Verisk Analytics

William Blair 42nd Annual Growth Stock Conference

Lee Shavel
Chief Executive Officer

June 2022

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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 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.

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Company Overview

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Leading Data-Driven Analytic Insights and Solutions Partner



Insurance

- Select and price risk with more accuracy
- Automate the claims process
- Mitigate fraud
- Quantify impact of extreme events
- Improve efficiency and accuracy
- Analyze geopolitical and social risk
- Expedite product development & automate life insurance workflows
- Drive improved customer lifetime value and retention

80%
of revenue



Energy

- Global leader in natural resource intelligence
- Provide market insights across oil, gas, power, chemicals, metals & mining and renewables
- Fully integrated cross-commodity modeling globally
- Lens: cloud native platform empowers end to end workflows
- Enable energy transition

20%
of revenue

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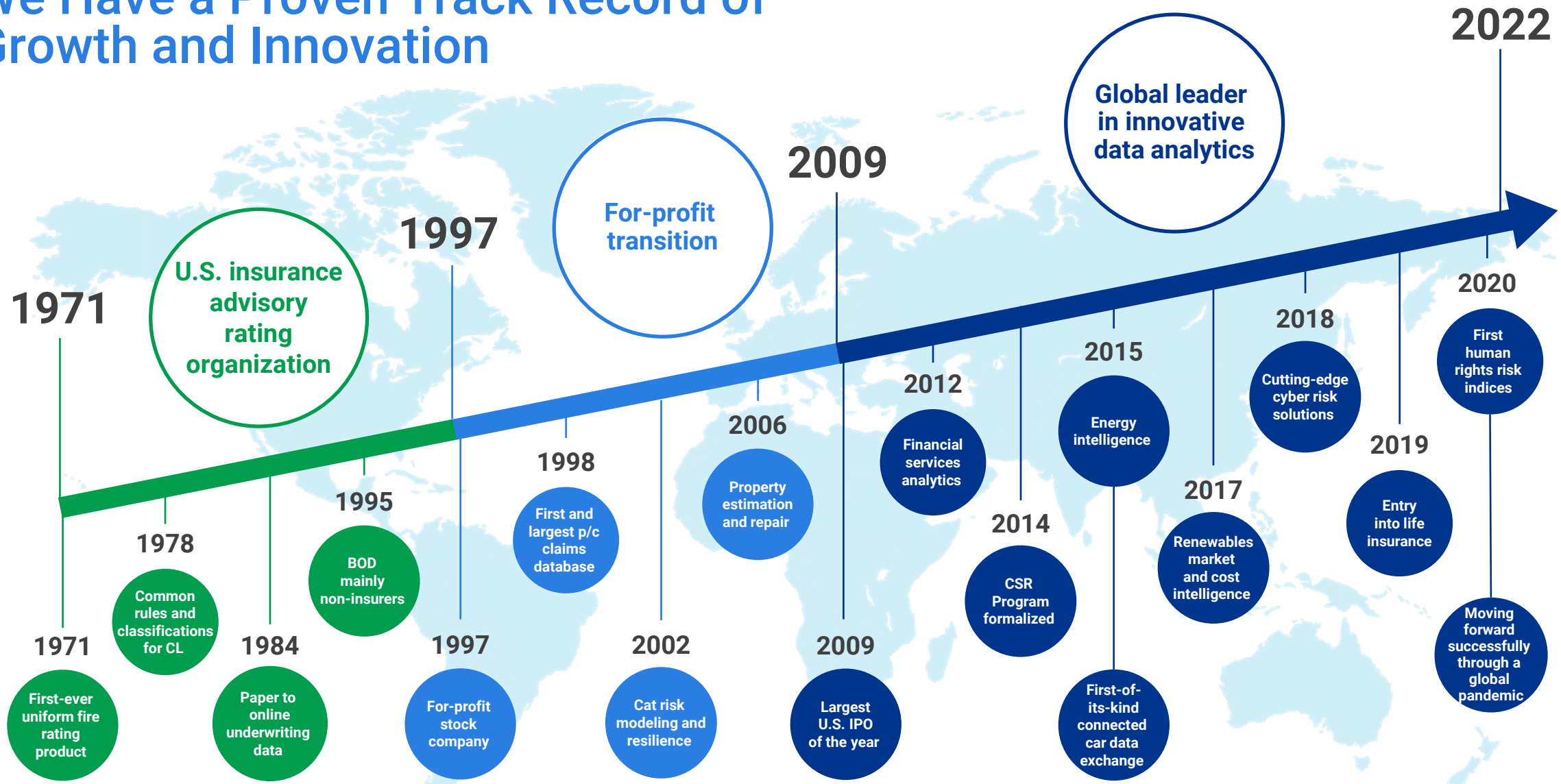
We Have a Proven Track Record of Growth and Innovation



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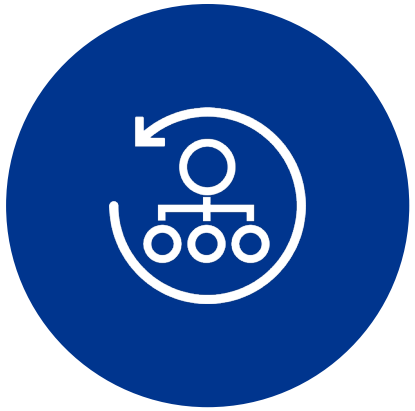
What Sets Us Apart and Guides Our Company



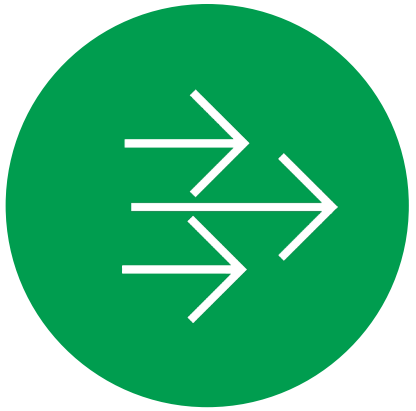
Unique and Growing Data Assets



Deep Domain Expertise With Increasing Industry Demand



Expanding Integration into Customer Workflows



Broad and Effective Distribution of Innovation

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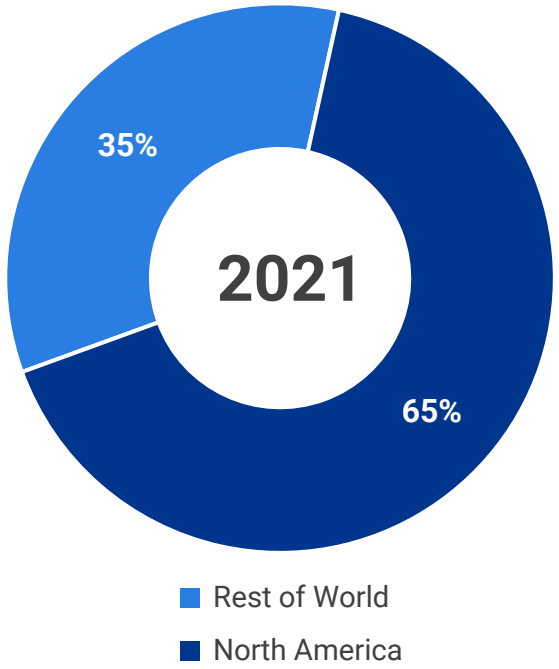
Our Talent: A Foundation for Growth and Innovation

Global Reach and Headcount



Our People

- Actuaries
- Commodity specialists
- Data and AI scientists
- Economists
- Engineers
- Fraud experts
- Geologists
- Insurance experts
- Meteorologists
- Natural resources specialists
- Predictive modeling experts
- Supply chain analysts

Core Values



Verisk Accessibility Network | Verisk Pride Network | Verisk Women's Network | Verisk Valor Network | Verisk REACH Network | Verisk Parents Network | Verisk Asian Network | Verisk Unidos Network

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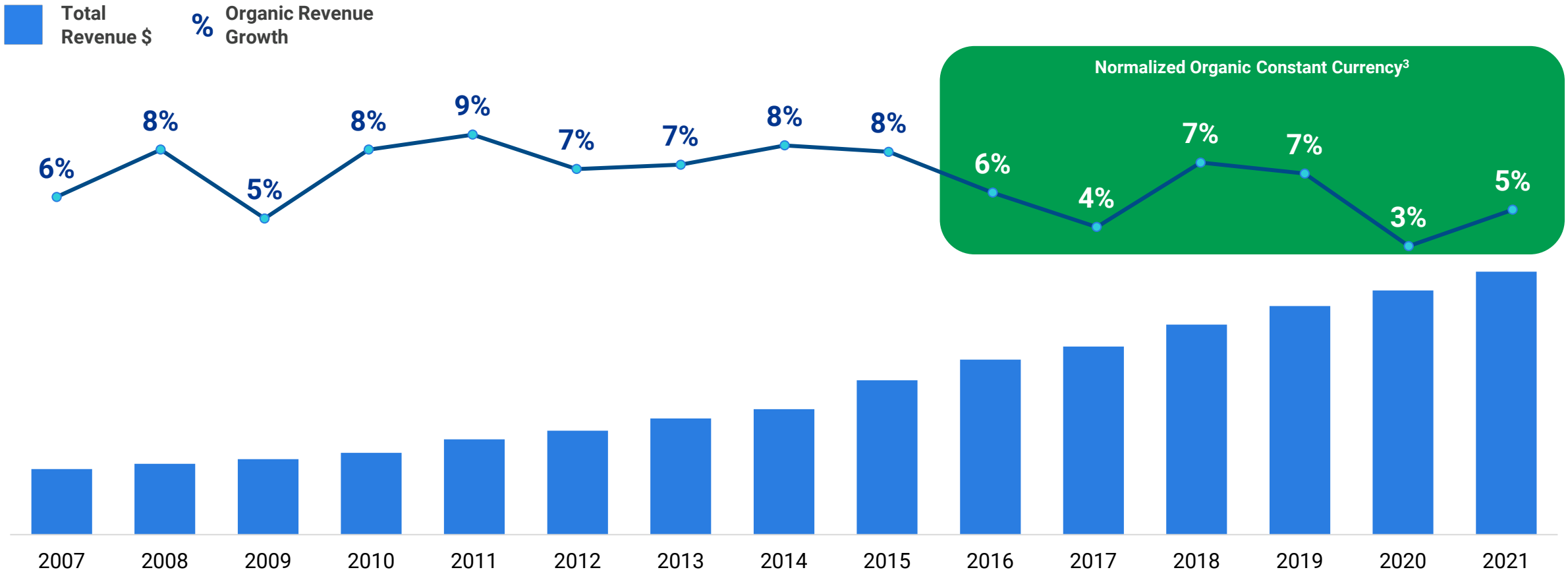
Sustainable Growth [1,2,3]



1. Organic growth includes businesses owned for a full year or more at measurement.
2. Figures exclude discontinued operations.
3. Normalized Organic Constant Currency growth excludes the impact of non-recurring revenue benefits in 2017.

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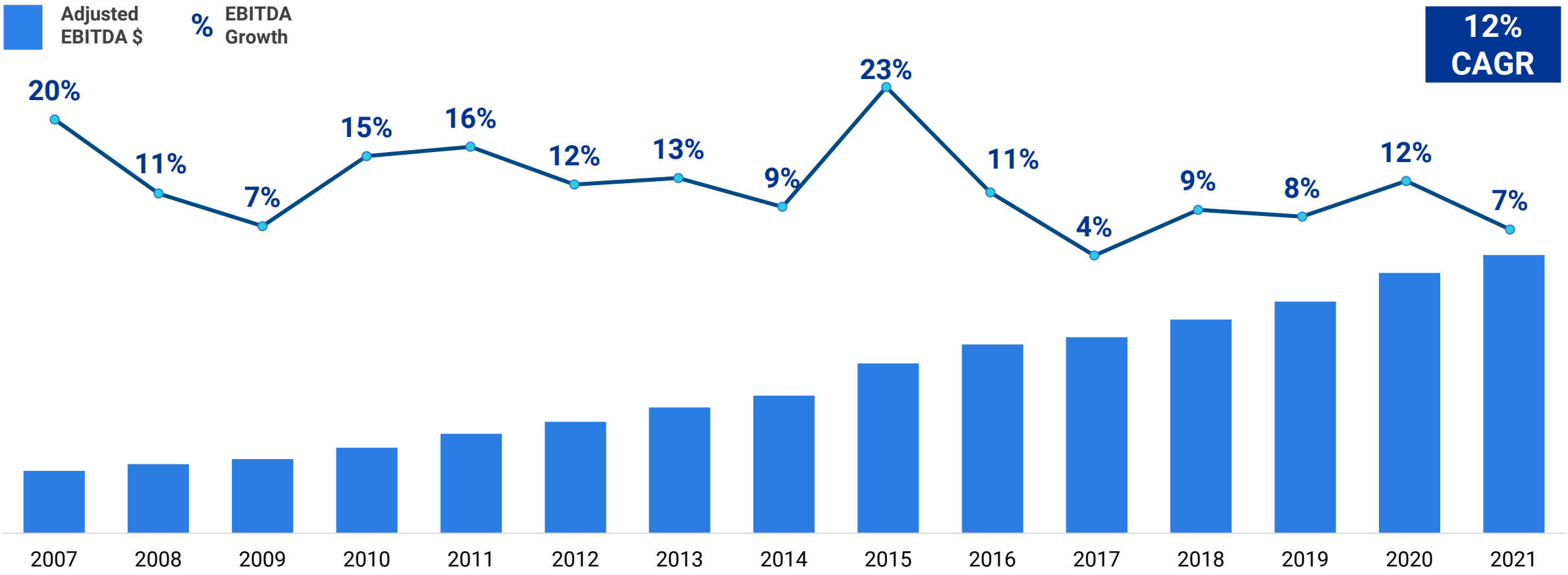
Solid Profitability Growth [1,2]



1. Figures exclude discontinued operations.
2. Adjusted EBITDA defined as EBITDA before non-operating acquisition-related costs and non-recurring items

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CEO Focus

Driving LT Value for Shareholders is a Derivative of Value to Customers & Employees

Near Term

- **Deliver on committed margin expansion target**
- **Advance toward Energy separation**
- **Leadership transition**
- **Maintain focus on 2022 financial performance**
- **Remain alert to current environment threats**

Longer-Term

- **Broaden role as technology partner for customers**
- **Industry-wide solution product orientation**
- **Balance growth, returns and margin**
- **Advance culture of inclusivity and accountability**
- **Strategic info security risk mitigation**

Bring an owner mentality, focus, discipline and an openness to new ideas and approaches

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Strategy and Long-Term Value Creation

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Our Strategy for Growth is a Repeatable Process



Increase Solution Penetration



Develop New Proprietary Data Driven Solutions



Leverage Our Intellectual Capital



Pursue Strategic Acquisitions

We help our customers improve operations, decisions, and performance.

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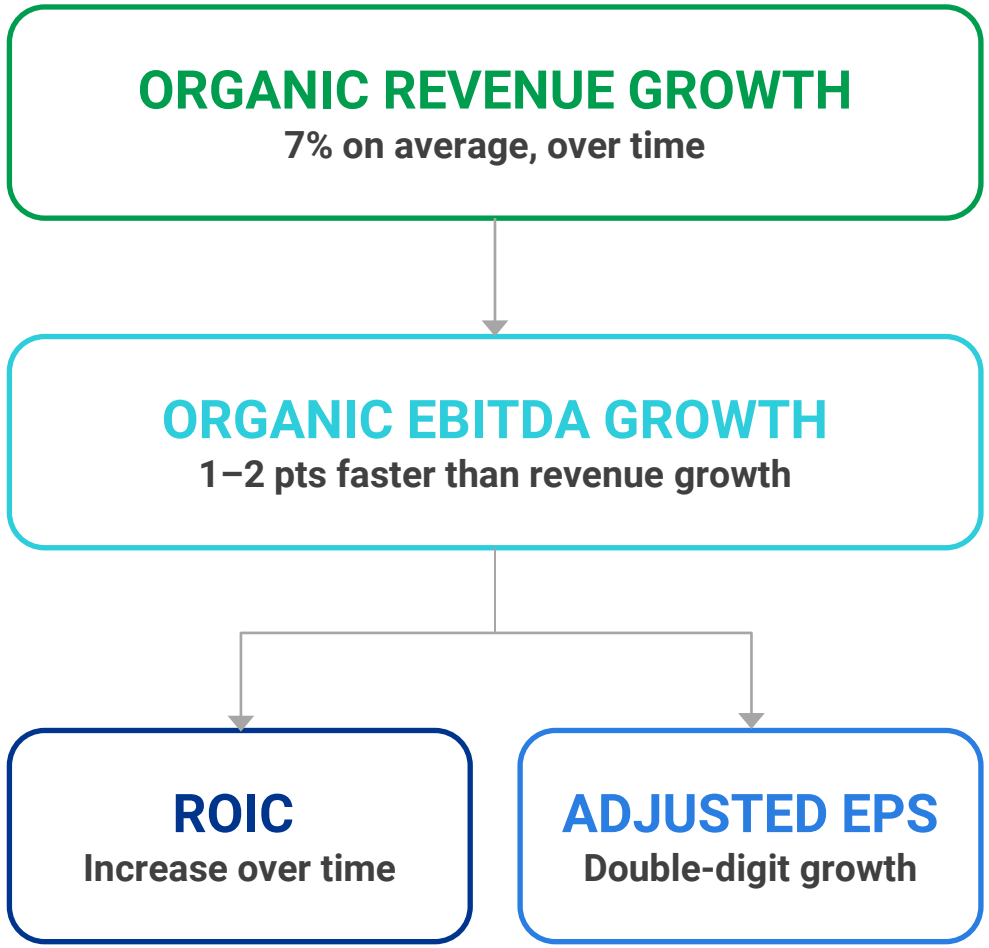
Our Long-Term Financial Targets



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Value Creation Strategy With A Keen Focus on Capital Allocation

Operating Cash Flow Growth

- Organic revenue growth
- Operating leverage
- Expense discipline

+

Attractive and Growing Returns on Capital

- Investment opportunities (internal and external)
- Capital discipline

=

Value Creation

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M&A Investment Process Improvements

- Concentrate deals within our existing verticals – not looking for another vertical
- Focus on targets where Verisk can create incremental value
- Executive and business unit (BU) management sponsor for every deal
- Apply valuation and return discipline to every transaction
- Ongoing Board-level post-deal performance assessment for all acquisitions



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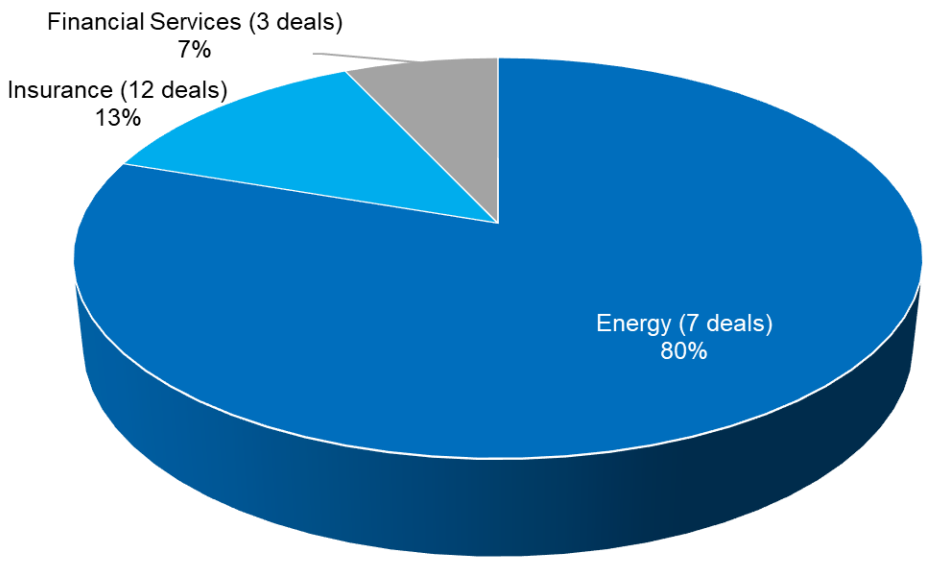
Changes in Acquisition Process Driving A Change in Outcomes

Over last 4 years, 70% of acquisition capital has gone into the Insurance vertical

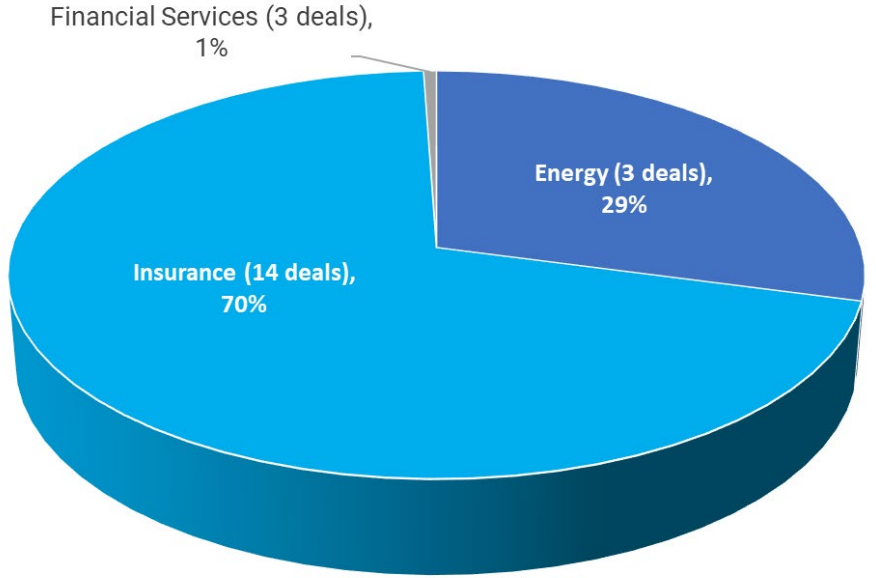
2015-2017 Acquisition Spend



Total Spend: $4.2B on 22 acquisitions

Avg. deal size: $190.5M

2018-2021 Acquisition Spend



Total Spend: $1.5B on 20 acquisitions

Avg. deal size: $75.1M

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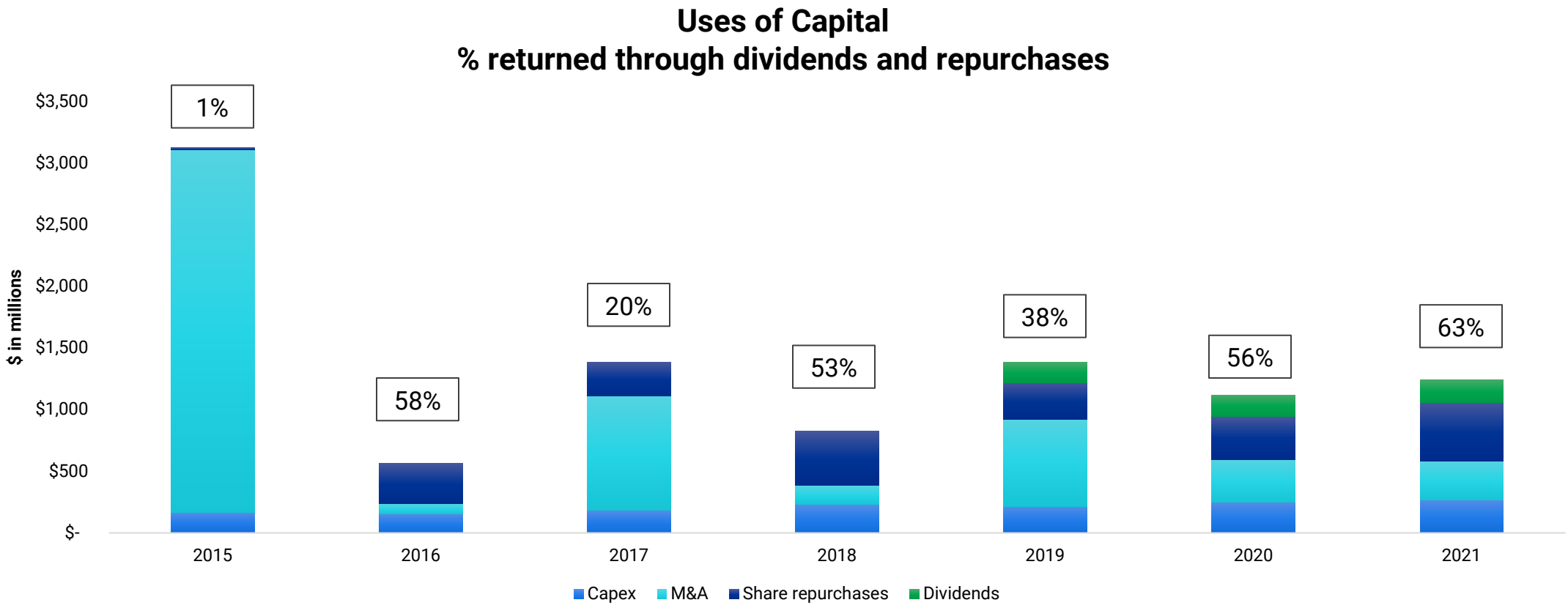
A Greater Portion of Capital Dedicated to Internal Investment & Capital Return

Over the last 3 years, more than 50% of capital was returned to shareholders



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Corporate Sustainability & Governance



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Our Core Commitments

- Statement on Long-Term Value Creation
- Code of Business Conduct and Ethics
- Statement on Climate Change
- Greenhouse Gas Emissions Inventory
- Approach to Cybersecurity
- Privacy Shield Privacy Policies
- Anti-Bribery and Corruption Policy
- Statement on Modern Slavery
- Statement on Racial Equity and Diversity

Learn more here: https://www.verisk.com/about/core-verisk-commitments/

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Committed to Corporate Social Responsibility: Recent Milestones

Environmental

2021 Climate Disclosure Report

Highlights how we understand and manage climate risk, promote resilience, provide energy intelligence, and support the transition to renewables

Emissions Inventory and 2024 Targets

For the fourth year in a row, balanced 100% of our CDP-reported carbon emissions; committed to reducing emissions 21% by 2024

Energy-Saving Initiatives

Verisk's headquarters and both major U.S. data centers now operating with LEED (Gold) status

Social

Statement on Racial Equity and Diversity

Commits us to a program of action and transparency under four pillars: organize for progress, embrace differences, strengthen people, and support communities

Employee Development

Features multilevel leadership program, extensive online training through Coursera and LinkedIn Learning, corporatewide Lean Six Sigma training, and tuition assistance

Corporate Giving

Leverage expertise and assets to help International Rescue Committee, GeoHazards International, Team Rubicon, and other leading nonprofit organizations

Governance

UN Global Compact

Member of the UN Global Compact, committed to ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption

Safeguarding Data

Continued to strengthen our data security through investment, awareness, and training

Commitments Week

Devoted entire week to mandatory training for global Verisk workforce, featuring subjects ranging from data security to sexual harassment

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Appendix

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Non-GAAP Reconciliations

Specified Metrics

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 (earnouts), gain/loss from dispositions (which includes businesses held for sale), nonrecurring gain/loss, 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; (iii) gain/loss from dispositions (which includes businesses held for sale), net of tax; (iv) nonrecurring gain/loss, net of tax; and (v) 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 (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. 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.

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Non-GAAP Reconciliations

Adjusted EBITA

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net income	$666.3M	$712.7M	$449.9M	$598.7M	$555.1M	$591.2M	$507.6M	$400.0M	$348.4M
Depreciation and amortization of fixed assets	206.9	192.2	185.7	165.3	135.6	119.1	96.6	65.4	49.2
Amortization of intangible assets	176.7	165.9	138.0	130.8	101.8	92.5	70.4	30.1	36.2
Interest expense	127.0	138.2	126.8	129.7	119.4	120.0	121.4	70.0	76.1
Provision for income taxes	209.1	184.8	118.5	121.0	135.9	202.2	196.6	208.5	184.8
Litigation reserve	(50.0)	—	125.0	—	—	—	—	—	—
Acquisition-related costs (earn-outs)	0.1	2.1	74.0	5.1	—	—	—	—	—
(Gain) loss from dispositions	—	(19.4)	6.2	—	—	—	—	—	—
Gain on derivative instruments	—	—	—	—	—	—	(58.6)	—	—
Gain and interest on subordinated promissory note receivable	—	—	—	(20.4)	(11.6)	(6.5)	—	—	—
Gain on sale of equity investments	—	—	—	—	—	(1.5)	—	—	—
Nonrecurring ESOP charge	—	—	—	—	—	(18.8)	—	—	—
Nonrecurring severance charges	—	—	—	—	—	2.1	—	—	—
Gain on warrant exercises	—	—	—	—	—	—	(15.6)	—	—
Income from discontinued operations	—	—	—	—	—	(139.7)	(20.1)	(46.0)	(29.5)
Adjusted EBITDA from acquisitions and dispositions	(16.5)	4.0	—	—	—	—	—	—	—
Impairment loss	134.0	—	—	—	—	—	—	—	—
Adjusted EBITDA	**1,453.6**	**1,380.5**	**1,224.1**	**1,130.2**	**1,036.2**	**998.2**	**898.3**	**728.0**	**665.2**

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Non-GAAP Reconciliations

Free Cashflow

	2021	2020	2019	2018	2017	2016
Net cash provided by operating activities	$1,155.7M	$1,068.2M	$956.3M	$934.4M	$743.5M	$577.5M
Net cash provided by operating activities from discontinued operations	—	—	—	—	—	(21.4)
Capital expenditures	(268.4)	(246.8)	(216.8)	(231.0)	(183.5)	(156.5)
Capital expenditures from discontinued operations	—	—	—	—	—	10.6
Tax paid for the sale of business	—	—	—	—	—	100.0
Free cash flow	**887.3**	**821.4**	**739.5**	**703.4**	**560.0**	**510.2**

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