

CONSOLIDATED STATEMENTS OF INCOME

	Twelve Months Ended December 31,		
	2017	2016	2015
<i>(In millions, except per share amounts)</i>			
Operating revenue	\$ 3,362.2	\$ 3,144.9	\$ 2,663.6
Operating expenses:			
Cost of services (exclusive of depreciation and amortization below)	1,210.7	1,113.4	887.4
Selling, general and administrative expenses	1,039.1	948.2	884.3
Depreciation and amortization	287.8	265.4	198.0
Total operating expenses	2,537.6	2,327.0	1,969.7
Operating income	824.6	817.9	693.9
Interest expense	(92.8)	(92.1)	(63.8)
Other income, net	14.8	2.4	6.5
Consolidated income before income taxes	746.6	728.2	636.6
Provision for income taxes	(148.6)	(233.1)	(201.8)
Consolidated net income	598.0	495.1	434.8
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	(10.7)	(6.3)	(5.7)
Net income attributable to Equifax	\$ 587.3	\$ 488.8	\$ 429.1
Basic earnings per common share:			
Net income attributable to Equifax	\$ 4.89	\$ 4.10	\$ 3.61
Weighted-average shares used in computing basic earnings per share	120.1	119.3	118.7
Diluted earnings per common share:			
Net income attributable to Equifax	\$ 4.83	\$ 4.04	\$ 3.55
Weighted-average shares used in computing diluted earnings per share	121.5	121.1	120.9
Dividends per common share	\$ 1.56	\$ 1.32	\$ 1.16

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2017	2016
<i>(In millions, except par values)</i>		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 336.4	\$ 129.3
Trade accounts receivable, net of allowance for doubtful accounts of \$9.1 and \$7.8 at December 31, 2017 and 2016, respectively	444.8	433.3
Prepaid expenses	94.3	60.2
Other current assets	122.9	50.1
Total current assets	998.4	672.9
Property and equipment:		
Capitalized internal-use software and system costs	427.9	307.0
Data processing equipment and furniture	306.6	273.2
Land, buildings and improvements	212.5	203.8
Total property and equipment	947.0	784.0
Less accumulated depreciation and amortization	(380.0)	(317.1)
Total property and equipment, net	567.0	466.9
Goodwill	4,184.0	3,974.3
Indefinite-lived intangible assets	95.0	94.8
Purchased intangible assets, net	1,247.0	1,323.8
Other assets, net	142.0	131.3
Total assets	\$ 7,233.4	\$ 6,664.0
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt and current maturities of long-term debt	\$ 965.3	\$ 585.4
Accounts payable	110.3	81.0
Accrued expenses	160.9	149.3
Accrued salaries and bonuses	119.4	158.8
Deferred revenue	108.4	110.7
Other current liabilities	209.2	174.4
Total current liabilities	1,673.5	1,259.6
Long-term debt	1,739.0	2,086.8
Deferred income tax liabilities, net	305.1	325.4
Long-term pension and other postretirement benefit liabilities	175.8	184.4
Other long-term liabilities	101.0	86.5
Total liabilities	3,994.4	3,942.7
Commitments and Contingencies (see Note 6)		
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 December 31, 2017 and 2016; Outstanding shares - 120.1 and 119.9 at December 31, 2017 and 2016, respectively	236.6	236.6
Paid-in capital	1,332.7	1,313.3
Retained earnings	4,600.6	4,153.2
Accumulated other comprehensive loss	(412.0)	(528.9)
Treasury stock, at cost, 68.6 shares and 68.8 shares at December 31, 2017 and 2016, respectively	(2,577.6)	(2,505.6)
Stock held by employee benefits trusts, at cost, 0.6 shares at December 31, 2017 and 2016	(5.9)	(5.9)
Total Equifax shareholders' equity	3,174.4	2,662.7
Noncontrolling interests including redeemable noncontrolling interests	64.6	58.6
Total shareholders' equity	3,239.0	2,721.3
Total liabilities and equity	\$ 7,233.4	\$ 6,664.0

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Twelve Months Ended December 31,		
	2017	2016	2015
<i>(In millions)</i>			
Operating activities:			
Consolidated net income	\$ 598.0	\$ 495.1	\$ 434.8
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Impairment of cost method investment	—	—	14.8
Depreciation and amortization	290.9	268.7	200.0
Stock-based compensation expense	38.3	37.1	38.4
Excess tax benefits from stock-based compensation plans	—	(35.9)	(30.0)
Deferred income taxes	(44.1)	(13.0)	(28.7)
Changes in assets and liabilities, excluding effects of acquisitions:			
Accounts receivable, net	(1.3)	(55.7)	(26.9)
Other assets, current and long-term	(120.1)	0.3	15.9
Current and long-term liabilities, excluding debt	54.3	126.4	150.8
Cash provided by operating activities	816.0	823.0	769.1
Investing activities:			
Capital expenditures	(218.2)	(173.5)	(146.2)
Acquisitions, net of cash acquired	(139.9)	(1,791.6)	(4.4)
Cash received from sale of asset	8.6	—	—
Cash received from divestitures	—	—	2.9
Economic hedges	—	(10.8)	—
Investment in unconsolidated affiliates, net	—	—	(0.1)
Cash used in investing activities	(349.5)	(1,975.9)	(147.8)
Financing activities:			
Net short-term borrowings (repayments)	252.4	73.0	(331.0)
Payments on long-term debt	(322.5)	(350.0)	—
Proceeds from issuance of long-term debt	100.0	1,574.7	—
Treasury stock purchases	(77.1)	—	(196.3)
Dividends paid to Equifax shareholders	(187.4)	(157.6)	(137.8)
Dividends paid to noncontrolling interests	(8.4)	(5.8)	(6.4)
Proceeds from exercise of stock options	19.2	31.5	34.4
Payment of taxes related to settlement of equity awards	(33.5)	(27.2)	(27.0)
Excess tax benefits from stock-based compensation plans	—	35.9	30.0
Payment of contingent consideration	(3.5)	(4.4)	—
Purchase of redeemable noncontrolling interests	(2.6)	(3.6)	—
Debt issuance costs	(0.3)	(6.2)	(4.9)
Cash (used in) provided by financing activities	(263.7)	1,160.3	(639.0)
Effect of foreign currency exchange rates on cash and cash equivalents	4.3	28.6	(17.3)
Increase (decrease) in cash and cash equivalents	207.1	36.0	(35.0)
Cash and cash equivalents, beginning of period	129.3	93.3	128.3
Cash and cash equivalents, end of period	\$ 336.4	\$ 129.3	\$ 93.3

See Notes to Consolidated Financial Statements.