



3Q2023 Earnings Presentation

November 1, 2023

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

Forward-Looking Statements

This release contains forward-looking statements about Verisk’s future performance, including those related to our financial guidance. 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, whether as a result of new information, future events, or otherwise except as required by applicable securities laws.

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

- Organic constant currency (OCC) revenue grew 9.4%, comprised of 8.3% growth in Underwriting and 12.2% growth in Claims.
- OCC subscription revenue grew 9.3%, demonstrating broad-based growth across most of our subscription businesses with strength in forms, rules and loss costs, anti-fraud, property estimating solutions, and extreme events modeling.
- OCC non-subscription revenue increased 10.2%, with continued benefits from auto underwriting, property estimating solutions, and life insurance solutions.
- OCC adjusted EBITDA growth of 11.8% was driven by strong revenue growth, operating efficiency, and cost discipline. This was offset in part by continued investment in our ongoing technological transformation.
- Adjusted EBITDA margins expanded 70 basis points to 54.0% reflecting operational leverage and strong cost discipline offset in part by the impact of recent acquisitions.
- Returned \$99 million to shareholders in form of dividends and incremental share repurchases, while our \$2,500M ASR is still underway.



3Q23 Financial Results

Financial Summary – Continuing Ops¹

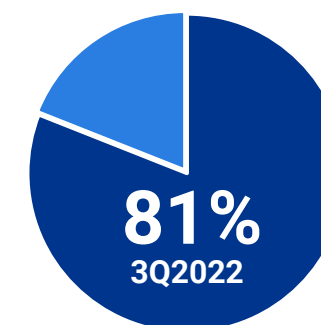
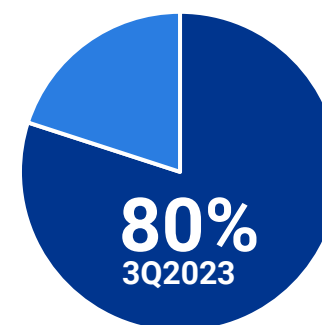
Three Months ended Sept 30

| | 2023 | 2022 | % change |
|-----------------------------|----------|----------|----------|
| Revenue | \$677.6M | \$610.1M | 11.1% |
| Net income | 187.4 | 189.4 | (1.1) |
| Adjusted net income | 221.2 | 189.1 | 17.0 |
| Adjusted EBITDA | 366.0 | 325.5 | 12.5 |
| Adjusted EBITDA margin | 54.0% | 53.3% | 70 bps |
| Diluted GAAP EPS | \$1.29 | \$1.05 | 22.9 |
| Diluted adjusted EPS | \$1.52 | \$1.20 | 26.7 |
| Free cash flow ² | 195.8 | 214.4 | (8.7) |

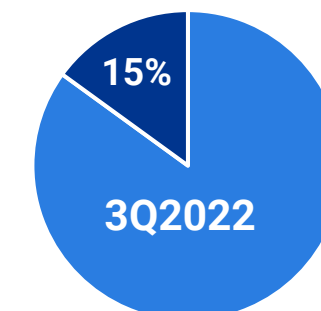
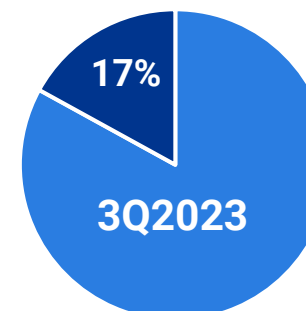
1. Continuing Ops view excludes results from recently announced disposition of Energy business

2. Cash flow measures follow GAAP view and includes results from discontinued operations in prior period

Subscription/Long-Term Revenue



International Revenue



Subscription vs. Non-subscription Growth – Insurance Only

Organic Constant Currency (OCC)

| OCC Growth | Subscription | Non-subscription | Total |
|-------------|--------------|------------------|-------------|
| FY21 | 7.1% | 6.0% | 6.9% |
| 1Q22 | 7.2% | 1.3% | 6.1% |
| 2Q22 | 7.3% | 2.7% | 6.4% |
| 3Q22 | 6.1% | 1.8% | 5.3% |
| 4Q22 | 7.2% | 12.1% | 8.1% |
| FY22 | 6.9% | 4.5% | 6.5% |
| 1Q23 | 8.7% | 14.4% | 9.8% |
| 2Q23 | 9.1% | 12.4% | 9.8% |
| 3Q23 | 9.3% | 10.2% | 9.4% |

3Q23 Highlights

- Subscription revenue growth of 9.3% reflects strong contribution from:
 - forms, rules, and loss costs
 - anti-fraud analytics
 - property estimating
 - extreme event modeling
- Non-subs revenue growth of 10.2% reflects strong performance in:
 - auto underwriting
 - property estimating
 - life insurance

Underwriting – Revenue

Industry-leading data analytics and insights



Underwriting Solutions
 (incl. Forms, Rules, and Loss Costs & Underwriting Data Solutions)
 Industry-standard insurance programs, property-specific underwriting & rating information, and underwriting data solutions.



Extreme Event Solutions
 Catastrophe and extreme event models and data covering natural and man-made risks such as terrorism.



Life
 Power for simplified automation, decisions, and processes across the life insurance value chain, driven by an unparalleled array of data sources.



Specialty Business Solutions
 Integrated suite of software that provides full, end-to-end management of all insurance and reinsurance business.

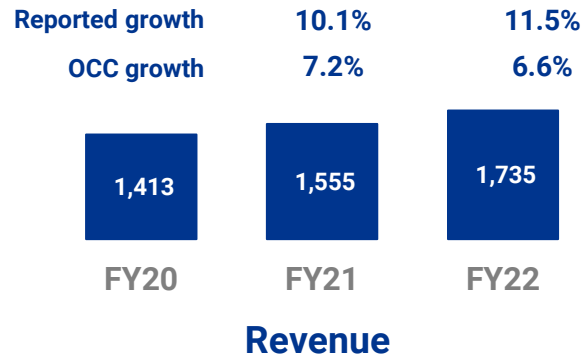


Marketing
 Identity resolution and consumer intelligence to humanize marketing interactions while upholding the highest data security and privacy standards.



International
 A growing, global array of data and analytic solutions for risk assessment, underwriting, claims, and more.

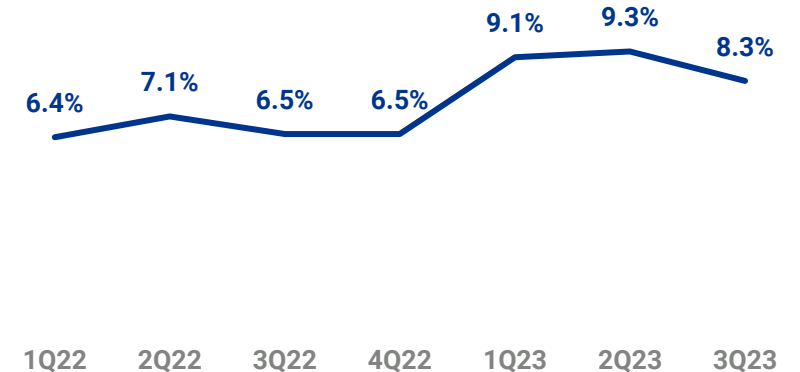
Historical Performance



Business Highlights

- Underwriting OCC revenue grew 8.3% driven by strong performance across most business units
 - Strong contribution from our forms, rules, and loss costs, underwriting data solutions, and extreme events solutions
 - Strong double-digit growth delivered by our life insurance and ESG solutions
- Marketing solutions experienced continued weakness as clients are cautious on spending for new customer acquisitions

OCC Growth



Claims – Revenue

Industry-leading data analytics and insights



Property Estimating Solutions

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



Anti-Fraud Solutions

Unmatched industry data and leading analytics in a comprehensive suite of anti-fraud solutions.



Casualty Solutions

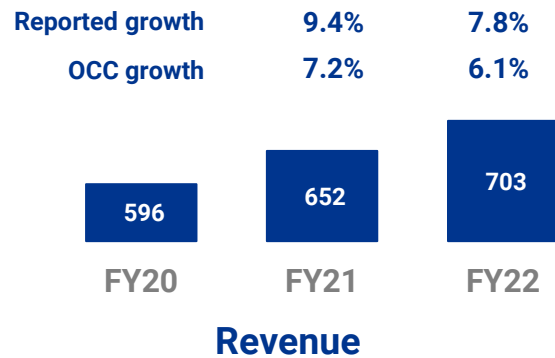
Broad claims compliance solutions and proven analytics to improve workers' comp and liability claims management.



International

A growing, global array of data and analytic solutions for risk assessment, underwriting, claims, and more.

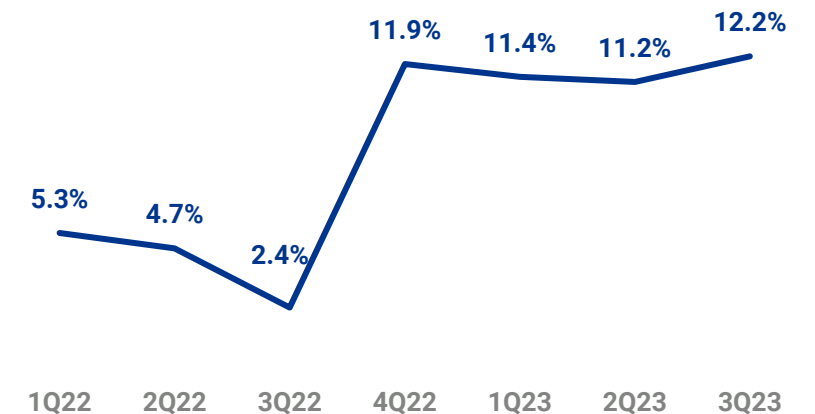
Historical Performance



Business Highlights

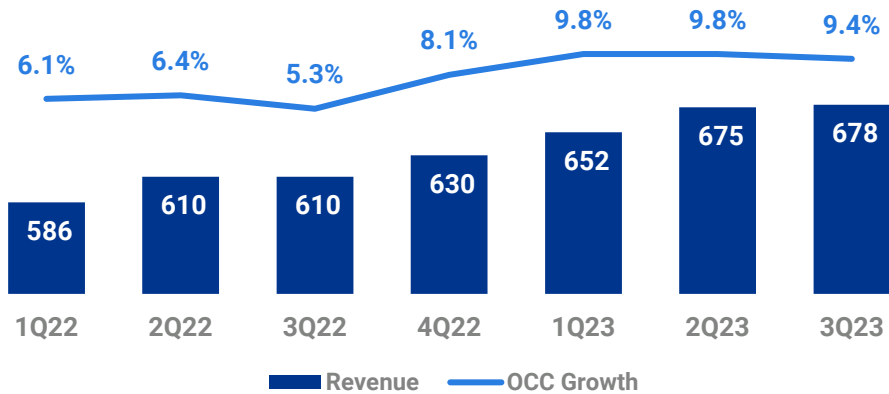
- Claims OCC revenue grew 12.2% driven by strong performance across most business units
 - Property estimating solutions delivered strong double-digit growth as our improved go to market strategy and new innovations are beginning to pay dividends
 - Double digit growth in the anti-fraud business helped by the conversion to subscription revenue for our Claims Essentials bundle

OCC Growth

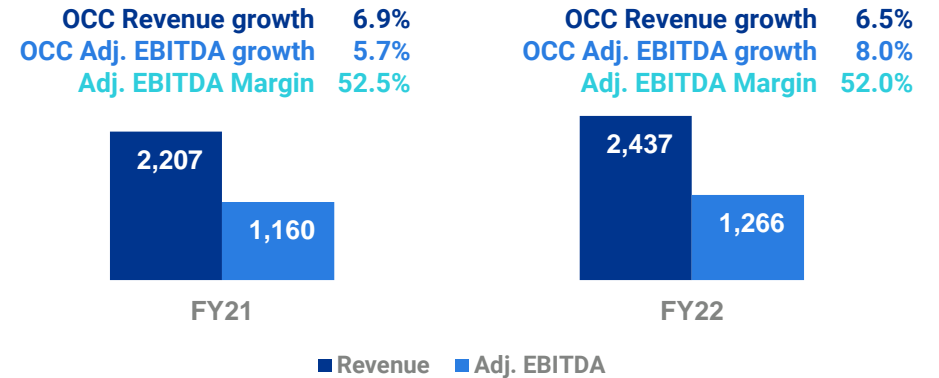


Insurance Performance¹ - Pro Forma

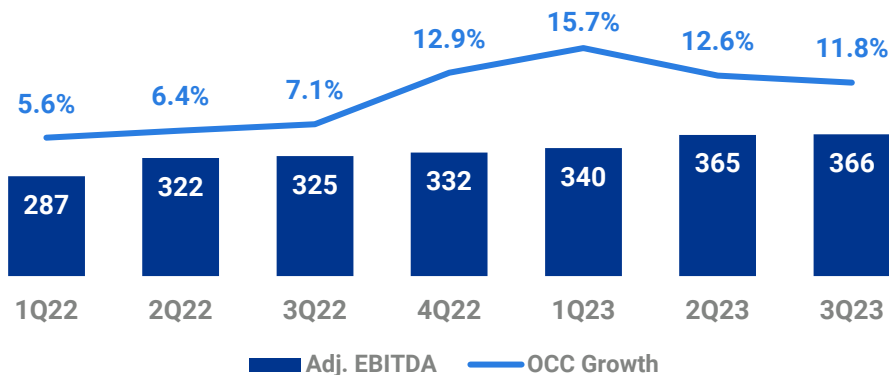
Revenue (Pro Forma)



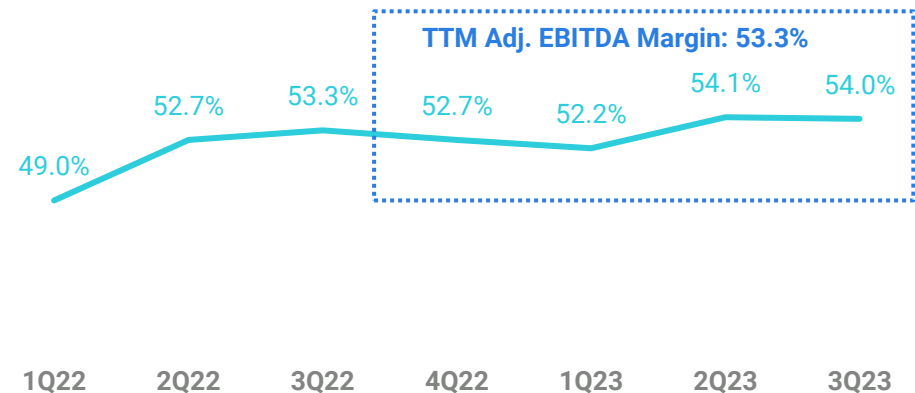
FY Revenue & Adjusted EBITDA (Pro Forma)



Adjusted EBITDA (Pro Forma)



Total Adjusted EBITDA Margin (Pro Forma)



1. See the Appendix for reconciliation to all non-GAAP measures

Cash Flow and Capital

Cash Flow Utilization

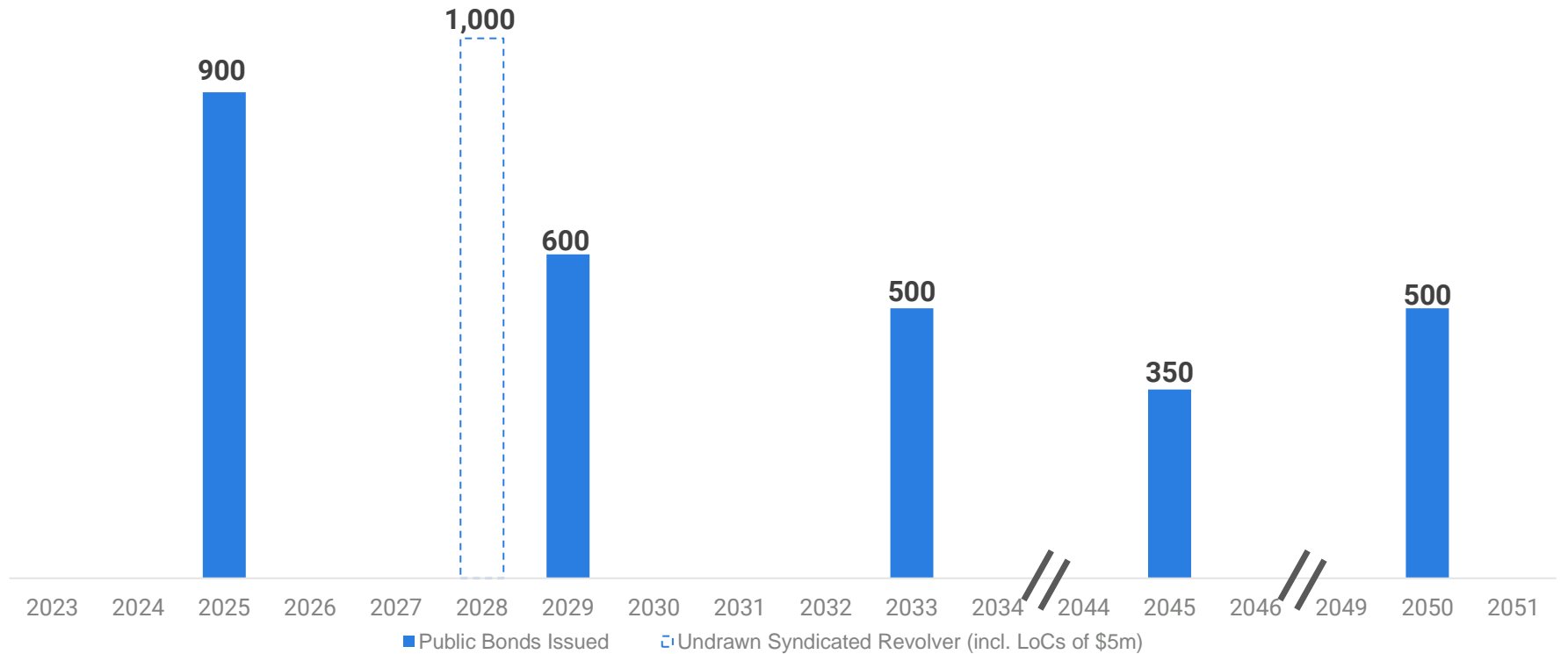
| (in \$ millions) | 2020 | 2021 | 2022 | 3Q22 | 3Q23 |
|--|----------|----------|----------|--------|--------|
| Net cash provided by operating activities ^{1,2} | \$1,068M | \$1,156M | \$1,059M | \$280M | \$250M |
| Capital expenditures | (247) | (268) | (275) | (66) | (54) |
| Free cash flow (FCF) | 821 | 888 | 784 | 214 | 196 |
| Acquisitions (net of cash acquired) and related items ¹ | (396) | (290) | (449) | - | - |
| Proceeds from sale of assets and settlement of related note | 23 | - | 1,073 | - | - |
| Net debt (repayments) borrowings | 44 | 110 | 30 | (60) | - |
| Purchase of investments in a nonpublic company | (95) | (24) | (46) | (2) | (1) |
| Repurchases of common stock | (349) | (475) | (1,663) | (300) | (50) |
| Dividends paid | (176) | (188) | (195) | (49) | (49) |

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

2. Cash flow measures follow GAAP view and includes the impact from recent dispositions, including discontinued operations

Capital Structure

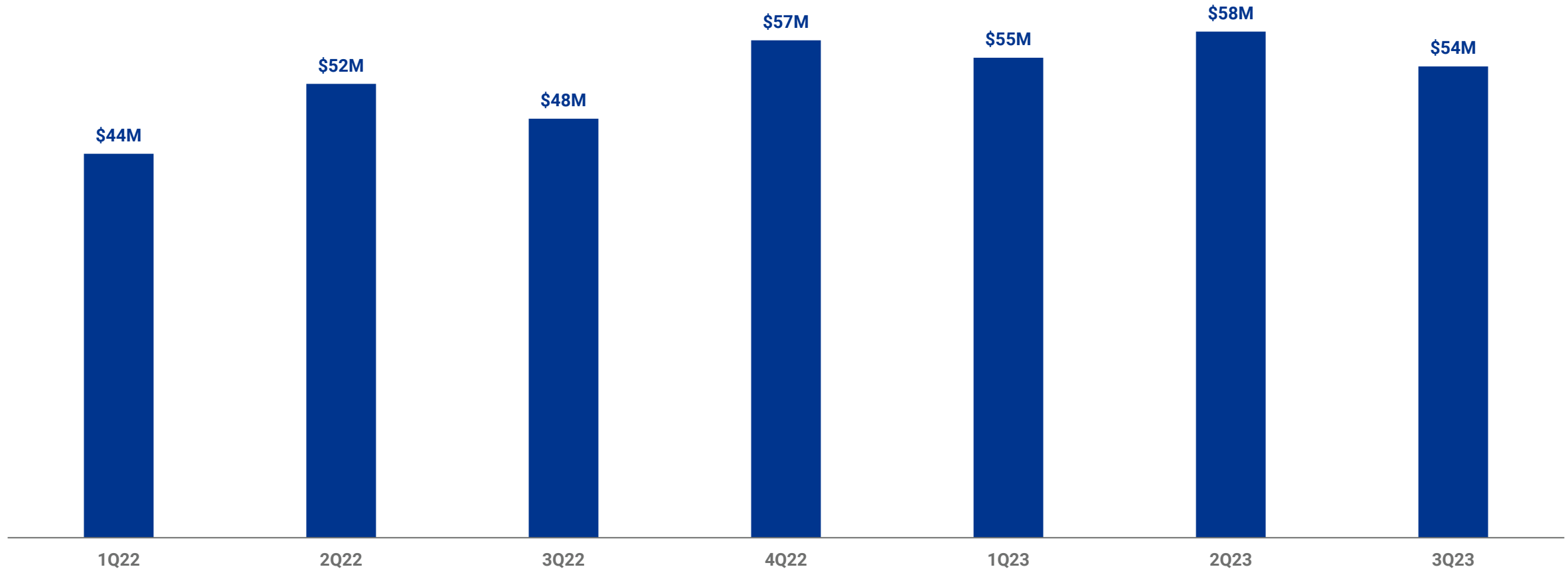
| | |
|---------------------------------|--------------------|
| (in \$ millions) | as of Sep. 2023 |
| Bonds | \$2,850 |
| Term Loan | - |
| Bilateral Revolver | - |
| Revolver Drawn | - |
| | |
| Total Debt ¹ | \$2,850 |
| Debt/EBITDA ² | 2.0x |
| | |
| Investment Grade Ratings | |
| S&P | BBB |
| Moody's | Baa2 |
| Fitch | BBB+ |



1. Total debt excludes finance lease liabilities, any issued letters of credit, and issued surety bonds.

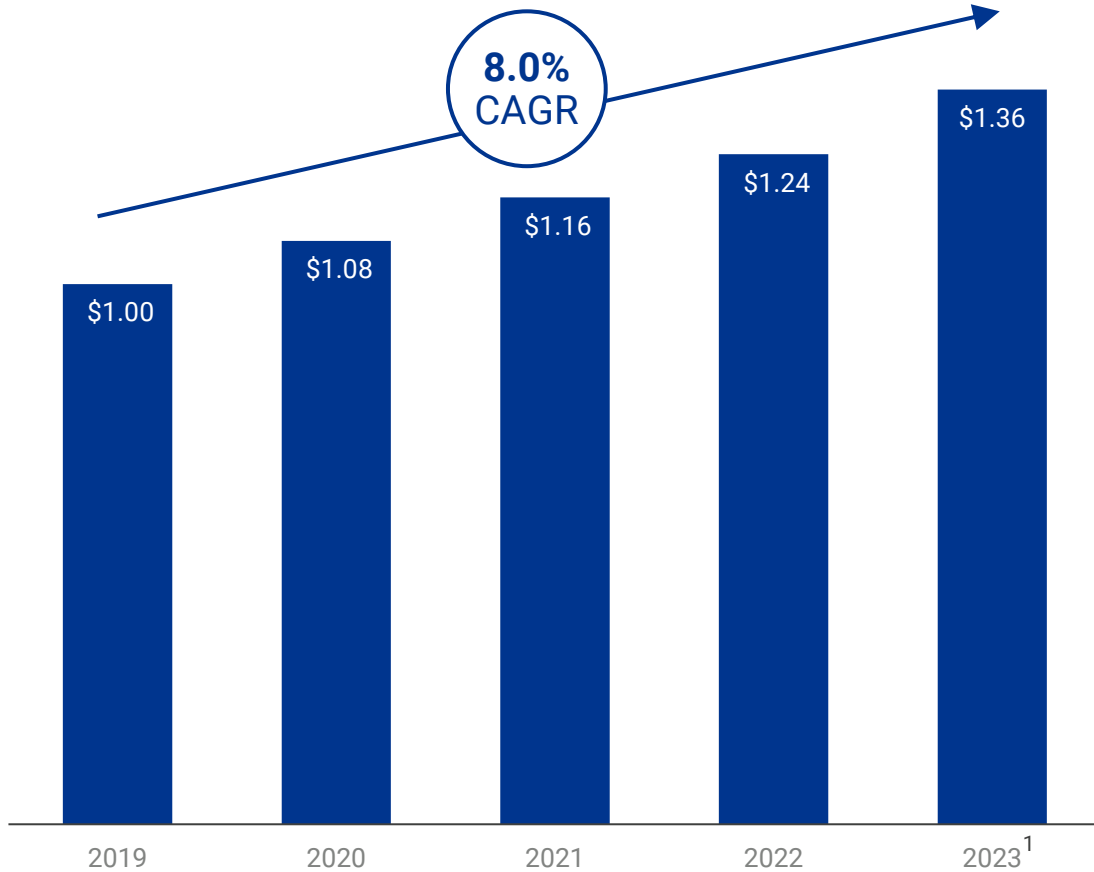
2. Debt/EBITDA of 2.0x is based on LTM Pro Forma unadjusted EBITDA.

Capital Expenditures – Insurance Only



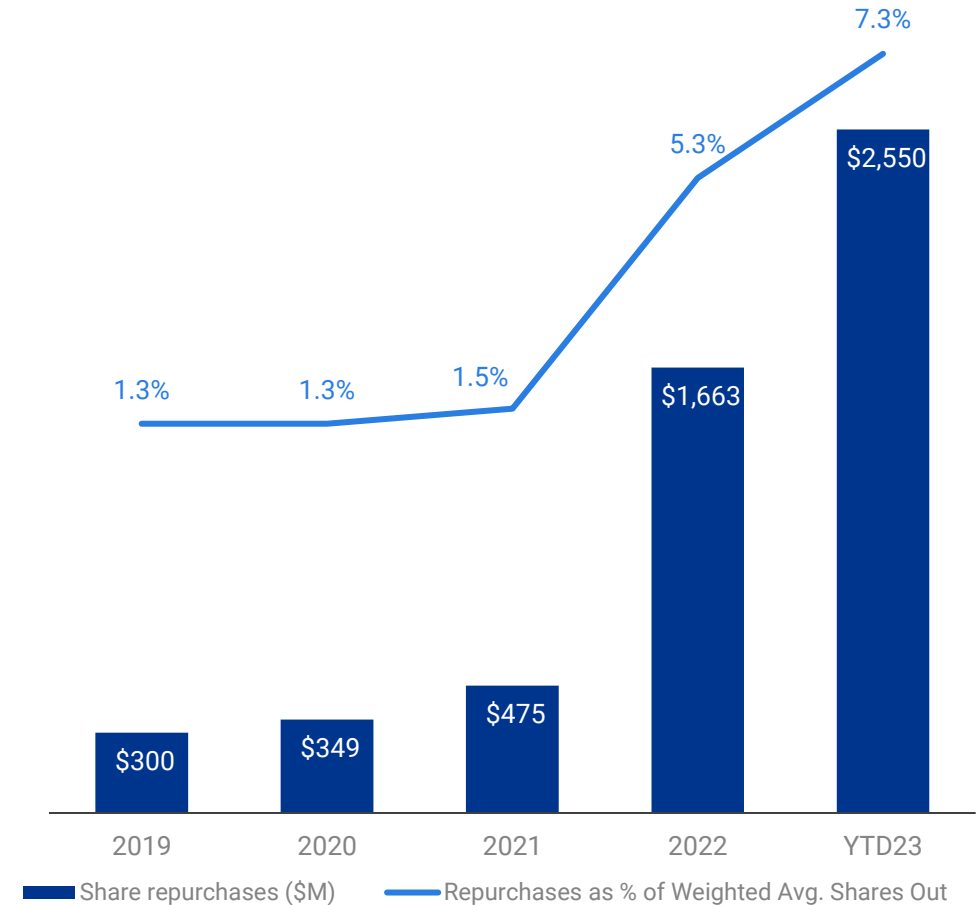
Capital Return

Dividend per Share



1. 2023 dividend per share includes \$0.34 approved to be paid on December 29, 2023.

Share Repurchases



2023 Outlook

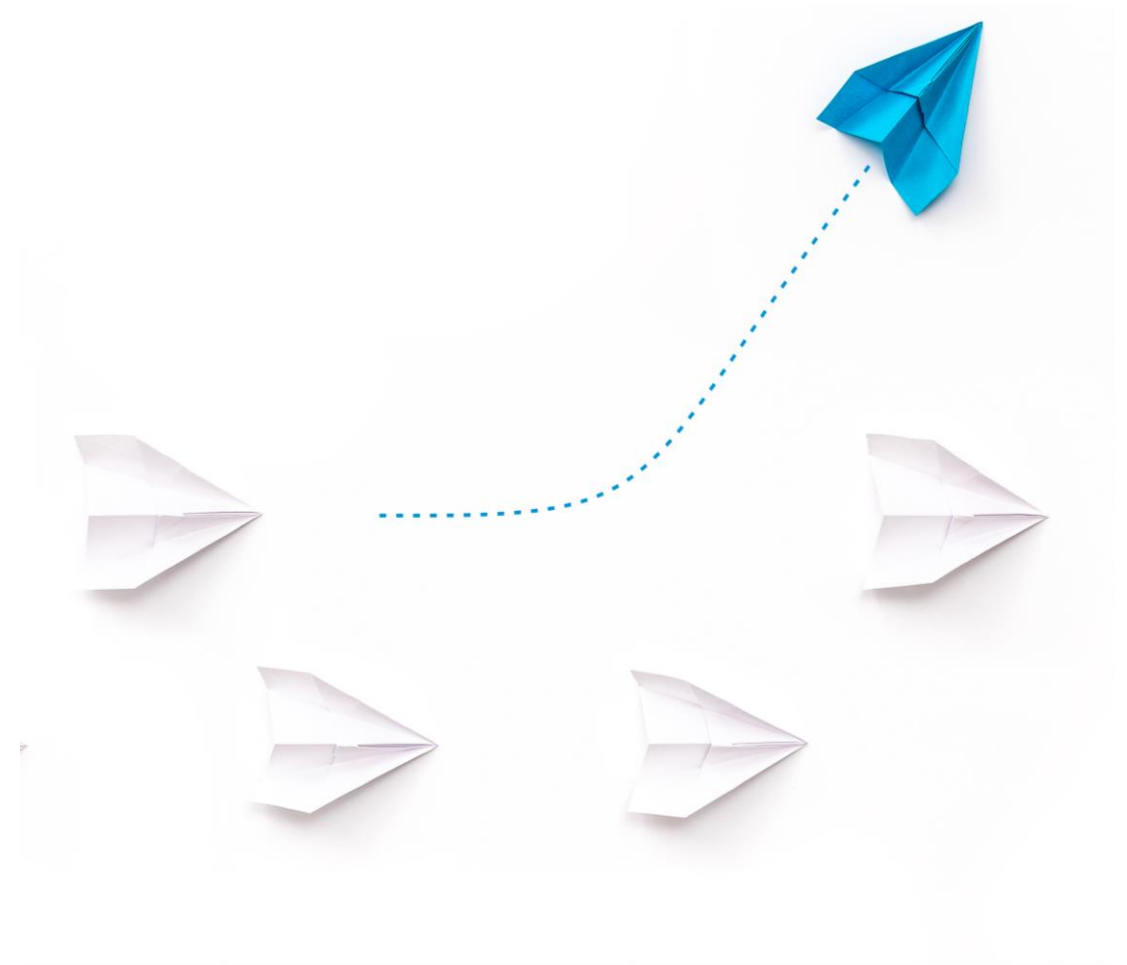
| Metric | 2023 Guidance |
|-------------------------|------------------|
| Total Revenue | \$2.63 – \$2.66B |
| Adjusted EBITDA | \$1.39 – \$1.43B |
| Adjusted EBITDA margin | 53.0% – 54.0% |
| Diluted Adjusted EPS | \$5.50 – \$5.70 |
| Tax rate | 23% – 25% |
| Capex | \$220 - \$240M |
| Fixed asset D&A | \$175 – \$195M |
| Intangible amortization | \$70M |
| Q4 Dividend Per Share | \$0.34 |

We are not able to provide a reconciliation of projected Adjusted EBITDA and Adjusted EBITDA margin to the most directly comparable expected GAAP results because of the unreasonable effort and high unpredictability of estimating certain items that are excluded from non-GAAP Adjusted EBITDA and Adjusted EBITDA margin, including, for example, tax consequences, acquisition-related costs, gain/loss from dispositions and other non-recurring expenses, the effect of which may be significant.

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.



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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, net; 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

Organic is defined as operating results excluding the effect of recent acquisitions and dispositions (which include businesses held for sale), and nonrecurring gain/loss associated with cost-based and equity-method investments 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. We believe 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 and the impact of recent dispositions, for which results are removed from all prior periods presented to allow for comparability.

Organic Constant Currency (OCC) Growth Rate

Organic Constant Currency (OCC) Growth Rate: 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 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 | 3Q23 | | | 3Q22 | | |
|--|--------------|----------|----------|--------------|--------------|----------|
| | Insurance | E&SM | FS | Insurance | E&SM | FS |
| Revenues | \$677.6M | — | — | \$610.1M | — | — |
| Revenues from acquisitions and dispositions | (7.1) | — | — | — | — | — |
| Organic revenues | 670.5 | — | — | 610.1 | — | — |
| EBITDA | 346.8 | — | — | 327.1 | (13.2) | (1.4) |
| Acquisition-related costs (earn-outs) | — | — | — | 7.7 | — | — |
| (Gain) loss from dispositions | — | — | — | — | 3.9 | 1.4 |
| Litigation reserve | 19.2 | — | — | — | — | — |
| Adjusted EBITDA | 366.0 | — | — | 334.8 | (9.3) | — |
| Adjusted EBITDA from acquisitions and dispositions | (1.6) | — | — | (8.3) | 9.3 | — |
| Organic adjusted EBITDA | 364.4 | — | — | 326.5 | — | — |

Non-GAAP Reconciliations

2021 and 2022 Pro Forma Revenues and EBITDA

| | 2023 | 2022 | | | | | 2021 | | | | |
|---|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|-----------------|
| | 1Q | 1Q | 2Q | 3Q | 4Q | FY | 1Q | 2Q | 3Q | 4Q | FY |
| Revenues (Insurance) | \$652M | \$586M | \$610M | \$610M | \$630M | \$2,437M | \$536M | \$550M | \$558M | \$563M | \$2,207M |
| Revenues from acquisitions | 23 | (20) | (28) | (28) | (28) | (105) | (1) | - | (0) | (2) | (3) |
| Organic revenues | 629 | 567 | 582 | 582 | 602 | 2,332 | 535 | 550 | 558 | 562 | 2,204 |
| Net income attributable to Verisk (reported) ¹ | 56 | 506 | 198 | 189 | 61 | 954 | 169 | 154 | 202 | 142 | 666 |
| (Income) loss from discontinued operations ² | (138) | (19) | (24) | (24) | 155 | 88 | (21) | 8 | (22) | (24) | (59) |
| Income from continuing operations | 194 | 487 | 173 | 166 | 216 | 1,042 | 148 | 161 | 179 | 118 | 607 |
| Depreciation and amortization of fixed assets | 45 | 40 | 39 | 42 | 43 | 164 | 42 | 43 | 43 | 42 | 170 |
| Amortization of intangible assets | 18 | 21 | 18 | 18 | 17 | 74 | 21 | 25 | 14 | 20 | 80 |
| Interest expense | 26 | 31 | 32 | 34 | 41 | 139 | 35 | 31 | 30 | 30 | 127 |
| Provision for income taxes | 72 | 103 | 41 | 53 | 24 | 220 | 46 | 57 | 53 | 24 | 179 |
| EBITDA | 355 | 682 | 304 | 312 | 341 | 1,639 | 292 | 318 | 318 | 235 | 1,164 |
| Impairment loss | - | 74 | - | - | - | 74 | - | - | - | 134 | 134 |
| Litigation reserve | - | - | - | - | - | - | - | - | - | (50) | (50) |
| Acquisition-related costs (earn-outs) | (15) | - | - | 8 | (11) | (3) | (0) | 0 | 0 | - | 0 |
| Severance expense | - | - | 2 | - | - | 2 | - | - | - | - | - |
| Loss (gain) from dispositions | - | (451) | 16 | 5 | 2 | (428) | - | - | - | - | - |
| EBITDA from dispositions ³ | - | (18) | (0) | 0 | 0 | (18) | (19) | (21) | (22) | (27) | (88) |
| Adjusted EBITDA (Pro Forma) | 340 | 287 | 322 | 325 | 332 | 1,266 | 274 | 297 | 297 | 292 | 1,160 |
| Adjusted EBITDA from acquisitions | (5) | (4) | (7) | (8) | (6) | (25) | 1 | - | 0 | 1 | 2 |
| Organic adjusted EBITDA (Pro Forma) | \$335M | \$284M | \$315M | \$318M | \$326M | \$1,242M | \$274M | \$297M | \$297M | \$293M | \$1,162M |

1. As reported in the Company's 2021 and 2022 10-k filing.

2. (Income) loss from discontinued operations reflects the results of our recently announced disposition of the Energy business

3. Includes 3E and VFS

Non-GAAP Reconciliations

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

| | FY22 | FY21 | 3Q23 | 3Q22 |
|---|---------------|---------------|---------------|---------------|
| Adjusted Net Income and EPS | | | | |
| Net income | \$1,042.1M | \$607.1M | \$187.4M | \$189.5M |
| Income from discontinued operations, net of tax expense | — | — | — | 23.7 |
| Income from continuing operations | 1,042.1 | 607.1 | 187.4 | 165.8 |
| plus: Amortization of intangibles | 74.4 | 79.9 | 19.6 | 18.0 |
| less: Income tax effect on amortization of intangibles | (18.6) | (20.0) | (5.0) | (4.5) |
| plus: Litigation reserve expense (release) | — | (50.0) | 19.2 | — |
| plus: Income tax effect on litigation reserve | — | 12.6 | — | — |
| plus: Acquisition-related costs and interest expense (earn-outs) | (0.1) | 0.1 | — | 7.7 |
| less: Income tax effect on acquisition-related costs and interest expense (earn-outs) | 0.1 | — | — | (1.9) |
| plus: Impairment loss | 73.7 | 134.0 | — | — |
| less: Income tax effect on impairment loss | (16.8) | (32.8) | — | — |
| plus: Loss (gain) from dispositions | (427.9) | — | — | 5.3 |
| less: Income tax effect on gain from dispositions | 67.4 | — | — | (1.3) |
| plus: Impairment of cost-based investments | — | — | — | — |
| less: Income tax effect on impairment of cost-based investments | — | — | — | — |
| plus: Severance expense | 1.8 | — | — | — |
| less: Income tax effect on severance expense | (0.4) | — | — | — |
| Adjusted net income | 795.7 | 730.9 | 221.2 | 189.1 |
| Diluted EPS attributable to Verisk | \$6.00 | \$4.08 | \$1.29 | \$1.05 |
| Diluted adjusted EPS | \$5.01 | \$4.47 | \$1.52 | \$1.20 |
| Weighted-average diluted shares outstanding | 158.9M | 163.3M | 145.7M | 158.0M |
| Free Cash Flow | | | | |
| Net cash provided by operating activities | \$1,059.0M | \$1,155.7M | \$250.1M | \$280.2M |
| Capital expenditures | (274.7) | (268.4) | (54.3) | (65.8) |
| Free cash flow | 784.3 | 887.3 | 195.8 | 214.4 |

1. Cash flow measures follow GAAP view and includes the impact from recent dispositions, including discontinued operations.

Non-GAAP Reconciliations

Segment Results and EBITDA | Current and Prior-Year Period

| Segment Results Summary and Adjusted EBITDA Reconciliation | FY22 | | | FY21 | | |
|--|----------------|---------------|------------|----------------|------------|-------------|
| | Insurance | E&SM | FS | Insurance | E&SM | FS |
| Revenues | \$2,437.0M | \$22.4M | \$37.6M | \$2,206.9M | \$112.8M | \$142.8M |
| Revenues from acquisitions and dispositions | (104.5) | (22.4) | (37.6) | (2.6) | (112.8) | (142.8) |
| Organic revenues | 2,332.5 | - | - | 2,204.3 | - | - |
| EBITDA | 1,303.0 | 426.2 | (89.4) | 1,265.2 | 9.6 | (111.1) |
| Impairment loss | — | — | 73.7 | — | — | 134.0 |
| Litigation reserve | — | — | — | (50.0) | — | — |
| Acquisition-related costs (earn-outs) | (3.0) | — | — | 0.1 | — | — |
| Severance expense | — | 1.8 | — | — | — | — |
| (Gain) loss from dispositions | — | (449.9) | 22.1 | — | — | — |
| Adjusted EBITDA | 1,300.0 | (21.9) | 6.4 | 1,215.3 | 9.6 | 22.9 |
| Adjusted EBITDA from acquisitions and dispositions | (51.5) | 21.9 | (6.4) | (137.3) | (9.6) | (22.9) |
| Organic adjusted EBITDA | 1,248.5 | - | - | 1,078.0 | - | - |

