



On today's 2Q 2022 investor call, we reported another solid quarter, with record second quarter revenue of \$1.317 billion up 7% despite the 33% decline in the U.S. mortgage market and greater than expected negative impact of foreign exchange. Importantly, our Core Growth was up a very strong 19% and our Non-Mortgage growth was up an equally strong 19%, which is 75% of our revenue and a strong indicator of the breadth of strength of the EFX business model. We were also energized to announce a [definitive agreement to acquire LawLogix](#), which will further strengthen the Employer Services capabilities of our largest and fastest-growing business, Workforce Solutions.

LawLogix is our 11th acquisition in 18 months - and our 6th for Workforce Solutions in that timeframe. Bolt-on acquisitions that broaden and strengthen Equifax are a strong lever for future growth and are central to our long-term growth framework to add 100-200 percentage points to our revenue growth annually from strategic, bolt-on M&A. We continue to focus on bolt-on acquisitions that strengthen the core of EFX and deliver attractive returns that are central to our 8-12% Long-term Growth Framework.

Despite our strong first half performance, we felt it was prudent to adjust our full-year 2022 guidance principally to reflect expectations for a further weakening of the U.S. mortgage market, as well as the significant increase in the negative impact of foreign exchange. Our expectations for core revenue growth for full-year 2022 remain at 17% and constant currency non-mortgage revenue growth for full-year 2022 remain at 19% ... both very strong and well above our LT Framework. These are both unchanged from our April 2022 guidance. Our guidance for 2022 is for revenue at a midpoint of \$5.10 billion and Adjusted EPS of \$7.68 per share, a reduction of \$100 million in revenue and \$0.47 per share from our April guidance. This adjusted guidance reflects an expectation that the U.S. mortgage market, as measured by mortgage market credit inquiries, will decline by over 46% in the second half of 2022 versus the prior year. Our expectations for 2022 non-mortgage constant dollar revenue growth are principally unchanged at a very strong 19%.

Highlights from 2Q22 include:

- Workforce Solutions delivered revenue of \$609 million, their second quarter with revenue above \$600 million. Revenue growth was up 21% with organic revenue growth of 11%, despite the significant decline in the U.S. mortgage market. TWN Records increased 22% to 144 million and 110 million unique individuals, which is approaching 70% of Non-farm Payroll.
- Workforce Solutions core revenue growth was outstanding at 41%, the fifth time over 40% in the last six quarters and the tenth quarter of double-digit growth. Non-mortgage revenue is

now 65% of Workforce Solutions revenue delivering strong organic non-mortgage growth of 30%.

- USIS revenue of \$421 million was down 7.5% compared to last year and slightly below expectations. The decline was driven by the reduction in USIS mortgage revenue, which at \$113 million is about 25% of total USIS revenue, and was down 29% in the quarter.
- USIS delivered their sixth consecutive quarter of growth in B2B non-mortgage revenue at \$259 million, which represents over 60% of total USIS revenue, and was up 5.5% with organic revenue growth of 4%.
- International revenue was \$286 million, up a strong 11.5% on a local currency basis.

We also continued to accelerate our EFX Cloud data and technology transformation during the Quarter. Year-to-date, we have migrated approximately 14,500 customers to the cloud in the U.S., and since the start of transformation we have now migrated about 70% of our U.S. customers. So far in 2022, we also migrated approximately 13,000 International customers and decommissioned four U.S. data centers. We now have close to 60% of our revenue in the new EFXCloud.

Leveraging our new EFX Cloud infrastructure, we continue to invest in new product resources and accelerate new product innovations. Year-to-date, we have released over 50 new products, continuing the momentum from 2021- where we launched a record 151 new products. In 2Q, our Vitality Index, defined as revenue from new products introduced in the last three years, was extremely strong and exceeded 13%. This is over a 400 percentage point improvement from our 9% Vitality Index in 2021, and the highest level in over 10 years. For 2022, we expect a Vitality Index of over 11%, which is 100 percentage points above our 10% Long-Term Vitality goal.

We are energized by our 2Q performance in a challenging mortgage macro and even more energized about the future and our ability to deliver higher margins and free cash flow in 2023 and beyond. We are truly a New Equifax that is expanding well beyond a traditional credit bureau – and we are just getting started!

To read more about our 2Q 2022 financial results and 2Q 2022 Guidance, please see our [press release](#) and [investor presentation](#). More information on LawLogix can be found on our [Equifax Newsroom](#). You may also reach out to [Sam](#) or [me](#) with any questions you may have. Thanks as always for your time and attention.



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