



3Q 2024 Earnings Presentation

October 30, 2024

Forward-Looking Statements, Safe Harbor, and Non-GAAP Financial Measures

Forward-Looking Statements

This release contains forward-looking statements about Verisk's future performance, including those related to our financial guidance. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. This includes, but is not limited to, our expectation and ability to pay a cash dividend on our common stock in the future, subject to the determination by our Board of Directors and based on an evaluation of our earnings, financial condition and requirements, business conditions, capital allocation determinations, and other factors, risks, and uncertainties. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "target," "seek," "anticipate," "believe," "estimate," "predict," "potential," or "continue" or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements, because they involve known and unknown risks, uncertainties, and other factors that are, in some cases, beyond our control and that could materially affect actual results, levels of activity, performance, or achievements.

Other factors that could materially affect actual results, levels of activity, performance, or achievements can be found in our quarterly reports on Form 10-Q, annual reports on Form 10-K, and current reports on Form 8-K filed with the Securities and Exchange Commission. If any of these risks or uncertainties materialize or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement in this release reflects our current views with respect to future events and is subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. We assume no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise except as required by applicable securities laws.

Notes Regarding the Use of Non-GAAP Financial Measures

We have provided certain non-GAAP financial information as supplemental information regarding our operating results. These measures are not in accordance with, or an alternative for, U.S. GAAP and may be different from non-GAAP measures reported by other companies. We believe that our presentation of non-GAAP measures provides useful information to management and investors regarding certain financial and business trends relating to our financial condition and results of operations. In addition, our management uses these measures for reviewing our financial results, for budgeting and planning purposes, and for evaluating the performance of senior management.

Business and Financial Highlights

- Organic constant currency (OCC) revenue grew 6.8%, with 6.5% growth in Underwriting and 7.4% growth in Claims.
- OCC subscription revenue grew 9.1%, with broad-based growth across most of our businesses including Forms, Rules and Loss Costs, Anti-Fraud, Extreme Event Solutions, and Property Estimating Solutions.
- OCC transactional revenue declined 2.5%, primarily driven by the ongoing conversions to subscriptions and lower auto-related transactional activity.
- OCC adjusted EBITDA growth of 7.2% was driven by leverage on the continued revenue growth and cost discipline, partially offset by investments in growth initiatives.
- Adjusted EBITDA margins expanded 120 basis points to 55.2% in the quarter and 130 bps to 54.6% on trailing twelve months basis reflecting strong operational leverage, cost discipline and a benefit from FX translation.
- Returned \$55 million in dividends and initiated a new \$400 million ASR that was completed in October.

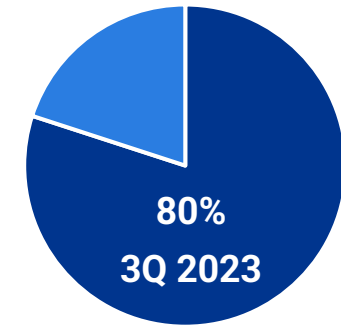
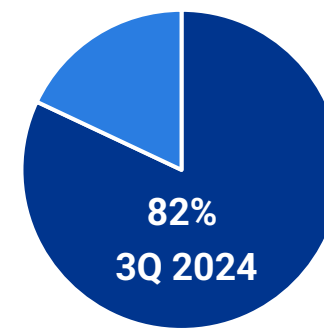


Financial Results

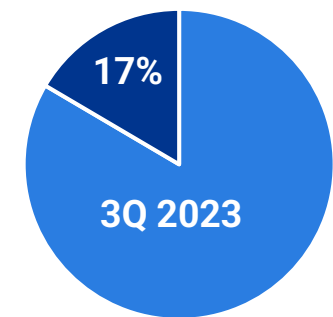
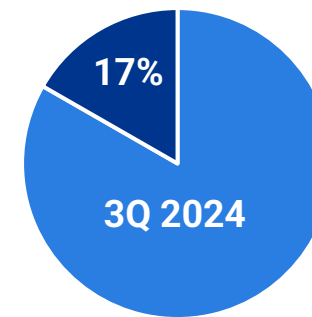
Financial Summary

Three Months ended Sep 30,			
	2024	2023	% change
Revenue	\$725M	\$678M	7.0%
Net income	220	187	17.4
Adjusted net income	239	221	7.8
Adjusted EBITDA	401	366	9.4
Adjusted EBITDA margin	55.2%	54.0%	120 bps
Diluted GAAP EPS	\$1.54	\$1.29	19.4%
Diluted adjusted EPS	1.67	1.52	9.9
Wtd-Avg Diluted Shares	143M	146M	(2.2)
Free cash flow	\$241M	\$196M	22.9

Subscription/Long-Term Revenue



International Revenue



Subscription vs. Transactional Growth – Insurance Only

Organic Constant Currency (OCC)

OCC Growth	Subscription	Transactional	Total
FY21	7.1%	6.0%	6.9%
FY22	6.9%	4.5%	6.5%
1Q23	8.7%	14.4%	9.8%
2Q23	9.1%	12.4%	9.8%
3Q23	9.3%	10.2%	9.4%
4Q23	7.3%	0.8%	6.0%
FY23	8.6%	9.2%	8.7%
1Q24	7.8%	3.1%	6.9%
2Q24	8.3%	(3.0)%	6.0%
3Q24	9.1%	(2.5)%	6.8%

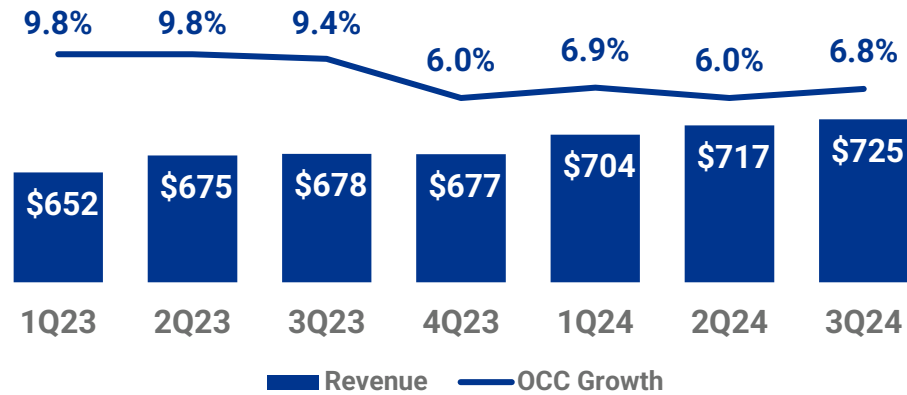
3Q24 Highlights

- **Subscription** revenue growth of 9.1% reflects:
 - Strong price realization and renewals in Forms, Rules, and Loss costs and Anti-Fraud Analytics
 - New customer wins within Extreme Event Solutions
 - Solid renewals and new sales within Property Estimating Solutions
- **Transactional** revenue decline of 2.5% is driven by:
 - Conversion of transactional to subscription revenue across our businesses
 - Overlapping strong growth last year in our auto business within Underwriting Data Analytics Solutions

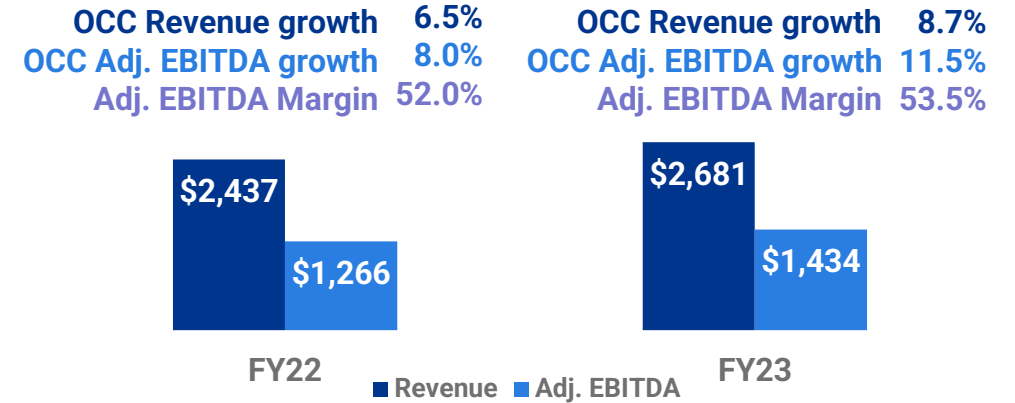
Insurance Performance¹ - Pro Forma

\$ in million USD

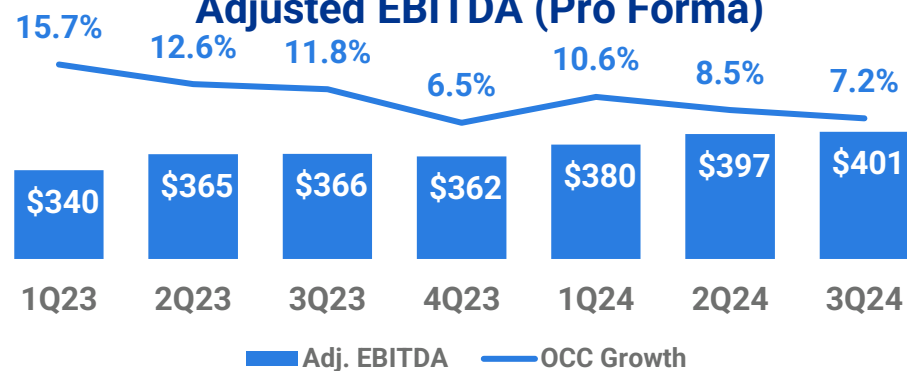
Revenue (Pro Forma)



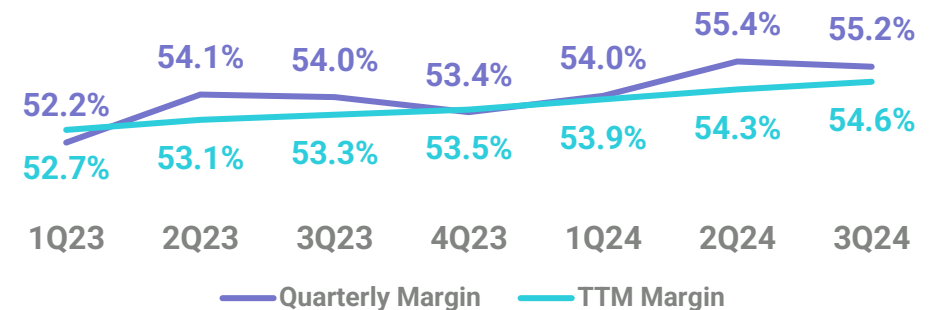
FY Revenue & Adjusted EBITDA (Pro Forma)



Adjusted EBITDA (Pro Forma)



Total Adjusted EBITDA Margin (Pro Forma)



1. See the Appendix for reconciliation to all non-GAAP measures

Underwriting – Revenue

Industry-leading data analytics and insights



Underwriting Solutions
(incl. Forms, Rules, and Loss Costs & Underwriting Data Analytics Solutions)
Industry-standard insurance programs, property-specific underwriting & rating information, and underwriting data solutions.



Extreme Event Solutions
Catastrophe and extreme event models and data covering natural and man-made risks such as terrorism.



Life
Power for simplified automation, decisions, and processes across the life insurance value chain, driven by an unparalleled array of data sources.



Specialty Business Solutions
Integrated suite of software that provides full, end-to-end management of all insurance and reinsurance business.



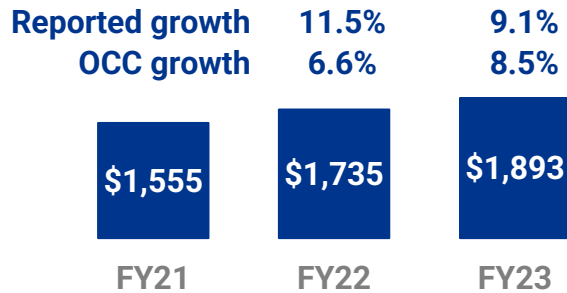
Marketing
Identity resolution and consumer intelligence to humanize marketing interactions while upholding the highest data security and privacy standards.



International
A growing, global array of data and analytic solutions for risk assessment, underwriting, claims, and more.

Historical Performance

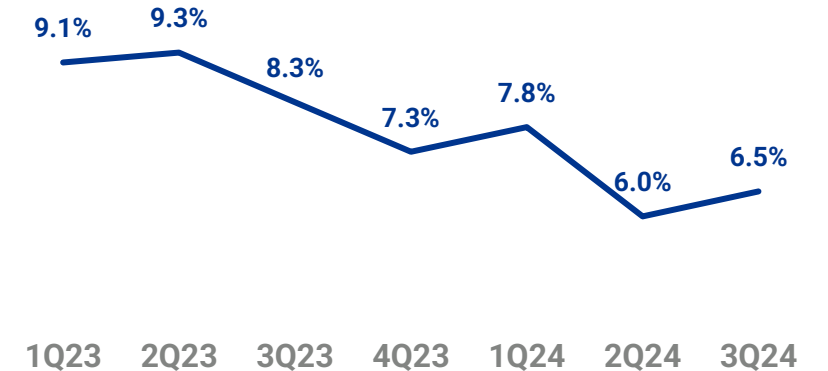
\$ in million USD



Business Highlights

- Underwriting OCC revenue grew 6.5% driven by strong performance across most business units
 - Solid contribution from forms, rules, and loss costs and extreme event solutions driven by strong renewals and improved price realization
 - Strong growth delivered by specialty business solutions and international underwriting

OCC Growth



Claims – Revenue

Industry-leading data analytics and insights



Property Estimating Solutions

Loss quantification and repair cost estimating for professionals involved in all phases of building and repair.



Anti-Fraud Solutions

Unmatched industry data and leading analytics in a comprehensive suite of anti-fraud solutions.



Casualty Solutions

Broad claims compliance solutions and proven analytics to improve workers' comp and liability claims management.



International

A growing, global array of data and analytic solutions for risk assessment, underwriting, claims, and more.

Historical Performance

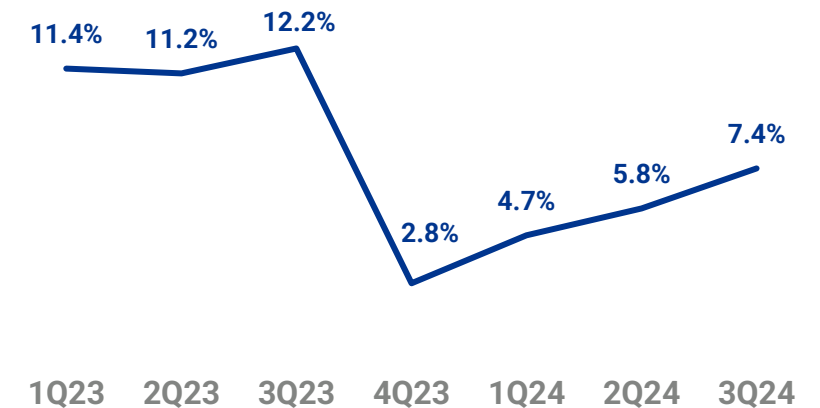
\$ in million USD

	FY21	FY22	FY23
Reported growth	7.8%	12.3%	12.3%
OCC growth	6.1%	9.3%	9.3%
	\$652	\$703	\$789

Business Highlights

- Claims OCC revenue grew 7.4%, primarily driven by:
 - Continued growth in Anti-fraud solutions, resulting from strong renewals, sale of new solutions and continued benefits from conversions
 - Solid subscription growth in Property Estimating Solutions.

OCC Growth



Cash Flow and Capital

The background features a large, solid blue circle on the left side. To its right, a series of wavy, dotted lines in shades of blue and teal create a sense of depth and movement, resembling a 3D grid or a topographical map.

Cash Flow Utilization

(in \$ millions)	2021	2022	2023	3Q23	3Q24
Net cash provided by operating activities ^{1,2}	\$1,156M	\$1,059M	\$1,061M	\$250M	\$296M
Capital expenditures	(268)	(275)	(230)	(54)	(56)
Free cash flow (FCF)	888	784	831	196	241
Acquisitions (net of cash acquired) and related items ¹	(290)	(449)	(83)	-	-
Proceeds from settlement of investment ³	-	1,073	3,066	-	-
Net proceeds from long-term debt	110	30	(770)	-	-
Purchase of investments in a nonpublic company	(24)	(46)	(2)	(1)	(1)
Repurchases of common stock ⁴	(475)	(1,663)	(2,800)	(50)	(400)
Dividends paid	(188)	(195)	(197)	(49)	(55)

1. Includes acquisition-related earnout payments from operating activities

2. Cash flow measures follow GAAP view and includes the impact from recent dispositions, including discontinued operations

3. Includes proceeds associated with the settlement of retained interests related to the sale of our healthcare business in 2016, our specialized markets and financials services businesses in 2022 and our energy business in 2023

4. Includes shares repurchased but not yet settled.

Capital Structure

(in \$ millions) as of
Sept. 30, 2024

Bonds **\$3,050M**

Revolver Drawn -

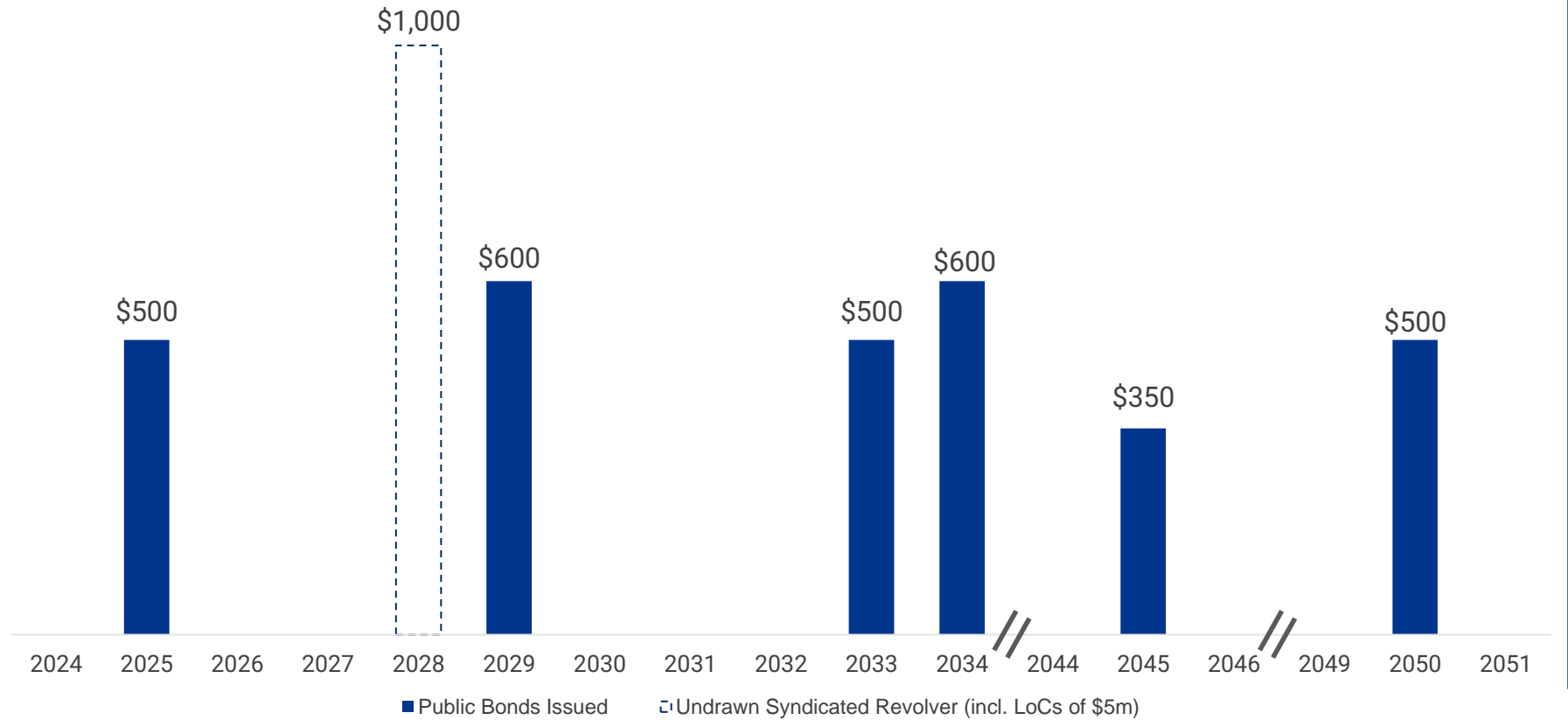
Total Debt¹ **\$3,050M**

Debt/EBITDA² **2.0x**

Investment Grade Ratings

S&P BBB

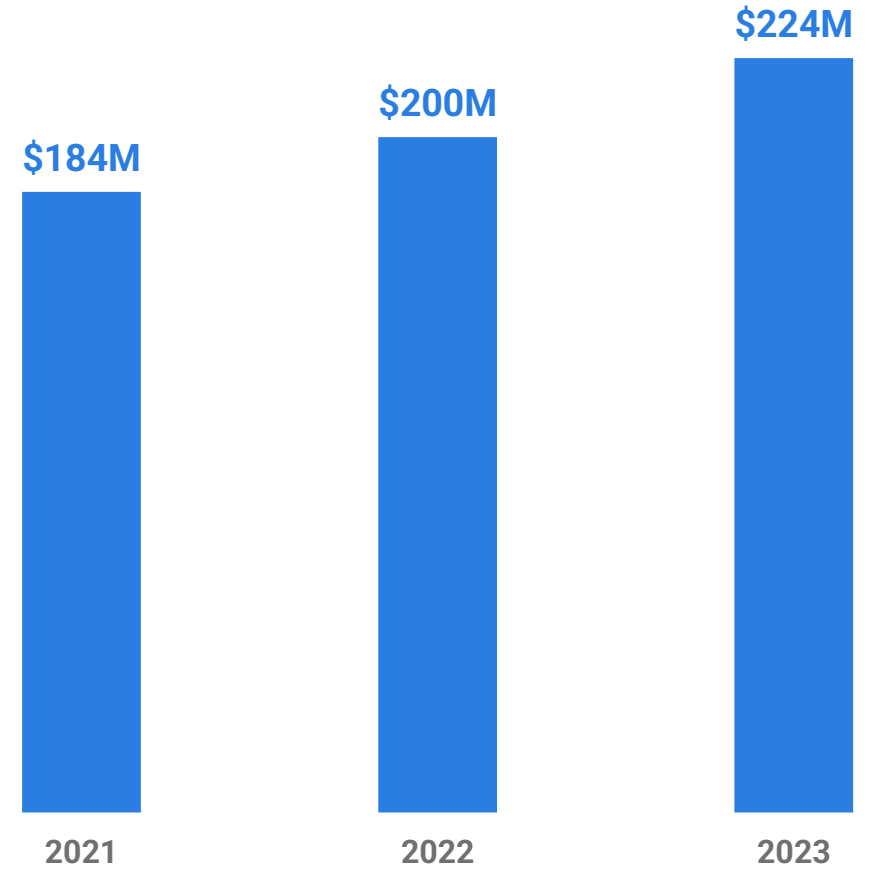
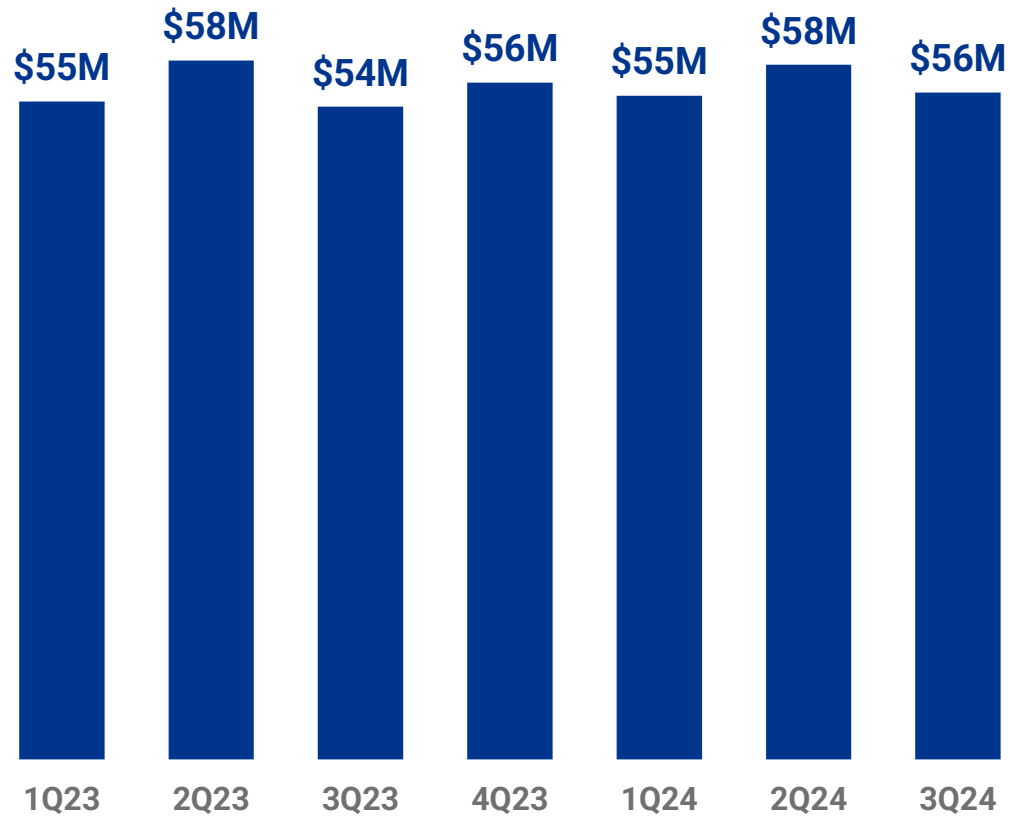
Moody's Baa1



1. Total debt excludes finance lease liabilities, any issued letters of credit, and issued surety bonds.

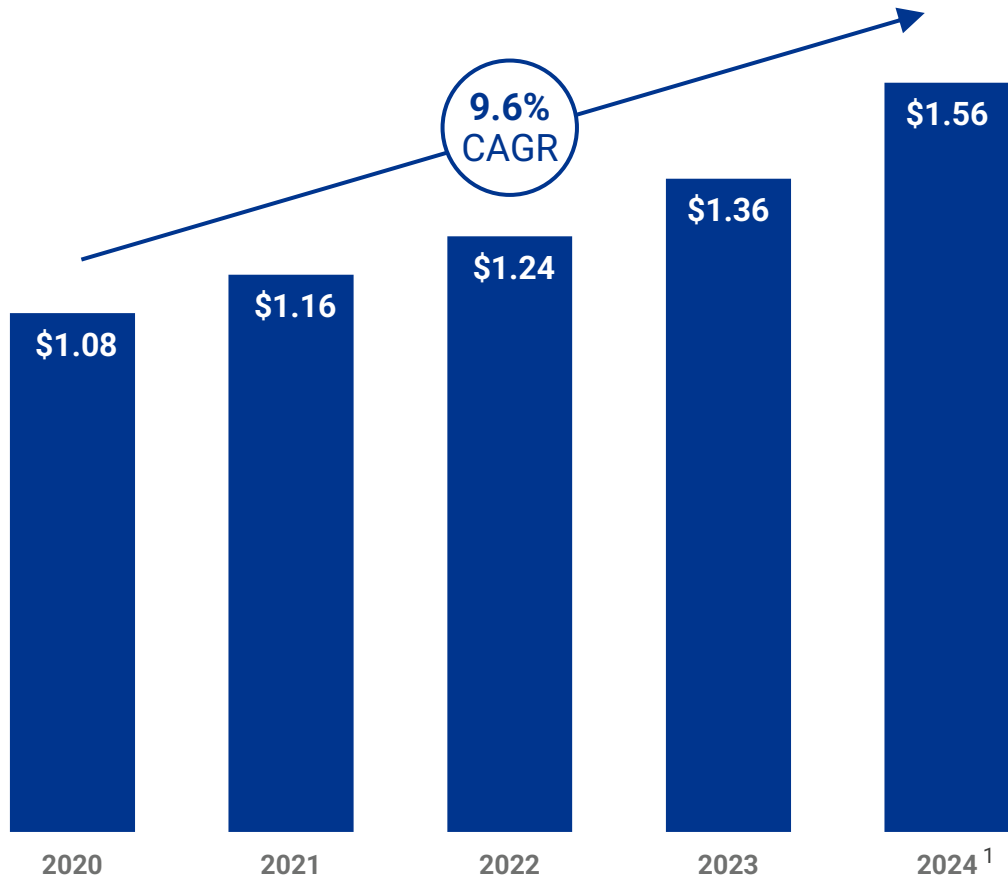
2. Debt/EBITDA is based on LTM Adjusted EBITDA.

Capital Expenditures – Insurance Only

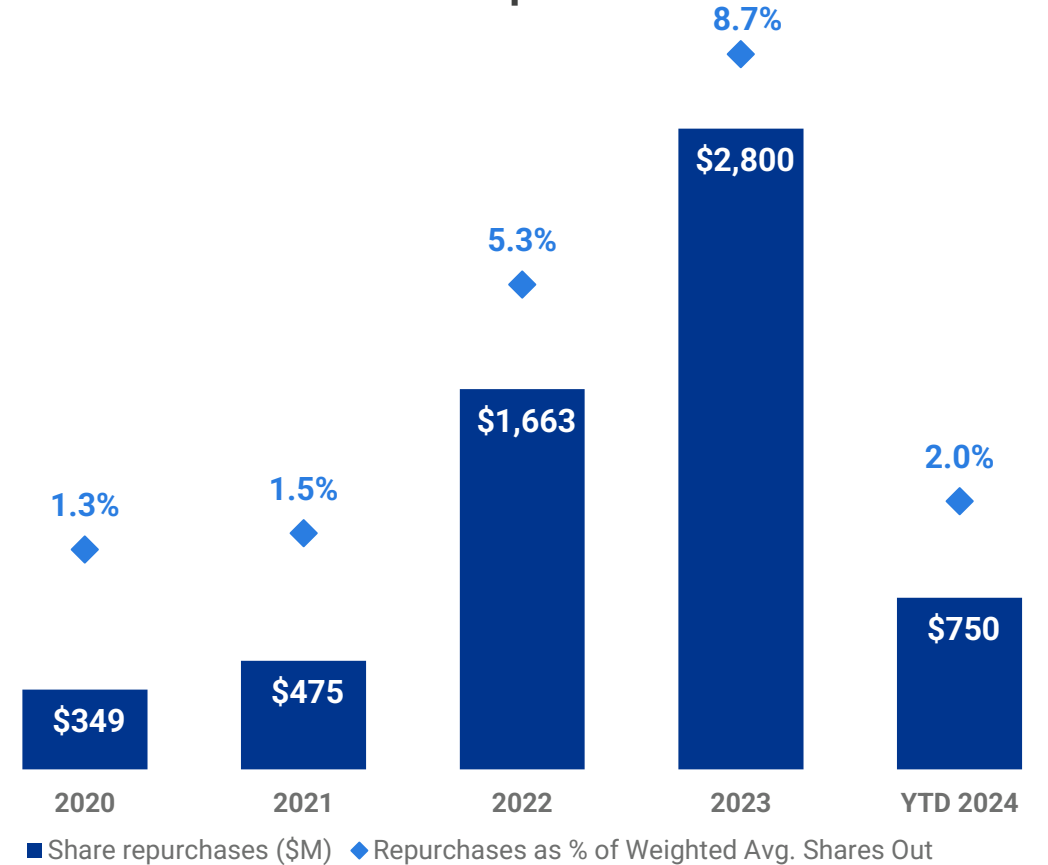


Capital Return

Dividend per Share



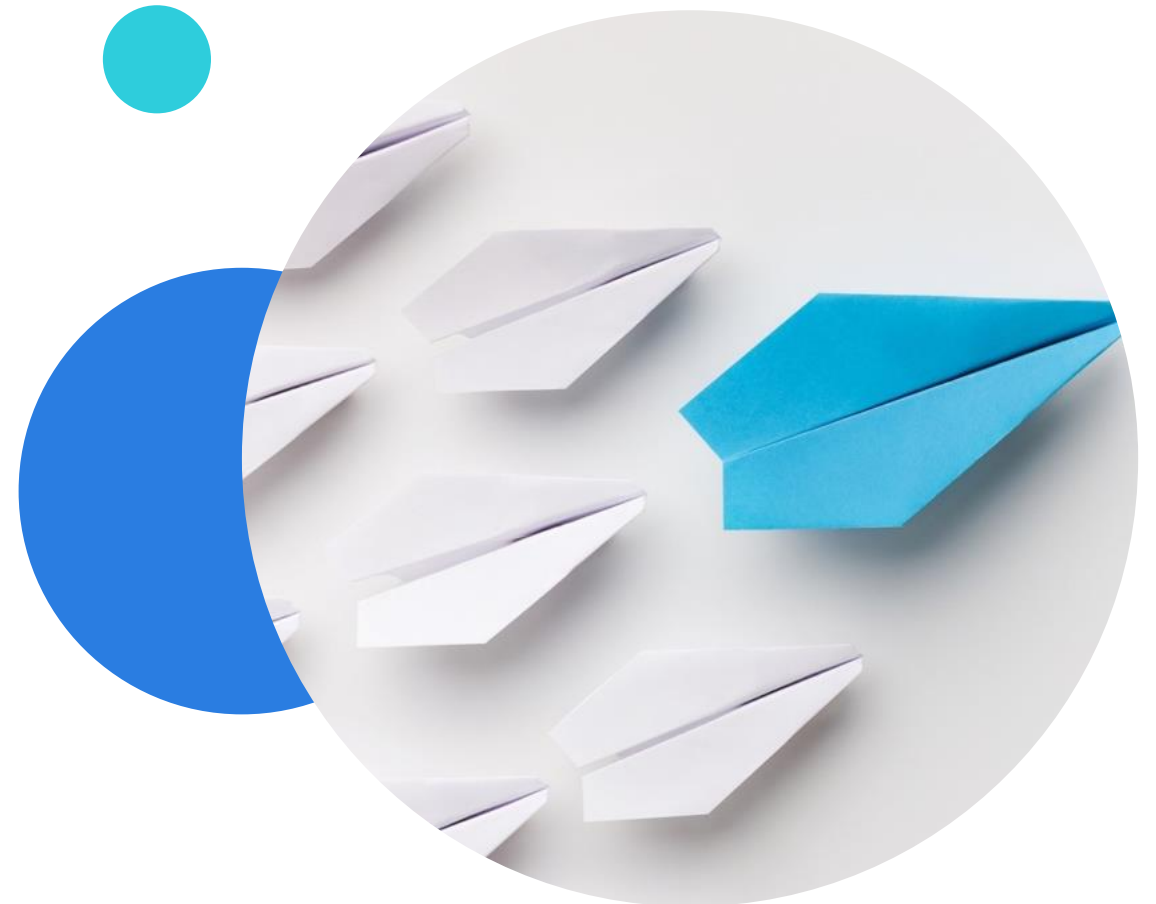
Share Repurchases



1. 2024 dividend per share includes \$0.39 approved dividend to be paid on December 31, 2024.

2024 Outlook Remains Unchanged

Metric	2024 Guidance
Total Revenue	\$2.84 – \$2.90B
Adjusted EBITDA	\$1.54 – \$1.60B
Adjusted EBITDA margin	54.0% – 55.0%
Diluted Adjusted EPS	\$6.30 – \$6.60
Tax rate	23% – 25%
Capex	\$240 – \$260M
Fixed asset D&A	\$210 – \$240M
Intangible amortization	\$75M

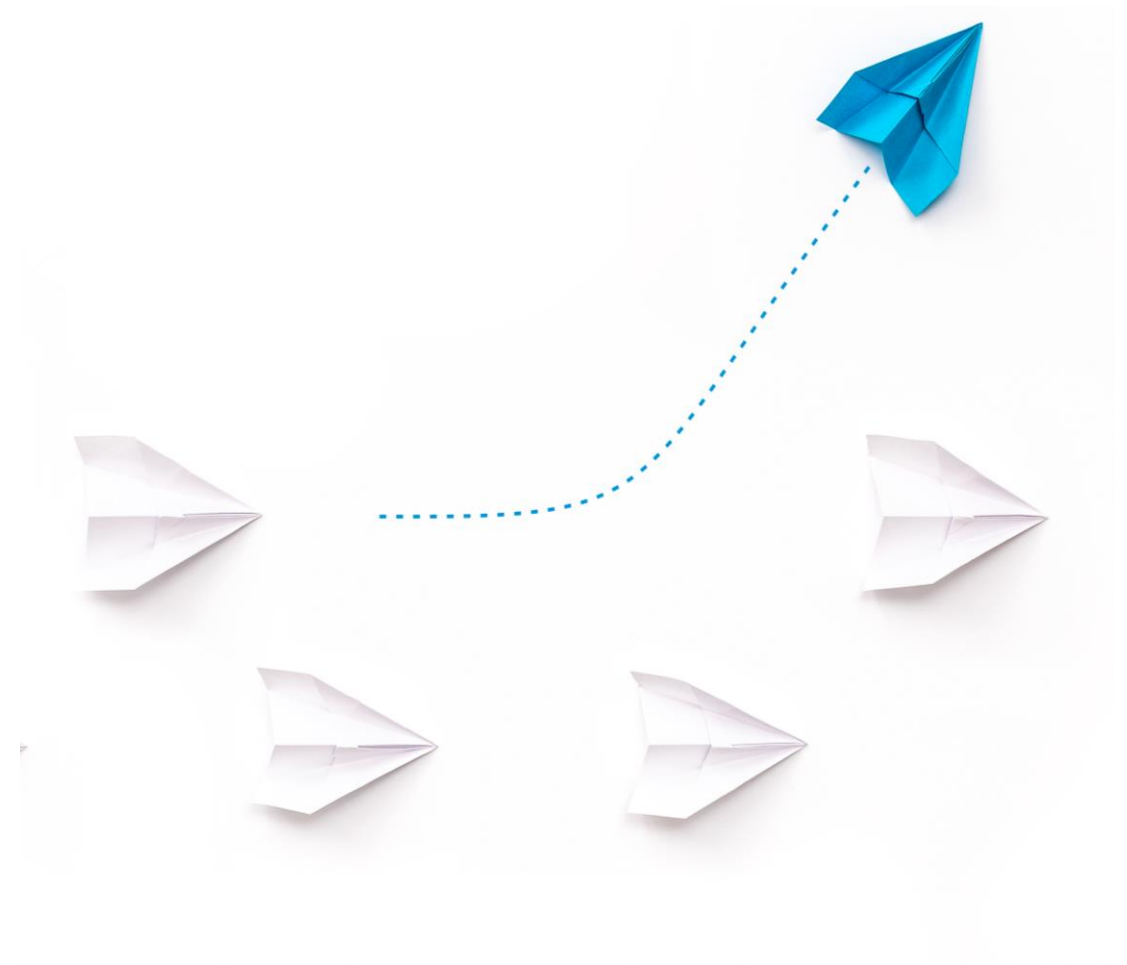


We are not able to provide a reconciliation of projected Adjusted EBITDA and Adjusted EBITDA margin to the most directly comparable expected GAAP results because of the unreasonable effort and high unpredictability of estimating certain items that are excluded from non-GAAP Adjusted EBITDA and Adjusted EBITDA margin, including, for example, tax consequences, acquisition-related costs, gain/loss from dispositions and other non-recurring expenses, the effect of which may be significant.

Capital Management Philosophy

Focused on value creation and delivering ROIC

- Understand and optimize operating capital generation.
- Identify internal and external investment opportunities.
- Compare estimated returns on invested capital relative to risk-weighted WACC.
- Compare operating cash flow growth and aggregate value creation opportunity.
- Allocate capital to attractive return opportunities in excess of risk-adjusted WACC with highest value creation opportunity.
- Host biannual project level reviews for all capex spend with each business unit.
- Target returns to exceed WACC in approximately three years.
- Evaluate capital return alternatives.
- Determine capital return allocation through dividends and share repurchases.
- Maintain investment grade rating as important to customers; target leverage of 2–3x.



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Appendix:

Supplemental Slides and/or Non-GAAP Reconciliations

Non-GAAP Reconciliations

Specified Metrics

We have provided certain non-GAAP financial information as supplemental information regarding our operating results. These measures are not in accordance with, or an alternative for, U.S. GAAP and may be different from non-GAAP measures reported by other companies. We believe that our presentation of non-GAAP measures provides useful information to management and investors regarding certain financial and business trends relating to our financial condition and results of operations. In addition, our management uses these measures for reviewing our financial results, for budgeting and planning purposes, and for evaluating the performance of senior management.

EBITDA, Adjusted EBITDA, and Adjusted EBITDA Expenses

EBITDA represents GAAP net income adjusted for (i) depreciation and amortization of fixed assets; (ii) amortization of intangible assets; (iii) interest expense, net; and (iv) provision for income taxes. Adjusted EBITDA represents EBITDA adjusted for acquisition-related adjustments (earn-outs), gain/loss from dispositions (which includes businesses held for sale), and nonrecurring gain/loss. Adjusted EBITDA expenses represent adjusted EBITDA net of revenues. We believe these measures are useful and meaningful because they allow for greater transparency regarding our operating performance and facilitate period-to-period comparison.

Adjusted Net Income and Diluted Adjusted EPS

Adjusted net income represents GAAP net income adjusted for (i) amortization of intangible assets, net of tax; (ii) acquisition-related adjustments (earn-outs), net of tax; (iii) gain/loss from dispositions (which includes businesses held for sale), net of tax; and (iv) nonrecurring gain/loss, net of tax. Diluted adjusted EPS represents adjusted net income divided by weighted-average diluted shares. We believe these measures are useful and meaningful because they allow evaluation of the after-tax profitability of our results excluding the after-tax effect of acquisition-related costs and nonrecurring items.

Free Cash Flow

Free cash flow represents net cash provided by operating activities determined in accordance with GAAP minus payments for capital expenditures. We believe free cash flow is an important measure of the recurring cash generated by our operations that may be available to repay debt obligations, repurchase our stock, invest in future growth through new business development activities, or make acquisitions.

Organic

Organic is defined as operating results excluding the effect of recent acquisitions and dispositions (which include businesses held for sale), and nonrecurring gain/loss associated with cost-based and equity-method investments that have occurred over the past year. An acquisition is included as organic at the beginning of the calendar quarter that occurs subsequent to the one-year anniversary of the acquisition date. Once an acquisition is included in its current-period organic base, its comparable prior-year-period operating results are also included to calculate organic growth. A disposition (which includes a business held for sale) is excluded from organic at the beginning of the calendar quarter in which the disposition occurs (or when a business meets the held-for-sale criteria under U.S. GAAP). Once a disposition is excluded from its current-period organic base, its comparable prior-year-period operating results are also excluded to calculate organic growth. We believe the organic presentation enables investors to assess the growth of the business without the impact of recent acquisitions for which there is no prior-year comparison and the impact of recent dispositions, for which results are removed from all prior periods presented to allow for comparability.

Organic Constant Currency (OCC) Growth Rate

Organic Constant Currency (OCC) Growth Rate: Our operating results, such as, but not limited to, revenue and adjusted EBITDA, reported in U.S. dollars are affected by foreign currency exchange rate fluctuations because the underlying foreign currencies in which we transact changes in value over time compared with the U.S. dollar; accordingly, we present certain constant currency financial information to assess how we performed excluding the impact of foreign currency exchange rate fluctuations. We calculate constant currency by translating comparable prior-year-period results at the currency exchange rates used in the current period. We believe organic constant currency is a useful and meaningful measure to enhance investors' understanding of the continuing operating performance of our business and to facilitate the comparison of period-to-period performance because it excludes the impact of foreign exchange rate movements, acquisitions, and dispositions.

Non-GAAP Reconciliations

Segment Results and EBITDA | Current and Prior-Year Period

Segment Results Summary and Adjusted EBITDA Reconciliation	3Q24	3Q23
Revenues	\$725.3M	\$677.6M
Revenues from acquisitions	(0.6)	—
Organic revenues	724.7	677.6
EBITDA	393.8	346.8
Litigation reserve, net of recovery	—	19.2
Leasehold impairment, net of lease modification gain	6.7	—
Adjusted EBITDA	400.5	366.0
Adjusted EBITDA from acquisitions and dispositions	—	0.1
Organic adjusted EBITDA	400.5	366.1

Non-GAAP Reconciliations

Segment Results and EBITDA

Segment Results Summary and Adjusted EBITDA Reconciliation	FY23			FY22		
	Insurance	E&SM	FS	Insurance	E&SM	FS
Revenues	\$2,681.4M	—	—	\$2,437.0M	\$22.4M	\$37.6M
Revenues from acquisitions and dispositions	(42.9)	—	—	(10.5)	(22.4)	(37.6)
Organic revenues	2,638.5	—	—	2,426.5	-	-
EBITDA	1,424.1	—	—	1,303.0	426.2	(89.4)
Impairment loss	—	—	—	—	—	73.7
Impairment of cost-based investments	6.5	—	—	—	—	—
Litigation reserve	38.2	—	—	—	—	—
Acquisition-related costs (earn-outs)	(19.4)	—	—	(3.0)	—	—
Severance expense	—	—	—	—	1.8	—
(Gain) loss from dispositions	(15.9)	—	—	—	(449.9)	22.1
Adjusted EBITDA	1,433.5	—	—	1,300.0	(21.9)	6.4
Adjusted EBITDA from acquisitions and dispositions	(8.1)	—	—	(28.7)	21.9	(6.4)
Organic adjusted EBITDA	1,425.4	—	—	1,271.3	—	—

Non-GAAP Reconciliations

Adjusted Net Income/EPS and Free Cash Flow | Current and Prior-Year Period

Adjusted Net Income and EPS

	3Q24	3Q23
Net income	\$220.0M	\$187.4M
plus: Amortization of intangibles	18.3	19.6
less: Income tax effect on amortization of intangibles	(4.8)	(5.0)
less: Litigation reserve, net of recovery	—	19.2
plus: Leasehold impairment, net of lease modification gain	6.7	—
less: Income tax effect on leasehold impairment, net of lease modification gain	(1.7)	—
Adjusted net income	238.5	221.2
Diluted EPS attributable to Verisk	\$1.54	\$1.29
Diluted adjusted EPS	\$1.67	\$1.52
Weighted-average diluted shares outstanding	142.5M	145.7M

Free Cash Flow

	3Q24	3Q23
Net cash provided by operating activities	\$296.2M	\$250.1M
Capital expenditures	(55.5)	(54.3)
Free cash flow	240.7	195.8

Non-GAAP Reconciliations

Adjusted Net Income/EPS and Free Cash Flow | Current and Prior-Year Period

	FY23	FY22
Adjusted Net Income and EPS		
Net income	\$614.4M	\$954.3M
Income from discontinued operations, net of tax expense	(154.0)	(87.8)
Income from continuing operations	768.4	1,042.1
plus: Amortization of intangibles	74.6	74.4
less: Income tax effect on amortization of intangibles	(18.7)	(18.6)
plus: Litigation reserve expense (release)	38.2	—
plus: Income tax effect on litigation reserve	(0.5)	—
plus: Acquisition-related costs and interest expense (earn-outs)	(19.4)	(0.1)
less: Income tax effect on acquisition-related costs and interest expense (earn-outs)	4.9	0.1
plus: Impairment loss	—	73.7
less: Income tax effect on impairment loss	—	(16.8)
plus: Loss (gain) from dispositions	(15.9)	(427.9)
less: Income tax effect on gain from dispositions	3.7	67.4
plus: Impairment of cost-based investments	6.5	—
less: Income tax effect on impairment of cost-based investments	(0.4)	—
plus: Severance expense	—	1.8
less: Income tax effect on severance expense	—	(0.4)
Adjusted net income	841.4	795.7
Diluted EPS attributable to Verisk	\$5.22	\$6.55
Diluted adjusted EPS	\$5.71	\$5.01
Weighted-average diluted shares outstanding	147.3M	158.9M
Free Cash Flow		
Net cash provided by operating activities ¹	\$1,060.7M	\$1,059.0M
Capital expenditures	(230.0)	(274.7)
Free cash flow	830.7	784.3

1. Cash flow measures follow GAAP view and includes the impact from recent dispositions, including discontinued operations.

Non-GAAP Reconciliations

2021 and 2022 Pro Forma Revenues and EBITDA

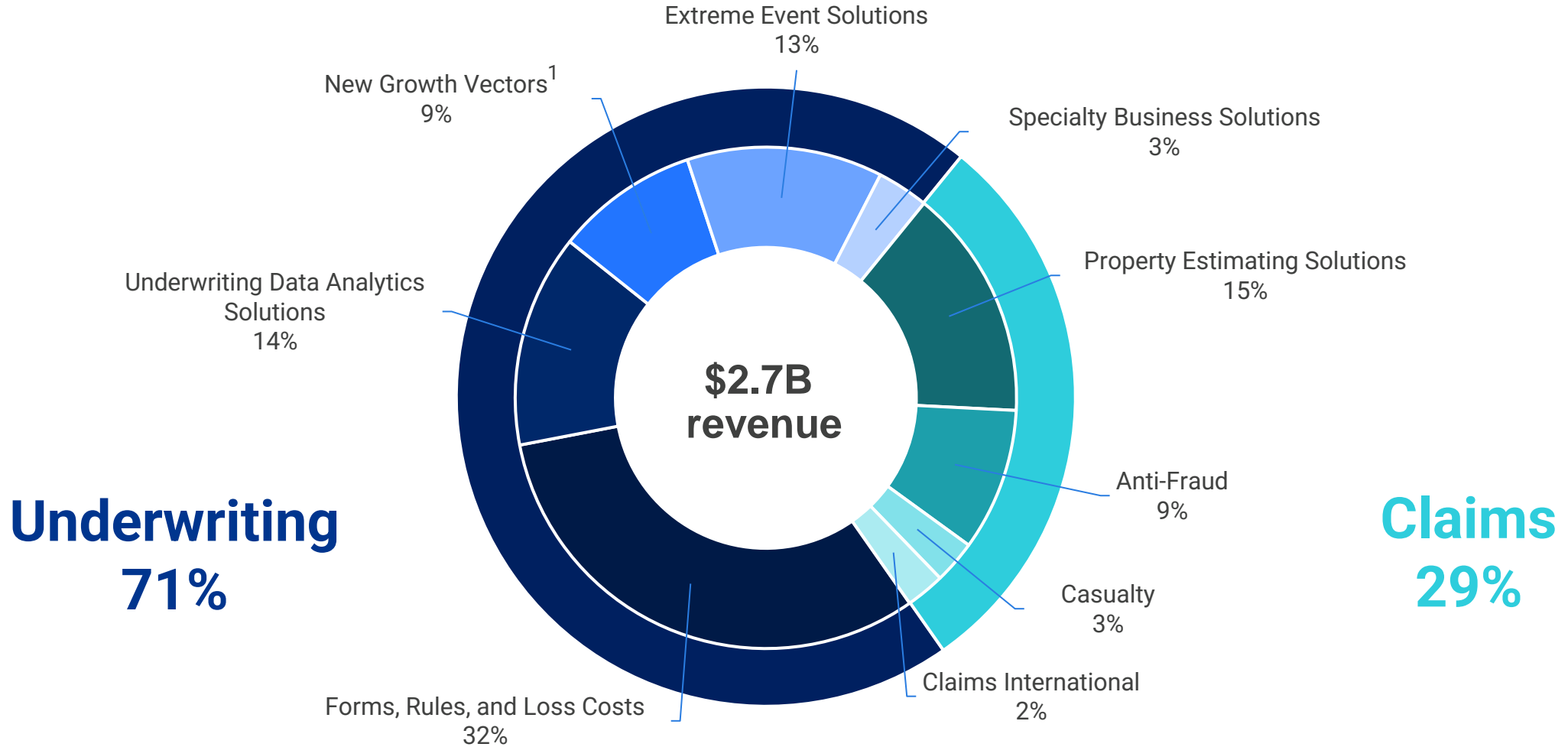
	2023	2022					2021				
	1Q	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Revenues (Insurance)	\$652M	\$586M	\$610M	\$610M	\$630M	\$2,437M	\$536M	\$550M	\$558M	\$563M	\$2,207M
Revenues from acquisitions	23	(20)	(28)	(28)	(28)	(105)	(1)	-	(0)	(2)	(3)
Organic revenues	629	567	582	582	602	2,332	535	550	558	562	2,204
Net income attributable to Verisk (reported) ¹	56	506	198	189	61	954	169	154	202	142	666
(Income) loss from discontinued operations ²	(138)	(19)	(24)	(24)	155	88	(21)	8	(22)	(24)	(59)
Income from continuing operations	194	487	173	166	216	1,042	148	161	179	118	607
Depreciation and amortization of fixed assets	45	40	39	42	43	164	42	43	43	42	170
Amortization of intangible assets	18	21	18	18	17	74	21	25	14	20	80
Interest expense	26	31	32	34	41	139	35	31	30	30	127
Provision for income taxes	72	103	41	53	24	220	46	57	53	24	179
EBITDA	355	682	304	312	341	1,639	292	318	318	235	1,164
Impairment loss	-	74	-	-	-	74	-	-	-	134	134
Litigation reserve	-	-	-	-	-	-	-	-	-	(50)	(50)
Acquisition-related costs (earn-outs)	(15)	-	-	8	(11)	(3)	(0)	0	0	-	0
Severance expense	-	-	2	-	-	2	-	-	-	-	-
Loss (gain) from dispositions	-	(451)	16	5	2	(428)	-	-	-	-	-
EBITDA from dispositions ³	-	(18)	(0)	0	0	(18)	(19)	(21)	(22)	(27)	(88)
Adjusted EBITDA (Pro Forma)	340	287	322	325	332	1,266	274	297	297	292	1,160
Adjusted EBITDA from acquisitions	(5)	(4)	(7)	(8)	(6)	(25)	1	-	0	1	2
Organic adjusted EBITDA (Pro Forma)	\$335M	\$284M	\$315M	\$318M	\$326M	\$1,242M	\$274M	\$297M	\$297M	\$293M	\$1,162M

1. As reported in the Company's 2021 and 2022 10-k filing.

2. (Income) loss from discontinued operations reflects the results of our recently announced disposition of the Energy business

3. Includes 3E and VFS

2023 Revenue Contribution



1. New Growth Vectors includes Life, Marketing and Underwriting Solutions International

