EQUIFAX INC
Form 10-Q
October 25, 2018

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 September 30, 2018

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 incorporation or organization)	(I.R.S. Employer 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 every Interactive Data File required to be submitted 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 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):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

On October 12, 2018, there were 120,575,077 shares of the registrant’s common stock outstanding.

EQUIFAX INC.

QUARTERLY REPORT ON FORM 10-Q

QUARTER ENDED September 30, 2018

INDEX

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, plans or developments that we expect or anticipate will occur in the future, including statements relating to future operating results and statements related to the cybersecurity incident reported in the third quarter of 2017 and impact of the Tax Cuts and Jobs Act of 2017, 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, including without limitation our expectation regarding the Company's outlook and expected increases in costs related to the 2017 cybersecurity incident referenced below in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations — "Business Overview—Business Environment and Company Outlook." These risks and uncertainties include, but are not limited to, those described in Part I, “Item 1A. Risk Factors,” and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2017, in Part II, "Item 1A. Risk Factors" and elsewhere in this report, 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 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 September 30,	
	2018	2017
(In millions, except per share amounts)		
Operating revenue	$834.2	$834.8
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	376.7	297.3
Selling, general and administrative expenses	317.5	310.4
Depreciation and amortization	75.9	72.4
Total operating expenses	770.1	680.1
Operating income	64.1	154.7
Interest expense	(26.7)	(21.4)
Other income, net	1.3	2.7
Consolidated income before income taxes	38.7	136.0
Provision for income taxes	0.9	(35.5)
Consolidated net income	39.6	100.5
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	(1.2)	(4.2)
Net income attributable to Equifax	$38.4	$96.3
Basic earnings per common share:		
Net income attributable to Equifax	$0.32	$0.80
Weighted-average shares used in computing basic earnings per share	120.5	120.1
Diluted earnings per common share:		
Net income attributable to Equifax	$0.32	$0.79
Weighted-average shares used in computing diluted earnings per share	121.6	121.4
Dividends per common share	$0.39	$0.39

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	Nine Months Ended September 30,	
	2018	2017
(In millions, except per share amounts)		
Operating revenue	$2,576.8	$2,523.8
Operating expenses:		
Cost of services (exclusive of depreciation and amortization below)	1,068.2	891.9
Selling, general and administrative expenses	875.4	778.6
Depreciation and amortization	231.3	214.2
Total operating expenses	2,174.9	1,884.7
Operating income	401.9	639.1
Interest expense	(77.0)	(70.1)
Other income, net	6.4	5.3
Consolidated income from operations before income taxes	331.3	574.3
Provision for income taxes	(51.7)	(150.8)
Consolidated net income	279.6	423.5
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	(5.4)	(8.5)
Net income attributable to Equifax	$274.2	$415.0
Basic earnings per common share:		
Net income attributable to Equifax	$2.28	$3.45
Weighted-average shares used in computing basic earnings per share	120.3	120.1
Diluted earnings per common share:		
Net income attributable to Equifax	$2.26	$3.41
Weighted-average shares used in computing diluted earnings per share	121.5	121.6
Dividends per common share	$1.17	$1.17

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

	Three Months Ended September 30,					
	2018			2017		
	Equifax Shareholders	Noncontrolling Interests	Total	Equifax Shareholders	Noncontrolling Interests	Total
	(In millions)					
Net income	$38.4	$ 1.2	$39.6	$96.3	$ 4.2	$100.5
Other comprehensive income (loss):						
Foreign currency translation adjustment	(43.2)	(0.7)	(43.9)	91.1	1.2	92.3
Change in unrecognized prior service cost and actuarial losses related to our pension and other postretirement benefit plans, net	3.9	—	3.9	2.6	—	2.6
Comprehensive income (loss)	$(0.9)	$ 0.5	$(0.4)	$190.0	$ 5.4	$195.4

	Nine Months Ended September 30,					
	2018			2017		
	Equifax Shareholders	Noncontrolling Interests	Total	Equifax Shareholders	Noncontrolling Interests	Total
	(In millions)					
Net income	$274.2	$ 5.4	$279.6	$415.0	$ 8.5	$423.5
Other comprehensive income (loss):						
Foreign currency translation adjustment	(161.3)	6.2	(155.1)	209.7	3.4	213.1
Change in unrecognized prior service cost and actuarial losses related to our pension and other postretirement benefit plans, net	11.9	—	11.9	7.6	—	7.6
Change in cumulative loss from cash flow hedging transactions, net	—	—	—	(0.2)	—	(0.2)
Comprehensive income (loss)	$124.8	$ 11.6	$136.4	$632.1	$ 11.9	$644.0

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions, except par values)	September 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$253.4	$336.4
Trade accounts receivable, net of allowance for doubtful accounts of $11.5 and $9.1 at September 30, 2018 and December 31, 2017, respectively	467.9	444.8
Prepaid expenses	90.6	94.3
Other current assets	75.6	122.9
Total current assets	887.5	998.4
Property and equipment:		
Capitalized internal-use software and system costs	607.3	427.9
Data processing equipment and furniture	326.3	306.6
Land, buildings and improvements	213.2	212.5
Total property and equipment	1,146.8	947.0
Less accumulated depreciation and amortization	(451.6)	(380.0)
Total property and equipment, net	695.2	567.0
Goodwill	4,162.8	4,184.0
Indefinite-lived intangible assets	94.9	95.0
Purchased intangible assets, net	1,132.8	1,247.0
Other assets, net	160.8	142.0
Total assets	$7,134.0	$7,233.4
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt and current maturities of long-term debt	$3.1	$965.3
Accounts payable	139.6	110.3
Accrued expenses	179.8	160.9
Accrued salaries and bonuses	96.5	119.4
Deferred revenue	104.9	108.4
Other current liabilities	220.3	209.2
Total current liabilities	744.2	1,673.5
Long-term debt	2,629.4	1,739.0
Deferred income tax liabilities, net	298.6	305.1
Long-term pension and other postretirement benefit liabilities	135.7	175.8
Other long-term liabilities	84.6	101.0
Total liabilities	3,892.5	3,994.4
Commitments and Contingencies (see Note 5)		
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 September 30, 2018 and December 31, 2017; Outstanding shares - 120.6 and 120.1 at September 30, 2018 and December 31, 2017, respectively	236.6	236.6
Paid-in capital	1,347.4	1,332.7
Retained earnings	4,740.1	4,600.6

Accumulated other comprehensive loss	(561.4)	(412.0)
Treasury stock, at cost, 68.1 shares and 68.6 shares at September 30, 2018 and December 31, 2017, respectively	(2,572.3)	(2,577.6)
Stock held by employee benefit trusts, at cost, 0.6 shares at September 30, 2018 and December 31, 2017	(5.9)	(5.9)
Total Equifax shareholders' equity	3,184.5	3,174.4
Noncontrolling interests including redeemable noncontrolling interests	57.0	64.6
Total equity	3,241.5	3,239.0
Total liabilities and equity	$7,134.0	$7,233.4

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Nine Months Ended September 30,	
	2018	2017
	(In millions)	
Operating activities:		
Consolidated net income	$279.6	$423.5
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	235.3	216.7
Stock-based compensation expense	32.8	34.6
Deferred income taxes	(13.4)	(40.6)
Changes in assets and liabilities, excluding effects of acquisitions:		
Accounts receivable, net	(32.1)	(14.9)
Other assets, current and long-term	33.7	(24.4)
Current and long term liabilities, excluding debt	(28.5)	13.8
Cash provided by operating activities	507.4	608.7
Investing activities:		
Capital expenditures	(208.1)	(157.5)
Acquisitions, net of cash acquired	(115.8)	(77.3)
Cash received from sale of asset	5.6	8.6
Investment in unconsolidated affiliates, net	(6.9)	—
Cash used in investing activities	(325.2)	(226.2)
Financing activities:		
Net short-term (repayments) borrowings	(960.9)	354.9
Payments on long-term debt	(100.0)	(322.5)
Borrowings on long-term debt	994.5	—
Treasury stock purchases	—	(77.1)
Dividends paid to Equifax shareholders	(140.8)	(140.7)
Dividends paid to noncontrolling interests	(8.7)	(8.2)
Proceeds from exercise of stock options	11.3	18.8
Payment of taxes related to settlement of equity awards	(18.8)	(28.0)
Purchase of redeemable noncontrolling interests	(23.5)	—
Debt issuance costs	(7.6)	—
Payment of contingent consideration	(1.5)	—
Cash used in financing activities	(256.0)	(202.8)
Effect of foreign currency exchange rates on cash and cash equivalents	(9.2)	6.4
(Decrease) increase in cash and cash equivalents	(83.0)	186.1
Cash and cash equivalents, beginning of period	336.4	129.3
Cash and cash equivalents, end of period	$253.4	$315.4

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND OTHER COMPREHENSIVE INCOME

For the Nine Months Ended September 30, 2018

(Unaudited)

	Equifax Shareholders								
	Common Stock Shares Outstanding	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Stock Held By Employee Benefits Trusts	Noncontrolling Interests	Total Equity
	(In millions, except per share amounts)								
Balance, December 31, 2017	120.1	$236.6	$1,332.7	$4,600.6	$ (412.0)	$(2,577.6)	$ (5.9)	$ 64.6	$3,239.0
Net income	—	—	—	274.2	—	—	—	5.4	279.6
Other comprehensive (loss) income	—	—	—		(141.4)	—	—	6.2	(135.2)
Shares issued under stock and benefit plans, net of minimum tax withholdings	0.5	—	(12.5)	—	—	5.3	—	—	(7.2)
Cash dividends ($1.17 per share)	—	—	—	(141.5)	—	—	—	—	(141.5)
Dividends paid to employee benefits trusts	—	—	0.7	—	—	—	—	—	0.7
Stock-based compensation expense	—	—	32.8	—	—	—	—	—	32.8
Purchases of redeemable noncontrolling interests	—	—	(6.3)	—	(8.0)	—	—	(7.9)	(22.2)
Redeemable noncontrolling interest adjustment	—	—	—	2.6	—	—	—	(2.6)	—
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(8.7)	(8.7)
Cumulative adjustment from change in accounting principle (Note 2)	—	—	—	4.2	—	—	—	—	4.2
Balance, September 30, 2018	120.6	$236.6	$1,347.4	$4,740.1	$ (561.4)	$(2,572.3)	$ (5.9)	$ 57.0	$3,241.5

At September 30, 2018, $590.1 million was available for future purchases of common stock under our share repurchase authorization.

Accumulated Other Comprehensive Loss consists of the following components:

	September 30, 2018	December 31, 2017
	(In millions)	
Foreign currency translation	$(264.6)	$(103.3)
Unrecognized actuarial losses and prior service cost related to our pension and other postretirement benefit plans, net of accumulated tax of $91.8 and $95.6 at September 30, 2018 and December 31, 2017, respectively	(295.6)	(257.5)
Cash flow hedging transactions, net of accumulated tax of $0.7 at September 30, 2018 and December 31, 2017, respectively	(1.2)	(1.2)
Impact of Tax Cuts and Jobs Act of 2017	—	(50.0)
Accumulated other comprehensive loss	$(561.4)	$(412.0)

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

September 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

Nature of Operations. We collect, organize and manage various types of financial, demographic, employment and marketing information. Our products and services enable businesses to make credit and service decisions, manage their portfolio risk, automate or outsource certain payroll-related tax and human resources business processes, and develop marketing strategies concerning consumers and commercial enterprises. We serve customers across a wide range of industries, including the financial services, mortgage, retail, telecommunications, utilities, automotive, brokerage, healthcare and insurance industries, as well as government agencies. We also enable consumers to manage and protect their financial health through a portfolio of products offered directly to consumers. As of September 30, 2018, we operated in the following countries: Argentina, Australia, Canada, Chile, Costa Rica, Ecuador, El Salvador, Honduras, India, Ireland, Mexico, New Zealand, Paraguay, Peru, Portugal, Spain, the United Kingdom, or U.K., Uruguay and the United States of America, or U.S. We also offer Equifax branded credit services in India and Russia through joint ventures, we have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia, Singapore and Dubai, and have an investment in a consumer and commercial credit information company in Brazil.

We develop, maintain and enhance secured proprietary information databases through the compilation of consumer specific data, including credit, income, employment, asset, liquidity, net worth and spending activity, and business data, including credit and business demographics, that we obtain from a variety of sources, such as credit granting institutions, and income and tax information primarily from large to mid-sized companies in the U.S. We process this information utilizing our proprietary information management systems. We also provide information, technology and services to support debt collections and recovery management.

Basis of Presentation. The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP, the instructions to Form 10-Q and applicable sections of SEC Regulation S-X. To understand our complete financial position and results, as defined by GAAP, this Form 10-Q should be read in conjunction with the Consolidated Financial Statements and the notes thereto included in our annual report on Form 10-K for the year ended December 31, 2017 (“2017 Form 10-K”).

Our unaudited Consolidated Financial Statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the periods presented and are of a normal recurring nature.

Earnings Per Share. Our basic earnings per share, or EPS, is calculated as net income attributable to Equifax divided by the weighted-average number of common shares outstanding during the period. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding. The net income amounts used in both our basic and diluted EPS calculations are the same. A reconciliation of the weighted-average outstanding shares used in the two calculations is as follows:

	Three Months Ended	Nine Months Ended

	September 30,		September 30,	
	2018	2017	2018	2017
	(In millions)			
Weighted-average shares outstanding (basic)	120.5	120.1	120.3	120.1
Effect of dilutive securities:				
Stock options and restricted stock units	1.1	1.3	1.2	1.5
Weighted-average shares outstanding (diluted)	121.6	121.4	121.5	121.6

For the three and nine months ended September 30, 2018 and 2017, stock options that were anti-dilutive were not material.

Financial Instruments. Our financial instruments consist of cash and cash equivalents, accounts and notes receivable, accounts payable and short- and long-term debt. The carrying amounts of these items, other than long-term debt, approximate their fair market values due to the short-term nature of these instruments. The fair value of our fixed-rate debt is determined using Level 2 inputs such as quoted market prices for similar publicly traded instruments, and for non-publicly traded instruments through valuation techniques involving observable inputs based on the specific characteristics of the debt instrument. As of September 30, 2018 and December 31, 2017, the fair value of our long-term debt, including the current portion, was $2.7 billion and $2.1 billion, respectively, compared to its carrying value of $2.7 billion and $2.1 billion, respectively.

Derivatives and Hedging Activities. Although derivative financial instruments are not utilized for speculative purposes or as the Company's primary risk management tool, derivatives have been used as a risk management tool to hedge the Company's exposure to changes in interest rates and foreign exchange rates. We have used interest rate swaps and interest rate lock agreements to manage interest rate risk associated with our fixed and floating-rate borrowings. Forward contracts on various foreign currencies have been used to manage the foreign currency exchange rate risk of certain firm commitments denominated in foreign currencies. We recognize all derivatives on the balance sheet at fair value. Derivative valuations reflect the value of the instrument including the value associated with any material counterparty risk.

Fair Value Measurements. Fair value is determined based on the assumptions marketplace participants use in pricing the asset or liability. We use a three level fair value hierarchy to prioritize the inputs used in valuation techniques between observable inputs that reflect quoted prices in active markets, inputs other than quoted prices with observable market data and unobservable data (e.g., a company's own data).

The following table presents items measured at fair value on a recurring basis:

Description	Fair Value of Assets (Liabilities) at September 30, 2018	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In millions)			
Deferred Compensation Plan Assets[1]	$37.7	$37.7	$ —	$ —
Deferred Compensation Plan Liability[1]	(37.7)	—	(37.7)	—
Total	$—	$37.7	$ (37.7)	$ —

(1) We maintain deferred compensation plans that allow for certain management employees to defer the receipt of compensation (such as salary, incentive compensation and commissions) until a later date based on the terms of the plan. The liability representing benefits accrued for plan participants is valued at the quoted market prices of the participants' investment elections. The asset consists of mutual funds reflective of the participants' investment selections and is valued at daily quoted market prices.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis. We completed various acquisitions during the nine months ended September 30, 2018 and the year ended December 31, 2017. The values of net assets acquired and the resulting goodwill were recorded at fair value using Level 3 inputs. The majority of the related current assets acquired and liabilities assumed were recorded at their carrying values as of the date of acquisition, as their carrying values approximated their fair values due to their short-term nature. The fair values of goodwill and definite-lived intangible assets acquired in these acquisitions were internally estimated primarily based on the income approach. The income approach estimates fair value based on the present value of the cash flows that the assets are expected to generate in the future. We developed internal estimates for the expected cash flows and discount rates in the present value calculations.

Trade Accounts Receivable and Allowance for Doubtful Accounts. Accounts receivable are stated at cost. Significant payment terms for customers are identified in the contract. We do not recognize interest income on our trade accounts receivable. Additionally, we generally do not require collateral from our customers related to our trade accounts receivable. The allowance for doubtful accounts for estimated losses on trade accounts receivable is based on historical write-off experience, an analysis of the aging of outstanding receivables, customer payment patterns and the establishment of specific reserves for customers in an adverse financial condition. We reassess the adequacy of the allowance for doubtful accounts each reporting period. Increases to the allowance for doubtful accounts are recorded as bad debt expense, which are included in selling, general and administrative expenses on the accompanying Consolidated Statements of Income.

Other Current Assets. Other current assets on our Consolidated Balance Sheets represent amounts receivable from tax authorities, insurance recoveries receivable, and the current portion of the Company's right to consideration in exchange for goods or services that the entity has transferred to a customer (contract assets). Other current assets also include amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. As of September 30, 2018, these assets were approximately $19.7 million, with a corresponding balance in other current liabilities. These amounts are restricted as to their current use, and will be released according to the specific customer agreements.

Other Assets. Other assets on our Consolidated Balance Sheets primarily represent our investment in unconsolidated affiliates, our equity investment in Brazil, the long-term portion of the Company's right to consideration in exchange for goods or services that the entity has transferred to a customer (contract assets), assets related to life insurance policies covering certain officers of the Company, and employee benefit trust assets.

Other Current Liabilities. Other current liabilities on our Consolidated Balance Sheets consist of various accrued liabilities such as costs related to the 2017 cybersecurity incident as described more fully in Note 5, interest expense, accrued employee benefits, accrued payroll and other taxes, and accrued legal expenses. Other current liabilities also include corresponding amounts of other current assets, related to amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. As of September 30, 2018, these funds were approximately $19.7 million. These amounts are restricted as to their current use and will be released according to the specific customer agreements.

Change in Accounting Principle. In February 2018, the FASB issued Accounting Standards Update ("ASU") 2018-02, "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income (Topic 220)." The guidance provides companies the option to eliminate the stranded tax effects associated with the change in the federal corporate income tax rate in the Tax Cuts and Jobs Act of 2017. The guidance is effective for annual periods beginning after December 31, 2018, with early adoption permitted for reporting periods for which financial statements have not been issued and can be applied retrospectively. As such, we have adopted this guidance as of December 31, 2017 resulting in the reclassification of $50.0 million from accumulated other comprehensive income to retained earnings related to the change in tax rate, as prescribed in the guidance.

In May 2017, the FASB issued ASU 2017-09, "Compensation - Stock Compensation (Topic 718) Scope of Modification Accounting." The amendments in ASU 2017-09 require entities to apply modification accounting in Topic 718 only when changes to the terms or conditions of a share-based payment award result in changes to fair value, vesting conditions or the classification of the award as equity or liability. The adoption of this guidance did not have an impact on our financial position, results of operations or cash flows.

In March 2017, the FASB issued ASU 2017-07 "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (Topic 715)." This new guidance changes how employers that sponsor defined benefit pension plans and other postretirement plans present the net periodic benefit cost in the income statement. An employer is required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. Other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. The amendment also allows only the service cost component to be eligible for capitalization, when applicable. The retrospective adoption of this guidance resulted in the reclassification of $1.8 million and $5.4 million from selling, general and administrative expenses to other income, net in the Consolidated Statements of Income for the three and nine months ended September 30, 2017, respectively, and the recognition of $1.0 million and $3.0 million in selling, general, and administrative expenses and $2.2 million and $6.6 million in other income, net in the Consolidated Statements of Income for the three and nine months ended

September 30, 2018, respectively. We do not capitalize any components of pension costs.

In January 2017, the FASB issued ASU 2017-01 "Clarifying the Definition of a Business (Topic 805)." This standard provides criteria to determine when an asset acquired or group of assets acquired is not a business. When substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. This reduces the number of transactions that need to be further evaluated to determine if what is being acquired meets the definition of a business. The prospective adoption of this guidance did not have an impact on our financial position, results of operations or cash flows.

In January 2016, the FASB issued ASU 2016-01 "Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." This new guidance requires equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. However, an entity may choose to measure the equity investments that do not have readily determinable fair values at a new measurement alternative. Entities may choose to measure those investments at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The amendments in this update also simplify the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment, eliminate the requirement for public business entities to disclose the method and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet and require these entities to use the exit price notion when measuring fair value of financial instruments for disclosure purposes. This guidance also changes the presentation and disclosure requirements for financial instruments as well as clarifying the guidance related to valuation allowance assessments when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The adoption of this guidance did not have an impact on our financial position, results of operations, or cash flows.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers." ASU 2014-09 is a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. ASU 2014-09 also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 was originally effective for annual reporting periods, and interim periods within that period, beginning after December 15, 2016 and early adoption was not permitted. On July 9, 2015, the FASB voted to defer the effective date by one year to December 15, 2017 for interim and annual reporting periods beginning after that date and permitted early adoption of the standard, but not before the original effective date of December 15, 2016. Companies may use either a full retrospective or a modified retrospective approach to adopt ASU 2014-09.

As of January 1, 2018, we adopted the standard using the modified retrospective method. The new standard impacted our contracts that have a known quantity over a defined term with price increases or decreases over the contract life. Under the standard applicable during the period ended December 31, 2017, revenue related to these contracts were limited by billings in a period. Under the new standard applicable for the period beginning January 1, 2018, the total contract value is recognized ratably over the defined term or by using a transactional standalone selling price resulting in the creation of a contract asset or contract liability as transactions are delivered. Additionally, the changes to the cost capitalization practices did not materially impact our Consolidated Financial Statements. See Note 2 for further details.

Recent Accounting Pronouncements. Derivatives and Hedging. In August 2017, the FASB issued ASU 2017-12, “Targeted Improvements to Accounting for Hedging Activities (Topic 815).” The amendments in ASU 2017-12 provide targeted improvements to the accounting for hedging activities to better align an entity’s risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The adoption of ASU 2017-12 will become effective for annual periods beginning after December 15, 2018, although early adoption is permitted. This guidance must be applied on a prospective basis. We do not expect the adoption of this guidance to have a material impact on our financial position, results of operations or cash flows.

Goodwill. In January 2017, the FASB issued ASU 2017-04 "Simplifying the Test for Goodwill Impairment (Topic 350)." This standard eliminates Step 2 from the current goodwill impairment test, instead requiring an entity to recognize a goodwill impairment charge for the amount by which the goodwill carrying amount exceeds the reporting unit’s fair value. This guidance is effective for interim and annual goodwill impairment tests in fiscal years beginning after December 15, 2019 with early adoption permitted. This guidance must be applied on a prospective basis. We do not expect the adoption of this guidance to have a material impact on our financial position, results of operations or cash flows.

Leases. In February 2016, the FASB issued ASU 2016-02 “Leases (Topic 842).” This standard requires lessees to record most leases on their balance sheets and expenses on their income statements in a manner similar to current lease accounting. The guidance also eliminates current real estate-specific provisions for all entities. For lessors, the guidance modifies the classification criteria and the accounting for sales-type and direct financing leases. All entities will classify leases to determine how to recognize lease-related revenue and expense. The guidance becomes effective for fiscal years and interim reporting periods beginning after December 15, 2018.

In July 2018, the FASB approved an additional optional transition method by allowing entities to initially apply the new leases standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. We will be adopting the standard using this optional transition method. At our current point in the adoption of the standard, we do not expect the adoption to have a material impact on our consolidated financial statements. While we are continuing to assess potential impacts of the standard, we currently expect the most significant impact will be the recognition of right-of-use assets and lease liabilities for operating leases. We expect our accounting for capital leases to remain substantially unchanged.

Credit Losses. In June 2016, the FASB issued ASU No. 2016-13 "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. ASU 2016-13 is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2019. We do not expect the adoption of the standard to have a material impact on our consolidated financial statements.

Fair Value Measurements. In August 2018, the FASB issued ASU No. 2018-13 "Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement" which eliminates, adds, and modifies certain disclosure requirements for fair value measurements as part of its disclosure framework project. ASU 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019, and interim periods therein, but entities are permitted to early adopt either the entire standard or only the provisions that eliminate or modify the requirements. The adoption of this standard will have an impact on our disclosures and will not materially impact our consolidated financial statements.

Retirement Benefits. In August 2018, the FASB issued ASU No. 2018-14 "Compensation-Retirement Benefits-Defined Benefit Plans-General (Subtopic 715-20): Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans" which requires minor changes to the disclosure requirements for employers that sponsor defined benefit pension and/or other postretirement benefit plans. ASU 2018-14 is effective for fiscal years ending after December 15, 2020 and early adoption is permitted. The adoption of this standard will have an impact on our disclosures and will not materially impact our consolidated financial statements.

Cloud Computing Arrangements. In August 2018, the FASB issued ASU No. 2018-15 "Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract." ASU 2018-15 requires that issuers follow the internal-use software guidance in Accounting Standards Codification (ASC) 350-40 to determine which costs to capitalize as assets or expense as incurred. The ASC 350-40 guidance requires that certain costs incurred during the application development stage be capitalized and other costs incurred during the preliminary project and post-implementation stages be expensed as they are incurred. ASU 2018-15 is effective for fiscal years beginning after December 15, 2019, and interim periods therein. We are evaluating the impact of the adoption of the standard on our consolidated financial statements.

2. REVENUE

On January 1, 2018 we adopted ASU 2014-09 using the modified retrospective approach. Comparative financial statements of prior periods have not been adjusted to apply the new method retrospectively. The new method of accounting was applied only to contracts that were not completed at the date of application as well as to the contracts entered into on or after January 1, 2018. Additionally, we reflected the aggregate effect of all modifications to these contracts when identifying the satisfied and unsatisfied performance obligations, as well as determining the transaction price and allocating the transaction price.

The effect of the adoption on key financial statement line items for the three and nine months ended September 30, 2018 is as follows:

Income Statement	Three Months Ended September 30, 2018		Change	
	Prior to ASU 2014-09 adoption	As reported under ASU 2014-09	$	%
	(In millions, except per share data)			
Operating revenue	$833.6	$ 834.2	$0.6	—%
Consolidated income from operations before income taxes	$38.1	$ 38.7	$0.6	2%
Consolidated net income	$39.1	$ 39.6	$0.5	1%
Net income attributable to Equifax	$37.9	$ 38.4	$0.5	1%
Basic earnings per common share:				
Net income attributable to Equifax	$0.31	$ 0.32	$0.01	3%
Diluted earnings per common share:				
Net income attributable to Equifax	$0.31	$ 0.32	$0.01	3%

Income Statement	Nine Months Ended September 30, 2018		Change	
	Prior to ASU 2014-09 adoption	As reported under ASU 2014-09	$	%
	(In millions, except per share data)			
Operating revenue	$2,575.2	$2,576.8	$1.6	—%
Consolidated income from operations before income taxes	$329.7	$331.3	$1.6	—%
Consolidated net income	$278.4	$279.6	$1.2	—%
Net income attributable to Equifax	$273.0	$274.2	$1.2	—%
Basic earnings per common share:				
Net income attributable to Equifax	$2.27	$2.28	$0.01	—%
Diluted earnings per common share:				
Net income attributable to Equifax	$2.25	$2.26	$0.01	—%

Balance Sheet	September 30, 2018		Change	
	Prior to ASU 2014-09	As reported under	$	%

	adoption	ASU 2014-09		
	(In millions)			
Other current assets	$75.3	$75.6	$0.3	—%
Other assets, net	$154.1	$160.8	$6.7	4%
Total assets	$7,127.0	$7,134.0	$7.0	—%
Deferred income tax liabilities, net	$295.8	$298.6	$2.8	1%
Total liabilities	$3,889.7	$3,892.5	$2.8	—%
Retained earnings	$4,735.9	$4,740.1	$4.2	—%
Total equity	$3,237.3	$3,241.5	$4.2	—%
Total liabilities and equity	$7,127.0	$7,134.0	$7.0	—%

Revenue Recognition. Based on the information management reviews internally for evaluating operating segment performance and nature, amount, timing, and uncertainty of revenue and cash flows affected by economic factors, we disaggregate revenue as follows:

Consolidated Operating Revenue	Three Months Ended September 30, 2018	2017	Change $	%	Nine Months Ended September 30, 2018	2017	Change $	%
	(In millions)							
Online Information Solutions	$222.4	$221.0	$1.4	1 %	$666.2	$678.7	$(12.5)	(2)%
Mortgage Solutions	39.0	38.8	$0.2	1 %	126.2	116.1	$10.1	9 %
Financial Marketing Services	46.9	47.9	$(1.0)	(2)%	147.4	154.9	$(7.5)	(5)%
Total U.S. Information Solutions	308.3	307.7	$0.6	— %	939.8	949.7	$(9.9)	(1)%
Asia Pacific	80.5	81.2	$(0.7)	(1)%	249.0	229.7	$19.3	8 %
Europe	68.5	69.0	$(0.5)	(1)%	211.4	199.2	$12.2	6 %
Latin America	48.7	54.5	$(5.8)	(11)%	158.9	158.5	$0.4	— %
Canada	37.3	35.1	$2.2	6 %	110.5	100.1	$10.4	10 %
Total International	235.0	239.8	$(4.8)	(2)%	729.8	687.5	$42.3	6 %
Verification Services	143.9	129.9	$14.0	11 %	421.6	375.3	$46.3	12 %
Employer Services	58.3	56.5	$1.8	3 %	199.3	205.6	$(6.3)	(3)%
Total Workforce Solutions	202.2	186.4	$15.8	9 %	620.9	580.9	$40.0	7 %
Global Consumer Solutions	88.7	100.9	$(12.2)	(12)%	286.3	305.7	$(19.4)	(6)%
Total operating revenue	$834.2	$834.8	$(0.6)	— %	$2,576.8	$2,523.8	$53.0	2 %

Revenue is recognized when a performance obligation has been satisfied by transferring a promised good or service to a customer and the customer obtains control of the good or service. In order to recognize revenue, we note that the two parties must have an agreement that creates enforceable rights, the performance obligations must be distinct and the transaction price can be determined. Our revenue is derived from the provision of information services to our customers on a transactional basis, in which distinct services are delivered over time as the customer simultaneously receives and consumes the benefits of the services delivered. To measure our performance over time, the output method is utilized to measure the value to the customer based on the transfer to date of the services promised, with no rights of return once consumed. In these cases, revenue on transactional contracts with defined price but an undefined quantity is recognized utilizing the right to invoice expedient resulting in revenue being recognized when the service is provided and billed. Additionally, multi-year contracts with defined price but an undefined quantity that utilize tier pricing would be defined as a series of distinct performance obligations satisfied over time utilizing the same method of measurement, the output method, with no rights of return once consumed. This measurement method is applied on a monthly basis resulting in revenue being recognized when the service is provided and billed.

Additionally, we recognize revenue from subscription-based contracts under which a customer pays a preset fee for a predetermined or unlimited number of transactions or services provided during the subscription period, generally one year. Revenue from subscription-based contracts having a preset number of transactions is recognized as the services are provided, using an effective transaction rate as the actual transactions are delivered. Any remaining revenue related to unfulfilled units is not recognized until the end of the related contract’s subscription period. Revenue from subscription-based contracts having an unlimited volume is recognized ratably during the contract term. Multi-year subscription contracts are analyzed to determine the full contract transaction price over the term of the contract and the subsequent price is ratably recognized over the full term of the contract.

Revenue is recorded net of sales taxes.

If at the outset of an arrangement, we determine that collectibility is not reasonably assured, revenue is deferred until the earlier of when collectibility becomes probable or the receipt of payment from the customer. If there is uncertainty as to the customer's acceptance of the performance obligation, revenue is not recognized until the earlier of receipt of customer acceptance or expiration of the acceptance period.

We sell certain offerings that contain multiple performance obligations. These obligations may include consumer or commercial information, file updates for certain solutions, services provided by our decisioning technologies personnel, training services, statistical models and other services. In order to account for each of these obligations separately, the delivered promises within our contracts must meet the criterion to be considered distinct performance obligations to our customer. If we determine that the arrangement does not contain separate distinct obligations, the performance obligations are bundled together until a distinct obligation is achieved. This may lead to the arrangement consideration being recognized as the final contract obligation is delivered to our customer or ratably over the term of the contract.

Some of our arrangements with multiple performance obligations involve the delivery of services generated by a combination of services provided by one or more of our operating segments. No individual information service impacts the value or usage of other information services included in an arrangement and each service can be sold alone or, in most cases, purchased from another vendor without affecting the quality of use or value to the customer of the other information services included in the arrangement. Some of our products require the installation of interfaces or platforms by our technology personnel that allow our customers to interact with our proprietary information databases. These installation services do not meet the requirement for being distinct, thus any related installation fees are deferred when billed and are recognized over the expected period that the customer will benefit from the related services. Revenue from the delivery of one-time files and models is recognized as the service is provided and accepted, assuming all other revenue recognition criteria are met. The direct costs of installation of a customer are capitalized and amortized over the useful life of the identifiable asset.

We record revenue on a net basis for those sales in which we have in substance acted as an agent or broker in the transaction and therefore do not have control.

In certain instances within our debt collections and recovery management services in our International operating segment and within our Workforce Solutions operating segment, variable consideration is constrained due to the fact that the revenue is contingent on a particular outcome. Within our debt collections and recovery management businesses, revenue is calculated as a percentage of debt collected on behalf of the customer and, as such, is primarily recognized when the debt is collected assuming all other revenue recognition criteria are met. Within our Workforce Solutions operating segment, the fees for certain of our tax credits and incentives revenue are based on a percentage of the credit delivered to our clients. Revenue for these arrangements is recognized based on the achievement of milestones, upon calculation of the credit, approval from a regulatory agency or when the credit is utilized by our client, depending on the provisions of the client contract.

Judgments and Uncertainties – Each performance obligation within a contract must be considered separately to ensure that appropriate accounting is performed for these distinct goods or services. These considerations include assessing the price at which the element is sold compared to its standalone selling price; concluding when the element will be delivered; evaluating collectability; and determining whether any contingencies exist in the related customer contract that impact the prices paid to us for the services.

Contract Balances – The contract balances are generated when revenue recognized varies from billing in a given period. A contract asset is created when an entity transfers a good or service to a customer and recognizes more revenue than what has been billed. As of September 30, 2018, the contract asset balance was $7.0 million. A contract liability is created when an entity transfers a good or service to a customer and recognizes less than what has been billed. As of September 30, 2018 there was no contract liability balance.

Remaining Performance Obligation – We have elected to disclose only the remaining performance obligations for those contracts with an expected duration of greater than 1 year and do not disclose the value of remaining performance obligations for contracts in which we recognize revenue at the amount to which we have the right to invoice. We expect to recognize as revenue the following amounts related to our remaining performance obligations as of September 30, 2018 inclusive of foreign exchange impact:

Performance Obligation	Balance (In millions)
Less than 1 year	$ 47.7
1 to 3 years	65.6
3 to 5 years	27.8
Thereafter	59.8
Total remaining performance obligation	$ 200.9

Capitalized Costs – We capitalize certain costs related to obtaining and fulfilling a contract with a customer that we expect to recover, specifically sales commissions. These costs are amortized over the life of the contract. If the amortization period of the assets associated with the cost is less than one year, we have elected to expense the costs as incurred. As of the adoption date and September 30, 2018, there were no costs that had been capitalized.

3. GOODWILL AND INTANGIBLE ASSETS

Goodwill. Goodwill represents the cost in excess of the fair value of the net assets acquired in a business combination. Goodwill is tested for impairment at the reporting unit level on an annual basis and on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. We perform our annual goodwill impairment tests as of September 30.

Our annual goodwill impairment testing was completed during the third quarter of 2018. The estimated fair value for all reporting units exceeded the carrying value of those units as of September 30, 2018. As a result, no goodwill impairment was recorded. Refer to our methodology of fair value estimates as discussed in the "Application of Critical Accounting Policies" section in this Form 10-Q.

Changes in the amount of goodwill for the nine months ended September 30, 2018, are as follows:

	U.S. Information Solutions	International	Workforce Solutions	Global Consumer Solutions	Total
	(In millions)				
Balance, December 31, 2017	$1,071.3	$ 1,969.4	$ 952.1	$ 191.2	$4,184.0
Acquisitions	57.7	2.0	17.1	—	76.8
Adjustments to initial purchase price allocation	—	1.0	1.0	(1.0)	1.0
Foreign currency translation	—	(97.8)	—	(1.2)	(99.0)
Balance, September 30, 2018	$1,129.0	$ 1,874.6	$ 970.2	$ 189.0	$4,162.8

Indefinite-Lived Intangible Assets. Indefinite-lived intangible assets consist of indefinite-lived reacquired rights representing the value of rights which we had granted to various affiliate credit reporting agencies that were reacquired in the U.S. and Canada. At the time we acquired these agreements, they were considered perpetual in nature under the accounting guidance in place at that time and, therefore, the useful lives are considered indefinite. Indefinite-lived intangible assets are not amortized. We are required to test indefinite-lived intangible assets for impairment annually and whenever events or circumstances indicate that there may be an impairment of the asset value. We perform our annual indefinite-lived intangible asset impairment test as of September 30. The estimated fair value of our indefinite-lived intangible assets exceeded the carrying value as of September 30, 2018. As a result, no impairment was recorded. Our indefinite-lived intangible asset carrying amounts did not change materially during the nine months ended September 30, 2018.

Purchased Intangible Assets. Purchased intangible assets represent the estimated acquisition date fair value of acquired intangible assets used in our business. Purchased data files represent the estimated acquisition date fair value of consumer credit files acquired primarily through the purchase of independent credit reporting agencies in the U.S., Canada and Australia. We expense the cost of modifying and updating credit files in the period such costs are incurred. Our reacquired rights represent the value of rights which we had granted to Computer Sciences Corporation that were reacquired in connection with the acquisition of certain assets of CSC Credit Services in the fourth quarter of 2012. These reacquired rights were amortized over the remaining term of the affiliation agreement on a straight-line basis and were fully amortized as of August 1, 2018. We amortize all of our purchased intangible assets on a straight-line basis. For additional information about the useful lives related to our purchased intangible assets, see Note 1 of the Notes to Consolidated Financial Statements in our 2017 Form 10-K.

Purchased intangible assets at September 30, 2018 and December 31, 2017 consisted of the following:

	September 30, 2018			December 31, 2017		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Definite-lived intangible assets:	(In millions)					
Purchased data files	$918.2	$ (291.8)	$626.4	$955.7	$ (262.2)	$693.5
Acquired software and technology	118.8	(65.9)	52.9	142.3	(66.6)	75.7
Customer relationships	694.9	(286.3)	408.6	772.4	(326.7)	445.7
Reacquired rights	73.3	(73.3)	—	73.3	(65.6)	7.7
Proprietary database	46.3	(11.1)	35.2	22.1	(8.7)	13.4
Non-compete agreements	4.9	(3.2)	1.7	14.1	(12.7)	1.4
Trade names and other intangible assets	19.3	(11.3)	8.0	20.2	(10.6)	9.6
Total definite-lived intangible assets	$1,875.7	$ (742.9)	$1,132.8	$2,000.1	$ (753.1)	$1,247.0

Amortization expense related to purchased intangible assets was $36.5 million and $43.0 million during the three months ended September 30, 2018 and 2017, respectively. Amortization expense related to purchased intangible assets was $117.9 million and $129.8 million during the nine months ended September 30, 2018 and 2017, respectively.

Estimated future amortization expense related to definite-lived purchased intangible assets at September 30, 2018 is as follows:

Years ending December 31,	Amount
	(In millions)
2018	$35.0
2019	133.2
2020	125.2
2021	108.0
2022	102.4
Thereafter	629.0
	$1,132.8

4. DEBT

Debt outstanding at September 30, 2018 and December 31, 2017 was as follows:

	September 30, 2018	December 31, 2017
	(In millions)	
Commercial paper	$—	$562.6
Revolver	—	100.0
Term Loan, due Nov 2018	—	400.0
Notes, 2.30%, due June 2021	500.0	500.0
Notes, 3.60%, due Aug 2021	300.0	—
Notes, Floating Rate, due Aug 2021	300.0	—
Notes, 3.30%, due Dec 2022	500.0	500.0
Notes, 3.95%, due May 2023	400.0	—
Notes, 3.25%, due June 2026	275.0	275.0
Debentures, 6.90%, due July 2028	125.0	125.0
Notes, 7.00%, due July 2037	250.0	250.0
Other	3.1	2.7
Total debt	2,653.1	2,715.3
Less short-term debt and current maturities	(3.1)	(965.3)
Less unamortized discounts and debt issuance costs	(20.6)	(11.0)
Total long-term debt, net	$2,629.4	$1,739.0

3.6%, 3.95%, and Floating Rate Senior Notes. In May 2018, we issued $300.0 million aggregate principal amount of 3.6% Senior Notes due 2021 (the "2021 Notes"), $400.0 million aggregate principal amount of 3.95% Senior Notes due 2023 (the "2023 Notes"), and $300.0 million aggregate principal amount Floating Rate Notes due 2021 (the "Floating Rate Notes") in an underwritten public offering. Interest on the 2021 Notes will accrue from their date of issuance at a rate of 3.6% per year and will be payable in cash semi-annually in arrears on February 15 and August 15 of each year, beginning February 15, 2019. Interest on the 2023 Notes will accrue from their date of issuance at a rate of 3.95% per year and will be payable in cash semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2018. Interest on the Floating Rate Notes for a particular interest period will be a rate equal to three-month LIBOR on the interest determination date plus 0.87% per annum and will be payable in cash quarterly in arrears on February 15, May 15, August 15, and November 15 of each year, beginning on August 15, 2018. The net proceeds of the sale of the notes were used to repay borrowings under our Revolver, our prior $800.0 million three-year delayed draw term loan facility ("Term Loan") and our commercial paper ("CP") program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The Senior Notes are unsecured and rank equally with all of our unsecured and unsubordinated indebtedness.

Senior Credit Facility. In September 2018, the Company entered into a $1.10 billion five-year unsecured revolving credit facility with a group of financial institutions, which will mature in September 2023 (the “Revolver”). The Revolver replaced the Company’s previous $900 million unsecured revolving credit facility that was scheduled to mature in November 2020. Borrowings under the Revolver may be used for general corporate purposes, including working capital, capital expenditures, acquisitions and share repurchase programs. The Revolver has an accordion feature that allows us to request an increase in the total commitment to $1.60 billion. The Revolver includes an option to request a maximum of two one-year extensions of the maturity date, any time after the first anniversary of the Revolver closing. Availability of the Revolver is reduced by the outstanding principal balance of our commercial paper notes and by any letters of credit issued under the facility. As of September 30, 2018, there were $15.50 million of letters of credit issued under the Revolver, no principal drawn amounts under the Revolver, and no commercial paper borrowings. Availability under the Revolver was $1.08 billion at September 30, 2018.

Commercial Paper Program. Our $900.0 million commercial paper program has been established through the private placement of commercial paper notes from time-to-time, in which borrowings bear interest at either a floating rate (based on LIBOR or other benchmarks), or a fixed rate, plus the applicable margin. Maturities of commercial paper can range from

---

overnight to 397 days. Because the CP is backstopped by our Revolver, the amount of CP which may be issued under the program is reduced by the outstanding face amount of any letters of credit issued and by the outstanding borrowings under our Revolver. At September 30, 2018, there were no outstanding commercial paper notes.

Receivables Funding Facility. In 2017, Equifax entered into a $225.0 million, two-year receivables funding facility (the "Receivables Facility"), which matures in November 2019. Under the Receivables Facility, Equifax and certain of its U.S. subsidiaries sell the eligible third-party receivables of its U.S. based business, to Equifax Receivables Funding LLC, a consolidated, wholly-owned, bankruptcy-remote subsidiary that may subsequently transfer, without recourse, an undivided interest in these accounts receivable to investors. The investors have no recourse to the Company’s other assets except for customary repurchase, warranty and indemnity claims. Creditors of Equifax do not have recourse to the assets of Equifax Receivables Funding LLC. The Receivables Facility contains standard representations, warranties and covenants made by Equifax and its U.S. subsidiaries in connection with the sale of the receivables, and any repurchase, warranty or indemnity obligations of the U.S. subsidiaries in connection with the sale of the receivables (but no obligations of Equifax Receivables Funding LLC) are guaranteed by Equifax.

There were no borrowings under the Receivables Facility at September 30, 2018. The Receivables Facility was supported by $215.0 million of accounts receivable as collateral at September 30, 2018 which, as a retained interest, is included in accounts receivable, net in our Consolidated Balance Sheets.

For additional information about our debt agreements, see Note 5 of the Notes to Consolidated Financial Statements in our 2017 Form 10-K.

5. COMMITMENTS AND CONTINGENCIES

2017 Cybersecurity Incident

In fiscal 2017, we experienced a cybersecurity incident following a criminal attack on our systems that involved the theft of certain personally identifiable information of U.S., Canadian and U.K. consumers. Criminals exploited a software vulnerability in a U.S. website application to gain unauthorized access to our network. In March 2017, the U.S. Department of Homeland Security distributed a notice concerning the software vulnerability. We undertook efforts to identify and remediate vulnerable systems; however, the vulnerability in the website application that was exploited was not identified by our security processes. We discovered unusual network activity in late-July 2017 and upon discovery promptly investigated the activity. Once the activity was identified as potential unauthorized access, we acted to stop the intrusion and engaged a leading, independent cybersecurity firm to conduct a forensic investigation to determine the scope of the unauthorized access, including the specific information potentially impacted. Based on our forensic investigation, the unauthorized access occurred from mid-May through July 2017. The information accessed primarily includes names, Social Security numbers, birth dates, addresses and, in some instances, driver’s license numbers. In addition, payment card numbers for approximately 209,000 U.S. and Canadian consumers, and certain dispute documents with personal identifying information for approximately 182,000 U.S. consumers, were accessed. The investigation also determined that personal information of approximately 19,000 Canadian consumers was impacted and approximately 860,000 potentially affected U.K. consumers were contacted regarding access to personal information.

The Company acted promptly to notify the approximately 145.5 million U.S. consumers whose personally identifiable information the Company had identified in 2017 as potentially accessed. As a result of an ongoing analysis of data stolen in the 2017 cybersecurity incident, the Company announced in March 2018, that it had identified approximately 2.4 million U.S. consumers whose name and partial driver's license information were stolen, but who were not in the affected population of approximately 145.5 million consumers previously identified by the Company in 2017.

Below is a rollforward of accrued liabilities and insurance receivable associated with the 2017 cybersecurity incident, beginning with the event date:

	Accrued Liabilities	Insurance Receivable
	(In millions)	
Balance at September 7, 2017	$—	$ —
(Expenses incurred) insurance receivable recorded	(87.5)	—
Payments made (received)	—	—
Balance at September 30, 2017	$(87.5)	$ —
(Expenses incurred) insurance receivable recorded	(76.5)	50.0
Payments made (received)	88.4	(15.0)
Balance at December 31, 2017	$(75.6)	$ 35.0
(Expenses incurred) insurance receivable recorded	(4.1)	10.0
Payments made (received)	52.2	(35.0)
Balance at March 31, 2018	$(27.5)	$ 10.0
(Expenses incurred) insurance receivable recorded	—	35.0
Payments made (received)	17.8	(45.0)
Balance at June 30, 2018	$(9.7)	$ —
(Expenses incurred) insurance receivable recorded	(7.8)	—
Payments made (received)	6.8	—
Balance at September 30, 2018	$(10.7)	$ —

Product Liability. As a result of the 2017 cybersecurity incident, we offered TrustedID® Premier, a credit file monitoring and identity theft protection product, for free to all U.S. consumers who signed up through January 31, 2018. We have recorded the expenses necessary to provide this service to those who signed up. Through December 31, 2017, we recorded $50.7 million of product costs in selling, general, and administrative expenses. We recorded $7.8 million and $11.9 million related to this service as well as the costs to extend credit monitoring coverage for eligible consumers in selling, general and administrative expenses in the accompanying Consolidated Statements of Income for the three and nine months ended September 30, 2018.

Expenses Incurred. Through December 31, 2017, the Company recorded $113.3 million of pretax expenses related to the 2017 cybersecurity incident. Expenses include costs to investigate and remediate the 2017 cybersecurity incident and legal and other professional services related thereto, all of which are expensed as incurred. We have included these costs in the above table through December 31, 2017. Beginning in 2018, expenses included in the above table include only costs incurred as part of the delivery of the free product.

Future Costs. We expect to incur significant professional services expenses associated with the 2017 cybersecurity incident in future periods. We will recognize these expenses as services are received. Costs related to the 2017 cybersecurity incident that will be incurred in future periods will also include increased expenses and capital investments for technology and security. We also expect to incur increased expenses for insurance, finance, compliance activities and to meet increased legal and regulatory requirements.

Insurance Coverage. We maintain $125.0 million of cybersecurity insurance coverage, above a $7.5 million deductible, to limit our exposure to losses such as those related to the 2017 cybersecurity incident. During the three months ended September 30, 2018, the Company has not recorded any insurance recoveries. During the nine months ended September 30, 2018, the Company has recorded insurance recoveries of $45.0 million. Since the announcement of the 2017 cybersecurity incident in September 2017, we have recorded and received insurance recoveries of $95.0 million for costs incurred through September 30, 2018.

Litigation, Claims and Government Investigations. As a result of the 2017 cybersecurity incident, we are subject to a significant number of proceedings and investigations. Since the 2017 cybersecurity incident, hundreds of class actions and other lawsuits have been filed against us typically alleging harm from the 2017 cybersecurity incident and seeking various remedies, including monetary and injunctive relief. We dispute the allegations in the complaints described below and intend to defend against such claims. In addition, numerous governmental agencies are investigating us in connection with the 2017 cybersecurity incident, which may result in fines, settlements or other relief. Set forth below are descriptions of the main categories of these lawsuits and investigations.

Other than as specifically stated below, while we believe it is reasonably possible that we will incur losses associated with the following proceedings and investigations, it is not possible at this time to estimate the amount of loss or range of possible loss that might result from adverse judgments, settlements, penalties or other resolution of the proceedings and investigations described below based on the various stages of these proceedings and investigations, that alleged damages have not been specified or are uncertain, the uncertainty as to the certification of a class or classes and the size of any certified class, as applicable, and the lack of resolution on significant factual and legal issues. The Company will continue to evaluate information as it becomes known and will record an estimate for losses at the time or times when it is both probable that a loss has been incurred and the amount of the loss is reasonably estimable. The Company believes that the ultimate amount paid on these actions, claims and investigations could be material to the Company’s consolidated financial condition, results of operations, or cash flows in future periods.

Multidistrict Litigation. Following the 2017 cybersecurity incident, hundreds of class actions were filed against us in federal and state courts relating to the 2017 cybersecurity incident. The plaintiffs in these cases, who purport to represent various classes of consumers and small businesses, generally claim to have been harmed by alleged actions and/or omissions by Equifax in connection with the 2017 cybersecurity incident and assert a variety of common law and statutory claims seeking monetary damages, injunctive relief and other related relief.

In addition, certain class actions have been filed by financial institutions that allege their businesses have been placed at risk due to the 2017 cybersecurity incident and generally assert various common law claims such as claims for negligence and breach of contract, as well as, in some cases, statutory claims. The financial institution class actions seek compensatory damages and other related relief.

Furthermore, a lawsuit has been filed against us by the City of Chicago with respect to the 2017 cybersecurity incident alleging violations of state laws and local ordinances governing protection of personal data, consumer fraud and breach notice requirements and business practices and seeking declaratory and injunctive relief and the imposition of fines the aggregate amount of which the complaint does not specifically quantify. Additionally, two Indian Tribes filed suits in federal court asserting putative class actions relating to the 2017 cybersecurity incident brought on behalf of themselves and other similarly situated federally recognized Indian Tribes and Nations.

Beginning on December 6, 2017 and pursuant to multiple subsequent orders, the U.S. Judicial Panel on Multidistrict Litigation ordered the consolidation and transfer for pre-trial proceedings with respect to the U.S. cases pending in federal court discussed above, including the City of Chicago action and the Indian Tribal suits, to the Northern District of Georgia as the single U.S. District Court for centralized pre-trial proceedings. Based on this order, consolidated proceedings with respect to U.S. consumer and financial institution federal class actions related to the 2017 cybersecurity incident have been conducted in the U.S. District Court for the Northern District of Georgia (“MDL Court”). The MDL Court has established separate tracks for the consumer and financial institution cases and appointed lead counsel on behalf of plaintiffs in both tracks.

The cases before the MDL Court are in preliminary stages. We have moved to dismiss the consolidated complaints filed by the U.S. consumer and financial institution plaintiffs.

Georgia State Court Consumer Class Actions. Four putative class actions arising from the 2017 cybersecurity incident were filed against us in Fulton County Superior Court and Fulton County State Court in Georgia based on similar allegations and theories as alleged in the U.S. consumer class actions pending in the MDL Court and seek monetary damages, injunctive relief and other related relief on behalf of Georgia citizens. These cases have been transferred to a single judge in the Fulton County Business Court and three of the cases were consolidated into a single action. On July 27, 2018, the Fulton County Business Court granted the Company’s motion to stay the remaining single case, and on August 17, 2018, the Fulton County Business Court granted the Company’s motion to stay the consolidated case.

Canadian Class Actions. Seven Canadian class actions, five of which are on behalf of a national class, have been filed against us in Ontario, Saskatchewan, Quebec and British Columbia. Each of the proposed Canadian class actions asserts a number of common law and statutory claims seeking monetary damages and other related relief in connection with the 2017 cybersecurity incident. All such actions are at the preliminary stages and one action has been stayed.

TransUnion Litigation. On November 27, 2017, Trans Union LLC and TransUnion Interactive, Inc. (collectively, "TransUnion") filed a lawsuit in the U.S. District Court for the Northern District of Illinois against Equifax Information Services LLC, Equifax Inc., and Equifax Consumer Services LLC f/k/a Equifax Consumer Services, Inc. In its lawsuit, TransUnion asserts claims for declaratory relief, breach of contract, and anticipatory repudiation of contract based on our

Reciprocal Data Supply Agreement (the “Agreement”), which sets forth the pricing terms for credit monitoring supplied by the parties to each other. TransUnion seeks a declaration regarding its contractual rights under the Agreement and monetary damages. On January 26, 2018, we moved to dismiss TransUnion’s claims. On June 19, 2018, the court granted in part and denied in part our motion to dismiss, dismissing Equifax Inc. from the case. Discovery has now commenced and is scheduled to end in January 2019. We dispute the allegations by TransUnion and intend to defend against its claims.

Securities Class Action Litigation. A consolidated putative class action lawsuit alleging violations of various federal securities laws in connection with statements and alleged omissions regarding our cybersecurity systems and controls is pending against us and certain of our current and former executives, officers and directors in the U.S. District Court for the Northern District of Georgia. The consolidated complaint seeks certification of a class of all persons who purchased or otherwise acquired Equifax securities from February 25, 2016 through September 15, 2017 and unspecified monetary damages, costs and attorneys’ fees. The defendants have moved to dismiss the complaint.

Shareholder Derivative Litigation. A consolidated putative shareholder derivative action naming certain of our current and former executives, officers, and directors as defendants and naming us as a nominal defendant is pending in the U.S. District Court for the Northern District of Georgia. Among other things, the consolidated complaint alleges claims for breaches of fiduciary duties, unjust enrichment, corporate waste, and insider selling by certain defendants, as well as certain claims under the federal securities laws. The complaint seeks unspecified damages on behalf of the Company, plus certain equitable relief. We have appointed a committee of independent directors empowered to evaluate and respond in our best interests to the claims and related litigation demands.

Government Lawsuits. In addition to the City of Chicago’s lawsuit in the MDL Court, the City of San Francisco filed a lawsuit against us in Superior Court in the City of San Francisco on behalf of the People of the State of California alleging violations of California’s unfair competition law due to purported violations of statutory protections of personal data and statutory data breach requirements and seeking statutory penalties, injunctive relief, and restitution for California consumers, among other relief. The court has stayed the City of San Francisco action until March 29, 2019.

Civil enforcement actions have been filed against us by the Attorneys General of Massachusetts and West Virginia alleging violations of state/commonwealth consumer protection laws. The Massachusetts action is pending in Suffolk Superior Court and seeks permanent injunctive relief, civil penalties, restitution, disgorgement of profits, costs, and attorneys’ fees. The Suffolk Superior Court denied the Company’s motions to stay and dismiss the case, and the case is proceeding into discovery. The West Virginia action is pending in the Circuit Court of Boone County and seeks civil penalties and attorneys’ fees; Equifax’s motion to stay proceedings remains pending. The Attorney General of Puerto Rico filed an action against us in the United States District Court for the District of Puerto Rico alleging negligence and seeking monetary damages on behalf of aggrieved residents of Puerto Rico, disgorgement of profits, costs, and attorneys’ fees. The Puerto Rico case was tagged to the MDL, and Puerto Rico has opposed the transfer and that is pending. The Puerto Rico Department of Consumer Affairs recently issued Notices of Infraction that it plans on imposing administrative penalties related to the Company’s alleged failure to give timely notice of the data breach under Puerto Rico law to the Department and Puerto Rico consumers. The Company disputes that penalties are warranted.

Individual Consumer Litigation. Over 1,000 individual consumer actions, including multi-plaintiff actions, have been filed against us in state (general jurisdiction and small claims) and federal courts across the U.S. related to the 2017 cybersecurity incident. These claims include more than 2,500 individual plaintiffs. In addition, there are approximately 50 individual arbitration claims. The plaintiffs/claimants in these cases generally claim to have been harmed by alleged actions and/or omissions by Equifax in connection with the 2017 cybersecurity incident and assert a variety of common law and statutory claims seeking primarily monetary damages. Where possible, actions filed in federal court or removed to federal court have been noticed for transfer to the MDL Court. Some of these matters have been finally resolved, and others are in various stages of litigation.

Government Investigations. We continue to cooperate with federal, state, city and foreign governmental agencies and officials investigating or otherwise seeking information and/or documents, including through Civil Investigative

Demands and subpoenas, regarding the 2017 cybersecurity incident and related matters, including 48 state Attorneys General offices, as well as the District of Columbia, the Federal Trade Commission (“FTC”), the Consumer Financial Protection Bureau (“CFPB”), the U.S. Securities and Exchange Commission (“SEC”), the U.S. Department of Justice, the New York Department of State-Division of Consumer Protection, other U.S. state regulators, certain Congressional committees of both the U.S. Senate and House of Representatives, the Office of the Privacy Commissioner of Canada and the United Kingdom's Financial Conduct Authority ("FCA"). The Financial Industry Regulatory Authority, Inc. conducted an investigation that has now been concluded.

With respect to state Attorneys General investigations, the Company is cooperating with a consolidated multi-state investigation involving the Attorneys General of 46 states and the District of Columbia. As noted above, the Attorneys General of Massachusetts, West Virginia, and Puerto Rico are not participating in the multi-state process and have filed suit. The Attorneys General of Indiana and Texas are each conducting separate investigations.

On June 13, 2018, the CFPB and FTC provided us with notice that the staffs of the CFPB and FTC are considering recommending that their respective agencies take legal action against us, and that the agencies may seek injunctive relief against us, as well as damages and civil money penalties. We submitted written responses to the CFPB and FTC addressing their expected allegations and we continue to cooperate with the agencies in their investigations. On October 2, 2018, the Enforcement Staff of the New York Department of Financial Services (“DFS”) provided us with notice that it is considering recommending that the DFS take legal action against us, potentially seeking consumer relief and civil money penalties. We continue to cooperate with the DFS in its investigation.

The SEC issued a subpoena on May 14, 2018 regarding disclosure issues relating to the 2017 cybersecurity incident. We have produced documents in response to the subpoena and continue to cooperate with the SEC in its investigation. In addition, we continue to cooperate with the SEC and the U.S. Attorney’s Office for the Northern District of Georgia regarding investigations into the trading activities by certain of our current and former employees in relation to the 2017 cybersecurity incident.

The New York State Attorney General Investor Protection Bureau (“IPB”) issued a subpoena on September 20, 2017 relating to an investigation of whether there has been a violation of the Martin Act. We have produced documents in response to the subpoena and continue to cooperate with the IPB in its investigation.

The FCA served an Enforcement Notice and Information Requests. We have provided responses to these requests and continue to cooperate with the FCA. In addition, on September 19, 2018, the Information Commissioner’s Office in the United Kingdom issued its final determination with respect to the 2017 cybersecurity incident and the Company paid a monetary penalty. The amount of the monetary penalty is not material to the Consolidated Financial Statements.

Although we are actively cooperating with the above investigations and inquiries, an adverse outcome to any such investigations and inquiries could subject us to fines or other obligations, which may have an adverse effect on how we operate our business or our results of operations.

Public Records Litigation

Equifax has been named as a defendant in 19 putative class action lawsuits pending in federal courts across the country relating to its reporting of civil judgments and tax liens on consumers’ credit files. In October 2018, Equifax and the plaintiffs’ attorneys who filed the lawsuits reached an agreement in principle to settle the public records-related claims at issue on behalf of a nationwide class of consumers and we accrued an estimate of our liability for these matters in the third quarter of 2018. The amount accrued represents our best estimate of the liability related to this matter and is not material to the Consolidated Financial Statements. The parties have filed notices of settlement in the pending lawsuits and have begun drafting a settlement agreement and preliminary approval papers to file with the requisite court. If the final terms of a settlement agreement cannot be agreed upon, or if the settlement is not ultimately approved by the court, Equifax believes it has valid defenses to each of these actions and will continue to defend against them.

Data Processing, Outsourcing Services and Other Agreements

We have separate agreements with IBM, Tata Consultancy Services and others to outsource portions of our computer data processing operations, applications development, business continuity and recovery services, help desk service and desktop support functions, operation of our voice and data networks, maintenance and related functions and to provide certain other administrative and operational services. Annual payment obligations in regard to these agreements vary due to factors such as the volume of data processed; changes in our servicing needs as a result of new product offerings, acquisitions or divestitures; the introduction of significant new technologies; foreign currency; or the general rate of inflation. In certain circumstances (e.g., a change in control or for our convenience), we may terminate these data processing and outsourcing agreements and, in doing so, certain of these agreements require us to pay significant termination fees.

Guarantees and General Indemnifications

We may issue standby letters of credit and performance and surety bonds in the normal course of business. The aggregate notional amounts of all performance and surety bonds and standby letters of credit was not material at September 30, 2018, and generally have a remaining maturity of one year or less. We may issue other guarantees in the ordinary course of business. The maximum potential future payments we could be required to make under the guarantees in the ordinary course of business is not material at September 30, 2018. We have agreed to guarantee the liabilities and performance obligations (some of which have limitations) of a certain debt collections and recovery management variable interest entity under its commercial agreements.

We have agreed to standard indemnification clauses in many of our lease agreements for office space, covering such things as tort, environmental and other liabilities that arise out of or relate to our use or occupancy of the leased premises. Certain of our credit agreements include provisions which require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In conjunction with certain transactions, such as sales or purchases of operating assets or services in the ordinary course of business, or the disposition of certain assets or businesses, we sometimes provide routine indemnifications, the terms of which range in duration and sometimes are not limited. Additionally, the Company has entered into indemnification agreements with its directors and executive officers to indemnify such individuals to the fullest extent permitted by applicable law against liabilities that arise by reason of their status as directors or officers. The Company maintains directors and officers liability insurance coverage to reduce its exposure to such obligations.

We cannot reasonably estimate our potential future payments under the guarantees and indemnities and related provisions described above because we cannot predict when and under what circumstances these provisions may be triggered. We had no accruals related to guarantees and indemnities on our Consolidated Balance Sheets at September 30, 2018 or December 31, 2017.

Contingencies

In addition to those matters set forth above, we are involved in legal and regulatory matters, government investigations, claims and litigation arising in the ordinary course of business. We periodically assess our exposure related to these matters based on the information which is available. We have recorded accruals in our Consolidated Financial Statements for those matters in which it is probable that we have incurred a loss and the amount of the loss, or range of loss, can be reasonably estimated.

For additional information about these and other commitments and contingencies, see Note 6 of the Notes to Consolidated Financial Statements in our 2017 Form 10-K.

6. INCOME TAXES

We are subject to U.S. federal, state and international income taxes. We are generally no longer subject to federal, state, or international income tax examinations by tax authorities for years before 2015 with few exceptions. Due to the potential for resolution of state and foreign examinations, and the expiration of various statutes of limitations, it is reasonably possible that our gross unrecognized tax benefit balance may change within the next twelve months by a range of $0 to $5.5 million.

The Tax Cuts and Jobs Act of 2017 (“Tax Act”), as signed by the President of the United States on December 22, 2017, significantly revises U.S. tax law. The legislation will positively impact the Company’s ongoing effective tax rate due to the reduction of the U.S. federal corporate tax rate from 35% to 21%. The Tax Act makes major changes to the U.S. international tax system. Under previous law, foreign earnings were subject to U.S. tax when repatriated to the U.S. Under the Tax Act, foreign earnings are generally exempt from U.S. tax. Additionally, there is a one-time deemed repatriation tax on undistributed foreign earnings and profits (the “transition tax”). The Tax Act imposes other U.S. taxes on “global intangible low taxed income” and “base erosion anti-abuse transactions.” Other significant changes include limitations on the deductibility of interest expense and executive compensation, and repeal of the deduction for domestic production activities. As a result of the current interpretation and estimated impact of the Tax Act, the Company recorded adjustments totaling a net tax benefit of

$48.3 million in the fourth quarter of 2017 to provisionally account for the estimated impact.

As permitted by Staff Accounting Bulletin No. 118, provisional amounts estimated based on information available as of December 31, 2017 have been made for the adjustments to deferred tax assets and liabilities, state taxes, equity compensation, the calculation of the transition tax, the valuation allowance related to the foreign tax credit carryover and the 2017 dividends. For 2018, provisional estimates based on information as of September 30, 2018 have been made for equity compensation, §163(j) interest limitation at a partnership level, expense allocation methodology for foreign tax credits and the Global Intangible Low-Taxed Income ("GILTI") tax. These amounts are subject to change as we obtain information necessary to complete the calculations and clarifications to the U.S. tax code as they occur. In all cases, we will continue to make and refine our calculations as additional analysis is completed. These changes could be material to income tax expense. During the nine months ended September 30, 2018, no material adjustments were made to the provisional amounts recorded at December 31, 2017 and through September 30, 2018.

The Tax Act subjects a U.S. shareholder to tax on GILTI earned by certain foreign subsidiaries. The FASB Staff Q&A, Topic 740, No. 5, Accounting for Global Intangible Low-Taxed Income, states that an entity can make an accounting policy election to either recognize deferred taxes for temporary basis differences expected to reverse as GILTI in future years or provide for the tax expense related to GILTI in the year the tax is incurred as a period expense only. Given the complexity of the GILTI provisions, we are still evaluating the effects of the GILTI provisions and have not yet determined our accounting policy. At September 30, 2018, because we are still evaluating the GILTI provisions and our analysis of future taxable income that is subject to GILTI, we have included GILTI related to current year operations only in our estimated annual effective tax rate and have not provided additional GILTI on deferred items.

Effective Tax Rate. Our effective income tax rate was a tax benefit of 2.3% and tax expense of 26.1% for the three months ended September 30, 2018 and September 30, 2017, respectively. Our effective income tax rate was 15.6% and 26.2% for the nine months ended September 30, 2018 and September 30, 2017, respectively. Statutory U.S. income tax rates decreased in 2018 compared to 2017 due to the Tax Act that was enacted in the fourth quarter of 2017 which favorably impacts both the quarterly and year-to-date effective tax rates. For the three months ending September 30, 2018 our effective tax rate is lower than the prior year because discrete benefits arising from the reversal of uncertain tax positions and adjustments as a result of estimated amounts in our tax provision being different than the amounts filed in our tax returns are greater than in the prior year. Additionally, for both periods of 2018, the rate is lower due to discrete benefits being proportionally higher compared to pre-tax book income.

7. ACCUMULATED OTHER COMPREHENSIVE LOSS

Changes in accumulated other comprehensive loss by component, after tax, for the nine months ended September 30, 2018, are as follows:

	Foreign currency	Pension and other postretirement benefit plans	Cash flow hedging transactions	Total
	(In millions)			
Balance, December 31, 2017	$(103.3)	$ (307.5)	$ (1.2)	$(412.0)
Other comprehensive income (loss) before reclassifications	(161.3)	—	—	(161.3)
Amounts reclassified from accumulated other comprehensive income (loss)	—	11.9	—	11.9
Net current-period other comprehensive income (loss)	(161.3)	11.9	—	(149.4)
Balance, September 30, 2018	$(264.6)	$ (295.6)	$ (1.2)	$(561.4)

Reclassifications out of accumulated other comprehensive loss for the nine months ended September 30, 2018, are as follows:

Details about accumulated other comprehensive income components	Amount reclassified from accumulated other comprehensive income (loss)	Affected line item in the statement where net income is presented

	(In millions)	
Amortization of pension and other postretirement plan items:		
Prior service cost	$ (0.6)	(1)
Recognized actuarial loss	16.2	(1)
	15.6	Total before tax
	(3.7)	Tax benefit
	$ 11.9	Net of tax

(1)These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension cost (See Note 8 Benefit Plans for additional details).

Changes in accumulated other comprehensive income (loss) related to noncontrolling interests were not material as of September 30, 2018.

8. BENEFIT PLANS

We sponsor defined benefit pension plans and defined contribution plans. For additional information about our benefit plans, see Note 10 of the Notes to Consolidated Financial Statements in our 2017 Form 10-K.

The following table provides the components of net periodic benefit cost. The service cost component is included in selling, general and administrative expenses and the other components of net periodic benefit cost are included in other income, net in the Consolidated Statements of Income, for the three and nine months ended September 30, 2018 and 2017:

	Pension Benefits		Other Benefits	
	Three Months Ended September 30,			
	2018	2017	2018	2017
	(In millions)			
Service cost	$0.9	$1.0	$0.1	$0.1
Interest cost	6.7	7.1	0.2	0.2
Expected return on plan assets	(9.6)	(9.3)	(0.3)	(0.3)
Amortization of prior service cost	0.1	0.2	(0.3)	(0.3)
Recognized actuarial loss	5.0	3.8	0.4	0.4
Total net periodic benefit cost	$3.1	$2.8	$0.1	$0.1

	Pension Benefits		Other Benefits	
	Nine Months Ended September 30,			
	2018	2017	2018	2017
	(In millions)			
Service cost	$2.7	$3.0	$0.3	$0.3
Interest cost	20.1	21.3	0.6	0.6
Expected return on plan assets	(28.8)	(27.9)	(0.9)	(0.9)
Amortization of prior service cost	0.3	0.6	(0.9)	(0.9)
Recognized actuarial loss	15.0	11.4	1.2	1.2
Total net periodic benefit cost	$9.3	$8.4	$0.3	$0.3

9. SEGMENT INFORMATION

Reportable Segments. We manage our business and report our financial results through the following four reportable segments, which are the same as our operating segments:

- U.S. Information Solutions ("USIS")
- International
- Workforce Solutions
- Global Consumer Solutions

The accounting policies of the reportable segments are the same as those described in our summary of significant accounting policies in Note 1 of the Notes to Consolidated Financial Statements in our 2017 Form 10-K. We evaluate the performance of these reportable segments based on their operating revenues, operating income and operating margins, excluding unusual or infrequent items, if any. Inter-segment sales and transfers are not material for all periods presented. The measurement criteria for segment profit or loss and segment assets are substantially the same for each reportable segment. All transactions between segments are accounted for at fair market value or cost depending on the nature of the transaction, and no timing differences occur between segments.

A summary of segment products and services is as follows:

U.S. Information Solutions. This segment includes consumer and commercial information services (such as credit information and credit scoring, credit modeling services and portfolio analytics (decisioning tools), which are derived from our databases of business credit and financial information, locate services, fraud detection and prevention services, identity verification services and other consulting services); mortgage loan information; financial marketing services; and identity management.

International. This segment includes information services products, which includes consumer and commercial services (such as credit and financial information, credit scoring and credit modeling services), credit and other marketing products and services. In Asia Pacific, Europe, Latin America and Canada, we also provide information, technology and services to support debt collections and recovery management.

Workforce Solutions. This segment includes employment, income and social security number verification services as well as complementary payroll-based transaction services and employment tax management services.

Global Consumer Solutions. This segment includes credit information, credit monitoring and identity theft protection products sold directly and indirectly to consumers via the internet and in various hard-copy formats in the U.S., Canada, and the U.K. We also sell consumer and credit information to resellers who combine our information with other information to provide direct to consumer monitoring, reports and scores.

Operating revenue and operating income by operating segment during the three and nine months ended September 30, 2018 and 2017 are as follows:

(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
Operating revenue:	2018	2017	2018	2017
U.S. Information Solutions	$308.3	$307.7	$939.8	$949.7
International	235.0	239.8	729.8	687.5
Workforce Solutions	202.2	186.4	620.9	580.9
Global Consumer Solutions	88.7	100.9	286.3	305.7
Total operating revenue	$834.2	$834.8	$2,576.8	$2,523.8

(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
Operating income:	2018	2017	2018	2017
U.S. Information Solutions	$95.4	$129.5	$332.5	$408.9
International	19.2	52.9	92.9	128.7
Workforce Solutions	77.0	80.3	251.0	258.7
Global Consumer Solutions	12.2	24.7	61.3	82.9
General Corporate Expense	(139.7)	(132.7)	(335.8)	(240.1)
Total operating income	$64.1	$154.7	$401.9	$639.1

Total assets by operating segment at September 30, 2018 and December 31, 2017 are as follows:

(In millions)	September 30, 2018	December 31, 2017
Total assets:		
U.S. Information Solutions	$ 1,657.2	$ 1,587.3
International	2,983.9	3,145.7
Workforce Solutions	1,249.2	1,227.4
Global Consumer Solutions	252.7	254.0
General Corporate	991.0	1,019.0
Total assets	$ 7,134.0	$ 7,233.4

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

All references to earnings per share data in Management’s Discussion and Analysis, or MD&A, are to diluted earnings per share, or EPS, unless otherwise noted. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding.

BUSINESS OVERVIEW

We are a leading global provider of information solutions, employment and income verifications and human resources business process outsourcing services. We leverage some of the largest sources of consumer and commercial data, along with advanced analytics and proprietary technology, to create customized insights which enable our business customers to grow faster, more efficiently and more profitably, and to inform and empower consumers.

Businesses rely on us for consumer and business credit intelligence, credit portfolio management, fraud detection, decisioning technology, marketing tools, debt management and human resources-related services. We also offer a portfolio of products that enable individual consumers to manage their financial affairs and protect their identity. Our revenue stream is diversified among businesses across a wide range of industries, international geographies and individual consumers.

2017 Cybersecurity Incident

In fiscal 2017, we experienced a cybersecurity incident following a criminal attack on our systems that involved the theft of certain personally identifiable information of U.S., Canadian and U.K. consumers. Criminals exploited a software vulnerability in a U.S. website application to gain unauthorized access to our network. In March 2017, the U.S. Department of Homeland Security distributed a notice concerning the software vulnerability. We undertook efforts to identify and remediate vulnerable systems; however, the vulnerability in the website application that was exploited was not identified by our security processes. We discovered unusual network activity in late-July 2017 and upon discovery promptly investigated the activity. Once the activity was identified as potential unauthorized access, we acted to stop the intrusion and engaged a leading, independent cybersecurity firm to conduct a forensic investigation to determine the scope of the unauthorized access, including the specific information potentially impacted. Based on our forensic investigation, the unauthorized access occurred from mid-May through July 2017. The information accessed primarily includes names, Social Security numbers, birth dates, addresses and, in some instances, driver’s license numbers. In addition, payment card numbers for approximately 209,000 U.S. and Canadian consumers, and certain dispute documents with personal identifying information for approximately 182,000 U.S. consumers, were accessed. The investigation also determined that personal information of approximately 19,000 Canadian consumers was impacted and approximately 860,000 potentially affected U.K. consumers were contacted regarding access to personal information. No evidence was found that the Company's core consumer, employment and income, or commercial reporting databases were accessed.

The Company acted promptly to notify the approximately 145.5 million U.S. consumers whose personally identifiable information the Company had identified in 2017 as potentially accessed. As a result of an ongoing analysis of data stolen in the 2017 cybersecurity incident, the Company announced in March 2018, that it had identified approximately 2.4 million U.S. consumers whose name and partial driver's license information were stolen, but who were not in the affected population of approximately 145.5 million consumers previously identified by the Company in 2017.

Product Liability. As a result of the 2017 cybersecurity incident, we offered TrustedID® Premier, a credit file monitoring and identity theft protection product, for free to all U.S. consumers who signed up through January 31, 2018. We have recorded the expenses necessary to provide this service to those who signed up. Through December 31, 2017, we recorded $50.7 million of product costs in selling, general, and administrative expenses. We recorded $7.8 million and $11.9 million related to this service as well as the costs to extend credit monitoring coverage for eligible consumers in selling, general and administrative expenses in the accompanying Consolidated Statements of Income for the three and nine months ended September 30, 2018.

Litigation, Claims and Government Investigations. As a result of the 2017 cybersecurity incident, we are subject to a significant number of proceedings and investigations as described in Part II, "Item 1. Legal Proceedings." While we believe it is reasonably possible that we will incur losses associated with the following proceedings and investigations, it is not possible at this time to estimate the amount of loss or range of possible loss that might result from adverse judgments, settlements, penalties or other resolution of the proceedings and investigations described below based on the various stages of these proceedings and investigations, that alleged damages have not been specified or are uncertain, the uncertainty as to the certification of a class or classes and the size of any certified class, as applicable, and the lack of resolution on significant factual and legal issues. The Company will continue to evaluate information as it becomes known and will record an estimate for losses at the time or times when it is both probable that a loss has been incurred and the amount of the loss is reasonably estimable. The Company believes that the ultimate amount paid on these actions, claims and investigations could be material to the Company's consolidated financial condition, results of operations, or cash flows in future periods.

Future Costs. We expect to incur significant professional services expenses associated with the 2017 cybersecurity incident in future periods. We will recognize these expenses as services are received. Costs related to the 2017 cybersecurity incident that will be incurred in future periods will also include increased expenses and capital investments for technology and security. We also expect to incur increased expenses for insurance, finance, compliance activities and to meet increased legal and regulatory requirements.
Insurance Coverage. We maintain $125.0 million of cybersecurity insurance coverage, above a $7.5 million deductible, to limit our exposure to losses such as those related to the 2017 cybersecurity incident. During the three months ended September 30, 2018, the Company has not recorded any insurance recoveries. During the nine months ended September 30, 2018, the Company has recorded insurance recoveries of $45.0 million. Since the announcement of the 2017 cybersecurity incident in September 2017, we have recorded and received insurance recoveries of $95.0 million for costs incurred through September 30, 2018.

Segment and Geographic Information

Segments. The USIS segment, the largest of our four segments, consists of three service lines: Online Information Solutions; Mortgage Solutions; and Financial Marketing Services. Online Information Solutions and Mortgage Solutions revenue is principally transaction-based and is derived from our sales of products such as consumer and commercial credit reporting and scoring, identity management, fraud detection and modeling services. USIS also markets certain decisioning software services, which facilitate and automate a variety of consumer and commercial credit-oriented decisions. Financial Marketing Services revenue is principally project and subscription based and is derived from our sales of batch credit and consumer wealth information such as those that assist clients in acquiring new customers, cross selling to existing customers and managing portfolio risk.

The International segment consists of Asia Pacific, Europe, Latin America and Canada. Canada's services are similar to our USIS offerings, while Asia Pacific, Europe and Latin America are made up of varying mixes of service lines that are generally in our USIS segment. We also provide information and technology services to support lenders and other creditors in the collections and recovery management process.

The Workforce Solutions segment consists of the Verification Services and Employer Services business lines. Verification Services revenue is transaction-based and is derived primarily from employment and income verification. Employer Services revenues are derived from our provision of certain human resources business process outsourcing services that include both transaction and subscription based product offerings. These services include unemployment claims management, employment-based tax credit services and other complementary employment-based transaction services.

Global Consumer Solutions revenue is both transaction and subscription based and is derived from the sale of credit monitoring and identity theft protection products, which we deliver electronically to consumers primarily via the internet in the U.S., Canada, and the U.K. We reach consumers directly and indirectly through partners. We also sell consumer and credit information to resellers who combine our information with other information to provide direct to consumer monitoring, reports and scores. Due to the 2017 cybersecurity incident we ceased advertising our consumer business in the U.S. in September 2017. We resumed advertising our U.S. paid products in the fourth quarter of 2018.

As part of our response to the 2017 cybersecurity incident announced in September 2017, we offered in the U.S. our TrustedID® Premier service, an identity theft protection and credit file monitoring product, for free to all consumers who signed up through January 31, 2018 and recently extended the credit file monitoring coverage for eligible consumers. Additionally, in January 2018, the Company introduced in the U.S., Lock & Alert™, a new service that allows customers to quickly lock and unlock their Equifax credit report for free, for life.

Geographic Information. We currently have operations in the following countries: Argentina, Australia, Canada, Chile, Costa Rica, Ecuador, El Salvador, Honduras, India, Mexico, New Zealand, Paraguay, Peru, Portugal, the Republic of Ireland, Spain, the U.K., Uruguay and the U.S. We also offer Equifax branded credit services in India and Russia through joint

32

ventures, we have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia, Singapore, and Dubai, and have an investment in a consumer and commercial credit information company in Brazil. Approximately 71% and 70% of our revenue was generated in the U.S. during the three months ended September 30, 2018 and 2017, respectively. Approximately 70% and 71% of our revenue was generated in the U.S. during the nine months ended September 30, 2018 and 2017, respectively.

Key Performance Indicators. Management focuses on a variety of key indicators to monitor operating and financial performance. These performance indicators include measurements of operating revenue, change in operating revenue, operating income, operating margin, net income, diluted earnings per share, cash provided by operating activities and capital expenditures. The key performance indicators for the three and nine months ended September 30, 2018 and 2017 were as follows:

	Key Performance Indicators			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
	(In millions, except per share data)		(In millions, except per share data)	
Operating revenue	$834.2	$834.8	$2,576.8	$2,523.8
Operating revenue change	— %	4 %	2 %	8 %
Operating income	$64.1	$154.7	$401.9	$639.1
Operating margin	7.7 %	18.5 %	15.6 %	25.3 %
Net income attributable to Equifax	$38.4	$96.3	$274.2	$415.0
Diluted earnings per share	$0.32	$0.79	$2.26	$3.41
Cash provided by operating activities	$152.6	$279.6	$507.4	$608.7
Capital expenditures*	$(101.6)	$(56.0)	$(250.4)	$(142.8)

*Amounts above include accruals for capital expenditures.

Operational and Financial Highlights

- We did not repurchase shares of our common stock during the first nine months of 2018. At September 30, 2018, $590.1 million was available for future purchases of common stock under our share repurchase authorization.

- We paid out $140.8 million or $1.17 per share in dividends to our shareholders during the first nine months of 2018.

Business Environment and Company Outlook

In the United States, we expect calendar year 2018 economic activity, as measured by real GDP, to be stronger than in 2017. For the second half of 2018, we expect economic activity as measured by real GDP to be down from the accelerated levels seen in the first half of 2018. We are also expecting moderate growth in consumer credit, excluding mortgage, in the second half of 2018, which is in line with the first half of 2018. Over the course of 2018, the U.S. mortgage market percentage decline is expected to be down high single digits, with the second half of 2018 weakening relative to the first half of 2018. We anticipate economic activity in the second half of 2018, as measured by real GDP, in Canada to be comparable to the levels seen in the first half of 2018. In Australia, as measured by real GDP, we expect levels to be down compared to the first half of 2018. In the European markets we serve, we are expecting second half 2018 economic activity, as measured by GDP, to improve in the U.K. and be lower in Spain compared to the levels in the first half of 2018. In Latin America, our largest markets are in Argentina and Chile. In Argentina, the market weakened significantly during the first nine months of 2018, and we are anticipating continued weakness in the fourth quarter of 2018. In Chile, we are expecting economic activity in the second half of 2018 to be down compared to the first half of 2018, but better than the second half of 2017.

The cybersecurity incident announced in the third quarter of 2017 has negatively impacted revenue, principally in our U.S. businesses, and to a lesser extent in Canada and the U.K., in 2018. We have incurred, in 2018, and will continue to incur legal, consulting and other costs related to the analysis and response to the 2017 cybersecurity incident. In 2018, we also incurred costs and capital expenditures for providing the free TrustedID® credit file monitoring and identity theft protection, and free Lock & Alert™, to U.S. consumers, as well as services to U.K. and Canadian consumers. Additionally, in the remainder of 2018 and beyond, we will incur increased technology and security costs and capital expenditures related to actions to improve technology, security and network resilience globally. In the remainder of 2018 and beyond, we will continue to have increases in the ongoing run-rate of technology and security spending. We also have incurred and continue to expect to incur increased expenses for insurance, finance, compliance activities, and to meet increased legal and regulatory requirements. The ultimate amount of these increases is expected to be significant.

As a result of the 2017 cybersecurity incident, we are subject to a significant number of proceedings and investigations as described in Part II, "Item 1. Legal Proceedings." While we believe it is reasonably possible that we will incur losses associated with those proceedings and investigations, it is not possible at this time to estimate the amount of loss or range of possible loss that might result from adverse judgments, settlements, penalties or other resolution of the proceedings and investigations based on the various stages of these proceedings and investigations, that alleged damages have not been specified or are uncertain, the uncertainty as to the certification of a class or classes and the size of any certified class, as applicable, and the lack of resolution on significant factual and legal issues. The Company will continue to evaluate information as it becomes known and will record an estimate for losses at the time or times when it is both probable that a loss has been incurred and the amount of the loss is reasonably estimable. The Company believes that the ultimate amount paid on these actions, claims and investigations could be material to the Company’s consolidated financial condition, results of operations, or cash flows in future periods.

RESULTS OF OPERATIONS—THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

Consolidated Financial Results

Operating Revenue

Consolidated Operating Revenue	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2018	2017	$	%	2018	2017	$	%
	(In millions)				(In millions)			
U.S. Information Solutions	$308.3	$307.7	$0.6	— %	$939.8	$949.7	$(9.9)	(1)%
International	235.0	239.8	(4.8)	(2)%	729.8	687.5	42.3	6 %
Workforce Solutions	202.2	186.4	15.8	9 %	620.9	580.9	40.0	7 %
Global Consumer Solutions	88.7	100.9	(12.2)	(12)%	286.3	305.7	(19.4)	(6)%
Consolidated operating revenue	$834.2	$834.8	$(0.6)	— %	$2,576.8	$2,523.8	$53.0	2 %

Revenue was down slightly and increased by $53.0 million, or 2%, in the third quarter and first nine months of 2018, respectively, compared to the same periods in 2017. Total revenue for the third quarter and first nine months of 2018 was negatively impacted by foreign exchange rates, which decreased revenue, on a local currency basis, by $18.2 million and $6.7 million when compared to the third quarter and first nine months of 2017, respectively.

Revenue in the third quarter was relatively flat as growth in Workforce Solutions was offset by declines in Global Consumer Solutions and International. International had local currency growth across most regions. The growth in the first nine months was driven by our International and Workforce Solutions segments. Workforce Solutions saw strong growth driven by Verification Services in both periods.

Operating Expenses

Consolidated Operating Expenses	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2018	2017	$	%	2018	2017	$	%
	(In millions)				(In millions)			
Consolidated cost of services	$376.7	$297.3	$79.4	27 %	$1,068.2	$891.9	$176.3	20 %
Consolidated selling, general and administrative expenses	317.5	310.4	7.1	2 %	875.4	778.6	96.8	12 %
Consolidated depreciation and amortization expense	75.9	72.4	3.5	5 %	231.3	214.2	17.1	8 %
Consolidated operating expenses	$770.1	$680.1	$90.0	13 %	$2,174.9	$1,884.7	$290.2	15 %

Cost of services increased $79.4 million and $176.3 million in the third quarter and first nine months of 2018, respectively, compared to the same periods in 2017. We incurred increased incremental technology and data security costs following the announcement of the 2017 cybersecurity incident in both periods of 2018 as compared to 2017. The remaining increases were due to increased people and royalty costs. The impact of changes in foreign exchange rates on costs of services was a decrease of $6.6 million and an increase of $2.0 million in the third quarter and first nine months of 2018, respectively.

Selling, general and administrative expenses increased $7.1 million and $96.8 million in the third quarter and first nine months of 2018, respectively, compared to the same periods in 2017. We incurred increased incremental technology and data security costs following the announcement of the 2017 cybersecurity incident in both periods of 2018 as compared to 2017. We also incurred decreased legal and investigative fees and the costs to fulfill and support the free credit monitoring service provided to eligible consumers in both periods of 2018 as compared to 2017 and further the year-to-date period benefited from the receipt of insurance proceeds to offset these costs. The remaining changes were driven by increases due to the public records litigation settlement, people, and insurance costs which were partially offset by decreased advertising costs. The impact of changes in foreign currency exchange rates decreased selling, general and administrative expenses by $5.9 million and $2.7 million in the third quarter and first nine months of 2018, respectively.

Depreciation and amortization expense for the third quarter and first nine months of 2018 increased by $3.5 million and $17.1 million, compared to the same periods in 2017. The increases are due to amortization of capitalized internal-use software and system costs and depreciation of production equipment, partially offset by a decrease in amortization of purchased intangibles.

Operating Income and Operating Margin

Consolidated Operating Income	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2018	2017	$	%	2018	2017	$	%
	(In millions)				(In millions)			
Consolidated operating revenue	$834.2	$834.8	$(0.6)	— %	$2,576.8	$2,523.8	$53.0	2 %
Consolidated operating expenses	770.1	680.1	90.0	13 %	2,174.9	1,884.7	290.2	15 %
Consolidated operating income	$64.1	$154.7	$(90.6)	(59)%	$401.9	$639.1	$(237.2)	(37)%
Consolidated operating margin	7.7 %	18.5 %		(10.8) % pts	15.6 %	25.3 %		(9.7) % pts

Total company operating margin decreased in the third quarter and first nine months of 2018, compared to the same periods in 2017, primarily related to the aforementioned incremental technology and data security costs.

Interest Expense and Other Income, net

Consolidated Interest Expense and Other Income, net	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2018	2017	$	%	2018	2017	$	%
	(In millions)				(In millions)			
Consolidated interest expense	$(26.7)	$(21.4)	$(5.3)	25 %	$(77.0)	$(70.1)	$(6.9)	10 %
Consolidated other income, net	1.3	2.7	(1.4)	nm	6.4	5.3	1.1	nm
Average cost of debt	4.1 %	3.2 %			3.8 %	3.5 %		
Total consolidated debt, net, at quarter end	$2,632.5	$2,706.5	$(74.0)	(3)%	$2,632.5	$2,706.5	$(74.0)	(3)%

Interest expense increased for the third quarter and first nine months of 2018 when compared to the same periods in 2017. The increase for both periods in 2018 is due to the increase in our overall average cost of debt resulting from the issuance of the Senior Notes in May 2018.

Other income, net, decreased for the third quarter of 2018 due to the foreign exchange impact of remeasuring the peso denominated monetary assets and liabilities as a result of Argentina being highly inflationary. The increase in the nine months period is primarily due to higher earnings on certain equity method investments and partially offset by the Argentina highly inflationary foreign currency adjustment.

Income Taxes

Consolidated Provision for Income Taxes	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2018	2017	$	%	2018	2017	$	%
	(In millions)				(In millions)			
Consolidated provision for income taxes	$0.9	$(35.5)	$36.4	(103)%	$(51.7)	$(150.8)	$99.1	(66)%
Effective income tax rate	(2.3)%	26.1 %			15.6 %	26.2 %		

Our effective income tax rate was a tax benefit of 2.3% for the third quarter of 2018, down from 26.1% for the third quarter of 2017. The effective income tax rate was 15.6% for the nine months ended September 30, 2018, compared to

26.2% for the same period in 2017. Statutory U.S. income tax rates decreased in 2018 compared to 2017 due to the Tax Act that was enacted in the fourth quarter of 2017 which favorably impacts both the quarterly and year-to-date effective tax rates. For the three months ending September 30, 2018 our effective tax rate is lower than the prior year because discrete benefits arising from the reversal of uncertain tax positions and adjustments as a result of estimated amounts in our tax provision being different than the amounts filed in our tax returns are greater than in the prior year. Additionally, for both periods of 2018, the rate is lower due to discrete benefits being proportionally higher compared to pre-tax book income.

Net Income

Consolidated Net Income	Three Months Ended September 30, 2018	2017	Change $	%	Nine Months Ended September 30, 2018	2017	Change $	%
	(In millions, except per share amounts)				(In millions, except per share amounts)			
Consolidated operating income	$64.1	$154.7	$(90.6)	(59)%	$401.9	$639.1	$(237.2)	(37)%
Consolidated other expense, net	(25.4)	(18.7)	(6.7)	36%	(70.6)	(64.8)	(5.8)	9%
Consolidated provision for income taxes	0.9	(35.5)	36.4	(103)%	(51.7)	(150.8)	99.1	(66)%
Consolidated net income	39.6	100.5	(60.9)	(61)%	279.6	423.5	(143.9)	(34)%
Net income attributable to noncontrolling interests	(1.2)	(4.2)	3.0	(71)%	(5.4)	(8.5)	3.1	(36)%
Net income attributable to Equifax	$38.4	$96.3	$(57.9)	(60)%	$274.2	$415.0	$(140.8)	(34)%
Diluted earnings per common share:								
Net income attributable to Equifax	$0.32	$0.79	$(0.47)	(59)%	$2.26	$3.41	$(1.15)	(34)%
Weighted-average shares used in computing diluted earnings per share	121.6	121.4			121.5	121.6		

Consolidated net income decreased by $60.9 million, or 61%, and $143.9 million, or 34%, in the third quarter and first nine months of 2018 compared to the same periods in 2017 due to decreased operating income primarily driven by the aforementioned incremental technology and data security costs. These costs were partially offset by decreased income tax expense due to lower pre-tax income as well as certain discrete tax benefits as compared to the same periods in 2017.

Segment Financial Results

USIS

U.S. Information Solutions	Three Months Ended September 30, 2018	2017	Change $	%	Nine Months Ended September 30, 2018	2017	Change $	%
	(In millions)				(In millions)			
Operating revenue:								
Online Information Solutions	$222.4	$221.0	$1.4	1%	$666.2	$678.7	$(12.5)	(2)%
Mortgage Solutions	39.0	38.8	0.2	1%	126.2	116.1	10.1	9%
Financial Marketing Services	46.9	47.9	(1.0)	(2)%	147.4	154.9	(7.5)	(5)%
Total operating revenue	$308.3	$307.7	$0.6	—%	$939.8	$949.7	$(9.9)	(1)%
% of consolidated revenue	37%	37%			37%	38%		
Total operating income	$95.4	$129.5	$(34.1)	(26)%	$332.5	$408.9	$(76.4)	(19)%
Operating margin	30.9%	42.1%		(11.2) %pts	35.4%	43.0%		(7.6) %pts

USIS revenue was up slightly in the third quarter and decreased 1% in the first nine months of 2018 compared to the prior year periods. The change in the third quarter was due to growth in core mortgage, revenue from mortgage and auto resellers and a recent acquisition. This growth was partially offset by declines in our core credit decisioning services and lower project related revenue. The decrease in the first nine months was due to declines in our core credit decisioning services and lower project related revenue, partially offset by growth in core mortgage and revenue from mortgage resellers.

Online Information Solutions

Revenue for the third quarter and first nine months of 2018 increased 1% in the first quarter of 2018 and decreased 2% in the first nine months of 2018 compared to the prior year periods. The increase in the third quarter is due to growth from mortgage resellers and partially offset by declines in our core credit decisioning volumes. The third quarter also slightly benefited from a recent acquisition. The decrease in the first nine months is due to declines in our core credit decisioning volumes which were partially offset by growth in revenue from mortgage and auto resellers.

Mortgage Solutions

Revenue increased by 1% and 9% for the third quarter and first nine months of 2018, respectively, compared to the prior year periods. Although the mortgage market has declined as compared to the same periods in 2017, revenue has increased in both periods primarily due to a new product offering. These increases were partially offset by declines in our other mortgage product offerings.

Financial Marketing Services

Revenue decreased 2% and 5% for the third quarter and first nine months of 2018, respectively, compared to the prior year periods. The decreases for the third quarter and first nine months of 2018 were due to a reduction in projects delivered.

USIS Operating Margin

USIS operating margin decreased from 42.1% in the third quarter of 2017 to 30.9% in the third quarter of 2018 and decreased from 43.0% in the first nine months of 2017 to 35.4% in the first nine months of 2018. The third quarter margin reduction was due to the increase in royalties, incremental technology and data security costs, and the public records litigation settlement. The first nine months margin reduction is due to the decrease in revenue and an increase in royalties, incremental technology and data security, the public records litigation settlement, and technology costs.

International

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
International	2018	2017	$	%	2018	2017	$	%
	(In millions)				(In millions)			
Operating revenue:								
Asia Pacific	$80.5	$81.2	$(0.7)	(1)%	$249.0	$229.7	$19.3	8%
Europe	68.5	69.0	(0.5)	(1)%	211.4	199.2	12.2	6%
Latin America	48.7	54.5	(5.8)	(11)%	158.9	158.5	0.4	—%
Canada	37.3	35.1	2.2	6%	110.5	100.1	10.4	10%
Total operating revenue	$235.0	$239.8	$(4.8)	(2)%	$729.8	$687.5	$42.3	6%
% of consolidated revenue	28%	29%			28%	27%		
Total operating income	$19.2	$52.9	$(33.7)	(64)%	$92.9	$128.7	$(35.8)	(28)%
Operating margin	8.2%	22.0%		(13.8) %pts	12.7%	18.7%		(6.0) %pts

nm - not meaningful.

International revenue decreased 2% and increased 6% in the third quarter and first nine months of 2018, respectively, as compared to the prior year periods. Local currency revenue growth for the third quarter and first nine months of 2018 was 5% and 7%, respectively, driven by growth across the Asia Pacific, Latin America, and Canada regions. Local currency fluctuations against the U.S. dollar negatively impacted revenue by $18.1 million and $8.2 million in the third quarter and first nine months of 2018, respectively.

Asia Pacific

On a local currency basis, revenue increased 7% and 10% in the third quarter and first nine months of 2018, respectively, compared to the prior year periods. The increase for both periods is driven by growth in Australia due to a 2017 acquisition as well as growth in our commercial business. This growth was partially offset by a decline in direct consumer revenue. Local currency fluctuations negatively impacted revenue by $6.4 million, or 8%, and $3.5

million, or 2%, for the third quarter and first nine months of 2018, respectively. Reported revenue decreased 1% and increased 8% in the third quarter and first nine months of 2018, respectively.

Europe

On a local currency basis, revenue remained relatively flat in the third quarter and first nine months of 2018, respectively, compared to the prior year periods. The changes are primarily due to a decline in debt management services which was offset by growth in U.K. and Spain credit operations revenue. Local currency fluctuations against the U.S. dollar negatively impacted revenue by $0.4 million, or 1%, and positively impacted revenue by $12.6 million, or 6%, for the third quarter and first nine months of 2018, respectively. Reported revenue decreased 1% and increased 6% in the third quarter and first nine months of 2018, respectively.

Latin America

On a local currency basis, revenue increased 7% and 12% in the third quarter and first nine months of 2018, respectively, compared to the prior year periods, driven by core revenue growth primarily in Argentina, Chile and Ecuador. Local currency fluctuations against the U.S. dollar negatively impacted revenue by $9.7 million, or 18%, and $18.9 million, or 12%, in the third quarter and first nine months of 2018, respectively. Reported revenue decreased by 11% and remained flat in the third quarter and first nine months of 2018, respectively.

Canada

On a local currency basis, revenue increased 11% and 9% in the third quarter and first nine months of 2018, respectively, compared to the prior year periods, due to broad based revenue growth. Local currency fluctuations against the U.S. dollar negatively impacted revenue by $1.6 million, or 5%, and positively impacted revenue by $1.6 million, or 1%, in the third quarter and first nine months of 2018, respectively. Reported revenue increased by 6% and 10% in the third quarter and first nine months of 2018, respectively.

International Operating Margin

Operating margin decreased from 22.0% in the third quarter of 2017 to 8.2% in the third quarter of 2018 and from 18.7% in the first nine months of 2017 to 12.7% in the first nine months of 2018. The reduced margins are due to an increase in incremental technology and data security, people, and production costs as well as increased depreciation and amortization.

Workforce Solutions

Workforce Solutions	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Change $	Change %	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017	Change $	Change %
	(In millions)				(In millions)			
Operating revenue:								
Verification Services	$143.9	$129.9	$14.0	11 %	$421.6	$375.3	$46.3	12 %
Employer Services	58.3	56.5	1.8	3 %	199.3	205.6	(6.3)	(3)%
Total operating revenue	$202.2	$186.4	$15.8	9 %	$620.9	$580.9	$40.0	7 %
% of consolidated revenue	24 %	22 %			24 %	23 %		
Total operating income	$77.0	$80.3	$(3.3)	(4)%	$251.0	$258.7	$(7.7)	(3)%
Operating margin	38.1 %	43.1 %		(5.0) %pts	40.4 %	44.4 %		(4.0) %pts

Workforce Solutions revenue increased by 9% and 7% in the third quarter and first nine months of 2018, respectively, as compared to the prior year periods. The increase for the third quarter and first nine months was due to strong growth in Verification Services in the government, mortgage, talent solutions, and healthcare verticals. The increase in the first nine months period was partially offset by decreased revenue in unemployment claims and other employer services.

Verification Services

Revenue increased 11% and 12% in the third quarter and first nine months of 2018, respectively, compared to the prior year periods due to strong growth in government, mortgage, talent solutions, and healthcare verticals, and continued addition of new records to The Work Number database.

Employer Services

Revenue increased 3% in the third quarter of 2018 and decreased 3% in the first nine months of 2018 compared to the prior year periods. The increase in the third quarter is driven by an increase in our employer services revenue and partially offset by a decline in unemployment claims. The decrease in the first nine months period is due to decreased revenue in unemployment claims and other employer services.

Workforce Solutions Operating Margin

Operating margin decreased from 43.1% for the third quarter of 2017 to 38.1% for the third quarter of 2018 and decreased from 44.4% for the first nine months of 2017 to 40.4% for the first nine months of 2018. The reduced margins were due to increased costs in people, incremental technology and data security, and royalties.

Global Consumer Solutions

Global Consumer Solutions	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2018	2017	$	%	2018	2017	$	%
	(In millions)				(In millions)			
Total operating revenue	$88.7	$100.9	$(12.2)	(12)%	$286.3	$305.7	$(19.4)	(6)%
% of consolidated revenue	11%	12%			11%	12%		
Total operating income	$12.2	$24.7	$(12.5)	(51)%	$61.3	$82.9	$(21.6)	(26)%
Operating margin	13.8%	24.5%		(10.7) %pts	21.4%	27.1%		(5.7) %pts

Revenue decreased 12% and 6% for the third quarter and first nine months of 2018, respectively, compared to the prior year periods. Local currency revenue decreased 12% and 7% in the third quarter and first nine months of 2018, respectively. The changes are due to a decrease in our consumer direct revenue in the U.S. and U.K. as we ceased advertising our consumer paid products in the U.S. in September 2017 following the cybersecurity incident and were impacted by the Global Data Protection Regulations in the U.K. These decreases were partially offset by an increase in our partner revenue, which includes revenue from the ID Watchdog acquisition. We resumed advertising our U.S. consumer paid products in the fourth quarter of 2018 and expect to see the related benefit starting in 2019. Local currency fluctuations negatively impacted revenue by $0.2 million for the third quarter of 2018 and positively impacted revenue by $1.5 million for the first nine months of 2018.

Global Consumer Solutions Operating Margin

Operating margin decreased from 24.5% in the third quarter of 2017 to 13.8% in the third quarter of 2018 and from 27.1% in the first nine months of 2017 to 21.4% in the first nine months of 2018. The reduced margins are due to lower revenue and increases in technology and data security costs, partially offset by the decreased advertising costs.

General Corporate Expense

General Corporate Expense	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2018	2017	$	%	2018	2017	$	%
	(In millions)				(In millions)			
General corporate expense	$139.7	$132.7	$7.0	5%	$335.8	$240.1	$95.7	40%

Our general corporate expenses are unallocated costs that are incurred at the corporate level and include those expenses impacted by corporate direction, including shared services, technology, administrative, legal, restructuring, and the portion of management incentive compensation determined by total company-wide performance. General corporate expense increased $7.0 million and $95.7 million in the third quarter and first nine months of 2018, respectively, as compared to the prior year periods. We incurred increased incremental technology and data security costs following the announcement of the 2017 cybersecurity incident in both periods of 2018 as compared to 2017. We also incurred decreased legal and investigative fees and the costs to fulfill and support the free credit monitoring service provided to eligible consumers in both periods of 2018 as compared to 2017 and further the year-to-date period benefited from the receipt of insurance proceeds to offset these costs. The remaining increases are due to people and insurance costs.

LIQUIDITY AND FINANCIAL CONDITION

Management assesses liquidity in terms of our ability to generate cash to fund operating, investing and financing activities. We continue to generate substantial cash from operating activities, remain in a strong financial position, and manage our capital structure to meet short- and long-term objectives including reinvestment in existing businesses and strategic acquisitions.

Sources and Uses of Cash

Funds generated by operating activities, our commercial paper program, Revolver and Receivables Facility are our most significant sources of liquidity. We expect that funds generated by operating activities will be sufficient to finance our anticipated working capital and other cash requirements (such as ongoing capital expenditures associated with near-term actions to enhance technology systems and data security, legal fees and other professional services costs associated with the 2017 cybersecurity incident, interest payments, debt payments, potential pension funding contributions, and dividend payments) for the foreseeable future. However, currently it is not possible to estimate the amount of loss or range of possible loss that might result from adverse judgments, settlements, penalties, or other resolution of the proceedings and investigations resulting from the 2017 cybersecurity incident. Such potential payments, if great enough, could have an adverse effect on our liquidity. In this case, funds generated from operating activities and our credit facilities may not be sufficient to pay such damages, costs, penalties, and fines. See Part I, Item 1A. Risk Factors "The government investigations and litigation resulting from the 2017 cybersecurity incident will continue to adversely impact our business and results of operations" in our 2017 Form 10-K and Part II, Item 1. Legal Proceedings in this report. At September 30, 2018, $1.08 billion and $215.0 million were available to borrow under our Revolver and Receivables Facility, respectively, and we had cash and cash equivalents of $253.4 million included in our Consolidated Balance Sheets. In the event that additional financing is needed, we would finance using the public and private corporate bond markets and/or syndicated loan markets.

Fund Transfer Limitations. The ability of certain of our subsidiaries and associated companies to transfer funds to the U.S. is limited, in some cases, by certain restrictions imposed by foreign governments. These restrictions do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends. As of September 30, 2018, we held $134.3 million of cash in our foreign subsidiaries.

Information about our cash flows, by category, is presented in the Consolidated Statements of Cash Flows. The following table summarizes our cash flows for the nine months ended September 30, 2018 and 2017:

	Nine Months Ended September 30,		Change
Net cash provided by (used in):	2018	2017	2018 vs. 2017
	(In millions)		
Operating activities	$507.4	$608.7	$(101.3)
Investing activities	$(325.2)	$(226.2)	$(99.0)
Financing activities	$(256.0)	$(202.8)	$(53.2)

Operating Activities

Cash provided by operating activities in the nine months ended September 30, 2018 decreased by $101.3 million from the prior year, due to the decrease in net income, adjusted for depreciation and amortization as well as the change in deferred income taxes.

Investing Activities

Capital Expenditures

	Nine Months Ended September 30,		Change
Net cash used in:	2018	2017	2018 vs.

	2018	2017	Change
	(In millions)		
Capital expenditures*	$(208.1)	$(157.5)	$(50.6)

*Amounts above are total cash outflows for capital expenditures.

Our capital expenditures are used for developing, enhancing and deploying new and existing software in support of our expanding product set, replacing or adding equipment, updating systems for regulatory compliance, the licensing of standard software applications, investing in system reliability, security and disaster recovery enhancements, and updating or expanding our office facilities. Capital expenditures in the first nine months of 2018 increased by $50.6 million from the same period in 2017 as we are continuing to invest in enhanced technology systems, infrastructure and data security after the 2017 cybersecurity incident.

Acquisitions, Divestitures and Investments

Net cash used in:	Nine Months Ended September 30, 2018	2017	Change 2018 vs. 2017
	(In millions)		
Acquisitions, net of cash acquired	$(115.8)	$(77.3)	$(38.5)
Cash received from sale of asset	$5.6	$8.6	$(3.0)

During the first nine months of 2018, we completed acquisitions in our USIS, Workforce Solutions and International segments. During the first nine months of 2017, we completed an acquisition in our GCS segment.

Financing Activities

Borrowings and Credit Facility Availability

Net cash provided by (used in):	Nine Months Ended September 30, 2018	2017	Change 2018 vs. 2017
	(In millions)		
Net short-term (repayments) borrowings	$(960.9)	$354.9	$(1,315.8)
Payments on long-term debt	$(100.0)	$(322.5)	$222.5
Borrowings on long-term debt	$994.5	$—	$994.5

Credit Facility Availability

In September 2018, the Company entered into a $1.10 billion five-year unsecured revolving credit facility with a group of financial institutions, which will mature in September 2023 (the “Revolver”). The Revolver replaced the Company’s previous $900 million unsecured revolving credit facility that was scheduled to mature in November 2020. Borrowings under the Revolver may be used for general corporate purposes, including working capital, capital expenditures, acquisitions and share repurchase programs. The Revolver has an accordion feature that allows us to request an increase in the total commitment to $1.60 billion. The Revolver includes an option to request a maximum of two one-year extensions of the maturity date, any time after the first anniversary of the Revolver closing. We believe we are currently in compliance with all representations and warranties necessary as a condition for borrowing under the revolver, but we cannot assure that we will be able to comply with all such conditions to borrowing in the future. Availability of the Revolver is reduced by the outstanding principal balance of our commercial paper notes and by any letters of credit issued under the facility.

Our $900.0 million commercial paper (CP) program has been established to allow for borrowing through the private placement of CP with maturities ranging from overnight to 397 days. We may use the proceeds of CP for general corporate purposes. The CP program is supported by our Revolver and the total amount of CP which may be issued is reduced by the amount of any outstanding borrowings under our Revolver.

As of September 30, 2018, there were $15.50 million of letters of credit issued under the Revolver, no principal drawn amounts under the Revolver, and no commercial paper borrowings. Availability under the Revolver was $1.08 billion at September 30, 2018.

At September 30, 2018, 89% of our debt was fixed-rate debt and 11% was effectively variable debt. Our variable-rate debt consists of the Floating Rate Senior Notes. The interest rates reset periodically, depending on the terms of the respective financing agreements. At September 30, 2018, the interest rate on our variable-rate debt was 3.2%.

Borrowing and Repayment Activity

Net short-term (repayments) borrowings primarily represent repayments or borrowings of outstanding amounts under our CP program. We primarily borrow under our CP program, as needed and availability allows. During the second quarter of 2018, we paid off the outstanding borrowings on our CP program and Term Loan with the proceeds from the issuance of the 2021, Floating Rate, and 2023 Senior Notes.

The increase in net short-term (repayments) borrowings in the first nine months of 2017 primarily reflects the net activity of CP notes.

Payments on long-term debt reflect $100.0 million and $322.5 million payments made on our Revolver and Term Loan in the first nine months of 2018 and 2017, respectively.

Borrowings on long-term debt represent the net proceeds received from the issuance of our 2021, Floating Rate, and 2023 Senior Notes in the second quarter of 2018.

There were no borrowings under the Receivables Facility at September 30, 2018. The Receivables Facility was supported by $215.0 million of accounts receivable as collateral at September 30, 2018 which, as a retained interest, is included in accounts receivable, net in our Consolidated Balance Sheets.

Debt Covenants. A downgrade in our credit ratings would increase the cost of borrowings under our CP program and Revolver, and could limit or, in the case of a significant downgrade, preclude our ability to issue CP. Our outstanding indentures and comparable instruments also contain customary covenants including, for example, limits on mortgages, liens, and sale/leaseback transactions. In addition, the Revolver requires us to maintain a maximum leverage ratio of not more than 3.5 to 1.0. As of September 30, 2018, we were in compliance with all of our debt covenants.

The Company does not have any credit rating triggers that would accelerate the maturity of a material amount of our outstanding debt; however, our 2.3% senior notes due 2021, 3.6% senior notes due 2021, floating rate notes due 2021, 3.3% senior notes due 2022, 3.95% senior notes due 2023, 3.25% senior notes due 2026, and 7.0% senior notes due 2037 (together, the “Senior Notes”) contain change in control provisions. If the Company experiences a change in control or publicly announces the Company's intention to effect a change in control and the rating on the Senior Notes is lowered by each of Standard & Poor’s, or S&P, and Moody’s Investors Service, or Moody’s, below an investment grade rating within 60 days of such change in control or notice thereof, we will be required to offer to repurchase the Senior Notes at a price equal to 101% of the aggregate principal amount of the Senior Notes plus accrued and unpaid interest. As of September 30, 2018, our S&P credit rating was BBB+ with a negative outlook and our Moody's credit rating was Baa1 with a stable outlook. These ratings are subject to change as events and circumstances change.

For additional information about our debt, including the terms of our financing arrangements, basis for floating interest rates and debt covenants, see Note 5 of the Notes to Consolidated Financial Statements in our 2017 Form 10-K.

Equity Transactions

	Nine Months Ended September 30,		Change
Net cash provided by (used in):	2018	2017	2018 vs. 2017
	(In millions)		
Treasury stock repurchases	$—	$(77.1)	$77.1
Dividends paid to Equifax shareholders	$(140.8)	$(140.7)	$(0.1)
Dividends paid to noncontrolling interests	$(8.7)	$(8.2)	$(0.5)
Proceeds from exercise of stock options	$11.3	$18.8	$(7.5)

Sources and uses of cash related to equity during the nine months ended September 30, 2018 and 2017 were as follows:

- During the first nine months of 2018, we did not repurchase any shares of our stock.

- We maintained our quarterly dividend of $0.39 per share in the third quarter of 2018. We paid cash dividends to Equifax shareholders of $140.8 million and $140.7 million, or $1.17 per share, during the nine months ended September 30, 2018 and 2017, respectively.

- We received cash of $11.3 million and $18.8 million during the first nine months of 2018 and 2017, respectively, from the exercise of stock options.

At September 30, 2018, the Company had $590.1 million remaining for stock repurchases under the existing Board authorization.

Contractual Obligations, Commercial Commitments and Other Contingencies

Our contractual obligations have not changed materially from those reported in our 2017 Form 10-K. For additional information about certain obligations and contingencies, see Note 5 of the Notes to Consolidated Financial Statements in this Form 10-Q.

Off-Balance Sheet Arrangements

There have been no material changes with respect to our off-balance sheet arrangements from those presented in our 2017 Form 10-K.

Benefit Plans

At December 31, 2017, our U.S. Retirement Income Plan, or USRIP, met or exceeded ERISA's minimum funding requirements. In the future, we expect to make minimum funding contributions as required and may make discretionary contributions, depending on certain circumstances, including market conditions and our liquidity needs. We believe additional funding contributions, if any, would not prevent us from continuing to meet our liquidity needs, which are primarily funded from cash flows generated by operating activities, available cash and cash equivalents, and our committed senior credit facility.

For our non-U.S., tax-qualified retirement plans, we fund an amount sufficient to meet minimum funding requirements but no more than allowed as a tax deduction pursuant to applicable tax regulations. For our non-qualified supplementary retirement plans, we fund the benefits as they are paid to retired participants, but accrue the associated expense and liabilities in accordance with GAAP.

For additional information about our benefit plans, see Note 10 of the Notes to Consolidated Financial Statements in our 2017 Form 10-K.

Seasonality

We experience seasonality in certain of our revenue streams. Revenue generated by the online consumer information services component of our USIS operating segment are typically the lowest during the first quarter, when consumer lending activity is at a seasonal low. Revenue generated from the Employer Services business unit within the Workforce Solutions operating segment is generally higher in the first quarter due primarily to the provision of Form W-2, 1094, and 1095 preparation services which occur in the first quarter each year. Revenue generated from our financial wealth asset products and data management services in our Financial Marketing Services business are generally higher in the fourth quarter each year due to the significant portion of our annual renewals and deliveries which occur in the fourth quarter of each year.

Foreign Currency

Argentina has experienced multiple periods of increasing inflation rates, devaluation of the peso, and increasing borrowing rates. As such, Argentina has been deemed a highly inflationary economy by accounting policymakers. Beginning in the third quarter of 2018, we accounted for Argentina as highly inflationary which resulted in the recognition of a $1.2 million foreign currency loss that was recorded in other income, net in our consolidated statements of income.

RECENT ACCOUNTING PRONOUNCEMENTS

For information about new accounting pronouncements and the potential impact on our Consolidated Financial Statements, see Note 1 of the Notes to Consolidated Financial Statements in this Form 10-Q and Note 1 of the Notes to Consolidated Financial Statements in our 2017 Form 10-K.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

The Company's Consolidated Financial Statements are prepared in conformity with U.S. generally accepted accounting principles, or GAAP. This requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in our Consolidated Financial Statements and the Notes to Consolidated Financial Statements. We believe the most complex and sensitive judgments, because of their significance to the Consolidated Financial Statements, result primarily from the need to make estimates and assumptions about the effects of matters that are inherently uncertain. The "Application of Critical Accounting Policies and Estimates" section in the MD&A, and Note 1 of the Notes to Consolidated Financial Statements, in our 2017 Form 10-K describe the significant accounting estimates and policies used in the preparation of our Consolidated Financial Statements. Although we believe that our estimates, assumptions and judgments are reasonable, they are based upon information available at the time. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

Goodwill

We review goodwill and indefinite lived intangible assets for impairment annually (as of September 30) and whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. These events or circumstances could include a significant change in the business climate, legal factors, operating performance or trends, competition, or sale or disposition of a significant portion of a reporting unit. We have seven reporting units comprised of USIS (which includes Online Information Solutions, Mortgage Solutions and Financial Marketing Services), Asia Pacific, Europe, Latin America, Canada, Global Consumer Solutions ("GCS"), and Equifax Workforce Solutions (which includes Verification Services and Employer Services). Effective September 30, 2018, the Verification Services and Employer Services reporting units were aggregated into a single reporting unit to better reflect the shared value and integration of the two businesses. Prior to aggregation, we assessed the recoverability of goodwill for Verification Services and Employer Services separately and determined that there was no impairment for the reporting units.

The goodwill balance at September 30, 2018, for our seven reporting units was as follows:

	September 30, 2018 (In millions)
U.S. Information Solutions	$ 1,129.0
Asia Pacific	1,447.6
Europe	161.6
Latin America	230.9
Canada	34.5
Global Consumer Solutions	189.0
Workforce Solutions	970.2
Total goodwill	$ 4,162.8

We performed a qualitative assessment to determine whether further impairment testing was necessary for our USIS, Europe, Latin America, Canada, GCS, and Workforce Solutions reporting units. In this qualitative assessment, we considered the following items for each of the reporting units: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, for each of these reporting units, the most recent fair value determination resulted in an amount that significantly exceeded the carrying amount of the reporting units. Based on these assessments, we determined the likelihood that a current fair value determination would be less than the current carrying amount of the reporting unit is not more likely than not. As a result of our conclusions, no further testing was required for these reporting units.

Valuation Techniques

We performed a quantitative assessment for our Asia Pacific reporting unit to determine whether impairment exists as the Veda transaction, which comprises the majority of our Asia Pacific reporting unit, was only completed approximately two years ago and due to the size of the cushion for the reporting unit in relation to our other reporting units. In determining the fair value of the reporting unit we used a combination of the income and market approaches to estimate the reporting unit’s business enterprise value.

Under the income approach, we calculate the fair value of a reporting unit based on estimated future discounted cash flows which require assumptions about short and long-term revenue growth rates, operating margins for each reporting unit, discount rates, foreign currency exchange rates and estimates of capital charges. The assumptions we use are based on what we believe a hypothetical marketplace participant would use in estimating fair value. Under the market approach, we estimate the fair value based on market multiples of revenue or earnings before income taxes, depreciation and amortization, for benchmark companies or guideline transactions. We believe the guideline transaction used for our Asia Pacific reporting unit serves as an appropriate input for calculating a fair value for the reporting unit as the transaction multiples are similar to other guideline transactions that have been recently completed in our industry. Competition for our Asia Pacific reporting unit generally includes global consumer credit reporting companies, such as Experian, which offer a product suite similar to the reporting unit's credit reporting solutions.

The values separately derived from each of the income and market approach valuation techniques were used to develop an overall estimate of a reporting unit’s fair value. We use a consistent approach across all reporting units when considering the weight of the income and market approaches for calculating the fair value of each of our reporting units. This approach relies more heavily on the calculated fair value derived from the income approach, with 70% of the value coming from the income approach. We believe this approach is consistent with that of a market participant in valuing prospective purchase business combinations. The selection and weighting of the various fair value techniques may result in a higher or lower fair value. Judgment is applied in determining the weightings that are most representative of fair value.

We have not made any material changes to the valuation methodology we use to assess goodwill impairment since the date of the last annual impairment test.

Growth Assumptions

The assumptions for our future cash flows begin with our historical operating performance, the details of which are described in our Management’s Discussion & Analysis of operating performance. Additionally, we consider the impact that known economic, industry and market trends will have on our future forecasts, as well as the impact that we expect from planned business initiatives including new product initiatives, client service and retention standards, and cost management programs. At the end of the forecast period, the long-term growth rate we used to determine the terminal value of our Asia Pacific reporting unit was 4.85% based on management’s assessment of the minimum expected terminal growth rate of the reporting unit, as well as broader economic considerations such as GDP, inflation and the maturity of the markets we serve.

We projected revenue growth in 2019 for our Asia Pacific reporting unit in completing our 2018 impairment testing based on planned business initiatives and prevailing trends exhibited by this unit and not based on the assumption of meaningful acceleration in economic growth. The anticipated revenue growth in this reporting unit, however, is partially offset by assumed increases in expenses for the reporting unit which reflects the additional level of investment needed in order to achieve the planned revenue growth.

Discount Rate Assumptions

We utilize a weighted average cost of capital, or WACC, in our impairment analysis that makes assumptions about the capital structure that we believe a market participant would make and include a risk premium based on an assessment of risks related to the projected cash flows for the reporting unit. We believe this approach yields a discount rate that is consistent with an implied rate of return that a market participant would require for an investment in a company having similar risks and business characteristics to the reporting unit being assessed. To calculate the WACC, the cost of equity and cost of debt are multiplied by the assumed capital structure of the reporting unit as compared to industry trends and relevant benchmark company structures. The cost of equity was computed using the Capital Asset Pricing Model which considers the risk-free interest rate, beta, equity risk premium and specific company risk premium related to a particular reporting unit. The cost of debt was computed using a benchmark rate and the Company’s tax rate. For the 2018 annual goodwill impairment evaluation, the discount rates used to develop the estimated fair value of the Asia Pacific reporting unit was 9.3%.

Estimated Fair Value and Sensitivities

The estimated fair value of the reporting units is derived from the valuation techniques described above, incorporating the related projections and assumptions. An indication of possible impairment occurs when the estimated fair value of the reporting unit is below the carrying value of its equity. The estimated fair value for our Asia Pacific reporting unit exceeded the related carrying value as of September 30, 2018. As a result, no goodwill impairment was recorded.

The estimated fair value of the reporting unit is highly sensitive to changes in these projections and assumptions; therefore, in some instances changes in these assumptions could impact whether the fair value of a reporting unit is greater than its carrying value. For example, an increase in the discount rate and decline in the projected cumulative cash flow of a reporting unit could cause the fair value of certain reporting units to be below its carrying value. We perform sensitivity analyses around these assumptions in order to assess the reasonableness of the assumptions and the resulting estimated fair values. Ultimately, future potential changes in these assumptions may impact the estimated fair value of a reporting unit and cause the fair value of the reporting unit to be below its carrying value. Our Asia Pacific reporting unit primarily represents our recently completed acquisition of Veda. Due to the recency of this acquisition and its overall significance to the reporting unit, Asia Pacific is more sensitive to changes in the assumptions noted above that could result in a fair value that is less than its carrying value. The excess of fair value over carrying value for the Asia Pacific reporting unit as of September 30, 2018 was 9%.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For information regarding our exposure to certain market risks, see “Quantitative and Qualitative Disclosures about Market Risk,” in Part II, Item 7A of our 2017 Form 10-K. There were no material changes to our market risk exposure during the three and nine months ended September 30, 2018.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, an evaluation was carried out by the Company’s management, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of the end of the period covered by this report. In addition, no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Litigation and Investigations related to the 2017 Cybersecurity Incident

Since the 2017 cybersecurity incident, hundreds of class actions and other lawsuits have been filed against us typically alleging harm from the 2017 cybersecurity incident and seeking various remedies, including monetary and injunctive relief. We dispute the allegations in the complaints described below and intend to defend against such claims. In addition, numerous governmental agencies are investigating us in connection with the 2017 cybersecurity incident, which may result in fines, settlements or other relief. Set forth below are descriptions of the main categories of these lawsuits and investigations.

Multidistrict Litigation. Following the 2017 cybersecurity incident, hundreds of class actions were filed against us in federal and state courts relating to the 2017 cybersecurity incident. The plaintiffs in these cases, who purport to represent various classes of consumers and small businesses, generally claim to have been harmed by alleged actions and/or omissions by Equifax in connection with the 2017 cybersecurity incident and assert a variety of common law and statutory claims seeking monetary damages, injunctive relief and other related relief.

In addition, certain class actions have been filed by financial institutions that allege their businesses have been placed at risk due to the 2017 cybersecurity incident and generally assert various common law claims such as claims for negligence and breach of contract, as well as, in some cases, statutory claims. The financial institution class actions seek compensatory damages and other related relief.

Furthermore, a lawsuit has been filed against us by the City of Chicago with respect to the 2017 cybersecurity incident alleging violations of state laws and local ordinances governing protection of personal data, consumer fraud and breach notice requirements and business practices and seeking declaratory and injunctive relief and the imposition of fines the aggregate amount of which the complaint does not specifically quantify. Additionally, two Indian Tribes filed suits in federal court asserting putative class actions relating to the 2017 cybersecurity incident brought on behalf of themselves and other similarly situated federally recognized Indian Tribes and Nations.
Beginning on December 6, 2017 and pursuant to multiple subsequent orders, the U.S. Judicial Panel on Multidistrict Litigation ordered the consolidation and transfer for pre-trial proceedings with respect to the U.S. cases pending in federal court discussed above, including the City of Chicago action and the Indian Tribal suits, to the Northern District of Georgia as the single U.S. District Court for centralized pre-trial proceedings. Based on this order, consolidated proceedings with respect to U.S. consumer and financial institution federal class actions related to the 2017 cybersecurity incident have been conducted in the U.S. District Court for the Northern District of Georgia (“MDL Court”). The MDL Court has established separate tracks for the consumer and financial institution cases and appointed lead counsel on behalf of plaintiffs in both tracks.

The cases before the MDL Court are in preliminary stages. We have moved to dismiss the consolidated complaints filed by the U.S. consumer and financial institution plaintiffs.

Georgia State Court Consumer Class Actions. Four putative class actions arising from the 2017 cybersecurity incident were filed against us in Fulton County Superior Court and Fulton County State Court in Georgia based on similar allegations and theories as alleged in the U.S. consumer class actions pending in the MDL Court and seek monetary damages, injunctive relief and other related relief on behalf of Georgia citizens. These cases have been transferred to a single judge in the Fulton County Business Court and three of the cases were consolidated into a single action. On July 27, 2018, the Fulton County Business Court granted the Company’s motion to stay the remaining single case, and on August 17, 2018, the Fulton County Business Court granted the Company’s motion to stay the consolidated case.

Canadian Class Actions. Seven Canadian class actions, five of which are on behalf of a national class, have been filed against us in Ontario, Saskatchewan, Quebec and British Columbia. Each of the proposed Canadian class actions asserts a number of common law and statutory claims seeking monetary damages and other related relief in connection with the 2017 cybersecurity incident. All such actions are at the preliminary stages and one action has been stayed.

TransUnion Litigation. On November 27, 2017, Trans Union LLC and TransUnion Interactive, Inc. (collectively, “TransUnion”) filed a lawsuit in the U.S. District Court for the Northern District of Illinois against Equifax Information Services LLC, Equifax Inc., and Equifax Consumer Services LLC f/k/a Equifax Consumer Services, Inc. In its lawsuit, TransUnion asserts claims for declaratory relief, breach of contract, and anticipatory repudiation of contract based on our Reciprocal Data Supply Agreement (the “Agreement”), which sets forth the pricing terms for credit monitoring supplied by the parties to each other. TransUnion seeks a declaration regarding its contractual rights under the Agreement and monetary damages. On January 26, 2018, we moved to dismiss TransUnion's claims. On June 19, 2018, the court granted in part and denied in part our motion to dismiss, dismissing Equifax Inc. from the case. Discovery has now commenced and is scheduled to end in January 2019. We dispute the allegations by TransUnion and intend to defend against its claims.

Securities Class Action Litigation. A consolidated putative class action lawsuit alleging violations of various federal securities laws in connection with statements and alleged omissions regarding our cybersecurity systems and controls is pending against us and certain of our current and former executives, officers and directors in the U.S. District Court for the Northern District of Georgia. The consolidated complaint seeks certification of a class of all persons who purchased or otherwise acquired Equifax securities from February 25, 2016 through September 15, 2017 and unspecified monetary damages, costs and attorneys' fees. The defendants have moved to dismiss the complaint.

Shareholder Derivative Litigation. A consolidated putative shareholder derivative action naming certain of our current and former executives, officers, and directors as defendants and naming us as a nominal defendant is pending in the U.S. District Court for the Northern District of Georgia. Among other things, the consolidated complaint alleges claims for breaches of fiduciary duties, unjust enrichment, corporate waste, and insider selling by certain defendants, as well as certain claims under the federal securities laws. The complaint seeks unspecified damages on behalf of the Company, plus certain equitable relief. We have appointed a committee of independent directors empowered to evaluate and respond in our best interests to the claims and related litigation demands.

Government Lawsuits. In addition to the City of Chicago's lawsuit in the MDL Court, the City of San Francisco filed a lawsuit against us in Superior Court in the City of San Francisco on behalf of the People of the State of California alleging violations of California's unfair competition law due to purported violations of statutory protections of personal data and statutory data breach requirements and seeking statutory penalties, injunctive relief, and restitution for California consumers, among other relief. The court has stayed the City of San Francisco action until March 29, 2019.

Civil enforcement actions have been filed against us by the Attorneys General of Massachusetts and West Virginia alleging violations of state/commonwealth consumer protection laws. The Massachusetts action is pending in Suffolk Superior Court and seeks permanent injunctive relief, civil penalties, restitution, disgorgement of profits, costs, and attorneys' fees. The Suffolk Superior Court denied the Company's motions to stay and dismiss the case, and the case is proceeding into discovery. The West Virginia action is pending in the Circuit Court of Boone County and seeks civil penalties and attorneys' fees; Equifax's motion to stay proceedings remains pending. The Attorney General of Puerto Rico filed an action against us in the United States District Court for the District of Puerto Rico alleging negligence and seeking monetary damages on behalf of aggrieved residents of Puerto Rico, disgorgement of profits, costs, and attorneys' fees. The Puerto Rico case was tagged to the MDL, and Puerto Rico has opposed the transfer and that is pending. The Puerto Rico Department of Consumer Affairs recently issued Notices of Infraction that it plans on imposing administrative penalties related to the Company's alleged failure to give timely notice of the data breach under Puerto Rico law to the Department and Puerto Rico consumers. The Company disputes that penalties are warranted.

Individual Consumer Litigation. Over 1,000 individual consumer actions, including multi-plaintiff actions, have been filed against us in state (general jurisdiction and small claims) and federal courts across the U.S. related to the 2017 cybersecurity incident. These claims include more than 2,500 individual plaintiffs. In addition, there are approximately 50 individual arbitration claims. The plaintiffs/claimants in these cases generally claim to have been harmed by alleged actions and/or omissions by Equifax in connection with the 2017 cybersecurity incident and assert a variety of common law and statutory claims seeking primarily monetary damages. Where possible, actions filed in federal court or removed to federal court have been noticed for transfer to the MDL Court. Some of these matters have been finally resolved, and others are in various stages of litigation.

Government Investigations. We continue to cooperate with federal, state, city and foreign governmental agencies and officials investigating or otherwise seeking information and/or documents, including through Civil Investigative Demands and subpoenas, regarding the 2017 cybersecurity incident and related matters, including 48 state Attorneys General offices, as well as the District of Columbia, the Federal Trade Commission (“FTC”), the Consumer Financial Protection Bureau (“CFPB”), the U.S. Securities and Exchange Commission (“SEC”), the U.S. Department of Justice, the New York Department of State-Division of Consumer Protection, other U.S. state regulators, certain Congressional committees of both the U.S. Senate and House of Representatives, the Office of the Privacy Commissioner of Canada and the United Kingdom's Financial Conduct Authority ("FCA"). The Financial Industry Regulatory Authority, Inc. conducted an investigation that has now been concluded.

With respect to state Attorneys General investigations, the Company is cooperating with a consolidated multi-state investigation involving the Attorneys General of 46 states and the District of Columbia. As noted above, the Attorneys General of Massachusetts, West Virginia, and Puerto Rico are not participating in the multi-state process and have filed suit. The Attorneys General of Indiana and Texas are each conducting separate investigations.

On June 13, 2018, the CFPB and FTC provided us with notice that the staffs of the CFPB and FTC are considering recommending that their respective agencies take legal action against us, and that the agencies may seek injunctive relief against us, as well as damages and civil money penalties. We submitted written responses to the CFPB and FTC addressing their expected allegations and we continue to cooperate with the agencies in their investigations. On October 2, 2018, the Enforcement Staff of the New York Department of Financial Services ("DFS") provided us with notice that it is considering recommending that the DFS take legal action against us, potentially seeking consumer relief and civil money penalties. We continue to cooperate with the DFS in its investigation.

The SEC issued a subpoena on May 14, 2018 regarding disclosure issues relating to the 2017 cybersecurity incident. We have produced documents in response to the subpoena and continue to cooperate with the SEC in its investigation. In addition, we continue to cooperate with the SEC and the U.S. Attorney's Office for the Northern District of Georgia regarding investigations into the trading activities by certain of our current and former employees in relation to the 2017 cybersecurity incident.

The New York State Attorney General Investor Protection Bureau ("IPB") issued a subpoena on September 20, 2017 relating to an investigation of whether there has been a violation of the Martin Act. We have produced documents in response to the subpoena and continue to cooperate with the IPB in its investigation.

The FCA served an Enforcement Notice and Information Requests. We have provided responses to these requests and continue to cooperate with the FCA. In addition, on September 19, 2018, the Information Commissioner's Office in the United Kingdom issued its final determination with respect to the 2017 cybersecurity incident and the Company paid a monetary penalty.

Although we are actively cooperating with the above investigations and inquiries, an adverse outcome to any such investigations and inquiries could subject us to fines or other obligations, which may have an adverse effect on how we operate our business or our results of operations.

Public Records Litigation

Equifax has been named as a defendant in 19 putative class action lawsuits pending in federal courts across the country relating to its reporting of civil judgments and tax liens on consumers' credit files. In October 2018, Equifax and the plaintiffs' attorneys who filed the lawsuits reached an agreement in principle to settle the public records-related claims at issue on behalf of a nationwide class of consumers. The parties have filed notices of settlement in the pending lawsuits and have begun drafting a settlement agreement and preliminary approval papers to file with the requisite court. If the final terms of a settlement agreement cannot be agreed upon, or if the settlement is not ultimately approved by the court, Equifax believes it has valid defenses to each of these actions and will continue to defend against them.

ACCC Investigation

In March 2017, the Australian Competition and Consumer Commission (the "ACCC") commenced an investigation to determine whether the Company has been or is engaged in unlawful acts or practices relating to advertising, marketing and sale of consumer reports, credit scores or credit monitoring products in violation of the Australian Consumer Law, which prohibits misleading or deceptive conduct and false representations. The ACCC issued a number of notices to produce documents and information. On March 16, 2018, the ACCC commenced proceedings against the Company. The proceedings were settled on October 2, 2018. The settlement, which is subject to final court approval, requires Equifax to, among other things, pay a monetary penalty, provide refunds to certain impacted consumers and refrain from engaging in specified conduct.

California Bankruptcy Litigation

In consolidated actions filed in the U.S. District Court for the Central District of California, captioned Terri N. White, et al. v. Equifax Information Services LLC, Jose Hernandez v. Equifax Information Services LLC, Kathryn L. Pike v. Equifax Information Services LLC, and Jose L. Acosta, Jr., et al. v. Trans Union LLC, et al., plaintiffs asserted that Equifax violated federal and state law (the FCRA, the California Credit Reporting Act and the California Unfair Competition Law) by failing to follow reasonable procedures to determine whether credit accounts are discharged in bankruptcy, including the method for updating the status of an account following a bankruptcy discharge. On August 20, 2008, the District Court approved a Settlement Agreement and Release providing for certain changes in the procedures used by defendants to record discharges in bankruptcy on consumer credit files. That settlement resolved claims for injunctive relief, but not plaintiffs' claims for damages. On May 7, 2009, the District Court issued an order preliminarily approving an agreement to settle remaining class claims. The District Court subsequently deferred final approval of the settlement and required the settling parties to send a supplemental notice to those class members who filed a claim and objected to the settlement or opted out, with the cost for the re-notice to be deducted from the plaintiffs' counsel fee award. Mailing of the supplemental notice was completed on February 15, 2011 and the deadline for this group of settling plaintiffs to provide additional documentation to support their damage claims or to opt-out of the settlement was March 31, 2011. On July 15, 2011, the District Court approved the settlement. Several objecting plaintiffs subsequently filed notices of appeal to the U.S. Court of Appeals for the Ninth Circuit, which, on April 22, 2013, issued an order vacating the settlement and remanding the case to the District Court for further proceedings. On January 21, 2014, the District Court denied the objecting plaintiffs' motion to disqualify counsel for the settling plaintiffs and granted the motion of counsel for the settling plaintiffs to be appointed as interim lead class counsel. On March 28, 2016, the U.S. Court of Appeals for the Ninth Circuit affirmed the District Court's lead counsel appointment. On January 9, 2017, the United States Supreme Court denied the objectors' Petition for a Writ of Certiorari. The parties re-engaged in settlement discussions, including participation in mediations in August 2016 and November 2016, and reached an agreement to again settle the monetary claims. Settlement documents were filed with the District Court on April 14, 2017. On June 16, 2017, the Court granted preliminary approval of the proposed settlement, conditionally certified the settlement class, and appointed class counsel and administrator. A Final Fairness Hearing was held on December 11, 2017 and on April 6, 2018, the Court granted final approval. A Notice of Appeal was filed on May 7, 2018. Following the Notice of Appeal, the parties reached a Stipulation Regarding Attorneys' Fees and Costs with the District Court subject to affirmance of the settlement with the U.S. Court of Appeals for the Ninth Circuit. The Ninth Circuit issued a briefing schedule on July 3, 2018, and on September 17, 2018, the objectors filed their appellate brief.

Other

Equifax has been named as a defendant in various other legal actions, including administrative claims, regulatory matters, government investigations, class actions and other litigation arising in connection with our business. Some of the legal actions include claims for substantial compensatory or punitive damages or claims for indeterminate amounts of damages. We believe we have defenses to and, where appropriate, will contest, many of these matters. Given the number of these matters, some are likely to result in adverse judgments, penalties, injunctions, fines or other relief. We may explore potential settlements before a case is taken through trial because of the uncertainty and risks inherent in the litigation process.

For information regarding our accounting for legal contingencies, see Note 5 of the Notes to Consolidated Financial Statements in this Form 10-Q.

ITEM 1A. RISK FACTORS

There have been no material changes with respect to the risk factors disclosed in our 2017 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table contains information with respect to purchases made by or on behalf of Equifax or any "affiliated purchaser" (as defined in Rule 10b-18(a) (3) under the Securities Exchange Act of 1934), of our common stock during our third quarter ended September 30, 2018:

	Total Number of Shares	Average Price Paid	Total Number of Shares Purchased as Part of	Maximum Number

Period	Purchased (1)	Per Share (2)	Publicly-Announced Plans or Programs	(or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (3)
July 1 - July 31, 2018	1,740	$	——	$590,092,166
August 1 - August 31, 2018	9,638	$	——	$590,092,166
September 1 - September 30, 2018	35,591	$	——	$590,092,166
Total	46,969	$	——	$590,092,166

(1) The total number of shares purchased for the quarter includes shares surrendered, or deemed surrendered, in satisfaction of the exercise price and/or to satisfy tax withholding obligations in connection with the exercise of employee stock options, totaling 1,740 shares for the month of July 2018, 9,638 shares for the month of August 2018, and 35,591 shares for the month of September 2018.

(2) Average price paid per share for shares purchased as part of our share repurchase program (includes brokerage commissions).

(3) At September 30, 2018, the amount authorized for future share repurchases under the share repurchase program was $590.1 million. The program does not have a stated expiration date.

Dividend and Share Repurchase Restrictions

Our Revolver restricts our ability to pay cash dividends on our capital stock or repurchase capital stock if a default or event of default exists or would result if these payments were to occur, according to the terms of the applicable credit agreements.

ITEM 6. EXHIBITS

Exhibit No	Description
10.1	Credit Agreement, dated as of September 27, 2018, by and between Equifax Inc., Equifax Limited, Equifax Canada Co., Equifax Australia Holdings Pty Limited, and SunTrust Bank as administrative agent (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed October 1, 2018)
31.1	Rule 13a-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a) Certification of Chief Financial Officer
32.1	Section 1350 Certification of Chief Executive Officer
32.2	Section 1350 Certification of Chief Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

			Equifax Inc. (Registrant)
Date:	October 25, 2018	By:	/s/ Mark W. Begor Mark W. Begor Chief Executive Officer (Principal Executive Officer)
Date:	October 25, 2018		/s/ John W. Gamble, Jr. John W. Gamble, Jr. Corporate Vice President and Chief Financial Officer (Principal Financial Officer)
Date:	October 25, 2018		/s/ James M. Griggs James M. Griggs Corporate Controller (Principal Accounting Officer)