

ModernGraham Valuation



Company Name:

Equifax Inc.

Company Ticker EFX

Date of Analysis

8/17/2016

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$15,482,032,620	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.65	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	87.04%	Pass
6. Moderate PEmg Ratio	PEmg < 20	36.41	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.24	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.65	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.47	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.60
MG Growth Estimate	11.36%
MG Value	\$112.34
MG Value based on 3% Growth	\$52.16
MG Value based on 0% Growth	\$30.58
Market Implied Growth Rate	13.96%

MG Opinion

Current Price	\$130.98
% of Intrinsic Value	116.59%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$28.67
Graham Number	\$46.90
PEmg	36.41
Current Ratio	0.65
PB Ratio	6.24
Current Dividend	\$1.24
Dividend Yield	0.95%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.59	Next Fiscal Year Estimate	\$3.60
Dec2015	\$3.55	Dec2015	\$2.96
Dec2014	\$2.97	Dec2014	\$2.58
Dec2013	\$2.84	Dec2013	\$2.32
Dec2012	\$2.22	Dec2012	\$2.05
Dec2011	\$1.88	Dec2011	\$1.97
Dec2010	\$2.11	Dec2010	\$2.02
Dec2009	\$1.83	Dec2009	\$1.98
Dec2008	\$2.09	Dec2008	\$2.02
Dec2007	\$2.02	Dec2007	\$1.93
Dec2006	\$2.12	Dec2006	\$1.81
Dec2005	\$1.86	Dec2005	\$1.57
Dec2004	\$1.76	Dec2004	\$1.41
Dec2003	\$1.20	Dec2003	\$1.28
Dec2002	\$1.38	Dec2002	\$1.33
Dec2001	\$0.90	Dec2001	\$1.32
Dec2000	\$1.68	Dec2000	\$1.49
Dec1999	\$1.55	Balance Sheet Information 6/1/2016	
Dec1998	\$1.34	Total Current Assets	\$627,200,000
Dec1997	\$1.24	Total Current Liabilities	\$961,900,000
Dec1996	\$1.19	Long-Term Debt	\$2,498,700,000
		Total Assets	\$6,640,800,000
		Intangible Assets	\$5,471,400,000
		Total Liabilities	\$4,099,300,000
		Shares Outstanding (Diluted Average)	121,100,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [27 Companies in the Spotlight This Week – 4/4/15](#)
- [Equifax Inc. Annual Valuation – 2015 \\$EFX](#)
- [14 Companies in the Spotlight This Week – 4/5/14](#)
- [Equifax Inc. \(EFX\) Annual Valuation – 2014](#)

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- [Northern Trust Corp Valuation – July 2016 \\$NTRS](#)
- [O'Reilly Automotive Inc Valuation – July 2016 \\$ORLY](#)
- [Invesco Ltd Valuation – July 2016 \\$IVZ](#)
- [Nasdaq Inc Valuation – July 2016 \\$NDAQ](#)
- [Leucadia National Corp Valuation – July 2016 \\$LUK](#)
- [E*Trade Financial Corp Valuation – July 2016 \\$ETFC](#)
- [CBRE Group Inc Valuation – July 2016 \\$CBG](#)
- [Fidelity National Information Services Valuation – July 2016 \\$FIS](#)
- [Capital One Financial Corp Valuation – July 2016 \\$COF](#)
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