarter of 2018, we recorded acquisition-related amortization expense of certain acquired intangibles of $39.2 million ($33.0 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 $10.1 million of tax expense net of $3.9 million of a cash income tax benefit. During the second quarter of 2017, we recorded acquisition-related amortization expense of certain acquired intangibles of $41.8 million ($34.2 million, net of tax). The $7.6 million of tax is comprised of $13.8 million of tax expense net of $6.2 million of a cash income tax benefit. See the Notes to this reconciliation for additional detail.

(2) During the second quarter of 2018, we recorded $71.3 million of pre-tax expenses related to the cybersecurity incident partially offset by insurance recoveries of $35.0 million for total of $36.3 million ($27.3 million, net of tax). See the Notes to this reconciliation for additional detail.

(3) During the second quarter of 2018, 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. During the second quarter of 2017, we recorded a tax benefit of $4.8 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.

(4) During the second quarter of 2018, we recorded a tax benefit of $14.1 million related to adjustments from uncertain tax positions resulting from a settlement with tax authorities for the 2016 and 2017 tax years. See the Notes to this reconciliation for additional detail.

(5) During the second quarter of 2018, we recorded the tax impact of adjustments of $15.2 million comprised of (i) acquisition-related amortization expense of certain acquired intangibles of $6.2 million ($10.1 million of tax expense net of $3.9 million of cash income tax benefit) and (ii) a tax adjustment of $9.0 million related to expenses for the cybersecurity incident.

During the second quarter of 2017, we recorded the tax impact of adjustments of $7.6 million ($13.8 million of tax expense net of $6.2 million of cash income tax benefit).

B. Reconciliation of net income attributable to Equifax to adjusted EBITDA, excluding cybersecurity incident related costs, Veda acquisition related amounts, income taxes, interest expense, net and depreciation and amortization expense, and presentation of adjusted EBITDA margin:

	Three Months Ended June 30,			
(in millions)	**2018**	**2017**	**$ Change**	**% Change**
Revenue	**$ 876.9**	$ 856.7	$ 20.2	2 %
Net income attributable to Equifax	**$ 144.8**	$ 165.4	$ (20.6)	(12)%
Income taxes	**23.3**	75.0	(51.7)	(69)%
Interest expense, net*	**25.3**	23.8	1.5	6 %
Depreciation and amortization	**77.2**	70.5	6.7	10 %
Cybersecurity incident related costs (1)	**36.3**	—	nm	nm
Adjusted EBITDA, excluding the items listed above	**$ 306.9**	$ 334.7	$ (27.8)	(8)%
Adjusted EBITDA margin	**35.0%**	39.1%		

nm - not meaningful

*Excludes interest income of $1.1 million in 2018 and $0.8 million in 2017.

(1) During the second quarter of 2018, we recorded $71.3 million of pre-tax expenses related to the cybersecurity incident partially offset by insurance recoveries of $35.0 million for total of $36.3 million ($27.3 million, net of tax). See the Notes to this reconciliation for additional detail.

C. Reconciliation of operating income to Adjusted EBITDA, excluding cybersecurity incident related costs, income taxes, depreciation and amortization expense, other income, net, noncontrolling interest, and presentation of adjusted EBITDA margin for each of the segments:

(In millions)	Three months ended June 30, 2018					
	U.S. Information Solutions	**International**	**Workforce Solutions**	**Global Consumer Solutions**	**General Corporate Expense***	**Total**
Revenue	**$ 324.6**	**$ 250.3**	**$ 207.6**	**$ 94.4**	**—**	**$ 876.9**
Operating Income	**126.3**	**37.0**	**83.9**	**19.0**	**(72.6)**	**193.6**
Depreciation and Amortization	**20.7**	**29.1**	**11.1**	**3.7**	**12.6**	**77.2**
Other income/(expense), net**	**0.9**	**2.7**	**—**	**—**	**(2.5)**	**1.1**
Noncontrolling interest	**—**	**(1.3)**	**—**	**—**	**—**	**(1.3)**
Adjustments (1)	**7.0**	**8.9**	**3.8**	**6.5**	**10.1**	**36.3**
Adjusted EBITDA	**$ 154.9**	**$ 76.4**	**$ 98.8**	**$ 29.2**	**$ (52.4)**	**$ 306.9**
Operating Margin	**38.9%**	**14.8%**	**40.4%**	**20.1%**	**nm**	**22.1%**
Adjusted EBITDA Margin	**47.7%**	**30.5%**	**47.6%**	**31.0%**	**nm**	**35.0%**

nm - not meaningful

*General Corporate Expense includes non-recurring adjustments of $10.1 million.

**Excludes interest income of $1.1 million in International.

(In millions)	Three months ended June 30, 2017					
	U.S. Information Solutions	**International**	**Workforce Solutions**	**Global Consumer Solutions**	**General Corporate Expense***	**Total**
Revenue	$ 331.9	$ 231.4	$ 194.5	$ 98.9	—	$ 856.7
Operating Income	149.7	46.1	89.0	27.4	(46.3)	265.9
Depreciation and Amortization	20.8	26.0	10.6	3.2	9.9	70.5
Other income/(expense), net**	0.4	1.7	—	—	(1.7)	0.4
Noncontrolling interest	—	(2.2)	—	—	—	(2.2)
Adjusted EBITDA	$ 170.9	$ 71.6	$ 99.6	$ 30.6	$ (38.1)	$ 334.6
Operating Margin	45.1%	19.9%	45.7%	27.7%	nm	31.0%
Adjusted EBITDA Margin	51.5%	30.9%	51.2%	31.0%	nm	39.1%

nm - not meaningful

**Excludes interest income of $0.8 million in International.

(1) During the second quarter of 2018, we recorded $71.3 million of pre-tax expenses related to the cybersecurity incident partially offset by insurance recoveries of $35.0 million for total of $36.3 million ($27.3 million, net of tax).

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.

Accrual for costs related to the cybersecurity incident - We recorded $36.3 million ($27.3 million, net of tax) during the second quarter of 2018 associated with the costs to investigate the cybersecurity incident, legal fees to respond to subsequent litigation, costs to deliver the free product offering made to all U.S. consumers and incremental costs to transform our Information Technology Infrastructure and Data Security. Management believes excluding this charge 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.

Income tax effects of stock awards that are recognized upon vesting or settlement - During the second quarter of 2018, 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. During the second quarter of 2017, we recorded a tax benefit of $4.8 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 June 30, 2018 because this amount is non-operating and relates 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.

Adjustments for uncertain tax positions - During the second quarter of 2018, we recorded a tax benefit of $14.1 million related to adjustments from uncertain tax positions resulting from a settlement with tax authorities for the 2016 and 2017 tax years. Management believes excluding this tax effect from certain financial results provides meaningful supplemental information regarding our financial results for the three months ended June 30, 2018 because a benefit of such an amount 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 Adjusted 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.