

ModernGraham Valuation

Company Name:

Equifax Inc.

Company Ticker EFX

Date of Analysis

3/6/2019



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 | \$13,221,478,110 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 1.09 | Fail |
| 3. Earnings Stability | Positive EPS for 10 years prior | | Pass |
| 4. Dividend Record | Dividend Payments for 10 years prior | | Pass |
| | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | 107.89% | Pass |
| 5. Earnings Growth | | | |
| 6. Moderate PEmg Ratio | PEmg < 20 | 25.64 | Fail |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 4.20 | 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 | 1.09 | Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 34.84 | 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 |
| | Score | | |

Suitability

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|----------------|
| EPSmg | \$4.27 |
| MG Growth Estimate | 6.60% |
| MG Value | \$92.70 |
| MG Value based on 3% Growth | \$61.92 |
| MG Value based on 0% Growth | \$36.30 |
| Market Implied Growth Rate | 8.57% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$109.49 |
| % of Intrinsic Value | 118.12% |
| Opinion | Overvalued |
| MG Grade | F |

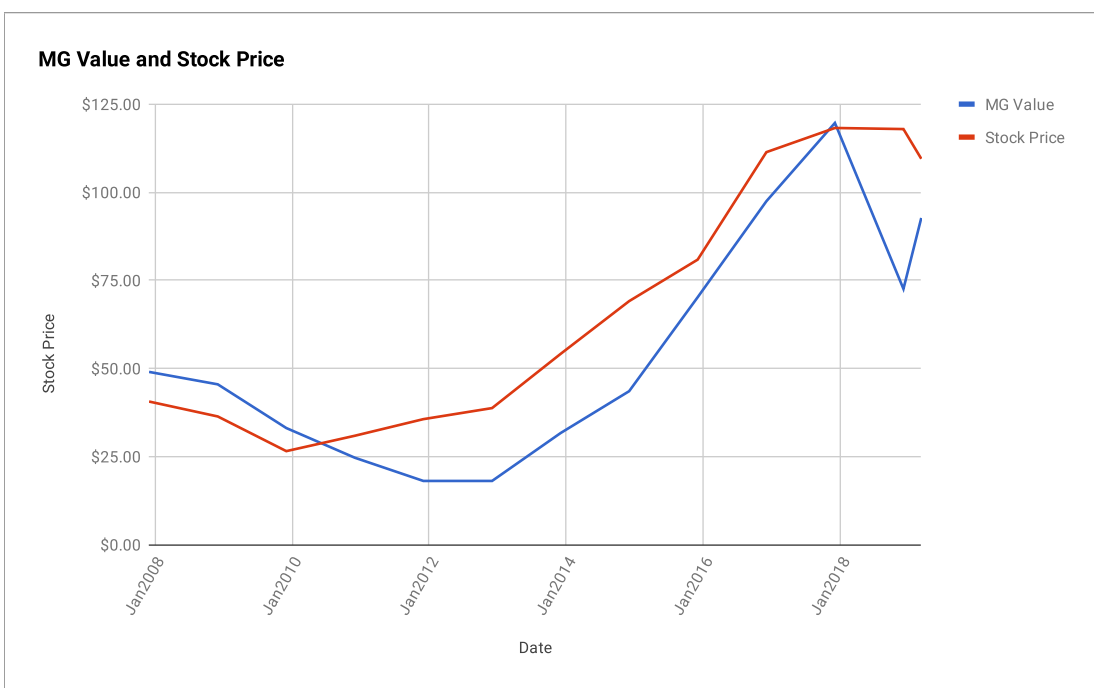
Stage 3: Information for Further Research

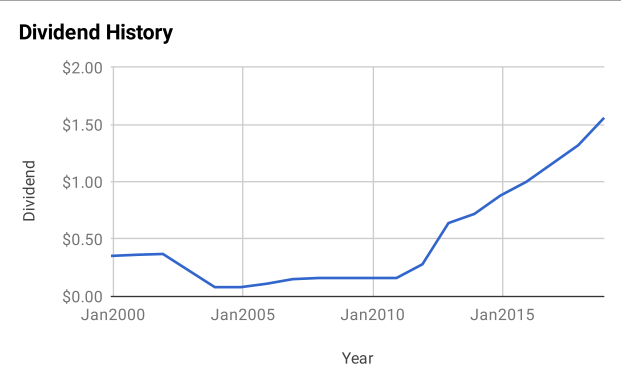
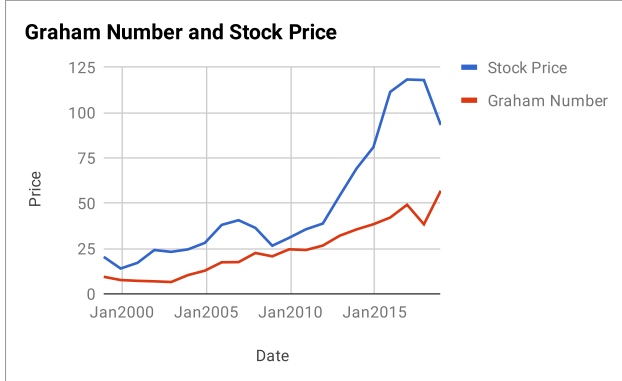
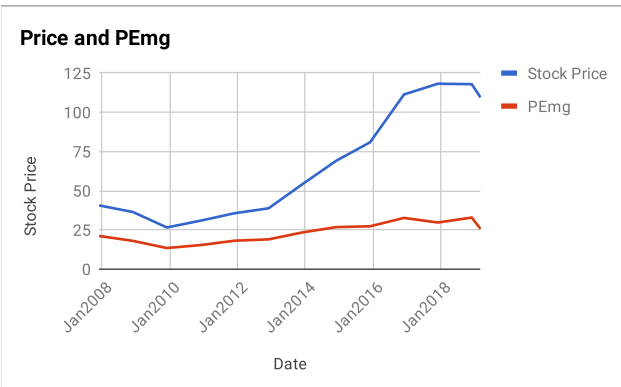
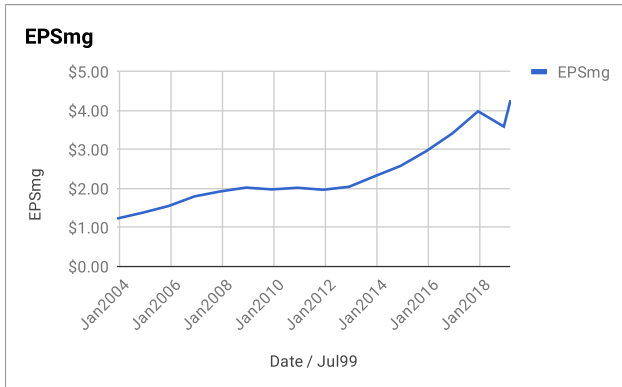
| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$25.56 |
| Graham Number | \$56.85 |
| PEmg | 25.64 |
| Current Ratio | 1.09 |
| PB Ratio | 4.20 |
| Current Dividend | \$1.56 |
| Dividend Yield | 1.42% |
| Number of Consecutive Years of Dividend Growth | 9 |

Useful Links:

| | |
|--|-------------------------------|
| ModernGraham tagged articles | Morningstar |
| Google Finance | MSN Money |
| Yahoo Finance | Seeking Alpha |
| GuruFocus | SEC Filings |

| EPS History | | EPSmg History | |
|---------------------------|--------|--------------------------------------|------------------|
| Next Fiscal Year Estimate | \$5.61 | Next Fiscal Year Estimate | \$4.27 |
| Dec2018 | \$2.47 | Dec2018 | \$3.59 |
| Dec2017 | \$4.83 | Dec2017 | \$3.98 |
| Dec2016 | \$4.04 | Dec2016 | \$3.41 |
| 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 | \$1.80 |
| Dec2005 | \$1.86 | Dec2005 | \$1.55 |
| Dec2004 | \$1.76 | Dec2004 | \$1.38 |
| Dec2003 | \$1.20 | Dec2003 | \$1.23 |
| Dec2002 | \$1.25 | Balance Sheet Information | 12/1/2018 |
| Dec2001 | \$0.85 | Total Current Assets | \$902,300,000 |
| Dec2000 | \$1.68 | Total Current Liabilities | \$826,800,000 |
| Dec1999 | \$1.55 | Long-Term Debt | \$2,630,600,000 |
| | | Total Assets | \$7,153,200,000 |
| | | Intangible Assets | \$5,323,700,000 |
| | | Total Liabilities | \$3,997,500,000 |
| | | 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

- [Equifax Inc Valuation – May 2018 \\$EFX](#)
- [Equifax Inc Valuation – February 2017 \\$EFX](#)
- [Equifax Inc Valuation – August 2016 \\$EFX](#)
- [27 Companies in the Spotlight This Week – 4/4/15](#)
- [Equifax Inc. Annual Valuation – 2015 \\$EFX](#)

Other ModernGraham posts about related companies

- [CME Group Inc Valuation – March 2019 #CME](#)
- [Northern Trust Corp Valuation – March 2019 #NTRS](#)
- [Affiliated Managers Group Inc Valuation – February 2019 \\$AMG](#)
- [Bank of New York Mellon Corp Valuation – February 2019 \\$BK](#)
- [Western Union Co Valuation – February 2019 \\$WU](#)
- [Raymond James Financial Valuation – February 2019 \\$RJF](#)
- [Nasdaq Inc Valuation – February 2019 \\$NDAQ](#)
- [E*Trade Financial Corp Valuation – January 2019 \\$ETFC](#)
- [Marsh & McLennan Companies Inc Valuation – January 2019 \\$MMC](#)
- [Intercontinental Exchange Inc Valuation – January 2019 \\$ICE](#)