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Equifax Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

[Operator Instructions] We will go first to Mark Bacurin of Robert W. Baird.

Mark Bacurin - Robert W. Baird

Good morning, everyone.

Richard F. Smith - Chairman and Chief Executive Officer

Hi, Mark.

Mark Bacurin - Robert W. Baird

A couple of questions, very surprised to actually see flat year-over-year growth on the flattish results on mortgage, and you alluded to Equifax services gaining traction. Could you just talk about specifically how many customers you have signed up? What you see for what kind of the continuing trends there, and I think the guidance reflects a flattish number, but assuming continue to gain traction and the comps get easier to back up, will you be able to? think you might actually growth in that segment now?

Richard F. Smith - Chairman and Chief Executive Officer

Yes, the ESS is gaining significant traction, the interest is value proposition.

Lee Adrean - Corporate Vice President, Chief Financial Officer

Excluding the foreign exchange benefit related to our Canadian commercial business, revenue grew 13%, driven primarily by strong growth in US risk and marketing solutions.

Richard F. Smith - Chairman and Chief Executive Officer

Is significant, Mark. It's our ability to reduce the cycle time for once they've approved a loan that close that loan and it's far faster than most anyone else in the industry. The unique thing there is, by the way, it's not just an ESS sale, we have... we're the only ones in the industry that can offer an employment verification, income verification, credit file, credit score, and the ESS products. Every mortgage lender that I've talked to, with Dann Adams or the top management has talked to is intrigued, I remain convinced that this is one of the single largest growth leverage we have and we'll continue to accelerate throughout this year and into 2009.

Mark Bacurin - Robert W. Baird

That's great. And then in terms of the TALX synergies, very encouraging, do you say two to three times the level there. Just hoping you could maybe give us some more color on specific new products you're seeing there? And then in terms of the cross-selling activity you alluded to, is most of that stuff now in the backlog or is that already contributing revenue in terms of contracts you've already signed?

Richard F. Smith - Chairman and Chief Executive Officer

Yes. That's is a good... it's a great question. We've closed 24, we have an amazing pipeline... I'm speaking of cross-sell now. We've closed 24, those 24 obviously are starting to contribute revenue to the Work Number. The pipeline is extremely strong on both the new products and on the cross-sells, Bill Canfield, Dann Adams, and I meet once every other week with teams just to rapid fire going through all the different opportunities, issues we have... the obstacles we may have internally get us out of the way to close those opportunities faster. So, it is accelerating across the board, and we have incentives in place, we have goals in place, we have NBOs in line. On new products, just think about this. Anyone who is offering... who is underwriting a risk today in this environment is interested in knowing if that that individual is employed and what the income profile looks like. That goes from auto to bankcards, to mortgages, any loan you can possibility think of. So, we know all those customers, on the core [inaudible] side, why that's our... that's our historical customer base. So we're bringing there on the Work Number into those clients to describe what they can do from... so I can tell you everyone we've talked to is interested, it's intriguing. The major banks, especially the credit card issuers right now, Mark, love what the Work Number can do for them.

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