

Verisk Reports Second-Quarter 2019 Financial Results

- Consolidated revenue was \$653 million for the second quarter of 2019, up 8.5%, and up 7.2% on an organic constant currency (OCC) basis.
- Net income was \$150 million for the second quarter of 2019, down 2.0%. Adjusted EBITDA, a non-GAAP measure, was \$304 million, up 5.7%, and up 5.2% on an OCC basis.
- Diluted earnings per share (diluted EPS) were \$0.90 for the second quarter of 2019; diluted adjusted earnings per share (adjusted EPS), a non-GAAP measure, were \$1.10.
- Net cash provided by operating activities was \$200 million for the second quarter of 2019, down 3.4%. Free cash flow, a non-GAAP measure, was \$153 million, up 1.5%.
- The company paid a cash dividend of 25 cents per share on June 28, 2019. The company's Board of Directors approved a cash dividend of 25 cents per share on July 24, 2019, for the third quarter of 2019.
- The company repurchased \$50 million of its shares for the quarter ended June 30, 2019.

JERSEY CITY, N.J., July 30, 2019 — Verisk (Nasdaq:VRSK), a leading data analytics provider, today announced results for the quarter ended June 30, 2019.

Scott Stephenson, chairman, president, and CEO, said, "I'm pleased to report another quarter of solid growth for Verisk, driven by strength in our Insurance segment and improvement in Financial Services. We're well positioned to continue to execute on our strategies to drive long-term growth, as engagement with our customers and among our employees continues to be at a very high level."

Lee Shavel, CFO and executive vice president, said, "Verisk delivered organic constant currency revenue growth of 7.2% and organic constant currency adjusted EBITDA growth of 7.3% when normalizing for the timing shift related to the expensing of stock-based compensation. We continue to focus on prudent capital management and are balancing internal investment, strategic acquisitions, and the return of capital to shareholders through dividends and share repurchases."

Summary of Results (GAAP and Non-GAAP)

(in millions, except per share amounts)

Note: Adjusted EBITDA, diluted adjusted EPS, and free cash flow are non-GAAP measures.

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2019	2018	Change	2019	2018	Change
Revenues	\$ 652.6	\$ 601.3	8.5%	\$ 1,277.6	\$ 1,182.5	8.0%
Net income	150.4	153.5	(2.0)	284.8	286.5	(0.6)
Adjusted EBITDA	304.1	287.7	5.7	595.9	557.2	6.9
Diluted EPS	0.90	0.91	(1.1)	1.71	1.70	0.6
Diluted adjusted EPS	1.10	1.05	4.8	2.13	1.99	7.0
Net cash provided by operating activities	200.3	207.3	(3.4)	566.4	534.2	6.0
Free cash flow	153.4	151.2	1.5	474.3	434.9	9.1

Revenue

Consolidated revenue increased 8.5% for the second quarter of 2019 and increased 7.2% on an OCC basis.

Revenues and Revenue Growth by Segment

(in millions)

	Three Months Ended		Revenue Growth	
	June 30,		Three Months Ended	
	2019	2018	Reported	OCC
Underwriting & rating	\$ 312.3	\$ 288.9	8.1%	7.1%
Claims	156.2	140.5	11.2	9.0
Insurance	468.5	429.4	9.1	7.8
Energy and Specialized Markets	139.8	129.9	7.6	5.5
Financial Services	44.3	42.0	5.5	6.1
Revenues	\$ 652.6	\$ 601.3	8.5	7.2

	Six Months Ended		Revenue Growth	
	June 30,		Six Months Ended	
	2019	2018	Reported	OCC
Underwriting & rating	\$ 615.8	\$ 569.6	8.1%	7.0%
Claims	303.9	272.5	11.5	8.6
Insurance	919.7	842.1	9.2	7.5
Energy and Specialized Markets	270.6	255.4	5.9	6.1
Financial Services	87.3	85.0	2.7	3.4
Revenues	\$ 1,277.6	\$ 1,182.5	8.0	6.9

Insurance segment revenue grew 9.1% in the second quarter of 2019 and 7.8% on an OCC basis.

- Underwriting & rating revenue increased 8.1% in the quarter and 7.1% on an OCC basis, resulting primarily from increases in our industry-standard insurance programs, property-specific underwriting solutions and catastrophe modeling solutions.
- Claims revenue grew 11.2% in the quarter and 9.0% on an OCC basis, resulting primarily from growth in claims analytics revenue, repair cost estimating solutions revenue, and remote imagery solutions revenue.

Energy and Specialized Markets segment revenue increased 7.6% in the quarter and 5.5% on an OCC basis, resulting primarily from increases in market and cost intelligence solutions and core research revenues.

Financial Services segment revenue increased 5.5% in the quarter and increased 6.1% on an OCC basis, resulting primarily from increases in portfolio management and spend-informed analytics.

Net Income and Adjusted EBITDA

Net income decreased 2.0% for the second quarter of 2019, negatively impacted by the acceleration of \$6.0 million in stock-based compensation and a higher effective tax rate. Adjusted EBITDA increased 5.7%; and on an OCC basis, adjusted EBITDA increased 5.2% for the second quarter of 2019. Both were negatively impacted by the acceleration in stock-based compensation.

EBITDA and Adjusted EBITDA by Segment

(in millions)

Note: Consolidated EBITDA and adjusted EBITDA are non-GAAP measures. Margin is calculated as a percentage of revenues.

Three Months Ended June 30,

	EBITDA		EBITDA Margin		Adjusted EBITDA		Adjusted EBITDA Growth			Adjusted EBITDA Margin	
	2019	2018	2019	2018	2019	2018	2019 Reported	2019 OCC	%	2019	2018
	Insurance	\$ 243.6	\$ 236.3	52.0%	55.0%	\$ 248.2	\$ 233.7	6.2%	5.1	%	53.0%
Energy and Specialized Markets	39.4	41.2	28.1	31.7	41.8	41.3	1.3	3.7		29.9	31.8
Financial Services	14.1	13.0	31.9	31.0	14.1	12.7	10.8	11.9		31.9	30.3
Consolidated	\$ 297.1	\$ 290.5	45.5	48.3	\$ 304.1	\$ 287.7	5.7	5.2		46.6	47.9

Six Months Ended June 30,

	EBITDA		EBITDA Margin		Adjusted EBITDA		Adjusted EBITDA Growth			Adjusted EBITDA Margin	
	2019	2018	2019	2018	2019	2018	2019 Reported	2019 OCC	%	2019	2018
	Insurance	\$ 476.0	\$ 460.3	51.8%	54.7%	\$ 488.0	\$ 455.2	7.2%	5.8	%	53.1%
Energy and Specialized Markets	75.5	74.8	27.9	29.3	80.5	74.9	7.6	8.7		29.8	29.3
Financial Services	27.4	24.2	31.3	28.5	27.4	27.1	0.7	1.5		31.3	31.9
Consolidated	\$ 578.9	\$ 559.3	45.3	47.3	\$ 595.9	\$ 557.2	6.9	6.0		46.6	47.1

Earnings Per Share

Diluted EPS decreased 1.1% to \$0.90 for the second quarter of 2019, owing to a year-over-year increase in acquisition-related earn-out expenses as well as a tough comparison to the second quarter of 2018, which benefited from interest income on the subordinated promissory note receivable. Diluted adjusted EPS grew 4.8% to \$1.10 for the second quarter of 2019, reflecting organic growth in the business, contributions from acquisitions, a decrease in interest expense, and lower average share count. These increases were offset in part by the timing of the incremental stock-based compensation, increases in depreciation and amortization expense, and a higher effective tax rate.

Cash Flow

Net cash provided by operating activities was \$200 million for the second quarter of 2019, down 3.4%. Capital expenditures were \$47 million for the second quarter of 2019, down 16.4%. Free cash flow was \$153 million for the second quarter of 2019, up 1.5%.

Free cash flow represented 50.4% of adjusted EBITDA for the second quarter of 2019, compared with 52.5% in the prior-year period.

Dividend

On June 28, 2019, Verisk paid a cash dividend of 25 cents per share of common stock issued and outstanding to the holders of record as of June 14, 2019.

On July 24, 2019, Verisk's Board of Directors approved a cash dividend of 25 cents per share of common stock issued and outstanding, payable on September 30, 2019, to holders of record as of September 13, 2019.

Share Repurchases

The company repurchased, through an accelerated share repurchase (ASR) agreement, approximately 361 thousand shares at an average price of \$138.32 for a total cost of \$50.0 million for the second quarter of 2019. The company also entered into an additional \$75.0 million ASR agreement; the associated shares will be delivered

and settled in the third quarter of 2019. At June 30, 2019, the company had \$303 million remaining under its share repurchase authorization.

Conference Call

Verisk's management team will host a live audio webcast on Wednesday, July 31, 2019, at 8:30 a.m. EDT (5:30 a.m. PDT, 1:30 p.m. BST) to discuss the financial results and business highlights. All interested parties are invited to listen to the live event via webcast on the Verisk investor website at <http://investor.verisk.com>. The discussion is also available through dial-in number 1-877-755-3792 for U.S./Canada participants or 1-512-961-6560 for international participants.

A replay of the webcast will be available for 30 days on the Verisk investor website and also through the conference call number 1-855-859-2056 for U.S./Canada participants or 1-404-537-3406 for international participants using conference ID #2651769.

About Verisk

Verisk (Nasdaq:VRSK) is a leading data analytics provider serving customers in insurance, energy and specialized markets, and financial services. Using advanced technologies to collect and analyze billions of records, Verisk draws on unique data assets and deep domain expertise to provide first-to-market innovations that are integrated into customer workflows. Verisk offers predictive analytics and decision support solutions to customers in rating, underwriting, claims, catastrophe and weather risk, global risk analytics, natural resources intelligence, economic forecasting, and many other fields. Around the world, Verisk helps customers protect people, property, and financial assets.

Headquartered in Jersey City, N.J., Verisk operates in 30 countries and is a member of Standard & Poor's S&P 500® Index. In 2018, *Forbes* magazine named Verisk to its World's Best Employers list. For more information, please visit www.verisk.com.

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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 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 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, 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; and (iv) provision for income taxes. Adjusted EBITDA represents EBITDA adjusted for acquisition-related costs (earn-outs) and nonrecurring gain and interest income on the subordinated promissory note. Adjusted EBITDA expenses represent adjusted EBITDA net of revenues. The company believes these measures are useful and meaningful because they allow for greater transparency regarding the company's 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 costs (earn-outs), net of tax; and (iii) nonrecurring gain and interest income on the subordinated promissory note, net of tax. Diluted adjusted EPS represents adjusted net income divided by weighted average diluted shares. The company believes these measures are useful and meaningful because they allow evaluation of the after-tax profitability of the company's 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. The company believes free cash flow is an important measure of the recurring cash generated by the company's operations that may be available to repay debt obligations, repurchase its stock, invest in future growth through new business development activities, or make acquisitions.

Organic Constant Currency (OCC): The company's 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 it transacts change in value over time compared with the U.S. dollar; accordingly, it presents certain constant currency financial information to assess how the company performed excluding the impact of foreign currency exchange rate fluctuations. The company calculates constant currency by translating comparable prior-year-period results at the currency exchange rates used in the current period. The company defines "organic" as operating results excluding the effect of recent acquisitions and dispositions 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. 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. A disposition's results are removed from all prior periods presented to allow for comparability. The company believes organic constant currency is a useful and meaningful measure to enhance investors' understanding of the continuing operating performance of its business and to facilitate the comparison of period-to-period performance, because it excludes the impact of foreign exchange rate movements, acquisitions, and dispositions.

See page 9 for a reconciliation of consolidated adjusted EBITDA and a segment results summary and a reconciliation of adjusted EBITDA. See page 10 for a reconciliation of segment adjusted EBITDA margin and a reconciliation of adjusted EBITDA expenses. See page 11 for a reconciliation of diluted adjusted EPS and a reconciliation of net cash provided by operating activities to free cash flow.

Attached Financial Statements

Please refer to the full Form 10-Q filing for the complete financial statements and related notes.

VERISK ANALYTICS, INC.
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
As of June 30, 2019, and December 31, 2018

	2019	2018
	(in millions, except for share and per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 153.3	\$ 139.5
Accounts receivable, net of allowance for doubtful accounts of \$8.1 and \$5.7, respectively	442.6	356.4
Prepaid expenses	62.4	63.9
Income taxes receivable	25.4	34.0
Other current assets	26.6	50.7
Total current assets	710.3	644.5
Noncurrent assets:		
Fixed assets, net	566.5	555.9
Operating lease right-of-use assets, net	230.6	—
Intangible assets, net	1,193.9	1,227.8
Goodwill, net	3,400.7	3,361.5
Deferred income tax assets	11.1	11.1
Other assets	120.9	99.5
Total assets	\$ 6,234.0	\$ 5,900.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 236.7	\$ 263.5
Short-term debt and current portion of long-term debt	81.7	672.8
Deferred revenues	559.9	383.1
Operating lease liabilities	38.3	—
Income taxes payable	4.2	5.2
Total current liabilities	920.8	1,324.6
Noncurrent liabilities:		
Long-term debt	2,447.2	2,050.5
Deferred income tax liabilities	351.0	350.6
Operating lease liabilities	220.6	—
Other liabilities	83.7	104.0
Total liabilities	4,023.3	3,829.7
Commitments and contingencies		
Stockholders' equity:		
Verisk common stock, \$.001 par value; 2,000,000,000 shares authorized; 544,003,038 shares issued and 163,874,781 and 163,970,410 shares outstanding, respectively	0.1	0.1
Additional paid-in capital	2,336.9	2,283.0
Treasury stock, at cost, 380,128,257 and 380,032,628 shares, respectively	(3,679.4)	(3,563.2)
Retained earnings	4,145.3	3,942.6
Accumulated other comprehensive losses	(592.2)	(591.9)
Total stockholders' equity	2,210.7	2,070.6
Total liabilities and stockholders' equity	\$ 6,234.0	\$ 5,900.3

VERISK ANALYTICS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
For the Three and Six Months Ended June 30, 2019 and 2018

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(in millions, except for share and per share data)			
Revenues	\$ 652.6	\$ 601.3	\$ 1,277.6	\$ 1,182.5
Operating expenses:				
Cost of revenues (exclusive of items shown separately below)	242.7	222.4	474.1	443.6
Selling, general and administrative	112.3	93.0	223.7	184.9
Depreciation and amortization of fixed assets	45.7	41.6	92.2	82.0
Amortization of intangible assets	33.6	32.0	66.9	65.2
Total operating expenses	<u>434.3</u>	<u>389.0</u>	<u>856.9</u>	<u>775.7</u>
Operating income	<u>218.3</u>	<u>212.3</u>	<u>420.7</u>	<u>406.8</u>
Other income (expense):				
Investment income and others, net	(0.5)	4.6	(0.9)	5.3
Interest expense	(30.5)	(31.9)	(62.4)	(64.8)
Total other expense, net	<u>(31.0)</u>	<u>(27.3)</u>	<u>(63.3)</u>	<u>(59.5)</u>
Income before income taxes	187.3	185.0	357.4	347.3
Provision for income taxes	(36.9)	(31.5)	(72.6)	(60.8)
Net income	<u>\$ 150.4</u>	<u>\$ 153.5</u>	<u>\$ 284.8</u>	<u>\$ 286.5</u>
Basic net income per share	<u>\$ 0.92</u>	<u>\$ 0.93</u>	<u>\$ 1.74</u>	<u>\$ 1.74</u>
Diluted net income per share	<u>\$ 0.90</u>	<u>\$ 0.91</u>	<u>\$ 1.71</u>	<u>\$ 1.70</u>
Weighted average shares outstanding:				
Basic	<u>163,743,835</u>	<u>165,015,642</u>	<u>163,636,089</u>	<u>165,029,345</u>
Diluted	<u>166,697,276</u>	<u>168,651,202</u>	<u>166,621,111</u>	<u>168,821,869</u>

VERISK ANALYTICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
For the Three and Six Months Ended June 30, 2019 and 2018

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(in millions)			
Cash flows from operating activities:				
Net income	\$ 150.4	\$ 153.5	\$ 284.8	\$ 286.5
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of fixed assets	45.7	41.6	92.2	82.0
Amortization of intangible assets	33.6	32.0	66.9	65.2
Amortization of debt issuance costs and original issue discount	1.0	1.1	1.9	2.1
Provision for doubtful accounts	2.1	1.3	3.3	2.8
Stock-based compensation	18.4	11.0	27.6	19.8
Realized gain on available-for-sale securities, net	(0.2)	(0.1)	(0.6)	(0.1)
Deferred income taxes	(3.3)	(0.5)	—	(1.1)
Loss on disposal of fixed assets, net	—	0.1	—	0.1
Changes in assets and liabilities, net of effects from acquisitions:				
Accounts receivable	(8.1)	71.9	(89.7)	(2.8)
Prepaid expenses and other assets	9.8	(13.1)	(10.7)	(20.0)
Operating lease right-of-use assets, net	(8.5)	—	18.6	—
Income taxes	(14.1)	(21.2)	11.2	3.2
Accounts payable and accrued liabilities	33.2	4.8	5.8	1.8
Deferred revenues	(50.9)	(75.3)	166.8	123.8
Operating lease liabilities	(9.4)	—	(18.5)	—
Other liabilities	0.6	0.2	6.8	(29.1)
Net cash provided by operating activities	<u>200.3</u>	<u>207.3</u>	<u>566.4</u>	<u>534.2</u>
Cash flows from investing activities:				
Acquisitions, net of cash acquired of \$0 and \$0.8, and \$3.7 and \$3.1, respectively	—	(39.6)	(69.1)	(61.4)
Escrow funding associated with acquisitions	—	(5.9)	—	(6.3)
Capital expenditures	(46.9)	(56.1)	(92.1)	(99.3)
Purchases of available-for-sale securities	—	—	—	(0.1)
Proceeds from sales and maturities of available-for-sale securities	0.5	0.1	0.6	0.2
Other investing activities, net	(1.4)	—	(7.5)	(3.1)
Net cash used in investing activities	<u>(47.8)</u>	<u>(101.5)</u>	<u>(168.1)</u>	<u>(170.0)</u>
Cash flows from financing activities:				
Repayments of short-term debt, net	(100.0)	—	(345.0)	(235.0)
Repayments of current portion of long-term debt	—	—	(250.0)	—
Proceeds from issuance of long-term debt, net of original issue discount	—	—	397.9	—
Payment of debt issuance costs	(1.2)	—	(4.1)	—
Repurchases of common stock	(50.0)	(143.2)	(125.0)	(179.4)
Proceeds from stock options exercised	20.7	29.5	32.3	47.0
Net share settlement from restricted stock awards	(5.1)	(3.5)	(5.1)	(3.5)
Dividends paid	(41.0)	—	(81.9)	—
Other financing activities, net	(3.2)	(5.7)	(5.3)	(6.2)
Net cash used in financing activities	<u>(179.8)</u>	<u>(122.9)</u>	<u>(386.2)</u>	<u>(377.1)</u>
Effect of exchange rate changes	1.1	(0.7)	1.7	2.6
(Decrease) increase in cash and cash equivalents	(26.2)	(17.8)	13.8	(10.3)
Cash and cash equivalents, beginning of period	179.5	149.8	139.5	142.3
Cash and cash equivalents, end of period	<u>\$ 153.3</u>	<u>\$ 132.0</u>	<u>\$ 153.3</u>	<u>\$ 132.0</u>
Supplemental disclosures:				
Income taxes paid	\$ 53.9	\$ 52.9	\$ 61.4	\$ 58.0
Interest paid	\$ 45.3	\$ 44.6	\$ 60.6	\$ 63.9
Noncash investing and financing activities:				
Repurchases of common stock included in accounts payable and accrued liabilities	\$ —	\$ 1.0	\$ —	\$ 1.0
Deferred tax liability (asset) established on date of acquisition	\$ —	\$ 3.5	\$ (0.1)	\$ 5.1
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ —	\$ —	\$ 247.6	\$ —
Finance lease obligations	\$ 7.7	\$ 3.7	\$ 9.4	\$ 11.4
Operating lease obligations	\$ 1.3	\$ —	\$ 1.3	\$ —
Tenant improvements	\$ 0.7	\$ —	\$ 0.7	\$ —
Fixed assets included in accounts payable and accrued liabilities	\$ 0.4	\$ 0.9	\$ 0.4	\$ 0.9
Dividend payable included in other liabilities	\$ 0.1	\$ —	\$ 0.2	\$ —

Non-GAAP Reconciliations

Consolidated Adjusted EBITDA Reconciliation

(in millions)

Note: Adjusted EBITDA is a non-GAAP measure. Margin is calculated as a percentage of consolidated revenues.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019		2018		2019		2018	
	Total	Margin	Total	Margin	Total	Margin	Total	Margin
Net income	\$ 150.4	23.0%	\$ 153.5	25.5%	\$ 284.8	22.3%	\$ 286.5	24.2%
Depreciation and amortization of fixed assets	45.7	7.0	41.6	6.9	92.2	7.2	82.0	6.9
Amortization of intangible assets	33.6	5.2	32.0	5.3	66.9	5.2	65.2	5.5
Interest expense	30.5	4.7	31.9	5.3	62.4	4.9	64.8	5.5
Provision for income taxes	36.9	5.6	31.5	5.3	72.6	5.7	60.8	5.2
EBITDA	297.1	45.5	290.5	48.3	578.9	45.3	559.3	47.3
Acquisition-related costs (earn-out)	7.0	1.1	0.3	0.1	17.0	1.3	4.0	0.3
Interest income on subordinated promissory note receivable	—	—	(3.1)	(0.5)	—	—	(6.1)	(0.5)
Adjusted EBITDA	304.1	46.6	287.7	47.9	595.9	46.6	557.2	47.1
Adjusted EBITDA from acquisitions	(4.6)	0.2	0.4	—	(7.7)	0.3	0.4	0.1
Organic adjusted EBITDA	\$ 299.5	46.8	\$ 288.1	47.9	\$ 588.2	46.9	\$ 557.6	47.2

Segment Results Summary and Adjusted EBITDA Reconciliation

(in millions)

Note: Organic revenues and adjusted EBITDA are non-GAAP measures.

	Three Months Ended June 30, 2019			Three Months Ended June 30, 2018		
	Insurance	Energy and Specialized Markets	Financial Services	Insurance	Energy and Specialized Markets	Financial Services
Revenues	\$ 468.5	\$ 139.8	\$ 44.3	\$ 429.4	\$ 129.9	\$ 42.0
Revenues from acquisitions	(7.2)	(5.8)	—	(0.4)	—	—
Organic revenues	\$ 461.3	\$ 134.0	\$ 44.3	\$ 429.0	\$ 129.9	\$ 42.0
EBITDA	\$ 243.6	\$ 39.4	\$ 14.1	\$ 236.3	\$ 41.2	\$ 13.0
Acquisition-related costs (earn-out)	4.6	2.4	—	—	0.3	—
Interest income on subordinated promissory note receivable	—	—	—	(2.6)	(0.2)	(0.3)
Adjusted EBITDA	248.2	41.8	14.1	233.7	41.3	12.7
Adjusted EBITDA from acquisitions	(2.1)	(2.5)	—	0.4	—	—
Organic adjusted EBITDA	\$ 246.1	\$ 39.3	\$ 14.1	\$ 234.1	\$ 41.3	\$ 12.7

	Six Months Ended June 30, 2019			Six Months Ended June 30, 2018		
	Insurance	Energy and Specialized Markets	Financial Services	Insurance	Energy and Specialized Markets	Financial Services
Revenues	\$ 919.7	\$ 270.6	\$ 87.3	\$ 842.1	\$ 255.4	\$ 85.0
Revenues from acquisitions	(17.3)	(5.8)	—	(0.9)	—	—
Organic revenues	\$ 902.4	\$ 264.8	\$ 87.3	\$ 841.2	\$ 255.4	\$ 85.0
EBITDA	\$ 476.0	\$ 75.5	\$ 27.4	\$ 460.3	\$ 74.8	\$ 24.2
Acquisition-related costs (earn-out)	12.0	5.0	—	—	0.5	3.5
Interest income on subordinated promissory note receivable	—	—	—	(5.1)	(0.4)	(0.6)
Adjusted EBITDA	488.0	80.5	27.4	455.2	74.9	27.1
Adjusted EBITDA from acquisitions	(6.2)	(1.5)	—	0.4	—	—
Organic adjusted EBITDA	\$ 481.8	\$ 79.0	\$ 27.4	\$ 455.6	\$ 74.9	\$ 27.1

Segment Adjusted EBITDA Margin Reconciliation

Note: Segment adjusted EBITDA margin is calculated as a percentage of respective segment revenues.

	Three Months Ended June 30, 2019			Three Months Ended June 30, 2018		
	Insurance	Energy and Specialized Markets	Financial Services	Insurance	Energy and Specialized Markets	Financial Services
EBITDA margin	52.0%	28.1%	31.9%	55.0%	31.7%	31.0%
Acquisition-related costs (earn-out)	1.0	1.8	—	—	0.2	—
Interest income on subordinated promissory note receivable	—	—	—	(0.6)	(0.1)	(0.7)
Adjusted EBITDA margin	53.0	29.9	31.9	54.4	31.8	30.3

	Six Months Ended June 30, 2019			Six Months Ended June 30, 2018		
	Insurance	Energy and Specialized Markets	Financial Services	Insurance	Energy and Specialized Markets	Financial Services
EBITDA margin	51.8%	27.9%	31.3%	54.7%	29.3%	28.5%
Acquisition-related costs (earn-out)	1.3	1.9	—	—	0.2	4.0
Interest income on subordinated promissory note receivable	—	—	—	(0.6)	(0.2)	(0.6)
Adjusted EBITDA margin	53.1	29.8	31.3	54.1	29.3	31.9

Adjusted EBITDA Expense Reconciliation

(in millions)

Note: Adjusted EBITDA expenses are a non-GAAP measure.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Operating expenses	\$ 434.3	\$ 389.0	\$ 856.9	\$ 775.7
Depreciation and amortization of fixed assets	(45.7)	(41.6)	(92.2)	(82.0)
Amortization of intangible assets	(33.6)	(32.0)	(66.9)	(65.2)
Investment income and others, net	0.5	(4.6)	0.9	(5.3)
Acquisition-related costs (earn-out)	(7.0)	(0.3)	(17.0)	(3.9)
Interest income on subordinated promissory note receivable	—	3.1	—	6.0
Adjusted EBITDA expenses	\$ 348.5	\$ 313.6	681.7	625.3

Diluted Adjusted EPS Reconciliation

(in millions, except per share amounts)

Note: Diluted adjusted EPS is a non-GAAP measure.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Net income	\$ 150.4	\$ 153.5	\$ 284.8	\$ 286.5
plus: Amortization of intangible assets	33.6	32.0	66.9	65.2
less: Income tax effect on amortization of intangible assets	(7.0)	(6.7)	(14.1)	(13.7)
plus: Acquisition-related costs (earn-out) and related interest	7.1	0.3	17.6	4.0
less: Income tax effect on acquisition-related costs (earn-out)	(0.3)	(0.1)	(0.7)	(1.3)
less: Interest income on subordinated promissory note receivable	—	(3.1)	—	(6.1)
plus: Income tax effect on interest income on subordinated promissory note receivable	—	0.7	—	1.4
Adjusted net income	\$ 183.8	\$ 176.6	\$ 354.5	\$ 336.0
Diluted EPS	\$ 0.90	\$ 0.91	\$ 1.71	\$ 1.70
Diluted adjusted EPS	\$ 1.10	\$ 1.05	\$ 2.13	\$ 1.99
Weighted average diluted shares outstanding	166.7	168.7	166.6	168.8

Free Cash Flow Reconciliation

(in millions)

Note: Free cash flow is a non-GAAP measure.

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2019	2018	Change	2019	2018	Change
Net cash provided by operating activities	\$ 200.3	\$ 207.3	(3.4)%	\$ 566.4	\$ 534.2	6.0%
less: Capital expenditures	(46.9)	(56.1)	(16.4)	(92.1)	(99.3)	(7.3)
Free cash flow	\$ 153.4	\$ 151.2	1.5 %	\$ 474.3	\$ 434.9	9.1