

EQUIFAX INC  
Form 10-Q  
July 25, 2013

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

**(Mark One)**

**QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934**

**For the quarterly period ended June 30, 2013**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_ .**

**Commission File Number: 001-06605**

**EQUIFAX INC.**

(Exact name of registrant as specified in its charter)

**Georgia** **58-0401110**  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

**1550 Peachtree Street, N.W., Atlanta, Georgia 30309**  
(Address of principal executive offices) (Zip Code)

404-885-8000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Non-accelerated filer

Large accelerated filer  Accelerated filer  (Do not check if a smaller reporting company)   
reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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On July 12, 2013, there were 121,283,658 shares of the registrant's common stock outstanding.

**EQUIFAX INC.**

**QUARTERLY REPORT ON FORM 10-Q**

**QUARTER ENDED June 30, 2013**

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## **FORWARD-LOOKING STATEMENTS**

This report contains information that may constitute “forward-looking statements.” Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will,” “may” and similar expressions identify forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future, including statements relating to future operating results, are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company’s historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in Part II, “Item 1A. Risk Factors,” and elsewhere in this report and in our Annual Report on Form 10-K for the year ended December 31, 2012, and those described from time to time in our future reports filed with the Securities and Exchange Commission. As a result of such risks and uncertainties, we urge you not to place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date when made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)****EQUIFAX INC.****CONSOLIDATED STATEMENTS OF INCOME**

	Three Months Ended June 30,	
	2013	2012
	(Unaudited)	
(In millions, except per share amounts)		
Operating revenue	\$ 586.9	\$ 513.3
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	198.2	187.2
Selling, general and administrative expenses	186.5	156.8
Depreciation and amortization	44.1	40.3
Total operating expenses	428.8	384.3
Operating income	158.1	129.0
Interest expense	(17.6 )	(13.7 )
Other income, net	3.5	2.2
Consolidated income from continuing operations before income taxes	144.0	117.5
Provision for income taxes	(51.7 )	(41.0 )
Consolidated income from continuing operations	92.3	76.5
Discontinued operations, net of tax	-	2.3
Consolidated net income	92.3	78.8
Less: Net income attributable to noncontrolling interests	(1.8 )	(2.4 )
Net income attributable to Equifax	\$ 90.5	\$ 76.4
Amounts attributable to Equifax:		
Net income from continuing operations attributable to Equifax	\$ 90.5	\$ 74.1
Discontinued operations, net of tax	-	2.3
Net income attributable to Equifax	\$ 90.5	\$ 76.4
Basic earnings per common share:		
Net income from continuing operations attributable to Equifax	\$ 0.75	\$ 0.61
Discontinued operations attributable to Equifax	-	0.02
Net income attributable to Equifax	\$ 0.75	\$ 0.63
Weighted-average shares used in computing basic earnings per share	121.0	120.3
Diluted earnings per common share:		
Net income from continuing operations attributable to Equifax	\$ 0.73	\$ 0.60
Discontinued operations attributable to Equifax	-	0.02

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Net income attributable to Equifax	\$ 0.73	\$ 0.62
Weighted-average shares used in computing diluted earnings per share	123.6	122.8
Dividends per common share	\$ 0.22	\$ 0.18

See Notes to Consolidated Financial Statements.

## EQUIFAX INC.

## CONSOLIDATED STATEMENTS OF INCOME

	Six Months Ended	
	June 30,	
	2013	2012
(In millions, except per share amounts)	(Unaudited)	
Operating revenue	\$1,153.4	\$1,019.2
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	393.3	374.6
Selling, general and administrative expenses	361.0	306.6
Depreciation and amortization	92.0	80.7
Total operating expenses	846.3	761.9
Operating income	307.1	257.3
Interest expense	(35.3 )	(27.5 )
Other income, net	3.6	3.5
Consolidated income from continuing operations before income taxes	275.4	233.3
Provision for income taxes	(98.9 )	(83.5 )
Consolidated income from continuing operations	176.5	149.8
Discontinued operations, net of tax	19.0	2.7
Consolidated net income	195.5	152.5
Less: Net income attributable to noncontrolling interests	(3.9 )	(4.6 )
Net income attributable to Equifax	\$191.6	\$147.9
Amounts attributable to Equifax:		
Net income from continuing operations attributable to Equifax	\$172.6	\$145.2
Discontinued operations, net of tax	19.0	2.7
Net income attributable to Equifax	\$191.6	\$147.9
Basic earnings per common share:		
Net income from continuing operations attributable to Equifax	\$1.43	\$1.21
Discontinued operations attributable to Equifax	0.16	0.02
Net income attributable to Equifax	\$1.59	\$1.23
Weighted-average shares used in computing basic earnings per share	120.7	120.1
Diluted earnings per common share:		
Net income from continuing operations attributable to Equifax	\$1.40	\$1.18
Discontinued operations attributable to Equifax	0.15	0.02
Net income attributable to Equifax	\$1.55	\$1.21
Weighted-average shares used in computing diluted earnings per share	123.4	122.6
Dividends per common share	\$0.44	\$0.36

See Notes to Consolidated Financial Statements.





## EQUIFAX INC.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

	Three Months Ended June 30, 2013			2012		
	Equifax Shareholders	Noncontrolling Interests	Total	Equifax Shareholders	Noncontrolling Interests	Total
Net income	\$90.5	\$ 1.8	\$92.3	\$76.4	\$ 2.4	\$78.8
Other comprehensive income:						
Foreign currency translation adjustment, net	(13.5)	2.5	(11.0)	(20.3)	(0.5)	(20.8)
Change in unrecognized prior service cost and actuarial losses related to our pension and other postretirement benefit plans, net	2.3	-	2.3	2.8	-	2.8
Change in cumulative loss from cash flow hedging transactions, net	-	-	-	0.1	-	0.1
Comprehensive income	\$79.3	\$ 4.3	\$83.6	\$59.0	\$ 1.9	\$60.9

	Six Months Ended June 30, 2013			2012		
	Equifax Shareholders	Noncontrolling Interests	Total	Equifax Shareholders	Noncontrolling Interests	Total
Net income	\$191.6	\$ 3.9	\$195.5	\$147.9	\$ 4.6	\$152.5
Other comprehensive income:						
Foreign currency translation adjustment	(23.1)	2.0	(21.1)	(5.4)	(0.3)	(5.7)
Change in unrecognized prior service cost and actuarial losses related to our pension and other postretirement benefit plans	5.3	-	5.3	6.2	-	6.2
Change in cumulative loss from cash flow hedging transactions	-	-	-	0.1	-	0.1
Comprehensive income	\$173.8	\$ 5.9	\$179.7	\$148.8	\$ 4.3	\$153.1

See Notes to Consolidated Financial Statements.



**EQUIFAX INC.****CONSOLIDATED BALANCE SHEETS**

	June 30, 2013	December 31, 2012
	(Unaudited)	
(In millions, except par values)		
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 104.9	\$ 146.8
Trade accounts receivable, net of allowance for doubtful accounts of \$6.7 and \$6.3 at June 30, 2013 and December 31, 2012, respectively	318.5	317.0
Prepaid expenses	33.9	26.2
Other current assets	55.3	39.7
Total current assets	512.6	529.7
Property and equipment:		
Capitalized internal-use software and system costs	380.1	369.9
Data processing equipment and furniture	193.9	198.4
Land, buildings and improvements	179.8	177.0
Total property and equipment	753.8	745.3
Less accumulated depreciation and amortization	(474.5 )	(461.6 )
Total property and equipment, net	279.3	283.7
Goodwill	2,248.3	2,290.4