



1Q2019 Earnings Presentation

April 30, 2019

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

Forward-Looking Statements

This release contains forward-looking statements. 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, Verisk's expectation and ability to pay a quarterly cash dividend on its common stock in the future, subject to the determination by the Board of Directors, and based on an evaluation of company 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 Verisk's 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 for any reason, whether as a result of new information, future events, or otherwise.

Notes Regarding the Use of Non-GAAP Financial Measures

The company has provided certain non-GAAP financial information as supplemental information regarding its 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. The company believes that its presentation of non-GAAP measures, such as organic constant currency revenue, organic constant currency adjusted EBITDA, adjusted EBITDA, adjusted net income, diluted adjusted EPS, and free cash flow, provides useful information to management and investors regarding certain financial and business trends relating to its financial condition and results of operations. In addition, the company's management uses these measures for reviewing the financial results of the company and for budgeting and planning purposes.



Business and Financial Highlights

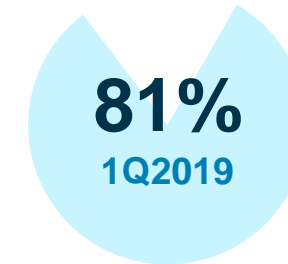
- Organic constant currency (OCC) revenue grew 6.7% and OCC adjusted EBITDA grew 6.8%
- Revenue growth was driven by the Insurance segment combined with ongoing improvements in Energy and Specialized Markets
- Adjusted EBITDA margin expanded 31 bps to 46.7% from 46.4% last year, owing to operating leverage from solid sales growth and cost discipline
- Free cash flow increased 13.1% year-over-year in the first quarter
- Significant investments made across all our segments, including remote imagery, telematics, and WoodMac 2.0 (Lens), to fuel future growth
- Returned more than \$116M of capital to shareholders through share repurchases and dividends



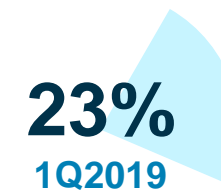
Financial Summary

	Three months ended March 31		
	2019	2018	% change
Revenue	\$625M	\$581M	7.5%
Adjusted EBITDA	292	270	8.2
Adjusted EBITDA margin	46.7%	46.4%	31 bps
Net income	134	133	1.0
Adjusted net income	171	159	7.1
Free cash flow	321	284	13.1
Diluted GAAP EPS	\$0.81	\$0.79	2.5
Diluted adjusted EPS	\$1.03	\$0.94	9.6

Subscription/Long-Term Revenue

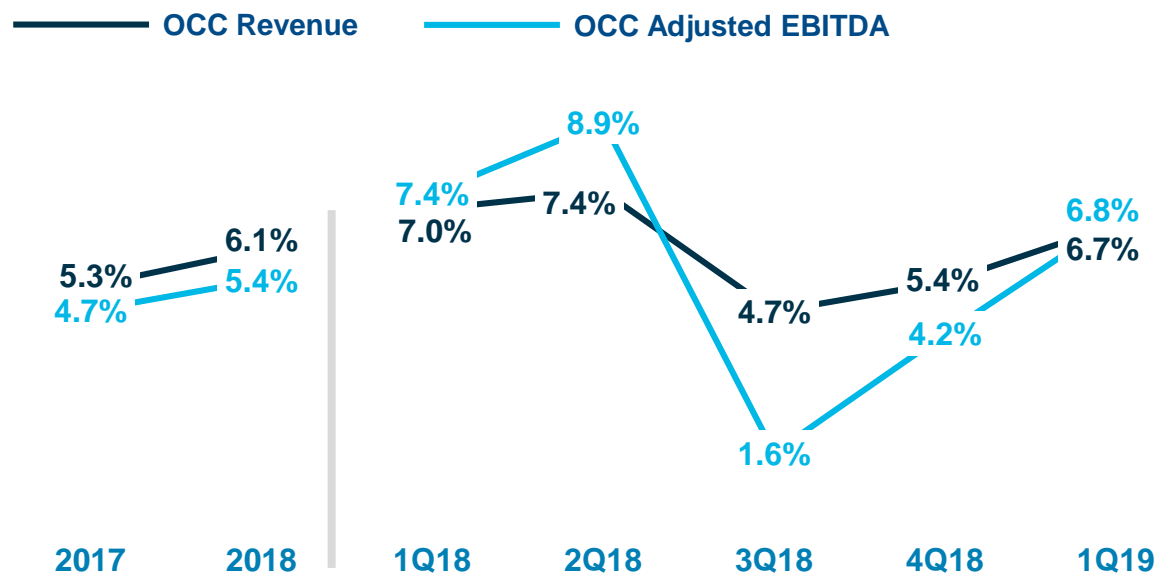


International Revenue



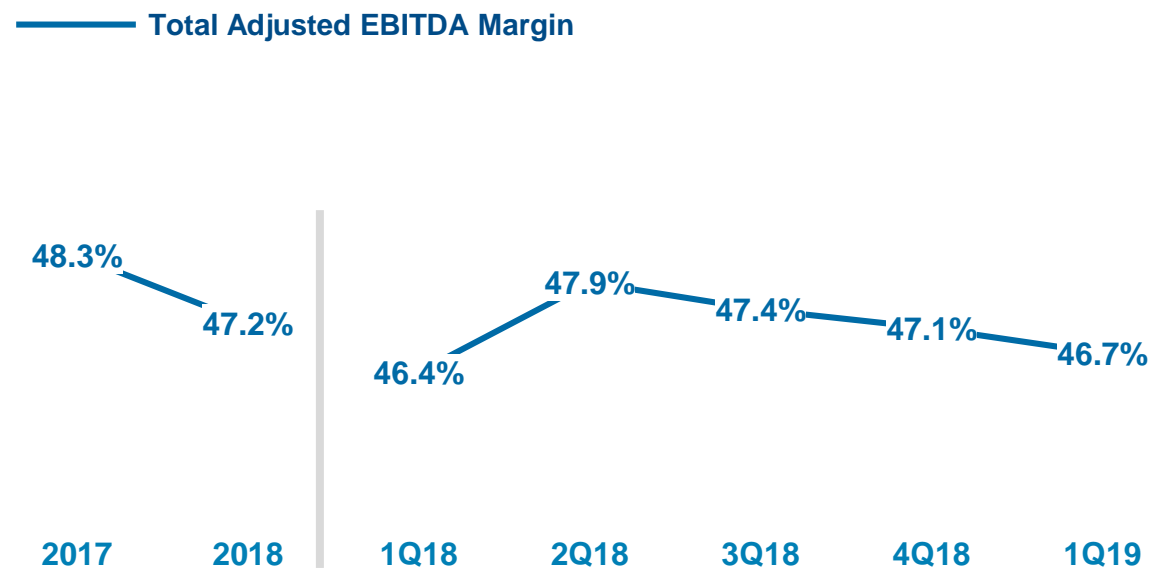


Organic Constant Currency Growth and Adjusted EBITDA Margins



Highlights

- Organic constant currency revenue growth was 6.7% in 1Q19, led by growth in Insurance and improving results in Energy and Specialized Markets
- Organic constant currency adjusted EBITDA growth was 6.8%, inclusive of meaningful investment in future growth opportunities



Highlights

- 1Q19 adjusted EBITDA margin was 46.7%, up from 46.4% in the prior-year period, owing to leverage from solid sales and cost discipline
- Significant investments made across all our segments to fuel future growth

Segments



Insurance

Industry-leading data analytics and insights

Underwriting & Rating Solutions



Industry-standard insurance programs, property-specific underwriting & rating info, and underwriting solutions



Catastrophe and extreme event models covering natural and man-made risks such as terrorism



Integrated suite of software that provides full end-to-end management of all insurance and reinsurance business

Claims Solutions



Integrated analytics solutions for improving claim outcomes and fighting fraud at every step of the process

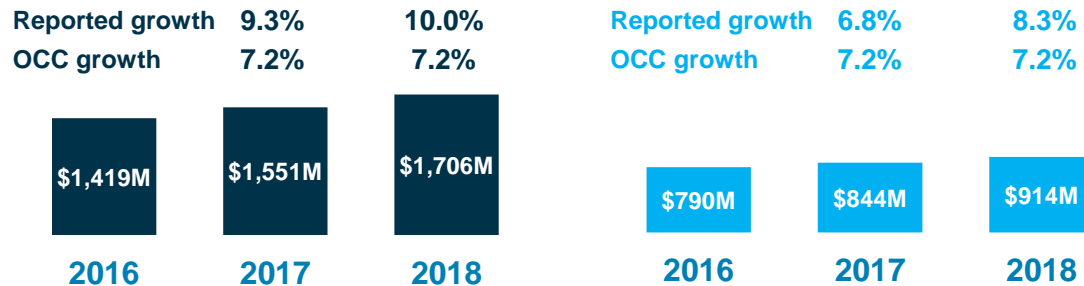


Loss quantification and repair cost estimating for professionals involved in all phases of building and repair



Multitier, multispectral aerial imagery, dimensions, and structure history for residential and commercial roofs and properties

Historical Performance



Revenue

Adjusted EBITDA

Contribution



2019 Revenue



2019 Adjusted EBITDA



Insurance Quarterly Performance

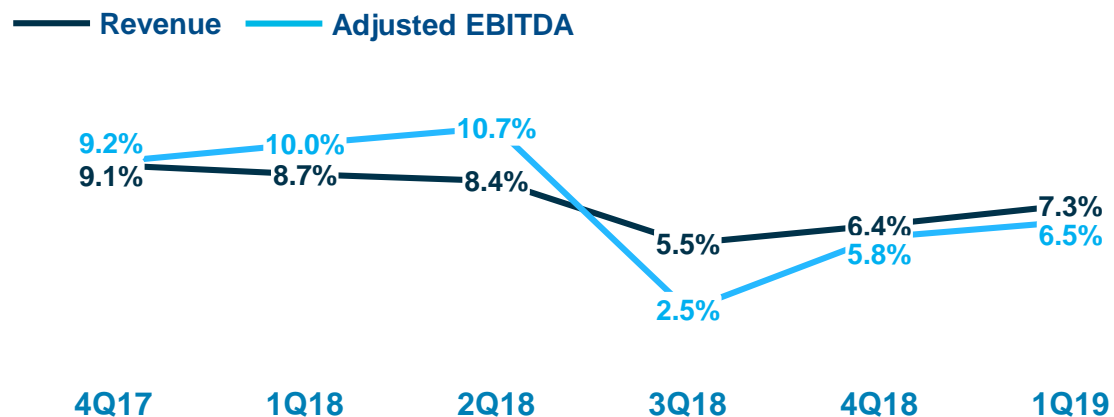
Financials

	1Q19	1Q18	% change		OCC
			Reported	Organic	
UW & rating	\$303M	\$281M	8.2%	6.5%	6.8%
Claims	148	132	11.8	8.0	8.2
Revenue	451	413	9.3	7.0	7.3
Adjusted EBITDA	240	222	8.2	6.4	6.5
Total margin	53.1%	53.7%			

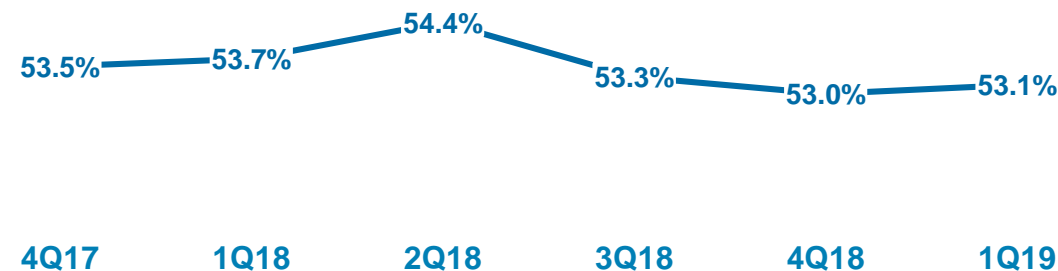
Business Highlights

- UW & rating growth was balanced across personal and commercial lines with solid growth across industry-standard insurance programs, property specific underwriting, and catastrophe modeling solutions
- Claims growth was driven by repair cost estimating solutions, claims analytics, and remote imagery solutions
- Total adjusted EBITDA margins reflect a 30 bps negative impact from acquisitions

Organic Constant Currency Growth



Total Adjusted EBITDA Margin





Energy and Specialized Markets

Unique insight on the world's energy resources and intelligent compliance solutions

Energy



Energy and natural resources solutions across Research & Analytics and Advisory Services

Providing engaging digital platforms and tools to support objective decision making for the oil and gas, metals and mining, chemicals, subsurface, and power and renewables industries



Spend and cost data from millions of transactions across thousands of services, materials, and equipment categories

Specialized Markets



Improving our understanding of the global environment to enable better decision making in response to weather and climate-related risk

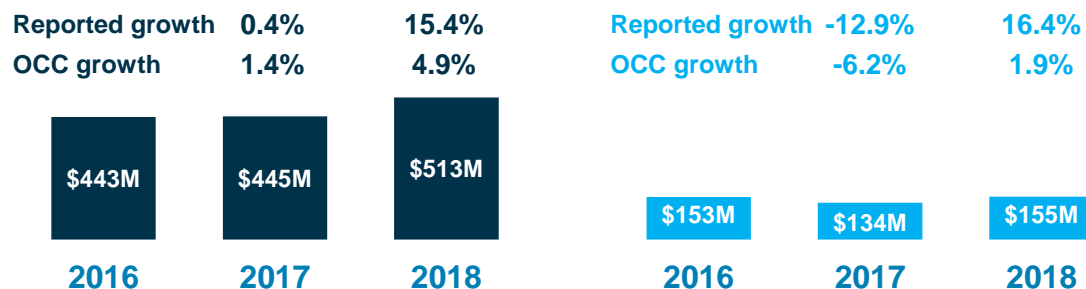


Country risk data, including information on terrorism, conflict, civil unrest, corruption, human rights violations, and natural hazards



Supports compliance with global environmental health and safety requirements

Historical Performance



Revenue

Adjusted EBITDA

Contribution



2019 Revenue



2019 Adjusted EBITDA



Energy and Specialized Markets Quarterly Performance

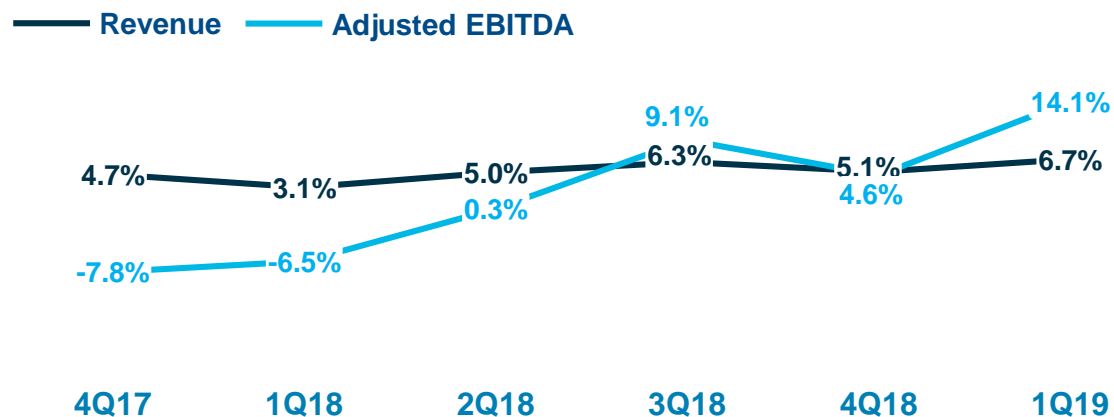
Financials

	1Q19	1Q18	% change		OCC
			Reported	Organic	
Revenue	\$131M	\$125M	4.2%	4.2%	6.7%
Adjusted EBITDA	39	34	15.3	18.3	14.1
Total margin	29.6%	26.8%			

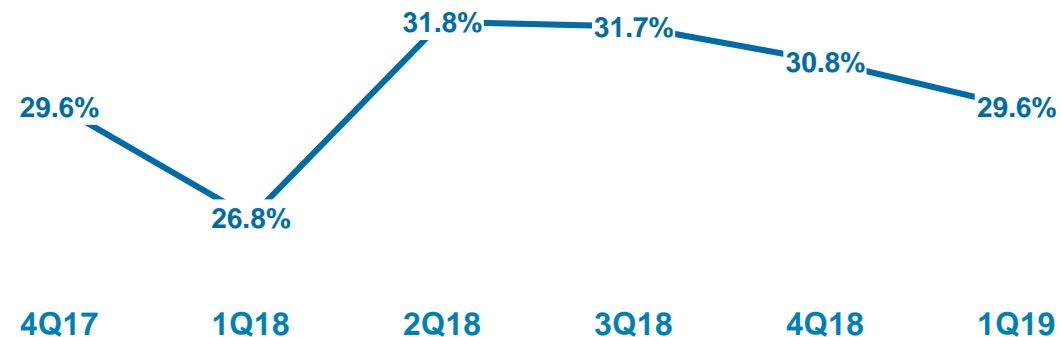
Business Highlights

- Organic revenue growth driven by market and cost intelligence solutions, environmental health and safety services, and core Wood Mackenzie research revenues
- Organic margins reflect growth in the core business, expense discipline, inclusion of PowerAdvocate in the organic base, and continued investment in breakouts

Organic Constant Currency Growth



Total Adjusted EBITDA Margin





Financial Services

Big data, predictive analytics, and insights

Portfolio Analytics, Regulatory Data Management, and Marketing



Solutions for financial institutions, including competitive benchmarking, decisioning algorithms, and advisory services, and data management platforms



Regulatory reporting solutions for the banking sector and data management platforms



Consumer spending analysis and insights

Credit Risk Management, Fraud, and Abuse



Risk management tools associated with bankruptcy management and debt collection

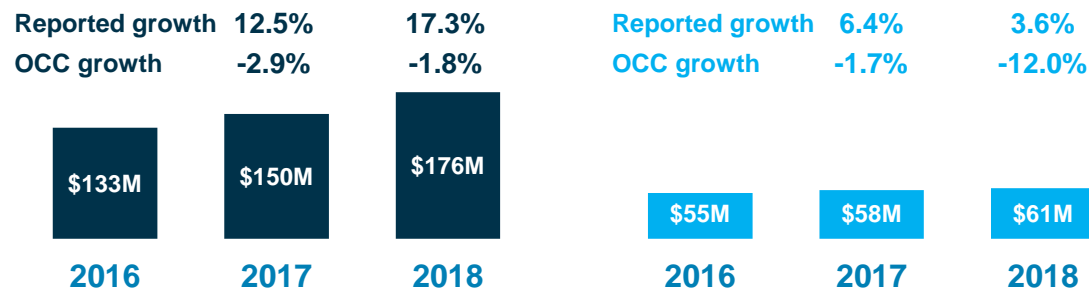


Solutions detecting illicit, fraudulent, and noncompliant merchant activity for e-commerce and payments companies



Systems and services to help retailers prevent loss, manage risk, and ensure compliance with laws and regulations

Historical Performance



Revenue

Adjusted EBITDA

Contribution





Financial Services Quarterly Performance

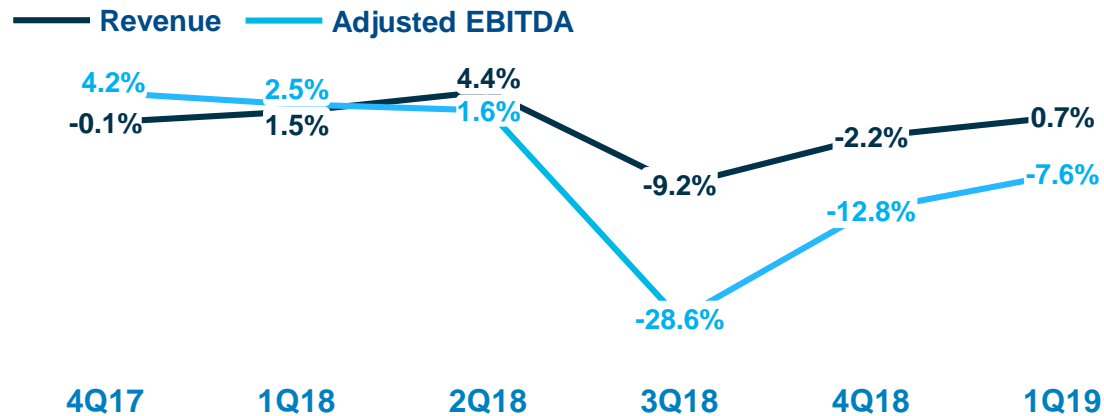
Financials

	1Q19	1Q18	% change		OCC
			Reported	Organic	
Revenue	\$43M	\$43M	-0.1%	-0.1%	0.7%
Adjusted EBITDA	13	14	-8.1	-8.1	-7.6
Total margin	30.8%	33.5%			

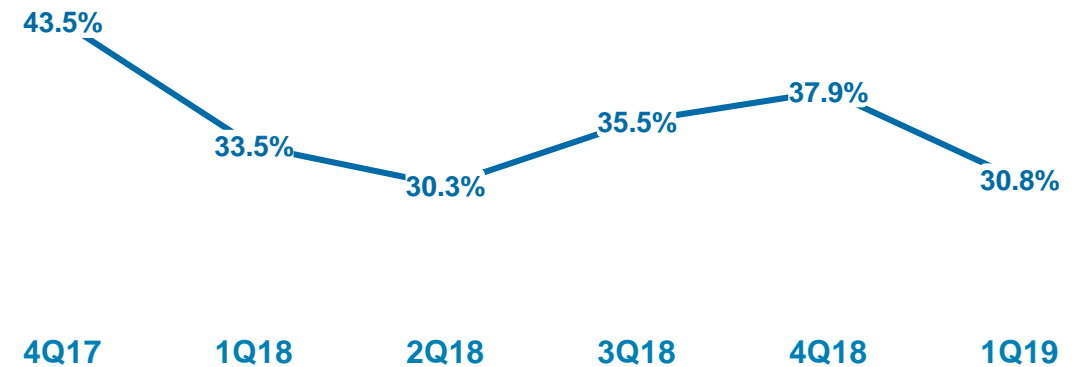
Business Highlights

- Organic constant currency revenue grew 0.7%, an improvement from 4Q, reflecting healthy growth in spend-informed analytics and portfolio management offset by weakness in enterprise data management
- Continue on the journey to optimize revenue and cost savings in this vertical and feel confident in long-term growth opportunity

Organic Constant Currency Growth



Total Adjusted EBITDA Margin

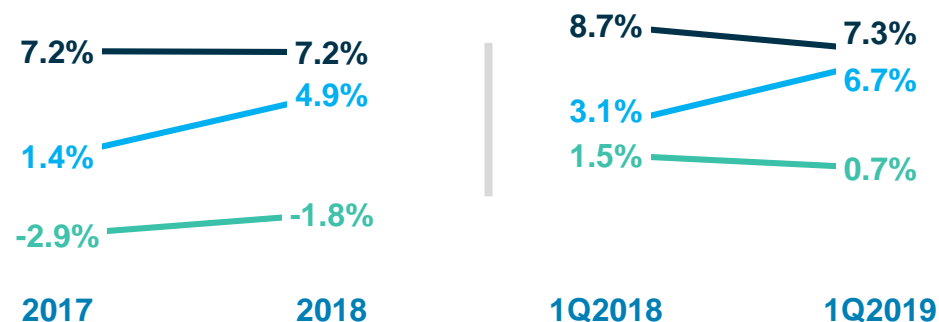




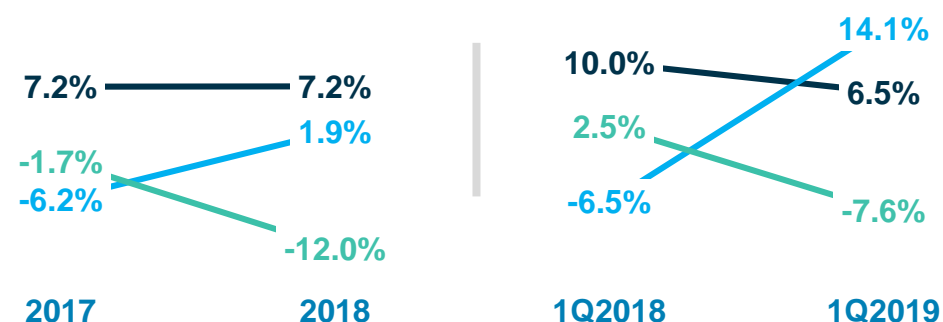
Segment Trends

Insurance Energy Financial

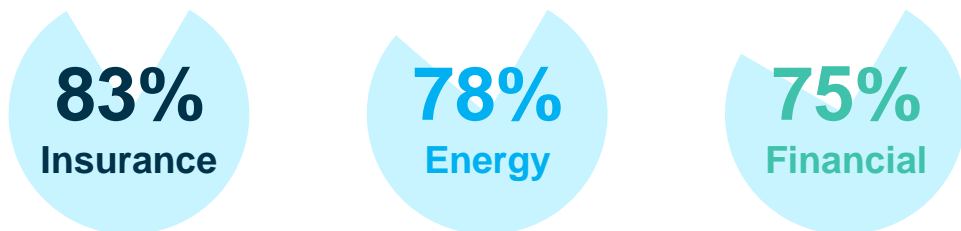
Organic Constant Currency Revenue Growth



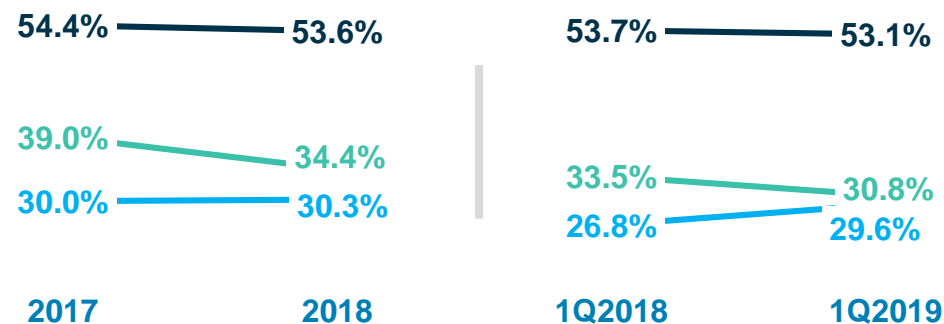
Organic Constant Currency Adjusted EBITDA Growth



1Q2019, % Subscription/Long-Term Contracts



Total Adjusted EBITDA Margins



Cash Flow and Capital



Cash Flow Utilization

(in \$ millions)	2016 ⁽¹⁾	2017	2018	1Q18	1Q19
Net cash provided by operating activities	\$656M	\$744M	\$934M	\$327M	\$366M
Capital expenditures	(146)	(184)	(231)	(43)	(45)
Free cash flow (FCF)	510	560	703	284	321
Acquisitions, net of cash acquired	(74)	(915)	(153)	(22)	(69)
Proceeds from sale of sub, and settlement of related note	715	—	121	—	—
Net debt (repayments) borrowings	(771)	615	(300)	(235)	(100)
Repurchases of common stock	(327)	(276)	(439)	(36)	(75)
Dividends paid	—	—	—	—	(41)

Notes: 1. 2016 net cash provided by operating activities and free cash flow exclude those activities related to the divesture of the healthcare business, including \$100M of taxes paid on the gain.



Capital Structure

as of 3/31/2019

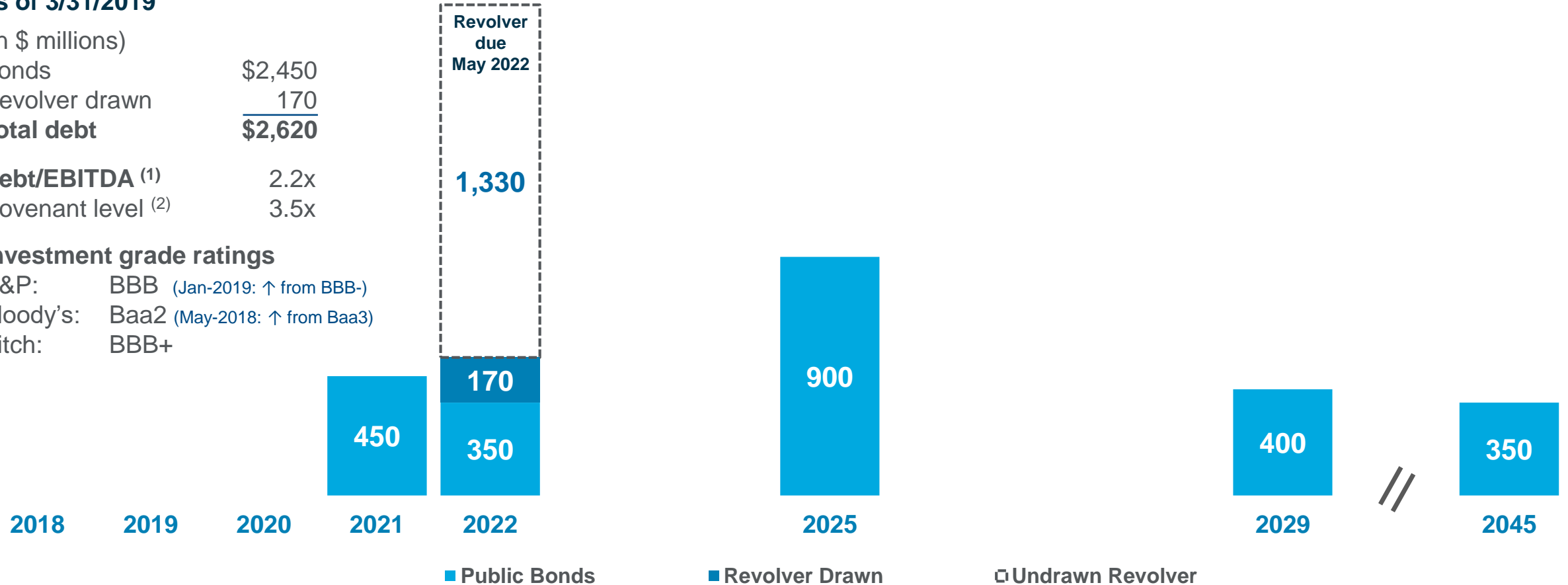
(in \$ millions)

Bonds	\$2,450
Revolver drawn	170
Total debt	\$2,620

Debt/EBITDA ⁽¹⁾	2.2x
Covenant level ⁽²⁾	3.5x

Investment grade ratings

S&P:	BBB (Jan-2019: ↑ from BBB-)
Moody's:	Baa2 (May-2018: ↑ from Baa3)
Fitch:	BBB+



Notes: 1. Per bank covenant. Leverage based on reported (face) EBITDA is 2.3x.
 2. At Verisk's election, covenant may increase to 4.0x for a period of up to 12 months twice in facility life.



Capital Management Philosophy

Focused on value creation and improving 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
- Evaluate capital return alternatives
- Allocate capital to attractive return opportunities in excess of risk-adjusted WACC with highest value creation opportunity
- Determine capital return allocation



Appendix:

Supplemental Slides and/or Non-GAAP Reconciliations



Non-GAAP Reconciliations

Specified Metrics

Constant Currency Growth

Our operating results reported in U.S. dollars are affected by foreign currency exchange rate fluctuations because the underlying foreign currencies in which we transact change in value over time compared to the U.S. dollar; accordingly, we present certain constant currency financial information to provide a framework to assess how our businesses performed excluding the impact of foreign currency exchange rate fluctuations. We use the term “constant currency” to present results that have been adjusted to exclude foreign currency impact. Foreign currency impact represents the difference in results that are attributable to fluctuations in the currency exchange rates used to convert the results for businesses where the functional currency is not the U.S. dollar. This impact is calculated by translating comparable prior-year period results at the currency exchange rates used in the current period.

EBITDA and Adjusted EBITDA

EBITDA, a non-GAAP measure, is a financial measure that management uses to evaluate the performance of our segments. In all periods shown here and going forward, the company defines “EBITDA” as net income before interest expense, provision for income taxes, and depreciation and amortization expense. The company defines “adjusted EBITDA” as EBITDA before nonoperating acquisition-related costs, including earn-outs and nonrecurring gain and interest income on the subordinated promissory note. “Organic adjusted EBITDA” is defined as adjusted EBITDA excluding the effect of recent acquisitions.



Non-GAAP Reconciliations

Segment Results and EBITDA | Current and Prior-Year Period

Segment Results Summary and EBITDA Reconciliation

	1Q19	1Q18	Change
Organic Insurance revenues	\$441.1M	\$412.1M	7.0%
Organic Energy and Specialized Markets revenues	130.8	125.5	4.2
Organic Financial Services revenues	43.0	43.1	(0.1)
Revenues from acquisitions	10.1	0.5	NM
Revenues	625.0	581.2	7.5
Organic Insurance EBITDA	235.7	221.5	6.4
Organic Energy and Specialized Markets EBITDA	39.7	33.6	18.3
Organic Financial Services EBITDA	13.3	14.4	(8.1)
Adjusted EBITDA from acquisitions	3.1	—	NM
Adjusted EBITDA	291.8	269.5	8.2
Depreciation and amortization of fixed assets	(46.6)	(40.5)	15.0
Amortization of intangible assets	(33.2)	(33.2)	(0.1)
Interest expense	(31.9)	(32.8)	(2.7)
Provision for income taxes	(35.7)	(29.3)	22.0
Acquisition-related liabilities (earn-out)	(10.0)	(3.7)	169.6
Gain and interest income on subordinated promissory note receivable	—	3.0	(100.0)
Net income	134.4	133.0	1.0
EBITDA margin	46.7	46.4	
Net income margin	21.5	22.9	



Non-GAAP Reconciliations

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

Adjusted Net Income and EPS

	1Q19	1Q18	Change
Net income	\$134.4M	\$133.0M	1.0%
plus: Amortization of intangible assets	33.2	33.2	—
less: Tax effect on amortization of intangible assets	(6.9)	(6.9)	—
plus: Acquisition-related liabilities (earn-out) and related interests	10.5	3.7	—
less: Income tax effect on acquisition-related costs (earn-out)	(0.5)	(1.2)	—
less: Interest income and gain on subordinated promissory note receivable	—	(3.0)	—
plus: Income tax effect on interest income and gain on subordinated promissory note receivable	—	0.7	—
Adjusted net income	170.7	159.5	7.1
Basic adjusted EPS	\$1.04	\$0.97	7.2
Diluted adjusted EPS	\$1.03	\$0.94	9.6
Weighted average shares outstanding			
Basic	163.5	165.0	—
Diluted	166.5	169.0	—

Free Cash Flow

	1Q19	1Q18	Change
Net cash provided by operating activities	\$366.1M	\$327.0M	12.0%
less: Capital expenditures	(45.2)	(43.2)	4.6
Free cash flow	320.9	283.8	13.1



Non-GAAP Reconciliations

Adjusted EBITDA – Insurance Segment | Historical Full-Year Periods

Insurance Segment – Adjusted EBITDA

	2018	2017	2016
Organic adjusted EBITDA	\$908.1M	\$847.4M	\$790.1M
Adjusted EBITDA from acquisitions	6.1	(3.4)	(0.1)
Adjusted EBITDA	914.2	844.0	790.0
Acquisition-related costs (earn-out)	0.8	0.2	—
Gain and interest income on subordinated promissory note receivable	17.2	11.6	6.5
Nonrecurring ESOP charge	—	—	(18.8)
Gain on sale of equity investments	—	—	1.5
Depreciation and amortization of fixed assets	(107.0)	(91.2)	(86.4)
Amortization of intangible assets	(22.8)	(13.7)	(6.1)
Investment income and other, net	(13.2)	(11.7)	(7.8)
Operating income	789.2	739.2	678.9

Notes: 1. Adjusted EBITDA excludes gain and interest income on promissory note in all periods.



Non-GAAP Reconciliations

Adjusted EBITDA – Energy and Specialized Markets Segment | Historical Full-Year Periods

Energy and Specialized Markets Segment – Adjusted EBITDA	2018	2017	2016
Organic adjusted EBITDA	\$144.7M	\$132.4M	\$84.6M
Adjusted EBITDA from acquisitions	10.7	1.2	68.7
Adjusted EBITDA	155.4	133.6	153.3
Acquisition-related costs (earn-out)	(2.4)	—	—
Gain and interest income on subordinated promissory note receivable	1.4	—	—
Nonrecurring severance charges	—	—	(2.1)
Depreciation and amortization of fixed assets	(42.7)	(36.4)	(25.9)
Amortization of intangible assets	(84.6)	(70.3)	(72.8)
Investment income and other, net	(0.4)	2.8	1.1
Operating income	26.7	29.7	53.6

Notes: 1. Adjusted EBITDA excludes gain and interest income on promissory note in all periods.



Non-GAAP Reconciliations

Adjusted EBITDA – Financial Services Segment | Historical Full-Year Periods

Financial Services Segment – Adjusted EBITDA	2018	2017	2016
Organic adjusted EBITDA	\$49.8M	\$54.9M	\$54.9M
Adjusted EBITDA from acquisitions	10.8	3.5	—
Adjusted EBITDA	60.6	58.4	54.9
Acquisition-related costs (earn-out)	(3.5)	—	—
Gain and interest income on subordinated promissory note receivable	1.8	—	—
Depreciation and amortization of fixed assets	(15.6)	(8.0)	(6.8)
Amortization of intangible assets	(23.4)	(17.8)	(13.6)
Investment income and other, net	(1.7)	(0.3)	0.6
Operating income	18.2	32.3	35.1

Notes: 1. Adjusted EBITDA excludes gain and interest income on promissory note in all periods.



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