4Q2021 Earnings Presentation

February 22, 2022

Verisk

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, 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 for any reason, whether as a result of new information, future events, or otherwise.

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.

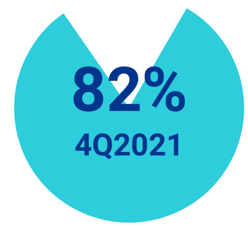
Business and Financial Highlights

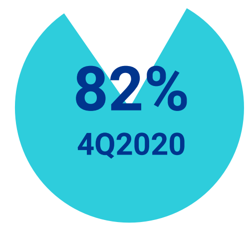
- Reported organic constant currency (OCC) revenue growth of 5.2%, driven by continued strength in insurance and sequential improvements in energy and financial services.
- Delivered OCC adjusted EBITDA growth of 7.6%, reflecting core operating leverage and cost discipline while continuing to invest in innovation.
- Total adjusted EBITDA margin expanded 80 basis points to 49%, reflecting core leverage offset in part by investments in our cloud transition and the impact of acquisitions.
- Made key progress on ongoing portfolio review, announcing divestiture of 3E and Verisk Financial Services.
- Announced important corporate governance actions for increased transparency, accountability and alignment with best-in-class practices
- Returned $122 million to shareholders through dividends and repurchases; announced a 7% increase in our dividend and an additional $1 billion in share repurchases.

Financial Summary

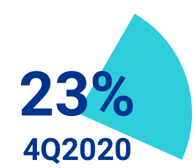
	Three months ended December 31		
	2021	2020	% change
Revenue	$766M	$713M	7.4%
Net income	142	176	-19.5
Adjusted net income	240	209	14.8
Adjusted EBITDA	375	344	9.0
Adjusted EBITDA margin	49.0%	48.2%	80 bps
Diluted GAAP EPS	$0.87	$1.07	-18.7
Diluted adjusted EPS	$1.47	$1.27	15.7
Free cash flow	103	177	-41.5

Subscription/Long-Term Revenue



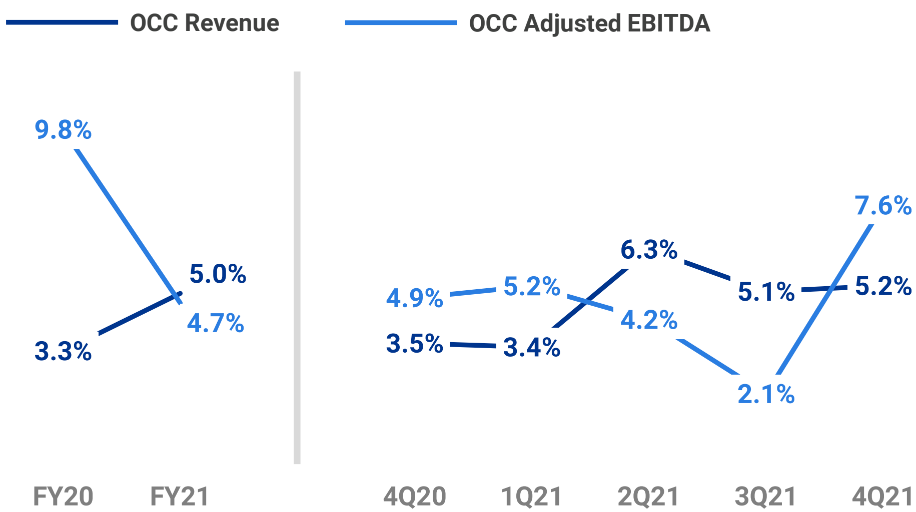


International Revenue



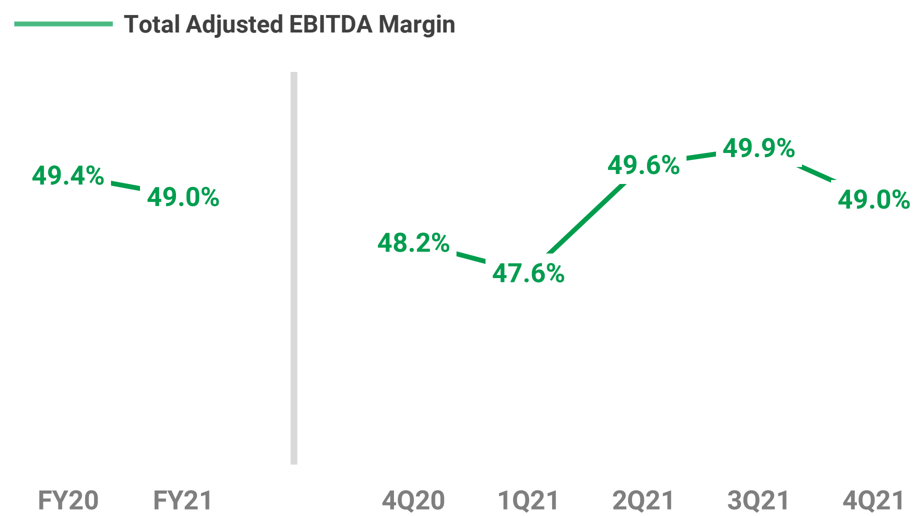
Organic Constant Currency Growth and Adjusted EBITDA Margins

4Q Financial Review



Highlights

- OCC revenue increased 5.2%, driven by growth in subscription revenues across all segments.
- OCC adjusted EBITDA growth was 7.6%, reflecting core operating leverage on solid revenue growth and cost efficiencies.



Highlights

- Total adjusted EBITDA margin increased 80 basis points to 49.0% reflecting core leverage and cost efficiencies which more than offset the return of certain COVID-related expenses and acquisition impact.
- This level of margin includes approximately 70 basis points of headwind from our ongoing technological transformation, including our cloud transition costs.

Segments

Insurance

Industry-leading data analytics and insights

Underwriting & Rating Solutions

ISO | Industry-standard insurance programs, property-specific underwriting & rating information, and underwriting solutions

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

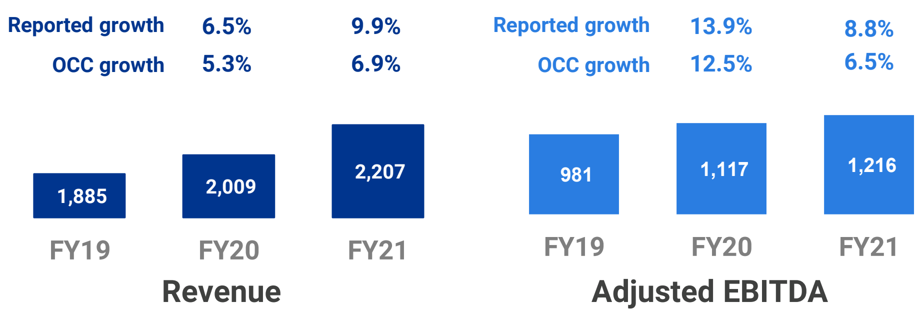
Sequel | Integrated suite of software that provides full end-to-end management of all insurance and reinsurance business

Claims Solutions

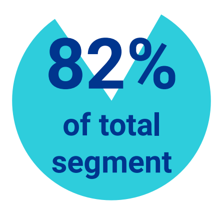
Claims Analytics | Integrated analytics solutions for improving claim outcomes and fighting fraud at every step of the process

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

Historical Performance



4Q2021



% Subscription

Revenue

Adjusted EBITDA

Insurance Quarterly Performance

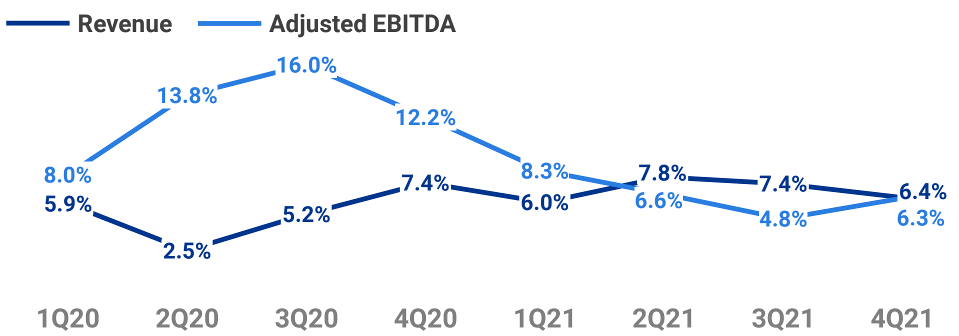
Financials

	4Q21	4Q20	% change Reported	% change OCC
UW & rating	$399M	$360M	10.8%	7.2%
Claims	164	157	4.8	4.4
Revenue	**563**	**517**	**9.0**	**6.4**
Adjusted EBITDA	**305**	**282**	**7.9**	**6.3**
Total margin	54.1%	54.6%		

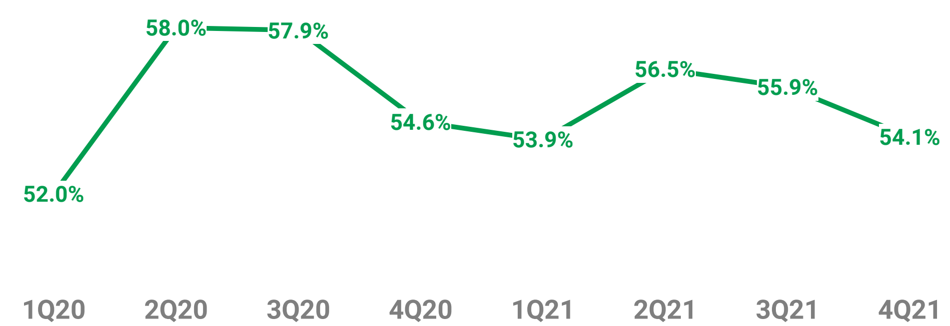
Business Highlights

- UW & rating grew 7.2% on an OCC basis with solid growth across industry-standard programs, extreme events solutions, life insurance software solutions, and international software solutions.
- Claims delivered 4.4% OCC growth, driven by solid subscription growth. This was offset in part by lower volumes in certain of our transactional businesses including workers compensation and repair cost estimating.
- Margins declined 50 basis points to 54.1%, reflecting a return to a more normalized rate of headcount growth and the return of certain COVID-impacted expenses.

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

Wood Mackenzie

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

Power Advocate

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

Specialized Markets

Verisk 3E

Supporting compliance with global environmental health and safety requirements

Historical Performance

	FY20	FY21
Reported growth	13.9%	4.8%
OCC growth	-1.3%	2.4%

Revenue

	FY20	FY21
Reported growth	18.0%	7.6%
OCC growth	-0.9%	6.4%

Adjusted EBITDA

4Q2021

% Subscription | Revenue | Adjusted EBITDA

Energy and Specialized Markets Quarterly Performance

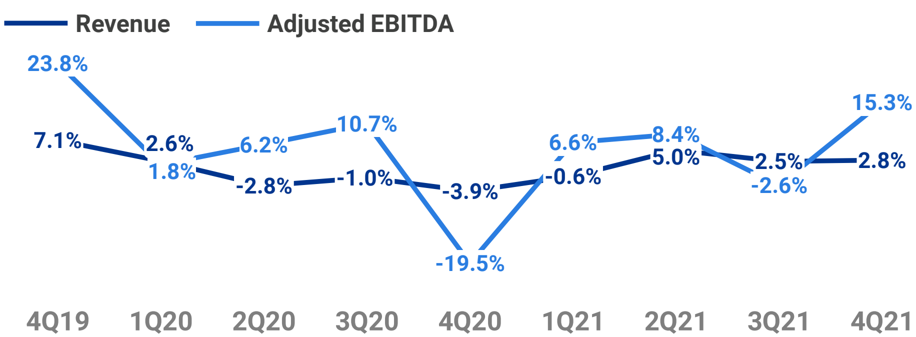
Financials

	4Q21	4Q20	% change Reported	% change OCC
Revenue	**$165M**	**$158M**	**3.9%**	**2.8%**
Adjusted EBITDA	**60**	**52**	**15.1**	**15.3**
Total margin	36.2%	32.6%		

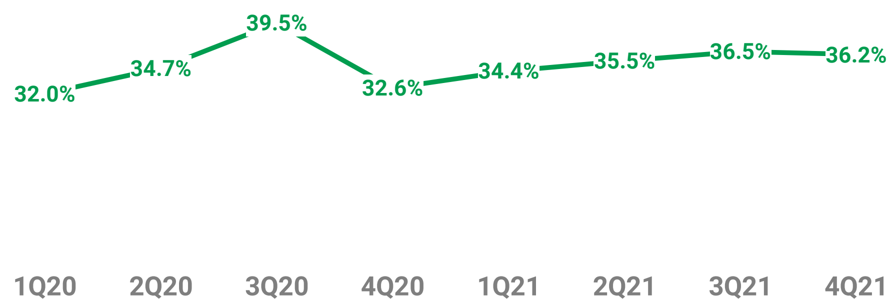
Business Highlights

- OCC revenue increased 2.8%, reflecting accelerating growth in subscription revenues.
  - Growth was led by strong double-digit growth in energy transition and chemicals research coupled with modest growth in our core research subscriptions.
- Total adjusted EBITDA margin was 36.2%, up 360 bps year-over-year reflecting core leverage and a favorable comparison versus last year which included a timing difference for certain compensation expenses that were one-time in nature.

Organic Constant Currency Growth



Total Adjusted EBITDA Margin



Financial Services

Big data, predictive analytics, and insights

Verisk Financial

Argus Portfolio Management	Solutions for financial institutions, including competitive benchmarking, decisioning algorithms and advisory services, and data management platforms
Management Information & Regulatory Reporting	MIS solutions and regulatory reporting solutions for the banking sector
Fraud & Credit Risk Management	Tools for bankruptcy management and debt collection, and solutions to detect fraud and illicit or noncompliant merchant activity for e-commerce and payments companies
Spend-Informed Analytics	Consumer spending analysis and insights, including marketing targeting models and campaign measurement tools

Historical Performance

	FY19	FY20	FY21
Reported growth	-12.0%	-8.9%	
OCC growth	-3.0%	-8.7%	

Revenue

	FY19	FY20	FY21
Reported growth	-27.2	-48.0%	
OCC growth	-3.7%	-47.6%	

Adjusted EBITDA

4Q2021

80% of total segment

% Subscription

5% of total Verisk

Revenue

3% of total Verisk

Adjusted EBITDA

Financial Services Quarterly Performance

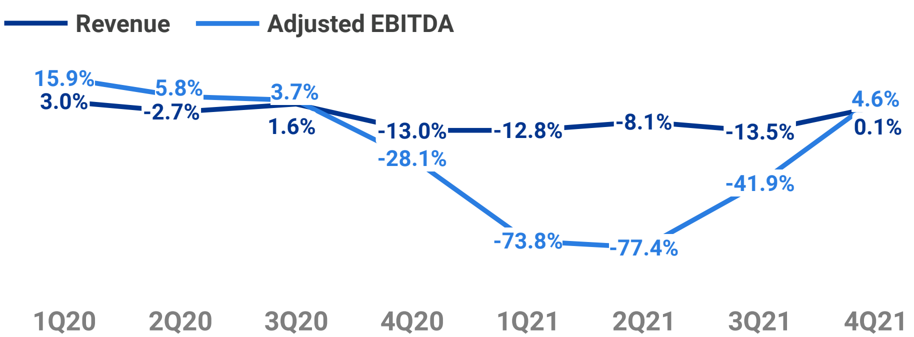
Financials

	4Q21	4Q20	% change Reported	% change OCC
Revenue	**$38M**	**$38M**	**0.1%**	**0.1%**
Adjusted EBITDA	**11**	**10**	**9.0**	**4.6**
Total margin	28.9%	26.6%		

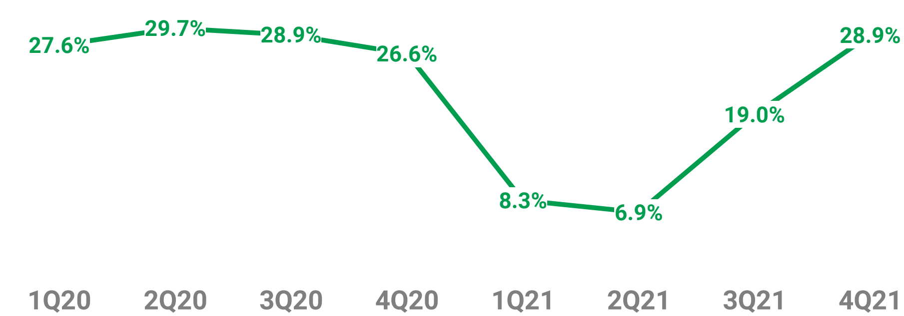
Business Highlights

- OCC revenue increased 0.1% primarily due to double-digit growth in combined spend-informed analytics and portfolio management, offset by continued weakness primarily in the bankruptcy business.
- OCC adjusted EBITDA grew 4.6% while total adjusted EBITDA margin expanded 230 bps to 28.9%, reflecting expense discipline.

Organic Constant Currency Growth



Total Adjusted EBITDA Margin



Cash Flow and Capital

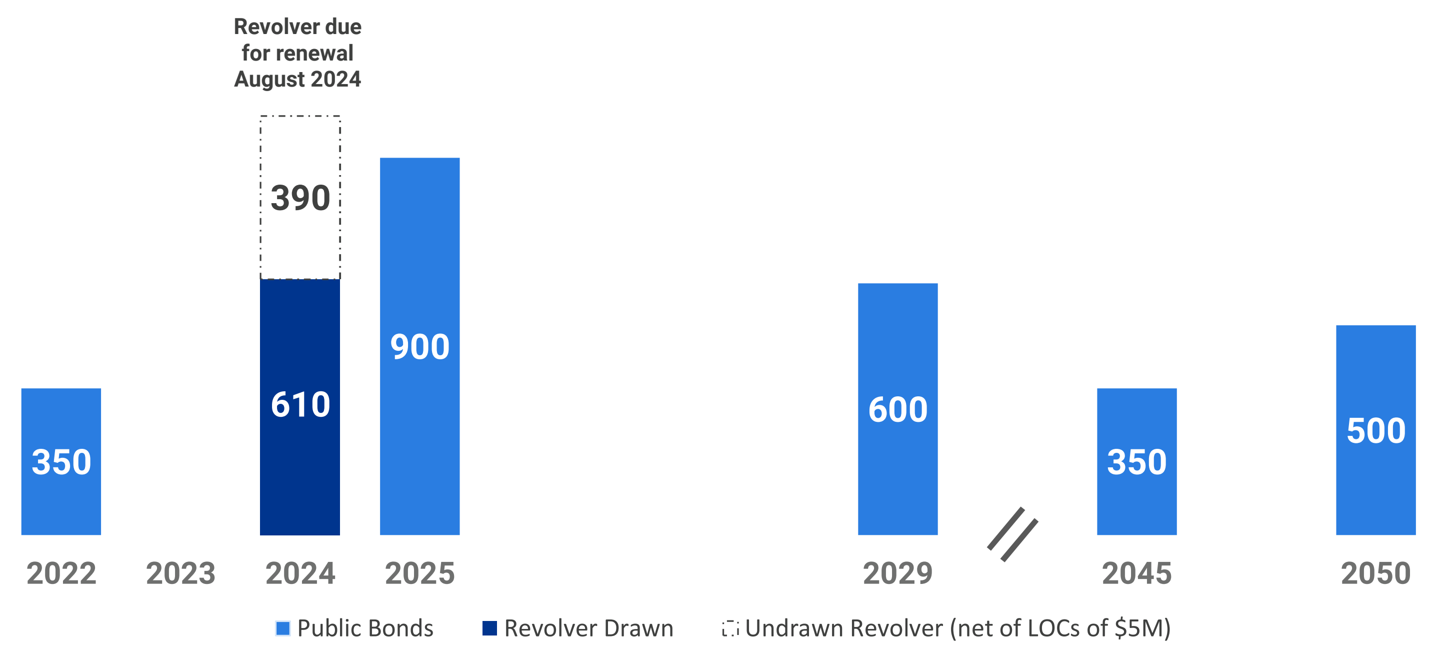
Cash Flow Utilization

(in $ millions)	2019	2020	2021	4Q20	4Q21
Net cash provided by operating activities	$956M	$1,068M	$1,156M	$249M	$189M
Capital expenditures	(217)	(247)	(268)	(72)	(85)
Free cash flow (FCF)	740	821	887	177	103
Acquisitions (net of cash acquired) and related items[1]	(704)	(396)	(299)	(139)	(242)
Proceeds from sale of assets and settlement of related note	2	23	—	—	—
Net debt (repayments) borrowings	450	44	110	50	205
Purchase of investments in a nonpublic company	—	(95)	(24)	(31)	(3)
Repurchases of common stock	(300)	(349)	(475)	(50)	(75)
Dividends paid	(164)	(176)	(188)	(44)	(47)

1. Includes acquisition-related earnout payments from both operating and financing activities.

Capital Structure

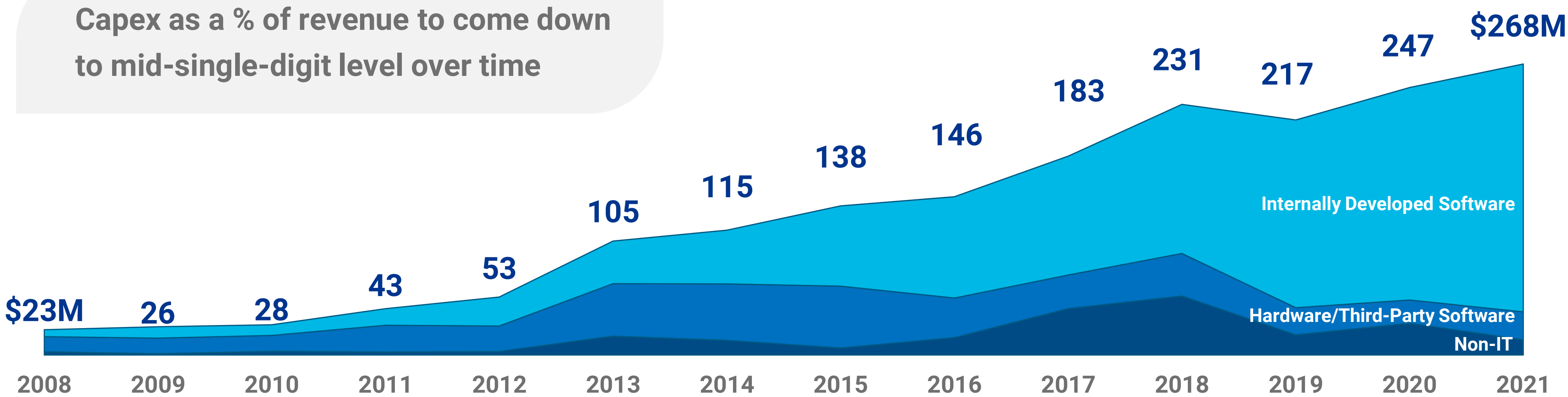
(in $ millions)	as of Dec. 2021
Bonds	**$2,700**
Revolver Drawn	**$610**
Total Debt [1]	**$3,310**
Debt/EBITDA [2]	**2.39x**
Covenant level [3]	**3.50x**
Investment Grade Ratings	
S&P	BBB
Moody's	Baa2
Fitch	BBB+



1. *Total debt excludes finance lease liabilities, any issued letters of credit, and issued surety bonds.*
2. *Per bank covenant; leverage based on reported (face) EBITDA is 2.72x i.e., total debt(including finance lease liabilities & surety bonds)/unadjusted EBITDA.*
3. *At Verisk's election, covenant may increase once to 4.25x and once to 4.00x for a period of up to 12 months twice in the facility life. The second step-up in the leverage covenant level can occur only if actual leverage is <=3.00x at two consecutive quarter ends after the occurrence of the first step-up.*

Capital Expenditures

Capex as a % of revenue to come down to mid-single-digit level over time



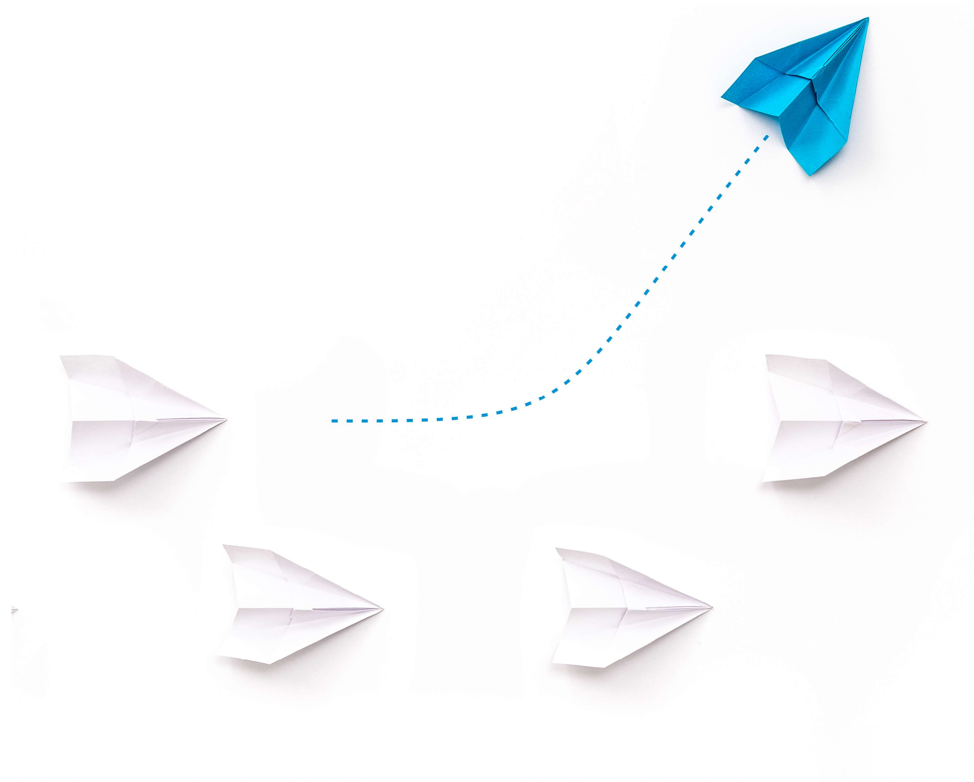
Capex as a % of revenue

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
2.9%	3.0%	3.0%	3.9%	4.5%	7.9%	8.0%	7.8%	7.3%	8.6%	9.6%	8.3%	8.9%	9.0%

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
- 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



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; and (iv) provision for income taxes. Adjusted EBITDA represents EBITDA adjusted for acquisition-related costs (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 costs (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 Constant Currency (OCC)

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 define “organic” as operating results excluding the effect of recent acquisitions and dispositions (which include businesses held for sale) 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. 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. 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	4Q21			4Q20		
	Insurance	E&SM	FS	Insurance	E&SM	FS
Revenues	$563.4M	$164.5M	$38.1M	$516.9M	$158.3M	$38.1M
Revenues from acquisitions and dispositions	(13.8)	(1.4)	—	(0.7)	—	—
Organic revenues	**549.6**	**163.1**	**38.1**	**516.2**	**158.3**	**38.1**
EBITDA	354.5	59.5	(123.0)	282.7	51.7	10.1
Impairment loss	—	—	134.0	—	—	—
Litigation reserve	(50.0)	—	—	—	—	—
Acquisition-related costs (earn-outs)	—	—	—	(0.5)	—	—
Adjusted EBITDA	**304.5**	**59.5**	**11.0**	**282.2**	**51.7**	**10.1**
Adjusted EBITDA from acquisitions and dispositions	(3.5)	0.1	—	0.4	—	0.6
Organic adjusted EBITDA	**301.0**	**59.6**	**11.0**	**282.6**	**51.7**	**10.7**

Verisk

Non-GAAP Reconciliations

Segment Results and EBITDA | Current and Prior-Year Period

Segment Results Summary and Adjusted EBITDA Reconciliation	FY21			FY20		
	Insurance	E&SM	FS	Insurance	E&SM	FS
Revenues	$2,206.9M	$648.9M	$142.8M	$2,008.7M	$619.2M	$156.7M
Revenues from acquisitions and dispositions	(58.5)	(2.9)	—	(6.2)	—	(1.4)
Organic revenues	**2,148.4**	**646.0**	**142.8**	**2,002.5**	**619.2**	**155.3**
EBITDA	1,265.7	231.3	(111.0)	1,131.0	215.1	47.7
Impairment loss	—	—	134.0	—	—	—
Litigation reserve	(50.0)	—	—	—	—	—
Acquisition-related costs (earn-outs)	0.1	—	—	2.1	—	—
Gain from dispositions	—	—	—	(15.9)	—	(3.5)
Adjusted EBITDA	**1,215.8**	**231.3**	**23.0**	**1,117.2**	**215.1**	**44.2**
Adjusted EBITDA from acquisitions and dispositions	(18.2)	1.7	—	4.1	—	(0.1)
Organic adjusted EBITDA	**1,197.6**	**233.0**	**23.0**	**1,121.3**	**215.1**	**44.1**

Non-GAAP Reconciliations

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

Adjusted Net Income and EPS	FY21	FY20	4Q21	4Q20
Net income	$666.3M	$712.7M	$141.8M	$176.2M
plus: Amortization of intangibles	176.7	165.9	43.6	42.3
less: Income tax effect on amortization of intangibles	(38.8)	(36.5)	(9.6)	(9.3)
less: Litigation reserve	(50.0)	—	(50.0)	—
plus: Income tax effect on litigation reserve	12.6	—	12.6	—
plus: Acquisition-related costs and interest expense (earn-outs)	0.1	2.1	—	(0.5)
less: Income tax effect on acquisition-related costs and interest expense (earn-outs)	—	(0.5)	—	0.1
plus: Impairment loss	134.0	—	134.0	—
less: Income tax effect on impairment loss	(32.8)	—	(32.8)	—
less: Gain from dispositions	—	(19.4)	—	—
plus: Income tax effect on gain from dispositions	—	9.6	—	—
Adjusted net income	**868.1**	**833.9**	**239.6**	**208.8**
Diluted EPS attributable to Verisk	**$4.08**	**$4.31**	**$0.87**	**$1.07**
Diluted adjusted EPS	**$5.31**	**$5.04**	**$1.47**	**$1.27**
Weighted-average diluted shares outstanding	163.3M	165.3M	163.1M	164.7M

Free Cash Flow	FY21	FY20	4Q21	4Q20
Net cash provided by operating activities	$1,155.7M	$1,068.2M	$188.6M	$248.9M
Capital expenditures	(268.4)	(246.8)	(85.3)	(72.4)
Free cash flow	**887.3**	**821.4**	**103.3**	**176.5**

Non-GAAP Reconciliations
Adjusted EBITDA | Historical Full-Year Periods

Segment Adjusted EBITDA Reconciliation	2021	2020	2019
Insurance Segment – EBITDA	$1,265.7M	$1,131.0M	$824.1M
Insurance Segment – Acquisition-related costs (earn-outs)	0.1	2.1	32.1
Insurance Segment – Gain and interest income on subordinated promissory note receivable	—	—	—
Gain from dispositions	—	(15.9)	—
Insurance Segment – Litigation reserve	(50.0)	—	125.0
Insurance Segment – Adjusted EBITDA	**1,215.8**	**1,117.2**	**981.2**
Energy and Specialized Markets Segment – EBITDA	$231.3	$215.1	$140.4
Energy and Specialized Markets Segment – Acquisition-related costs (earn-outs)	—	—	41.9
Energy and Specialized Markets Segment – Gain and interest income on subordinated promissory note receivable	—	—	—
Energy and Specialized Markets Segment – Adjusted EBITDA	**231.3**	**215.1**	**182.2**
Financial Services Segment – EBITDA	$(111.0)	$47.7	$54.4
Financial Services Segment – Impairment reserve (loss)	134.0		
Financial Services Segment – Acquisition-related costs (earn-outs)	—	—	—
Financial Services Segment – Gain and interest income on subordinated promissory note receivable	—	—	—
Financial Services Segment –(Gain) Loss from dispositions	—	(3.5)	6.2
Financial Services Segment – Adjusted EBITDA	**23.0**	**44.2**	**60.6**

Thank you