

EQUIFAX INC
Form 10-Q
April 29, 2016

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 March 31, 2016

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).

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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):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
x
(Do not check if a smaller 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

On April 12, 2016, there were 119,013,907 shares of the registrant's common stock outstanding.

EQUIFAX INC.

QUARTERLY REPORT ON FORM 10-Q

QUARTER ENDED March 31, 2016

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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, 2015, 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

(Unaudited)

	Three Months Ended March 31,	
	2016	2015
(In millions, except per share amounts)		
Operating revenue	\$728.3	\$651.8
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	253.3	215.1
Selling, general and administrative expenses	243.1	232.9
Depreciation and amortization	55.7	49.6
Total operating expenses	552.1	497.6
Operating income	176.2	154.2
Interest expense	(20.1)	(16.1)
Other expense, net	(2.1)	(0.5)
Consolidated income from operations before income taxes	154.0	137.6
Provision for income taxes	(51.6)	(48.0)
Consolidated net income	102.4	89.6
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	(0.3)	(1.3)
Net income attributable to Equifax	\$102.1	\$88.3
Basic earnings per common share:		
Net income attributable to Equifax	\$0.86	\$0.74
Weighted-average shares used in computing basic earnings per share	118.8	119.4
Diluted earnings per common share:		
Net income attributable to Equifax	\$0.85	\$0.73
Weighted-average shares used in computing diluted earnings per share	120.8	121.7
Dividends per common share	\$0.33	\$0.29

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

	Three Months Ended March 31, 2016					
	2016			2015		
	Equifax Shareholders	Noncontrolling Interests	Total	Equifax Shareholders	Noncontrolling Interests	Total
Net income	\$102.1	\$ 0.3	\$102.4	\$88.3	\$ 1.3	\$89.6
Other comprehensive income (loss):						
Foreign currency translation adjustment	98.4	(0.3)	98.1	(37.1)	(1.6)	(38.7)
Change in unrecognized prior service cost and actuarial losses related to our pension and other postretirement benefit plans, net	2.2	—	2.2	2.5	—	2.5
Change in cumulative loss from cash flow hedging transactions, net	0.2	—	0.2	0.2	—	0.2
Comprehensive income (loss)	\$202.9	\$ —	\$202.9	\$53.9	\$ (0.3)	\$53.6

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED BALANCE SHEETS

March
31, 2016 December
31, 2015

(In millions, except par values)