Verisk Analytics

Eva Huston, CFO

September 14, 2017

verisk Analytics

SERVE | ADD VALUE | INNOVATE

Forward Looking Statements, Safe Harbor & 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. 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.

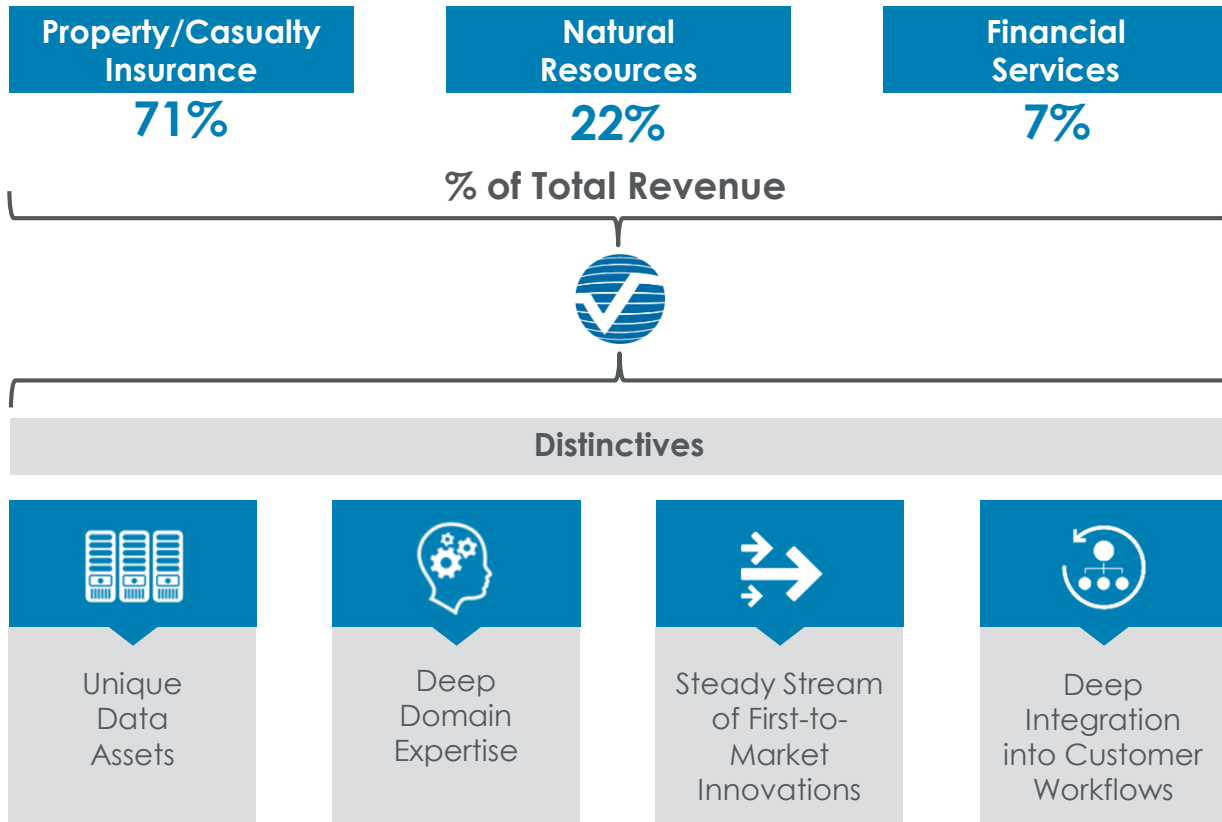**Notes Regarding the Use of Non-GAAP Financial Measures**

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, adjusted EBITDA, adjusted EBITDA margin, adjusted net income from continuing operations, 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.

Verisk is a Leading Vertical, Data Analytics Company…

The world's most effective and responsible data analytics company in pursuit of our customers' most strategic opportunities…

…providing predictive analytics and decision support solutions to customers in specific vertical markets

Property/Casualty Insurance	**Natural Resources**	**Financial Services**
71%	**22%**	**7%**

% of Total Revenue

Distinctives

Unique Data Assets	Deep Domain Expertise	Steady Stream of First-to-Market Innovations	Deep Integration into Customer Workflows

$14 Billion
market cap

14 Petabytes
of information in our data stores

… with horizontal capabilities across verticals

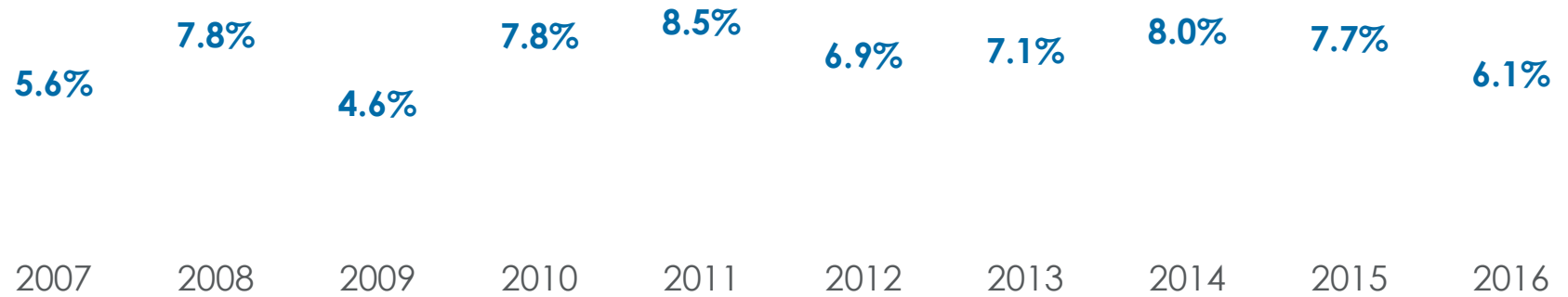**Predictive Analytics**

Visualization of Data and Analytics

Large-Scale Data Integration

Multitier, Multispectral Data Capture

Organic Revenue Growth [1,2]

5.6% 7.8% 4.6% 7.8% 8.5% 6.9% 7.1% 8.0% 7.7% 6.1%

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |

Total addressable market of $16 billion provides a runway for future growth

1. Organic growth includes businesses owned for a full year or more at measurement.
2. All figures exclude mortgage and healthcare.

Differentiated Financial Model

Strong, Stable Revenue Growth…
($ millions), *(revenue growth)*

1,431

1,761
23.0%

1,995

13.3%

8.1%

| 2014 | 2015 | 2016 |

and Leading Margins Power EPS [1,2]
(% EBITDA/Revenue),($ Earnings per Share)

50.9% 51.0% 50.4%

$2.87 $3.11

$2.20

June-2017 YTD margins: 48.7% (49.7% organic margins)

| 2014 | 2015 | 2016 |

Modest Capital Intensity…
(CapEx as a % of Revenue)

8.4% [3]

7.9%

7.3%

Goal: 6% of revenue by 2021

| 2014 | 2015 | 2016 |

Enables Strong Free Cash Flow
(Cash from OPs less CapEx $ millions)

343 [3]   412   479

| 2014 | 2015 | 2016 |

1. 2015 EBITDA/Adj. EPS exclude 2Q2015 one-time items related to the WoodMac acquisition.
2. 2016 EBITDA/Adj. EPS exclude severance, gain on equity investment, and ESOP charge. 2015 EBITDA excludes gain on sale of warrants.
3. Not presented on a continuing operations basis.

Insurance

Insurance
Industry-leading data analytics and insights

Solutions

Advantages

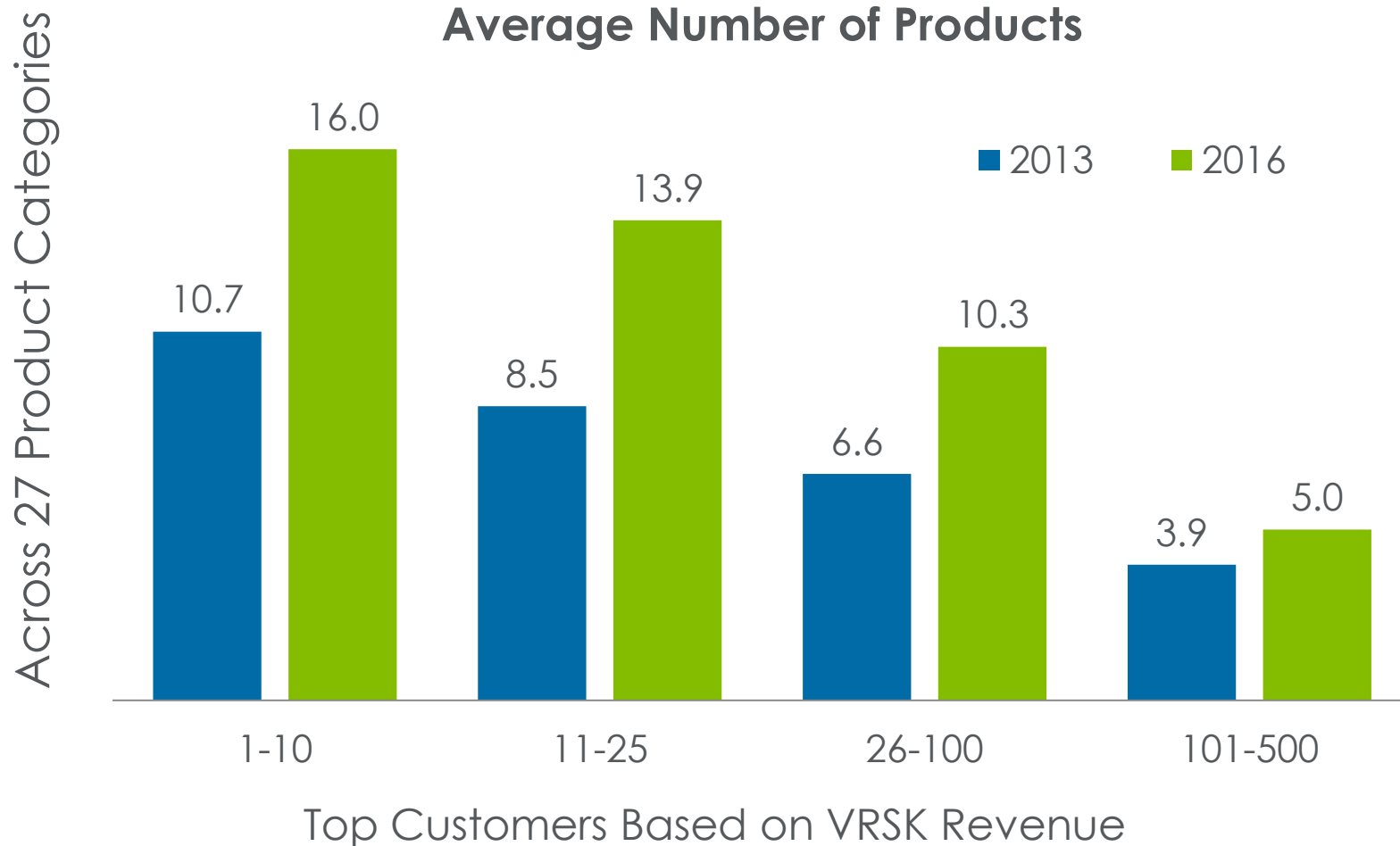| Solutions		Advantages
Industry-Standard Insurance Programs	**19B+**	policy transactions in commercial and personal lines statistical database; coverage language in **200M+** policies
Property and Business Information	**3.7M**	site-verified commercial buildings and details on licensing, violations, sales volume, and employee count for **26M** businesses; **~47K** fire protection area gradings
Underwriting	**7B**	trip miles of analyzed driving data and **90M+** residential properties with building information and risk data
Extreme Event Modeling	**100+**	countries covered across property, casualty, life and health, and marine lines in an advanced software platform
Claims Adjudication and Fraud Detection	**1B+**	claims in the industry's leading database
Property Damage Claims Estimating	**100M**	structural estimation price points and integrated network

Insurance: Growth Opportunities
Cross-Sell, 2013 - 2016

Average Number of Products

Across 27 Product Categories

■ 2013   ■ 2016

16.0

13.9

10.7

10.3

8.5

6.6

5.0

3.9

1-10   11-25   26-100   101-500

Top Customers Based on VRSK Revenue

Insurance: Building on our Unique Heritage

Growth Opportunities

Forbes 2016
THE WORLD'S MOST INNOVATIVE COMPANIES
POWERED BY THE INNOVATOR'S DNA
VERISK ANALYTICS RANKED: 2015 & 2016

Industrywide Focus	New Solutions	New Customer Sets
• Big Data & Predictive Analytics	• Telematics / IoT	• Global
• Automation: Flow Underwriting & Claims Adjudication	• Remote Imagery	• Excess & Surplus Lines
• Digital Engagement	• Cyber	• Marketing Departments
	• Claim Experience	• Energy

Product Development/Mgmt → Actuarial Analysis → Underwriting → Claims Management → Compliance → Portfolio Analysis → Risk Transfer

ISO   verisk Insurance Solutions   verisk Insurance Solutions   ISO   AIR   AIR

AIR   Xactware   verisk Insurance Solutions

Energy & Specialized Markets

Energy & Specialized Markets
Data analytics and commercial intelligence

Solutions

Subscription Services

Research Reports

Consulting

Country Risk Data

Assessing and Evaluating Opportunities and Risks

Advantages

500+ research professionals directly accessible around the world

14K+ reports and forecasts at the asset, company, and market level for online purchase through e-commerce service

100+ professional industry consultants providing innovative advice and bespoke solutions

200+ monitored risks, including terrorism, conflict, civil unrest, corruption, human rights violations, and natural hazards

55M+ data points describing global upstream oil and gas assets

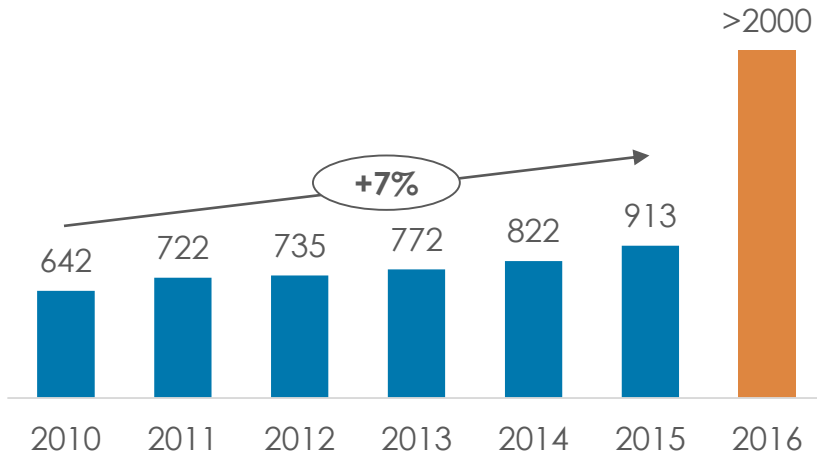# Energy & Specialized Markets: Large Addressable Market

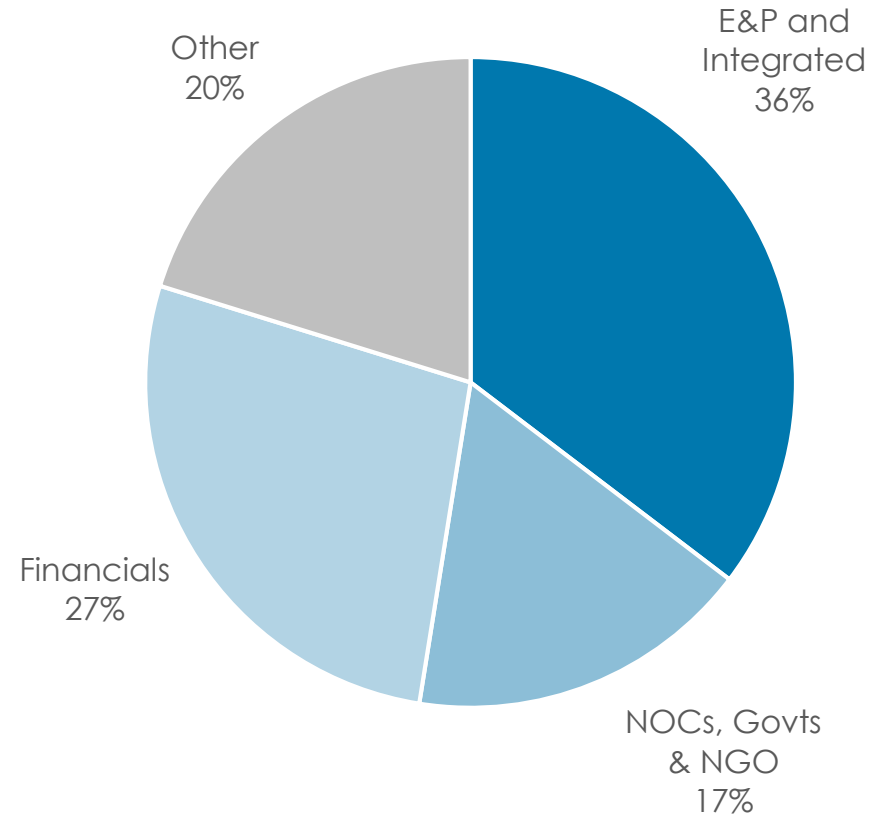## Existing Wood Mackenzie Markets, Emerging Verticals and Adjacent Categories

Sector Vertical

Oil	Gas	Coal	Utilities	Industrial Markets	Chems	Renewables

Product Category — Energy & Commodities Information

Commercial

De-carb

Upstream Costs

Oil Price Tool

Market Size: c.$0.8 – $1B

Market Size: c.$0.3B

Market Size: c.$0.2B

Chems

Sub-surface

Technical

Technical

Market Size: c.$4B

Addressing commercial requirements in the technical arena has the largest scale

RT Data

Real Time Data

Market Size: c.$0.9B

Wood Mackenzie Heartland

Nascent Category

Potential Future Category

Energy & Specialized Markets: Diverse Customer Set

Growing No. of Customers [1]

+7%

2010	2011	2012	2013	2014	2015	2016
642	722	735	772	822	913	>2000

End User Mix [2]

- E&P and Integrated 36%
- NOCs, Govts & NGO 17%
- Financials 27%
- Other 20%

Low Customer Concentration [1]

24%

Top 10 Client Subscription Value (Nov 2016)

<4%

Maximum Individual Customer Value

1. Wood Mackenzie core only pre-2016, excludes Acquisitions, who add approx. 1,100 new subscription clients.
2. Represents figures for Nov 2016 for Wood Mackenzie core subscriptions only. NOC = National Oil Company; NGO = Nongovernment Organization; E&P = Exploration & Production; Other includes Utilities, Manufacturing, Conglomerates, and Professional Services.

Financial Services

Financial Services
Information, analytics and data management solutions

Solutions

Syndicated Benchmarking Studies

Predictive Algorithms, Business Intelligence, and Analytical Tools

Advisory Services

Risk and Regulatory Practice

Media Effectiveness

Spend Analytics

Advantages

1.5B account-level records for consumer credit, debit, and savings accounts covering **10+ years**, with studies in **7 countries**

100+ models of consumer behavior across the customer life cycle for prospecting, acquisition, and customer management

100+ worldwide clients given unique views into a customer's actual wallet that enhance relevance and wallet share

$5T in assets analyzed for loss forecasting, capital modeling, and regulatory submissions for global banks across **30+ countries**

125M consumers targeted with custom digital solutions covering **$2.0T** of annualized spend

$6.7T total consumer spend tracked each year on **140B** unique transactions, along with innovative delivery mechanisms to inform retail partners and merchants

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Financial Services: Broadening Solution Set

Core Banking Solutions

- Benchmarking studies to help FIs understand and address external landscape

- Consulting & Advisory Business forecasting and strategy planning

- Unique wallet-based customer views by market segment

- Branch optimization, risk-adjusted pricing, line assignment, etc.

Data Management

- Proprietary data models and ETLs

- Turnkey access and enablement of enterprise-wide data

- Business and regulatory intelligence/reports

- Transaction mining and retailer analytics

- Cross-bank customer linking & tokenization

Decisioning Algorithms

- Wallet-share models (e.g. off-us spend)

- Income modeling

- Fraud (malicious intent, id theft, point of compromise)

- Stress testing and capital adequacy

- Deep machine learning (check forgery, workflow automation)

Spend & Media Analytics
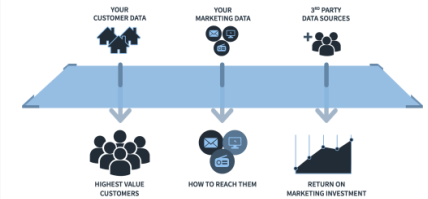
- Prospect targeting and underwriting

- Indices/Capital Markets

- Campaign test/control design, execution and tracking

- Digital targeting and measurement

- TV, radio and print ad effectiveness

Financial Services: Differentiated Data

	Description	Argus-Verisk [1]	Credit Bureaus	Payment Networks	Payment Processors
Daily POS Transactions	POS & online transaction detail (merchant, location, amount, date)	●		◑	◑
Payment Instruments	Credit card, deposits, checking, and money market account performance	●	◑	◑	◑
Product Attributes	Features including pricing, value propositions, pricing, promo detail	●			◑
Account-Level P&L	Revenue and cost details including finance charges, fees, losses, OpEx	●			◑
Customer Behavior	Usage details including spend, fraud, channel, payment, etc.	●	◑	◑	◑
Customer & Wallet Views	Complete consumer view (share of wallet) across issuers and instruments	●	◑		
Argus Partnerships	Complementary data assets on one common platform (including media)	●			

Data on millions of merchants, billions of accounts, trillions of $'s in transactions…updated daily and adding data sets organically and through acquisition

1. Some Argus data assets have been developed in partnership with non-Verisk institutions.

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Capital Allocation

Guidelines for Capital Allocation Future Success

For M&A – first priority

- **Reasonable prices for good businesses**
  - Identify businesses that fit strategy and grow cash flow
  - Seek sticky subscription revenue
  - DCF based
- **ROIC provides an additional measure with nearer-term horizon**
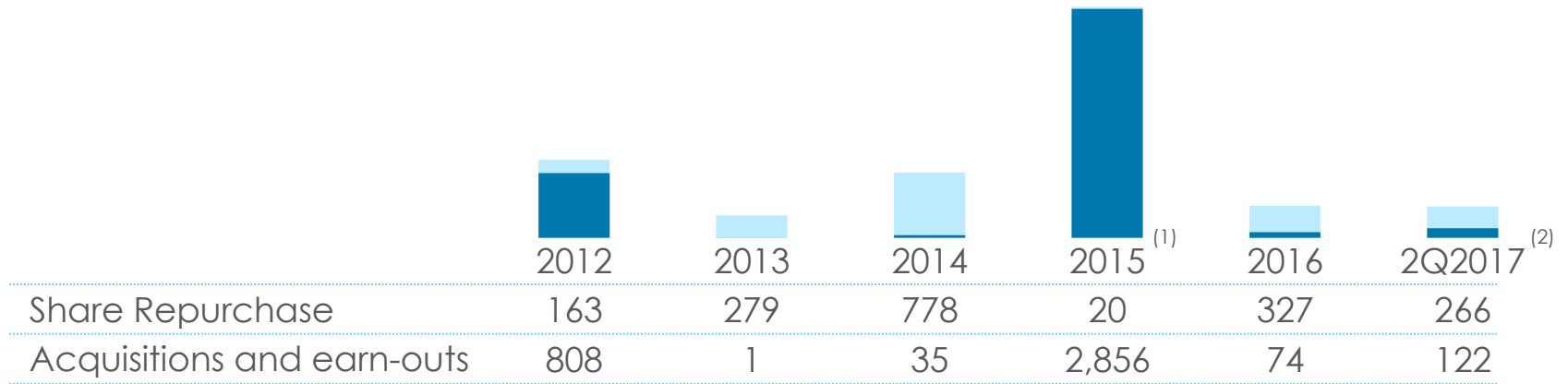
For Buyback – price sensitive

- **Remain disciplined**
  - Volume/price targets
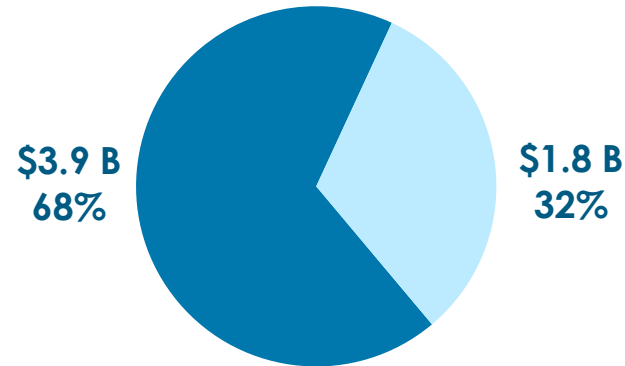 - Share reduction secondary outcome

Balanced strategy creates flexibility

Disciplined Capital Allocation

■ Acquisitions and earn-outs   ■ Share Repurchase
($ millions)

	2012	2013	2014	2015 [1]	2016	2Q2017 [2]
Share Repurchase	163	279	778	20	327	266
Acquisitions and earn-outs	808	1	35	2,856	74	122

Cumulative Capital Allocation, $ billions [2]

$3.9 B
68%

$1.8 B
32%

1. 2015 acquisition amount is net of currency hedges.
2. Cumulative capital allocation is January 01, 2012 through June 30, 2017. 2Q2017 is through June 30, 2017.

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Recent M&A Fits Business Strategy and Expands TAM

Energy & Specialized, $60 M

Insurance, $444 M

Financial, $280 M

Purchase Price
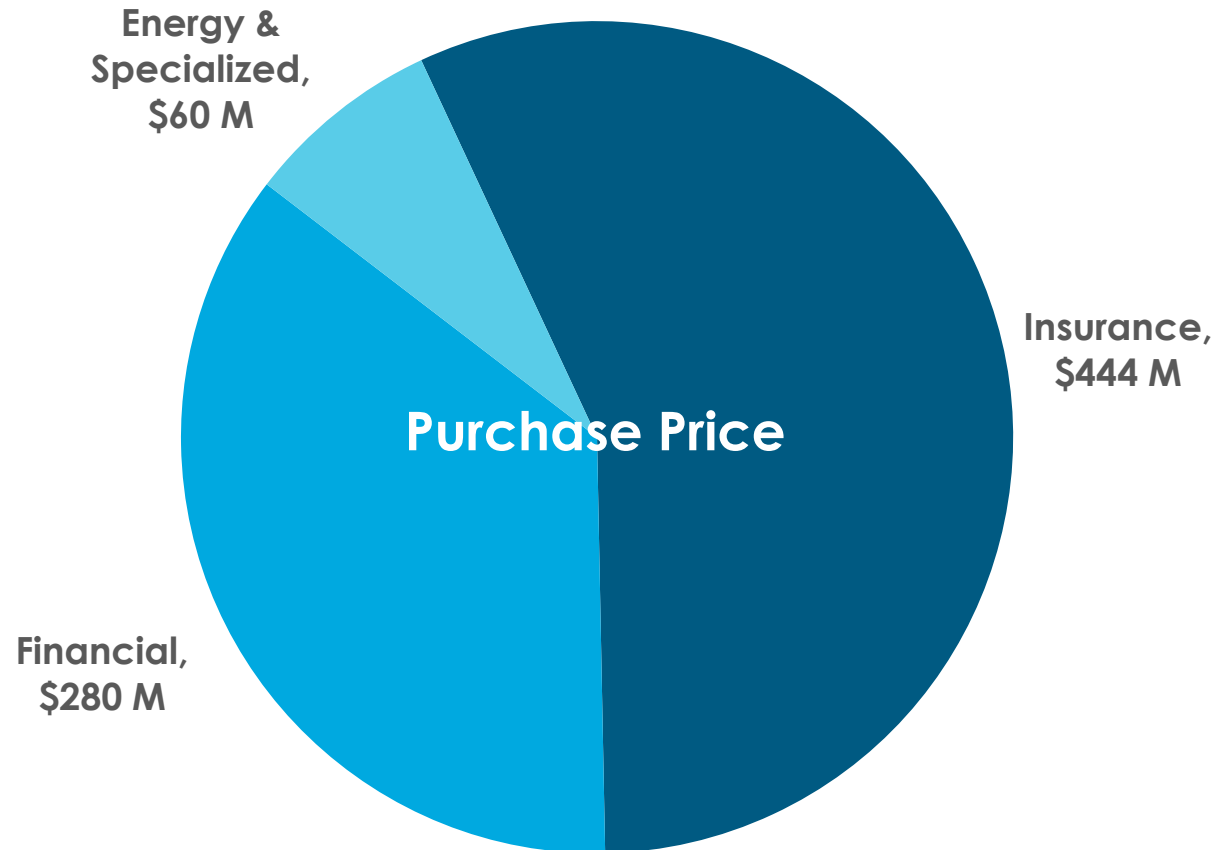
Geomni Acquisitions and Strategy

- **Significant aerial imagery TAM**
  - Insurance: more than $200 million annually
  - PSM[1]: multi-billion dollar

- **Inherently a Verisk-like analytics business**
  - Complexity in data collection
  - Data aggregation, curation and analysis

- **Optimize solutions at lowest total spend**
  - Resolution, frequency, coverage
  - Invest up to $100 million[2] across 2017-2018
  - Capex investment supported by financial plan
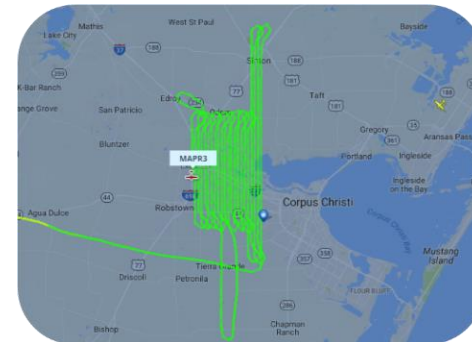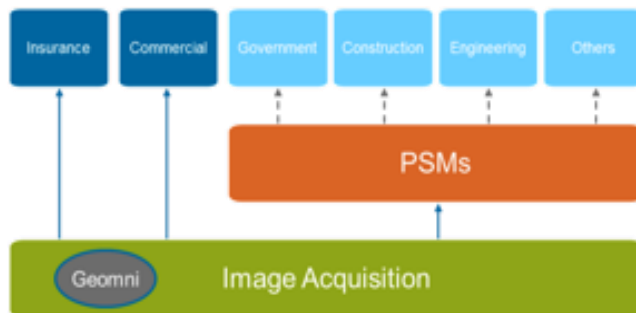
1. PSM stands for Photogrammetry, Surveying & Mapping.
2. Includes $31 million to acquire 7 aerial survey companies; remainder primarily for planes and sensors.

Sequel

- **Modern, powerful, and integrated suite of software**
- **Provides full end-to-end management of insurance and reinsurance business**

Pricing System

Claims Management

Eclipse/Origin

Claims

Quote Request

Policy Entry & Management

Eclipse/Origin

Data Enhancement and Workflow Integration

Verisk
Prometrix
360 Value
ISO
Xactimate
ClaimSearch

Extreme Event Pricing Portfolio Analytics

AIR Products
Touchstone/Touchstone Re
ARC
Arium

Impact

Re

Exposure Management

Outwards Reinsurance
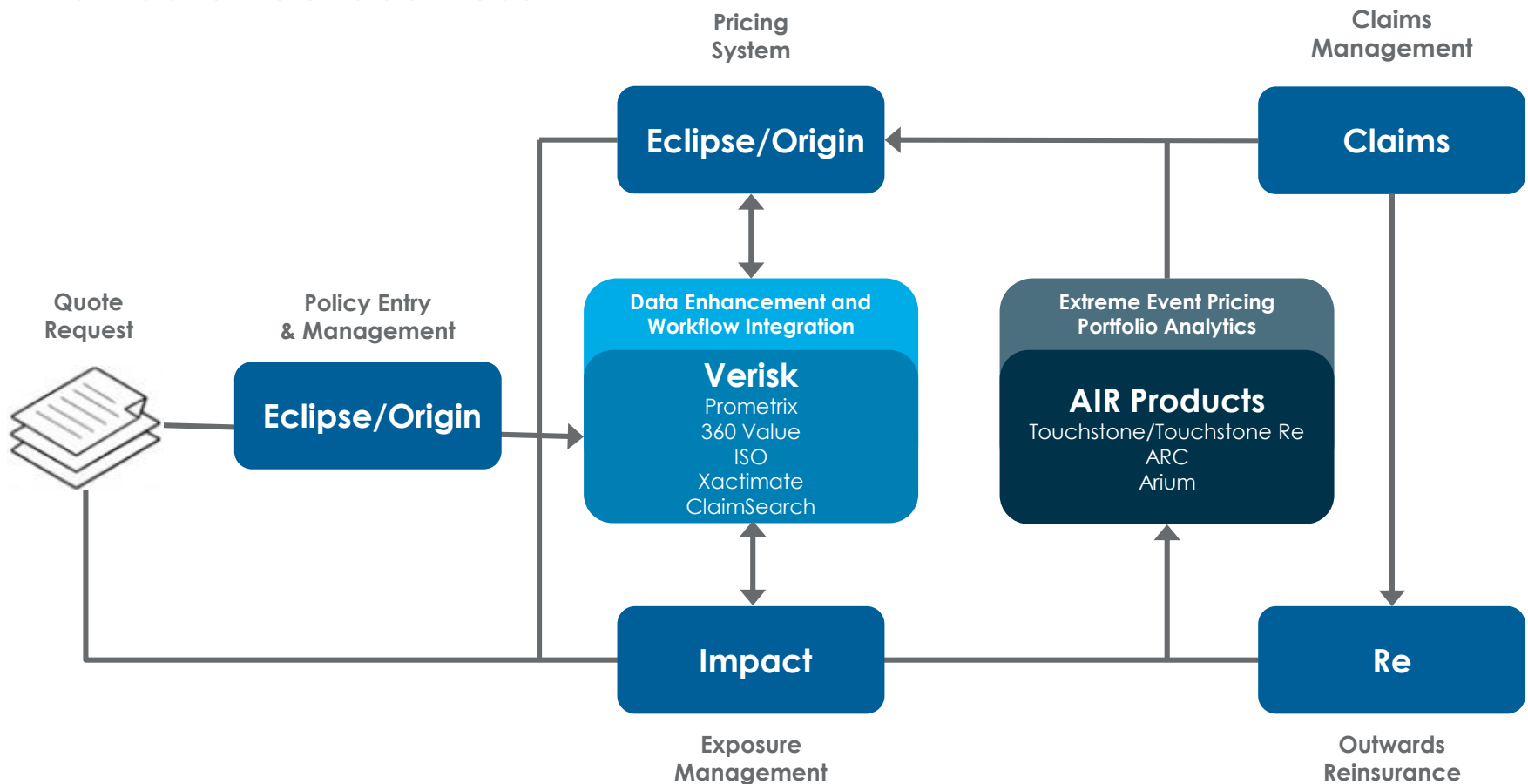
Financial Services: Acquisitions Expanding Data and Solution Sets

G2

- Provider of online merchant risk intelligence with unique, proprietary data assets & analytics

- Helps merchant acquirers and commercial banks manage risk & compliance

- Identifies fraud & compliance violations in electronic payments

- Powerful proprietary data asset – 60M merchant records

- > 250 global clients

- Founded 2004; 94 employees

LCI

- Provider of risk insight, prediction, and management solutions for banks and creditors

- Most accurate & comprehensive bankruptcy and consumer behavior database – 1.4B client accounts

- Proprietary technology platform automates bankruptcy case management

- Founded 1994; 48 employees

Conclusion

On average, outlook over time:

- **Organic revenue growth consistent with historical performance**

- **Measured margin expansion**

- **Drive free cash-flow growth to increase shareholder value**

- **Long-term compounding of growth**

"It's more on [our] racquet than on anyone else's"
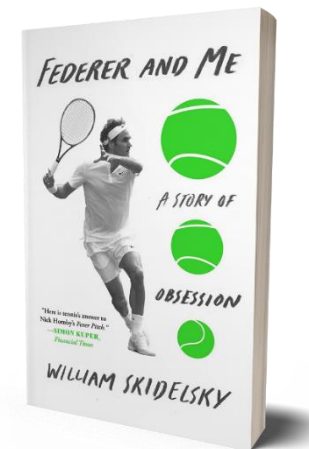
Appendix:

Supplemental Slides and Non-GAAP Reconciliations

verisk
Analytics

History of Growth and Innovation

| 1971	1972–1979	1980–1996	1997	1998–2001	2002–2008	2009–2012	2013–2016	Today
Not-for-profit advisory and rating organization	Consolidation of major state, regional, and national rating and statistical organizations	Significant enhancement of insurance policy programs Adoption of advisory prospective loss costs Revised Board of Directors structure to include noninsurers	For-profit corporation transition Expansion of claims management solutions	Product expansion, international growth, and improved operational efficiency NICB claims database acquired Property-related products and services created	Public Protection Classifications database approved by insurance regulators in 44 states Expansion of catastrophe models for new cat risks in countries around the world Expansion of insurance market solutions, including property and replacement cost estimations	Verisk Analytics formed and IPO completed (Nasdaq:VRSK) Expansion into financial services Enhanced innovations for claims, GIS, and insurance coverages	The Verisk Way principles evolved to serve, add value, and innovate Corporate social responsibility program formalized Expansion into global energy (including renewables), chemicals, and metals and mining industries	Scalable data and analytic solutions offered to vertical markets Continued global expansion Long-term value creation with scaled margins and better returns on invested capital

Not-for-Profit → **Privately Held** → **Publicly Held**

Insurance: Industry-Leading Analytics Solutions

Solutions	Competitive Advantage	Primary Competitors
Industry-Standard Insurance Programs	Extensive time-series data and coverage language in >200M policies	Internal
Property Information	Comprehensive database of 3.7M commercial buildings & ratings on ~46,000 fire protection areas	Internal
Underwriting Solutions	Comprehensive industry-standard information	CoreLogic Insurance Solutions MSB / REED ELSEVIER
Claims Adjudication and Fraud Detection Solutions	Industry database totaling 1 billion claims	Internal
Property Damage Claims Estimating	100M structural estimation price points and integrated network	Various
Catastrophe Modeling	Advanced science, advanced software platform covering 100 countries	R M S / CoreLogic EQECAT

**Certain competitors offer point solutions that compete with Verisk,
but no other firm provides the same depth of solutions and analytics**

Innovation Opportunities
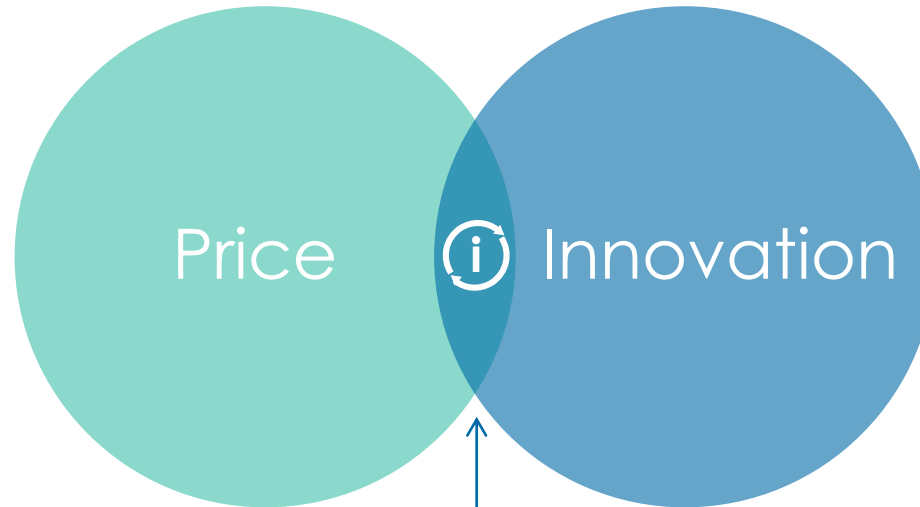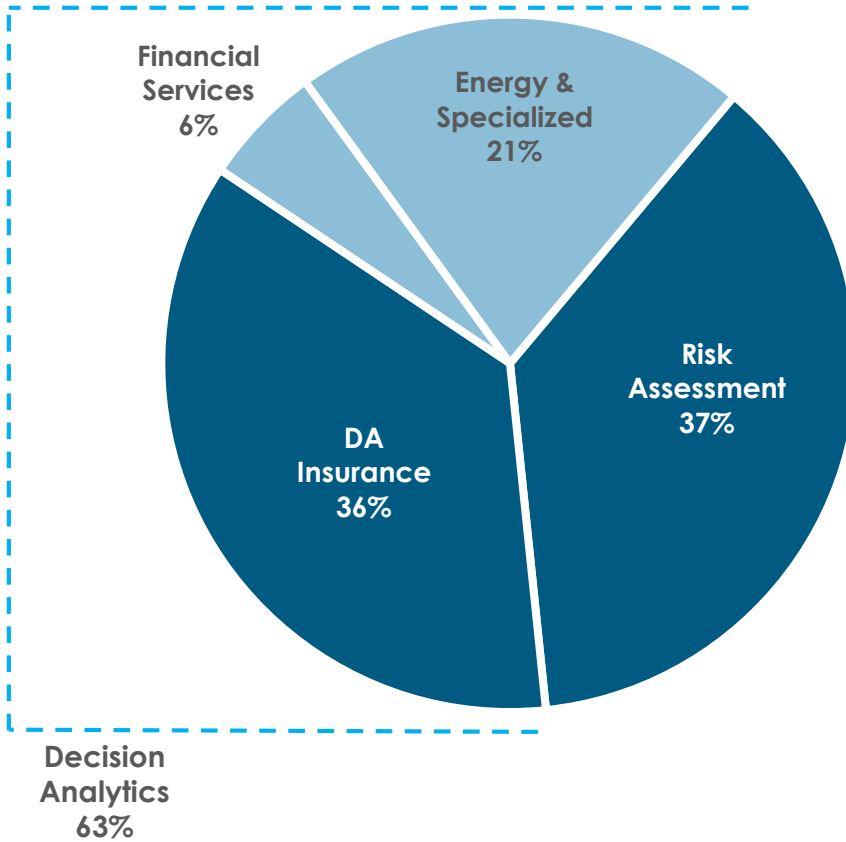

Price (i) Innovation

"Small i" innovation may be bundled into existing offerings

- Discrete programs, not built materially off of existing solutions
- Material incremental revenue streams
- Genuinely staffed with a 24/7 champion, i.e., someone whose success is directly tied to the success of the project
- Appropriate incentive programs
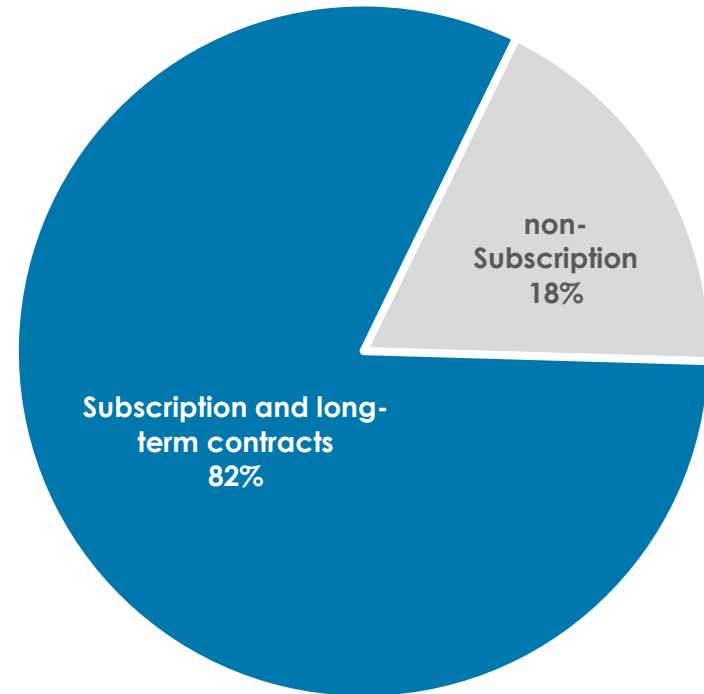- May, though not necessarily, require incremental OpEx or CapEx

Diverse, Highly Recurring Revenue Sources

2Q2017 YTD Revenue Distribution

Financial Services 6%

Energy & Specialized 21%

Risk Assessment 37%

DA Insurance 36%

Decision Analytics 63%

2Q2017 YTD Subscription Base

non-Subscription 18%

Subscription and long-term contracts 82%

Strong Capital Structure to Support Growth

as of 06/30/2017

($ millions)

Bonds	$2,300
Revolver Drawn	120
Total Debt	**$2,420**

Debt/EBITDA [1]	2.3x
Covenant level [2]	3.5x

Investment Grade Ratings

S&P:	BBB-
Moody's:	Baa3
Fitch:	BBB+

1,380 — Revolver due May 2022

250 — 2019

450 — 2021

120 / 350 — 2022

900 — 2025

350 — 2045

2015 2016 2017 2018 2019 2020 2021 2022 2025 2045

■ **Public Bonds**   ■ **Revolver Drawn**   ⬚ **Undrawn Revolver**
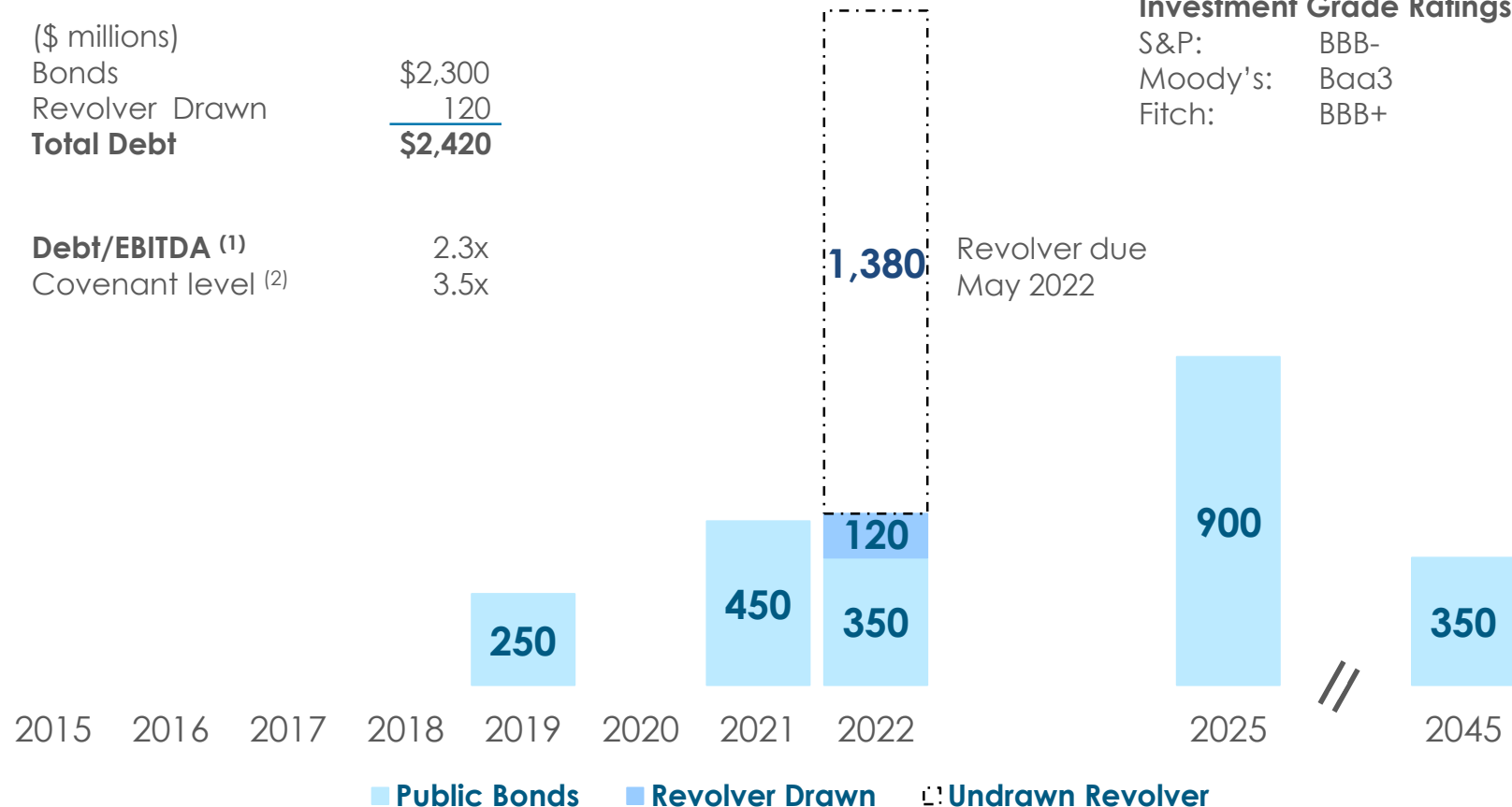
1. Per bank covenant. Leverage based on reported (face) EBITDA is 2.5x.
2. At Verisk's election, covenant may increase to 4.0x for a period of up to 12 months twice in facility life.

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2016 Acquisitions

	MARKETSTANCE	**The GeoInformation Group**	**Analyze Re**	**Quest Offshore**	**greentechmedia:**	**Risk Intelligence**
Date	Nov 2016	Nov 2016	Oct 2016	Aug 2016	Jul 2016	Apr 2016
Description	Provides market intelligence data and analytics to the property & casualty insurance market	Provides large-scale mapping services and geospatial data and analytic solutions to a wide array of companies and more than 300 public sector organizations	Provides a software analytics suite designed for the reinsurance and insurance industries	Provides strategic market intelligence to the global oil and gas community through subscriptions to their eight proprietary market-forecast databases	Delivers business-to-business news, market analysis, and conferences that inform and connect players in the global clean energy market	Provides value-added services focused on fraud detection, compliance, risk control, and process automation
Vertical	Insurance	Insurance	Insurance	Natural Resources	Natural Resources	Insurance
Location	Middletown, Connecticut	Cambridge, United Kingdom	Halifax, Nova Scotia	Sugar Land, Texas	Boston, Massachusetts	Dublin, Ireland
Purchase Price	$9 million	$6 million	$10 million	$7 million	$36 million	$6 million

2017 Acquisitions…

		MAKE	FINTELLIX	eni emergent network intelligence	healix	ARIUM
Date	2Q 2017	May 2017	Mar 2017	Feb 2017	Feb 2017	Jan 2017
Description	Aerial Imagery High-tech remote sensing fleet capable of reaching any point in the contiguous 48 states and Hawaii. In the event of a catastrophe, teams can quickly deploy to provide important post-catastrophe aerial data.	Provides intelligence for the renewable energy industry – specializing in onshore and offshore wind.	Provides analytics, risk, and compliance solutions for the banking sector enabling agility in risk and regulatory reporting practices.	Provides U.K. domestic insurers with technological innovations that enable them to process claims more efficiently and to detect fraud.	Provides automated medical risk assessment for travel insurance industry allowing insurers to identify and assess risks at point of sale.	Provides liability risk modeling and decision support, primarily for the reinsurance industry, using a unique methodology based on dependency theory.
Vertical	Insurance	Natural Resources	Financial	Insurance	Insurance	Insurance
Location	15 hubs located across U.S.	Aarhus, Denmark	Bangalore, India	Newcastle, United Kingdom	Surrey, United Kingdom	London, United Kingdom
Purchase Price	$31 million	$17 million	$17 million	$6 million	$52 million	$2 million

…2017 Acquisitions continued

	LCI	sequel	G2
Date	Aug 2017	Aug 2017	Aug 2017
Description	Provides bankruptcy data and consumer behavioral data, process automation software, expert services, and research to automate expensive processes in the bankruptcy life cycle.	Modern, powerful, and integrated suite of software that provides full end-to-end management of all insurance and reinsurance business.	Provides acquiring banks, payment companies, and commercial banks solutions to identify, mitigate, and monitor payments risk in their merchant and business customer portfolios
Vertical	Financial	Insurance	Financial
Location	Burlingame, California	London, United Kingdom	Bellevue, Washington
Purchase Price	$151 million	$322 million @ 1.29 GBP/USD	$112 million

Non-GAAP Reconciliations

Constant currency revenue 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 period year results at the currency exchange rates used in the current period, rather than the exchange rates in effect during the prior period.

Non-GAAP Reconciliations

Adjusted EBITDA [1]
($ millions)

	Jun-17 YTD	2016	2015	2014
Income from continuing operations	229.8	451.5	487.5	354.0
Interest expense	56.9	120.0	121.4	70.0
Provision for income taxes	101.3	202.2	196.6	208.5
Depreciation and amortization of fixed assets and intangible assets	111.8	211.6	167.0	95.5
Less: Nonrecurring items related to the Wood Mackenzie acquisition	--	--	(58.6)	--
Plus: Nonrecurring severance charges	--	2.1	--	--
Plus: Nonrecurring ESOP charge	--	18.8	--	--
Less: Gain on sale of equity investments	--	(1.5)	--	--
Adjusted EBITDA from continuing operations	499.8	1,004.7	913.9	728.0
Less: Acquisition EBITDA [2]	(1.6)			
Adjusted Organic EBITDA from continuing operations	501.4			

1. Figures may not sum due to rounding.
2. Includes acquisition-related fees.

Non-GAAP Reconciliations

Adjusted EPS [1]
($ millions, except shares and per share amounts)

	2016	2015	2014
Income from continuing operations	451.5	487.5	354.0
Plus: Amortization of intangibles	92.5	70.4	30.1
Less: Income tax effect on amortization of intangibles	(24.1)	(19.2)	(11.4)
Plus: Nonrecurring items related to the Wood Mackenzie acquisition	--	(45.2)	--
Plus: Nonrecurring ESOP charges	18.8	--	--
Less: Income tax effect on one-time items related to the Wood Mackenzie acquisition	--	(10.7)	--
Less: Income tax effect on nonrecurring ESOP charge	(7.2)	--	--
Adjusted net income from continuing operations	531.5	482.8	372.7
Basic adjusted EPS from continuing operations	$3.16	$2.92	$2.25
Diluted adjusted EPS from continuing operations	$3.11	$2.87	$2.20
Weighted average shares outstanding (in millions)			
Basic	168.2	165.1	165.8
Diluted	171.2	168.5	169.1

1. Figures may not sum due to rounding.

Non-GAAP Reconciliations

Free Cash Flow [1]
($ millions)

	2016	2015	2014
Net cash provided by operating activities	546.1	623.7	489.4
less: Net cash provided by operating activities from discontinued operations	(21.4)	(73.2)	--
Capital expenditures	(156.5)	(166.1)	(146.8)
less: Capital expenditures from discontinued operations	10.6	27.4	--
plus: taxes paid related to the sale of the healthcare business	100.0	--	--
Free Cash Flow	478.8	411.8	342.6

1. Figures may not sum due to rounding.