



NEWS RELEASE

Verisk Reports First-Quarter 2024 Financial Results

5/1/2024

- Consolidated revenues were \$704 million, up 8.0%, and up 6.9% on an organic constant currency (OCC) basis for the first quarter of 2024.
- Income from continuing operations was \$219 million, up 12.9% for the first quarter of 2024. Adjusted EBITDA, a non-GAAP measure, was \$380 million, up 11.8%, and up 10.6% on an OCC basis.
- Diluted GAAP earnings per share from continuing operations (diluted EPS) were \$1.52 for the first quarter of 2024, up 19.7%. Diluted adjusted earnings per share (diluted adjusted EPS), a non-GAAP measure, were \$1.63, up 26.4%.
- Net cash provided by operating activities was \$372 million, up 1.9% and free cash flow, a non-GAAP measure, was \$317 million, up 4.2% for the first quarter of 2024.
- We paid a cash dividend of 39 cents per share on March 29, 2024, and repurchased \$200 million of our common shares during the first quarter of 2024. Our Board of Directors approved a cash dividend of 39 cents per share payable on June 28, 2024, an increase of 15% from 2023.

JERSEY CITY, N.J., May 01, 2024 (GLOBE NEWSWIRE) -- Verisk (Nasdaq: VRSK), a leading global data analytics and technology provider, today announced results for the first quarter ended March 31, 2024.

Lee Shavel, president and CEO, Verisk: "I am very pleased to share that 2024 is off to a solid start at Verisk. We are executing our growth strategy with our powerful economic model that creates value through investment in data, new technologies, and strategic engagement with our clients across the entire insurance ecosystem."

Elizabeth Mann, CFO, Verisk: "During the first quarter, Verisk delivered solid revenue and adjusted EBITDA growth

resulting in healthy margin expansion and strong double digit EPS growth. We continue to invest our capital behind our highest return on invested capital opportunities while returning excess cash to shareholders. We remain confident in our ability to deliver on our growth strategy and our margin expansion commitments."

Summary of Results (GAAP and Non-GAAP) from Continuing Operations

(in millions, except per share amounts)

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

	Three Months Ended March 31,		Change
	2024	2023	
Revenues	\$ 704	\$ 652	8.0 %
Income from continuing operations	219	194	12.9
Adjusted EBITDA	380	340	11.8
Diluted EPS attributable to Verisk	\$ 1.52	\$ 1.27	19.7
Diluted adjusted EPS	\$ 1.63	\$ 1.29	26.4
Net cash provided by operating activities	372	365	1.9
Free cash flow	317	304	4.2

Revenues from Continuing Operations

Consolidated and OCC revenues increased 8.0% and 6.9%, respectively, due to strong growth in underwriting and modest growth in claims within our Insurance segment.

Revenues and Revenue Growth by Segment

(in millions)

Note: OCC revenue growth is a non-GAAP measure.

	Three Months Ended March 31,		Revenue Growth Three Months Ended March 31, 2024	
	2024	2023	Reported	OCC
Underwriting	\$ 498	\$ 461	8.2 %	7.8 %
Claims	206	191	7.6	4.7
Insurance	\$ 704	\$ 652	8.0	6.9

Insurance segment revenues grew 8.0% in the first quarter and 6.9% on an OCC basis.

- Underwriting revenues increased 8.2% in the quarter and 7.8% on an OCC basis, primarily due to our forms, rules and

loss cost services, underwriting data solutions, and extreme event solutions. In addition, life insurance and specialty business solutions contributed to the growth and were partially offset by continued weakness within our marketing solutions.

- Claims revenues grew 7.6% in the quarter and 4.7% on an OCC basis, primarily due to solid growth in anti-fraud solutions and international solutions. Property estimating solutions also contributed to growth.

Income and Adjusted EBITDA from Continuing Operations

During first-quarter 2024, income from continuing operations was \$219 million, an increase of 12.9%. The increase in income from continuing operations was primarily due to growth in operating income for insurance and a reduction in our effective tax rate in the current year. Adjusted EBITDA increased 11.8%, and 10.6% on an OCC basis, primarily due to strong revenue growth and cost discipline.

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. See "Non-GAAP Reconciliations" below for a reconciliation to the nearest GAAP measure. All OCC figures exclude results from the disposition of the Energy business.

	Three Months Ended March 31,										
	EBITDA		EBITDA Growth	EBITDA Margin		Adjusted EBITDA		Adjusted EBITDA Growth		Adjusted EBITDA Margin	
	2024	2023	2024 Reported	2024	2023	2024	2023	2024 Reported	2024 OCC	2024	2023
Insurance	\$ 380	\$ 355	6.9 %	54.0 %	54.5 %	\$ 380	\$ 340	11.8 %	10.6 %	54.0 %	52.2 %

Earnings Per Share and Diluted Adjusted Earnings Per Share

Diluted EPS attributable to Verisk increased 19.7% to \$1.52 for the first quarter of 2024. Diluted adjusted EPS increased 26.4% to \$1.63 for the first quarter of 2024, which reflects strong revenue and profit growth, a lower effective tax rate and a lower average share count due to our accelerated share repurchase program.

Cash Flow and Free Cash Flow

Net cash provided by operating activities was \$372 million for the first quarter of 2024, up 1.9%, and free cash flow was \$317 million, up 4.2%.

Dividend

On March 29, 2024, we paid a cash dividend of 39 cents per share of common stock issued and outstanding to the holders of record as of March 15, 2024.

On April 24, 2024, our Board of Directors approved a cash dividend of 39 cents per share of common stock issued and outstanding. The dividend is payable on June 28, 2024, to holders of record as of June 15, 2024.

Share Repurchases

During the first quarter of 2024, we initiated a \$200 million Accelerated Share Repurchase program, which was completed in April 2024, resulting in a repurchase of 862,332 shares, at an average price of \$231.93. As of March 31, 2024, we had \$1,442 million remaining under our share repurchase authorization.

2024 Financial Guidance

The company reiterates its financial outlook for fiscal 2024 as follows:

	Fiscal 2024 Guidance			
	(\$ in millions, except per share amounts)			
	Low		High	
Revenue	\$	2,840	\$	2,900
Adjusted EBITDA		1,540		1,600
Adjusted EBITDA margin		54.0 %		55.0 %
Diluted adjusted EPS	\$	6.30	\$	6.60
Fixed asset depreciation & amortization		210		240
Intangible amortization		75		75
Effective tax rate		23.0 %		25.0 %
Capital expenditures		240		260

Conference Call

Our management team will host a live audio webcast to discuss the financial results and business highlights on Wednesday, May 1, 2024, at 8:30 a.m. EDT (5:30 a.m. PDT, 12:30 p.m. GMT). All interested parties are invited to listen to the live event via webcast on our investor website at <http://investor.verisk.com>. The discussion will also be available through dial-in number 888-660-6191 for U.S./Canada participants or 929-203-1913 for international participants.

A replay of the webcast will be available for 30 days on our investor website and through the conference call number 800-770-2030 for U.S./Canada participants or 647-362-9199 for international participants using Conference ID #4026897.

About Verisk

Verisk is a leading strategic data analytics and technology partner to the global insurance industry. It empowers clients to strengthen operating efficiency, improve underwriting and claims outcomes, combat fraud and make informed decisions about global risks, including climate change, extreme events, ESG and political issues. Through advanced data analytics, software, scientific research and deep industry knowledge, Verisk helps build global resilience for individuals, communities and businesses. With teams across more than 20 countries, Verisk consistently earns certification by Great Place to Work and fosters an inclusive culture where all team members feel they belong.

Verisk is traded on the Nasdaq exchange and is a part of the S&P 500 Index and the Nasdaq-100 Index.

For more information, please visit www.verisk.com.

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Forward-Looking Statements

This release contains forward-looking statements, 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 for any reason, whether as a result of new information, future events, or otherwise except as required by law.

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.

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 help us allocate resources, make business decisions, 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: 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.

See page 10 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, a reconciliation of adjusted EBITDA expenses, and a reconciliation of diluted adjusted EPS. See page 11 for a reconciliation of net cash provided by operating activities to free cash flow.

We are not able to provide a reconciliation of projected Adjusted EBITDA, Adjusted EBITDA margin, and Diluted Adjusted EPS 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, Adjusted EBITDA margin, and Diluted Adjusted EPS, including, for example, tax consequences, acquisition-related costs, gain/loss from dispositions and other non-recurring expenses, the effect of which may be significant.

Attached Financial Statements

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

VERISK ANALYTICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
As of March 31, 2024 and December 31, 2023

	March 31, 2024	December 31, 2023
	(in millions, except for share and per share data)	
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 352.4	\$ 302.7
Accounts receivable, net of allowance for doubtful accounts of \$15.7 and \$15.1, respectively	486.6	334.2
Prepaid expenses	85.3	84.5
Income taxes receivable	32.2	23.5
Other current assets	60.5	65.2
Total current assets	1,017.0	810.1
Noncurrent assets:		
Fixed assets, net	612.5	604.9
Operating lease right-of-use assets, net	187.5	191.7
Intangible assets, net	452.1	471.7
Goodwill	1,760.6	1,760.8
Deferred income tax assets	30.5	30.8
Other noncurrent assets	438.4	496.1
Total assets	\$ 4,498.6	\$ 4,366.1
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 240.7	\$ 340.8
Short-term debt and current portion of long-term debt	16.4	14.5
Deferred revenues	635.5	375.1
Operating lease liabilities	26.7	33.1
Income taxes payable	10.5	7.9
Total current liabilities	929.8	771.4
Noncurrent liabilities:		
Long-term debt	2,860.3	2,852.2
Deferred income tax liabilities	202.5	210.1
Operating lease liabilities	197.1	195.6
Other noncurrent liabilities	21.1	14.6
Total liabilities	4,210.8	4,043.9
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Common stock, \$.001 par value; 2,000,000,000 shares authorized; 544,003,038 shares issued; 142,785,185 and 143,308,729 shares outstanding, respectively	0.1	0.1
Additional paid-in capital	2,895.6	2,872.3
Treasury stock, at cost, 401,217,853 and 400,694,309 shares, respectively	(9,238.0)	(9,037.5)
Retained earnings	6,580.9	6,416.9
Accumulated other comprehensive income	43.6	58.2
Total Verisk stockholders' equity	282.2	310.0

Noncontrolling interests	5.6	12.2
Total stockholders' equity	287.8	322.2
Total liabilities and stockholders' equity	\$ 4,498.6	\$ 4,366.1

VERISK ANALYTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
For the Three Months Ended March 31, 2024 and 2023

	Three Months Ended March 31,	
	2024	2023
	(in millions, except for share and per share data)	
Revenues	\$ 704.0	\$ 651.6
Operating expenses:		
Cost of revenues (exclusive of items shown separately below)	227.8	216.2
Selling, general and administrative	92.9	79.0
Depreciation and amortization of fixed assets	57.4	44.6
Amortization of intangible assets	18.5	17.7
Total operating expenses, net	396.6	357.5
Operating income	307.4	294.1
Other expense:		
Investment loss	(3.3)	(1.1)
Interest expense, net	(28.9)	(26.4)
Total other expense, net	(32.2)	(27.5)
Income from continuing operations before income taxes	275.2	266.6
Provision for income taxes	(55.8)	(72.2)
Income from continuing operations	219.4	194.4
Loss from discontinued operations net of tax expense of \$0.0 and \$1.1, respectively (Note 7)	—	(138.0)
Net income	219.4	56.4
Less: Net loss (income) attributable to noncontrolling interests	0.2	(0.1)
Net income attributable to Verisk	\$ 219.6	\$ 56.3
Basic net income per share attributable to Verisk:		
Income from continuing operations	\$ 1.53	\$ 1.28
Loss from discontinued operations	—	(0.91)
Basic net income per share attributable to Verisk:	\$ 1.53	\$ 0.37
Diluted net income per share attributable to Verisk:		
Income from continuing operations	\$ 1.52	\$ 1.27
Loss from discontinued operations	—	(0.90)
Diluted net income per share attributable to Verisk:	\$ 1.52	\$ 0.37
Weighted-average shares outstanding:		
Basic	143,298,163	152,032,255
Diluted	143,973,534	152,709,319

VERISK ANALYTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
For the Three Months Ended March 31, 2024 and 2023

	Three Months Ended March 31,	
	2024	2023
	(in millions)	
Cash flows from operating activities:		
Net income	\$ 219.4	\$ 56.4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of fixed assets	57.4	44.6
Amortization of intangible assets	18.5	17.7
Amortization of debt issuance costs and original issue discount, net of original issue premium	0.4	0.1
Provision for doubtful accounts	3.4	2.6
Loss on sale of assets	—	128.4
Impairment of cost-based investments	1.0	—
Stock-based compensation expense	13.2	23.9
Deferred income taxes	(8.3)	(19.0)
Gain on disposal of fixed assets	—	(0.1)
Changes in assets and liabilities, net of effects from acquisitions:		
Accounts receivable	(155.9)	(185.4)
Prepaid expenses and other assets	0.3	(32.9)
Operating lease right-of-use assets, net	6.6	2.9
Income taxes	58.0	82.2
Accounts payable and accrued liabilities	(99.4)	(32.4)
Deferred revenues	260.8	261.3
Operating lease liabilities	(7.3)	(2.6)
Other liabilities	4.1	17.6
Net cash provided by operating activities	372.2	365.3
Cash flows from investing activities:		
Acquisitions and purchase of additional controlling interest, net of cash acquired of \$1.8 and \$1.0, respectively	(25.9)	(37.2)
Proceeds from sale of assets	—	3,066.4
Investments in nonpublic companies	(1.3)	(0.8)
Capital expenditures	(55.2)	(61.2)
Escrow funding associated with acquisitions	2.5	—
Other investing activities, net	—	(0.1)
Net cash (used in) provided by investing activities	(79.9)	2,967.1

	Three Months Ended March 31,	
	2024	2023
	(in millions)	
Cash flows from financing activities:		
Proceeds from issuance of long-term debt, net of original issue discount	—	495.2
Payment of debt issuance costs	—	(5.5)
Repayment from short-term debt	—	(1,265.0)
Repayment of short-term debt with original maturities greater than three months	—	(125.0)
Repurchases of common stock	(170.0)	(2,000.0)
Share repurchases not yet settled	(30.0)	(500.0)
Proceeds from stock options exercised	28.2	58.4
Net share settlement of taxes from restricted stock and performance share awards	(12.1)	(12.3)
Dividends paid	(55.8)	(49.2)
Other financing activities, net	(2.8)	(1.6)
Net cash used in financing activities	(242.5)	(3,405.0)
Effect of exchange rate changes	(0.1)	11.8
Net increase (decrease) in cash and cash equivalents	49.7	(60.8)
Cash and cash equivalents, beginning of period	302.7	292.7
Cash and cash equivalents, end of period	\$ 352.4	\$ 231.9
Supplemental disclosures:		
Income taxes paid	\$ 6.1	\$ 10.0
Interest paid	\$ 9.1	\$ 16.3
Noncash investing and financing activities:		
Deferred tax liability established on date of acquisition	\$ 1.4	\$ 3.1
Net assets sold as part of disposition	\$ —	\$ 3,211.8

Finance lease additions	\$	12.4	\$	6.2
Operating lease additions, net	\$	2.7	\$	26.3
Fixed assets included in accounts payable and accrued liabilities	\$	0.2	\$	0.2

Non-GAAP Reconciliations

Consolidated EBITDA, Adjusted EBITDA and Organic Adjusted EBITDA Reconciliation from Continuing Operations

(in millions)

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

	Three Months Ended March 31,			
	2024		2023	
	Total	Margin	Total	Margin
Net income	\$ 219.4	31.2 %	\$ 56.4	8.6 %
Less: Loss from discontinued operations, net of tax expense of \$0.0 and \$1.1, respectively	—	—	138.0	21.2
Income from continuing operations	219.4	31.2	194.4	29.8
Depreciation and amortization of fixed assets	57.4	8.2	44.6	6.8
Amortization of intangible assets	18.5	2.6	17.7	2.7
Interest expense, net	28.9	4.1	26.4	4.1
Provision for income taxes	55.8	7.9	72.2	11.1
EBITDA	380.0	54.0	355.3	54.5
Acquisition-related adjustments (earn-outs)	—	—	(15.0)	(2.3)
Impairment of cost-based investments	1.0	0.1	—	—
Nonoperational foreign currency loss on internal loan transaction	4.2	0.6	—	—
Litigation reserve, net of recovery	(4.7)	(0.7)	—	—
Adjusted EBITDA	380.5	54.0	340.3	52.2
Less: Adjusted EBITDA from acquisitions	(1.2)	—	0.1	—
Organic adjusted EBITDA	\$ 379.3	54.5	\$ 340.4	52.4

Segment Results Summary, EBITDA and Adjusted EBITDA Reconciliation

(in millions)

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

	Three Months Ended March 31,	
	2024	2023
Revenues	\$ 704.0	\$ 651.6
Less: Revenues from acquisitions and dispositions	(7.8)	(1.9)
Organic revenues	\$ 696.2	\$ 649.7
EBITDA	\$ 380.0	\$ 355.3
Acquisition-related adjustments (earn-outs)	—	(15.0)
Impairment of cost-based investments	1.0	—
Nonoperational foreign currency loss on internal loan transaction	4.2	—

Litigation reserve, net of recovery	(4.7)	—
Adjusted EBITDA	380.5	340.3
Less: Adjusted EBITDA from acquisitions	(1.2)	0.1
Organic adjusted EBITDA	\$ 379.3	\$ 340.4

Segment Adjusted EBITDA Margin Reconciliation

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

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
EBITDA margin	54.0 %	54.5 %
Acquisition-related adjustments (earn-outs)	—	(2.3)
Nonoperational foreign currency loss on internal loan transaction	0.6	—
Impairment of cost-based investments	0.1	—
Litigation reserve, net of recovery	(0.7)	—
Adjusted EBITDA margin	54.0	52.2

Consolidated Adjusted EBITDA Expense Reconciliation

(in millions)

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

	Three Months Ended March 31,	
	2024	2023
Operating expenses	\$ 396.6	\$ 357.5
Less: Depreciation and amortization of fixed assets	(57.4)	(44.6)
Less: Amortization of intangible assets	(18.5)	(17.7)
Plus: Investment loss	2.3	1.1
Plus: Acquisition-related adjustments (earn-outs)	—	15.0
Plus: Impairment of cost-based investments	1.0	—
Plus: Nonoperational foreign currency loss on internal loan transaction	4.2	—
Less: Litigation reserve, net of recovery	(4.7)	—
Adjusted EBITDA expenses	\$ 323.5	\$ 311.3

Diluted Adjusted EPS Reconciliation

(in millions, except per share amounts)

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

Three Months Ended
March 31,

	2024	2023
Net income	\$ 219.4	\$ 56.4
Less: Loss from discontinued operations, net of tax expense of \$0.0 and \$1.1, respectively	—	138.0
Income from continuing operations	219.4	194.4
Plus: Amortization of intangibles	18.5	17.7
Less: Income tax effect on amortization of intangibles	(4.8)	(4.5)
Less: Acquisition-related adjustment (earn-outs)	—	(15.0)
Plus: Income tax effect on acquisition-related adjustment (earn-outs)	—	3.8
Plus: Nonoperational foreign currency loss on internal loan transaction	4.2	—
Less: Income tax effect on nonoperational foreign currency loss on internal loan transaction	(1.0)	—
Plus: Impairment of cost-based investments	1.0	—
Less: Income tax effect on impairment of cost-based investments	(0.3)	—
Less: Litigation reserve, net of recovery	(4.7)	—
Plus: Income tax effect on litigation reserve, net of recovery	1.7	—
Adjusted net income	\$ 234.0	\$ 196.4
Diluted EPS attributable to Verisk	\$ 1.52	\$ 1.27
Diluted adjusted EPS	\$ 1.63	\$ 1.29
Weighted-average diluted shares outstanding	144.0	152.7

Free Cash Flow Reconciliation

(in millions)

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

	Three Months Ended March 31,		Change
	2024	2023	
Net cash provided by operating activities	\$ 372.2	\$ 365.3	1.9 %
Capital expenditures	(55.2)	(61.2)	(9.8)%
Free cash flow	\$ 317.0	\$ 304.1	4.2 %

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