

CONSOLIDATED STATEMENTS OF INCOME

	Twelve Months Ended December 31,		
	2018	2017	2016
<i>(In millions, except per share amounts)</i>			
Operating revenue	\$ 3,412.1	\$ 3,362.2	\$ 3,144.9
Operating expenses:			
Cost of services (exclusive of depreciation and amortization below)	1,440.4	1,210.7	1,113.4
Selling, general and administrative expenses	1,213.3	1,032.0	941.0
Depreciation and amortization	310.4	287.8	265.4
Total operating expenses	2,964.1	2,530.5	2,319.8
Operating income	448.0	831.7	825.1
Interest expense	(103.5)	(92.8)	(92.1)
Other income (expense), net	11.8	7.7	(4.8)
Consolidated income before income taxes	356.3	746.6	728.2
Provision for income taxes	(50.0)	(148.6)	(233.1)
Consolidated net income	306.3	598.0	495.1
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	(6.5)	(10.7)	(6.3)
Net income attributable to Equifax	\$ 299.8	\$ 587.3	\$ 488.8
Basic earnings per common share:			
Net income attributable to Equifax	\$ 2.49	\$ 4.89	\$ 4.10
Weighted-average shares used in computing basic earnings per share	120.4	120.1	119.3
Diluted earnings per common share:			
Net income attributable to Equifax	\$ 2.47	\$ 4.83	\$ 4.04
Weighted-average shares used in computing diluted earnings per share	121.4	121.5	121.1
Dividends per common share	\$ 1.56	\$ 1.56	\$ 1.32

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2018	2017
<i>(In millions, except par values)</i>		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 223.6	\$ 336.4
Trade accounts receivable, net of allowance for doubtful accounts of \$10.9 and \$9.1 at December 31, 2018 and 2017, respectively	469.1	444.8
Prepaid expenses	100.0	94.3
Other current assets	109.6	122.9
Total current assets	902.3	998.4
Property and equipment:		
Capitalized internal-use software and system costs	684.1	427.9
Data processing equipment and furniture	344.6	306.6
Land, buildings and improvements	216.1	212.5
Total property and equipment	1,244.8	947.0
Less accumulated depreciation and amortization	(480.0)	(380.0)
Total property and equipment, net	764.8	567.0
Goodwill	4,129.7	4,184.0
Indefinite-lived intangible assets	94.8	95.0
Purchased intangible assets, net	1,099.2	1,247.0
Other assets, net	162.4	142.0
Total assets	\$ 7,153.2	\$ 7,233.4
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt and current maturities of long-term debt	\$ 4.9	\$ 965.3
Accounts payable	175.7	110.3
Accrued expenses	213.2	160.9
Accrued salaries and bonuses	131.0	119.4
Deferred revenue	98.0	108.4
Other current liabilities	204.0	209.2
Total current liabilities	826.8	1,673.5
Long-term debt	2,630.6	1,739.0
Deferred income tax liabilities, net	316.2	305.1
Long-term pension and other postretirement benefit liabilities	139.3	175.8
Other long-term liabilities	84.6	101.0
Total liabilities	3,997.5	3,994.4
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, 2018 and 2017; Outstanding shares - 120.6 and 120.1 at December 31, 2018 and 2017, respectively	236.6	236.6
Paid-in capital	1,356.6	1,332.7
Retained earnings	4,717.8	4,600.6
Accumulated other comprehensive loss	(626.3)	(412.0)
Treasury stock, at cost, 68.1 shares and 68.6 shares at December 31, 2018 and 2017, respectively	(2,571.0)	(2,577.6)
Stock held by employee benefits trusts, at cost, 0.6 shares at December 31, 2018 and 2017	(5.9)	(5.9)
Total Equifax shareholders' equity	3,107.8	3,174.4
Noncontrolling interests including redeemable noncontrolling interests	47.9	64.6
Total shareholders' equity	3,155.7	3,239.0
Total liabilities and equity	\$ 7,153.2	\$ 7,233.4

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Twelve Months Ended December 31,		
	2018	2017	2016
<i>(In millions)</i>			
Operating activities:			
Consolidated net income	\$ 306.3	\$ 598.0	\$ 495.1
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Depreciation and amortization	315.9	290.9	268.7
Stock-based compensation expense	42.5	38.3	37.1
Excess tax benefits from stock-based compensation plans	—	—	(35.9)
Deferred income taxes	(2.3)	(44.1)	(13.0)
Changes in assets and liabilities, excluding effects of acquisitions:			
Accounts receivable, net	(37.4)	(1.3)	(55.7)
Other assets, current and long-term	(15.4)	(120.1)	0.3
Current and long-term liabilities, excluding debt	62.6	54.3	126.4
Cash provided by operating activities	672.2	816.0	823.0
Investing activities:			
Capital expenditures	(321.9)	(218.2)	(173.5)
Acquisitions, net of cash acquired	(138.3)	(139.9)	(1,791.6)
Cash received from sale of asset	5.6	8.6	—
Economic hedges	—	—	(10.8)
Investment in unconsolidated affiliates, net	(6.9)	—	—
Cash used in investing activities	(461.5)	(349.5)	(1,975.9)
Financing activities:			
Net short-term borrowings (repayments)	(959.2)	252.4	73.0
Payments on long-term debt	(100.0)	(322.5)	(350.0)
Proceeds from issuance of long-term debt	994.5	100.0	1,574.7
Treasury stock purchases	—	(77.1)	—
Dividends paid to Equifax shareholders	(187.9)	(187.4)	(157.6)
Dividends paid to noncontrolling interests	(10.3)	(8.4)	(5.8)
Proceeds from exercise of stock options	11.8	19.2	31.5
Payment of taxes related to settlement of equity awards	(19.7)	(33.5)	(27.2)
Excess tax benefits from stock-based compensation plans	—	—	35.9
Payment of contingent consideration	(1.5)	(3.5)	(4.4)
Purchase of redeemable noncontrolling interests	(30.9)	(2.6)	(3.6)
Debt issuance costs	(7.8)	(0.3)	(6.2)
Cash (used in) provided by financing activities	(311.0)	(263.7)	1,160.3
Effect of foreign currency exchange rates on cash and cash equivalents	(12.5)	4.3	28.6
Increase (decrease) in cash and cash equivalents	(112.8)	207.1	36.0
Cash and cash equivalents, beginning of period	336.4	129.3	93.3
Cash and cash equivalents, end of period	\$ 223.6	\$ 336.4	\$ 129.3

See Notes to Consolidated Financial Statements.