

**NEWS RELEASE**

Verisk Reports Third-Quarter 2023 Financial Results

11/1/2023

- Consolidated revenues were \$677.6 million, up 11.1%, and up 9.4% on an organic constant currency (OCC) basis for the third quarter of 2023 reflecting strong growth in underwriting and claims.
- Income from continuing operations was \$187.4 million, up 13.1% for the third quarter of 2023. Adjusted EBITDA, a non-GAAP measure, was \$366.0 million, up 12.5%, and up 11.8% on an OCC basis.
- Diluted GAAP earnings per share from continuing operations (diluted EPS) were \$1.29 for the third quarter of 2023, up 22.9%. Diluted adjusted earnings per share (diluted adjusted EPS), a non-GAAP measure, were \$1.52, up 26.7%. Diluted adjusted EPS growth reflects strong revenue and profit growth and the benefit from our accelerated share repurchase program.
- Net cash provided by operating activities was \$250.1 million, down 10.7% and free cash flow, a non-GAAP measure, was \$195.8 million, down 8.7% for the third quarter of 2023. The decline in operating cash flow was the result of lower tax payments in the prior year as well as the fact that the operating cash flows for the prior year has not been adjusted to separately disclose the cash flows related to discontinued operations.
- We paid a cash dividend of 34 cents per share on September 30, 2023, and repurchased \$49.8 million of our common shares during the third quarter of 2023. Our Board of Directors approved a cash dividend of 34 cents per share payable on December 29, 2023.

JERSEY CITY, N.J., Nov. 01, 2023 (GLOBE NEWSWIRE) -- Verisk (Nasdaq: VRSK), a leading global data analytics and technology provider, today announced results for the third quarter ended September 30, 2023.

Lee Shavel, president and CEO, Verisk: "I am pleased to share that Verisk achieved strong third-quarter financial results demonstrating the resilience of our economic model and the mission critical nature of our solutions. Through our strategic dialogue with clients, we are working to address the industry challenges of elevated losses and profitability pressures that have characterized this year. We remain keenly focused on our strategy to deliver value for our clients which in turn will create long-term value for shareholders."

Elizabeth Mann, CFO, Verisk: "Verisk delivered another strong quarter marked by 9.4% OCC revenue growth and solid operating leverage, leading to 11.8% OCC adjusted EBITDA growth. We continue to be energized about the opportunity ahead and have confidence in our ability to deliver on our growth strategy and margin expansion commitments."

Summary of Results (GAAP and Non-GAAP)

(in millions, except per share amounts)

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change	2023	2022	Change
Revenues	\$ 677.6	\$ 610.1	11.1 %	\$ 2,004.2	\$ 1,866.5	7.4 %
Income from continuing operations	187.4	165.8	13.1	586.1	826.4	(29.1)
Adjusted EBITDA	366.0	325.5	12.5	1,071.5	952.5	12.5
Diluted EPS attributable to Verisk	1.29	1.05	22.9	3.96	5.18	(23.6)
Diluted adjusted EPS	1.52	1.20	26.7	4.31	3.58	20.4
Net cash provided by operating activities	250.1	280.2	(10.7)	808.3	810.0	(0.2)
Free cash flow	195.8	214.4	(8.7)	634.6	615.0	3.2

Revenues from Continuing Operations

Consolidated and OCC revenues increased 11.1% and 9.4%, respectively, due to strong growth in underwriting and 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 September 30,		Revenue Growth Three Months Ended September 30, 2023	
	2023	2022	Reported	OCC
Underwriting	\$ 475.2	\$ 436.2	8.9 %	8.3 %
Claims	202.4	173.9	16.4	12.2
Insurance	677.6	610.1	11.1	9.4

	Nine Months Ended September 30,		Revenue Growth Nine Months Ended September 30, 2023	
	2023	2022	Reported	OCC
Underwriting	\$ 1,413.7	\$ 1,290.0	9.6 %	8.9 %
Claims	590.5	516.5	14.3	11.6
Insurance	2,004.2	1,806.5	10.9	9.7
Specialized Markets	—	22.4	-	N/A
Financial Services	—	37.6	-	N/A
Revenues	\$ 2,004.2	\$ 1,866.5	7.4	9.7

Insurance segment revenues grew 11.1% in the third quarter and 9.4% on an OCC basis.

- Underwriting revenues increased 8.9% in the quarter and 8.3% on an OCC basis, resulting primarily from solid growth across our forms, rules, and loss cost services, underwriting data solutions, life insurance, extreme event solutions, and specialty business solutions.
- Claims revenues grew 16.4% in the quarter and 12.2% on an OCC basis. Growth was broad-based with strong results recorded in property estimating solutions, anti-fraud, international, and casualty solutions.

There was no Energy and Specialized Markets segment revenue in the quarter. We closed on the sale of the Energy business on February 1, 2023, and accounted for it as discontinued operations. We closed on the sale of 3E on March 11, 2022.

There was no Financial Services segment revenue in the quarter as we closed on its sale on April 8, 2022.

Net Income and Adjusted EBITDA from Continuing Operations

During third-quarter 2023, net income from continuing operations was \$187.4 million, an increase of 13.1%. The increase in income from continuing operations was primarily due to growth in Insurance offset in part by a \$19.2 million litigation reserve expense, associated with an indemnification for an ongoing inquiry related to our former Financial Services segment, which was sold in April 2022. Adjusted EBITDA increased 12.5%, and 11.8% 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 recent dispositions, namely 3E, Energy, and Verisk Financial Services. Segment-level adjusted EBITDA margins for 2023 reflect a higher level of corporate allocations resulting from recent dispositions and the impact

of foreign currency fluctuations.

	EBITDA		EBITDA Growth	Three Months Ended September 30, EBITDA Margin		Adjusted EBITDA		Adjusted EBITDA Growth		Adjusted EBITDA Margin	
	2023	2022	2023 Reported	2023	2022	2023	2022	2023 Reported	2023 OCC	2023	2022
Insurance	\$ 346.8	\$ 327.1	6.0 %	51.2 %	53.6 %	\$ 366.0	\$ 334.8	9.3 %	11.8 %	54.0 %	54.9 %
Energy and Specialized Markets	—	(13.2)	—	N/A	N/A	—	(9.3)	—	N/A	—	N/A
Financial Services	—	(1.4)	—	N/A	N/A	—	—	—	N/A	—	N/A
Consolidated	\$ 346.8	\$ 312.5	11.0	51.2	51.2	\$ 366.0	\$ 325.5	12.5	11.8	54.0	53.3

	EBITDA		EBITDA Growth	Nine Months Ended September 30, EBITDA Margin		Adjusted EBITDA		Adjusted EBITDA Growth		Adjusted EBITDA Margin	
	2023	2022	2023 Reported	2023	2022	2023	2022	2023 Reported	2023 OCC	2023	2022
Insurance	\$ 1,067.2	\$ 960.2	11.1 %	53.3 %	53.2 %	\$ 1,071.5	\$ 967.9	10.7 %	13.3 %	53.5 %	53.6 %
Energy and Specialized Markets	—	425.7	—	N/A	N/A	—	(22.0)	—	N/A	—	N/A
Financial Services	—	(86.7)	—	N/A	N/A	—	6.6	—	N/A	—	N/A
Consolidated	\$ 1,067.2	\$ 1,299.2	(17.9)	53.3	69.6	\$ 1,071.5	\$ 952.5	12.5	13.3	53.5	51.0

Earnings Per Share and Diluted Adjusted Earnings Per Share

Diluted EPS attributable to Verisk increased 22.9% to \$1.29 for the third quarter of 2023. Diluted adjusted EPS increased 26.7% to \$1.52 for the third quarter of 2023. Diluted adjusted EPS growth reflects strong revenue and profit growth, lower net interest expense and the benefit from our accelerated share repurchase program.

Cash Flow and Free Cash Flow

Net cash provided by operating activities was \$250.1 million for the third quarter of 2023, down 10.7%, and free cash flow was \$195.8 million, down 8.7%. The decline in operating cash flow was the result of lower tax payments in the prior year due to an overpayment of estimated tax carried forward to the third quarter.

Dividend

On September 30, 2023, we paid a cash dividend of 34 cents per share of common stock issued and outstanding to the

holders of record as of September 15, 2023.

On October 25, 2023, our Board of Directors approved a cash dividend of 34 cents per share of common stock issued and outstanding, payable on December 29, 2023, to holders of record as of December 15, 2023.

Share Repurchases

During the third quarter, we repurchased \$49.8 million of common stock at an average price of \$239.20. This was in addition to the \$2.5 billion accelerated share repurchase program initiated during the first quarter and is expected to be completed in the fourth quarter. As of September 30, 2023, we had \$891.5 million remaining under our share repurchase authorization.

2023 Financial Guidance

Our guidance for 2023 remains unchanged with revenue in the range of \$2.63-\$2.66 billion, adjusted EBITDA between \$1.39-\$1.43 billion, adjusted EBITDA margin in the 53%-54% range and adjusted EPS in the range of \$5.50-\$5.70. A complete listing of all guidance measures can be found in the earnings slide deck, which has been posted to the investor section of our website verisk.com. The contents of our website shall not be deemed to be incorporated by reference herein.

Conference Call

Our management team will host a live audio webcast to discuss the financial results and business highlights on Wednesday, November 1, 2023, at 8:00 a.m. EST (5:00 a.m. PT, 12:00 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 1-888-660-6191 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 1-800-770-2030 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. 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.

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 11 for a reconciliation of segment adjusted EBITDA margin, a reconciliation of adjusted EBITDA expenses, and a reconciliation of diluted adjusted EPS. See page 12 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 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.

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 September 30, 2023 and December 31, 2022

	September 30, 2023	December 31, 2022
	(in millions, except for share and per share data)	
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 416.8	\$ 112.5
Accounts receivable, net of allowance for doubtful accounts of \$16.1 and \$14.3, respectively	353.4	290.1
Prepaid expenses	89.8	83.7
Income taxes receivable	16.6	44.2
Other current assets	51.6	32.0
Current assets held-for-sale	—	362.6
Total current assets	928.2	925.1
Noncurrent assets:		
Fixed assets, net	611.7	541.5
Operating lease right-of-use assets, net	190.8	182.0
Intangible assets, net	481.5	504.8
Goodwill	1,731.8	1,676.0
Deferred income tax assets	32.0	31.7
Other noncurrent assets	387.9	371.4
Noncurrent assets held-for-sale	—	2,728.6
Total assets	\$ 4,363.9	\$ 6,961.1
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 300.9	\$ 292.8
Short-term debt and current portion of long-term debt	12.4	1,392.9
Deferred revenues	423.8	321.7
Operating lease liabilities	43.9	29.5
Income taxes payable	3.1	—
Current liabilities held-for-sale	—	282.3
Total current liabilities	784.1	2,319.2
Noncurrent liabilities:		
Long-term debt	2,854.4	2,343.2
Deferred income tax liabilities	129.2	145.6
Operating lease liabilities	184.6	189.9
Other noncurrent liabilities	16.4	17.9
Noncurrent liabilities held-for-sale	—	177.6
Total liabilities	3,968.7	5,193.4
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Common stock, \$.001 par value; 2,000,000,000 shares authorized; 544,003,038 shares issued; 144,965,254 and 154,701,136 shares outstanding, respectively	0.1	0.1
Additional paid-in capital	2,396.2	2,720.8
Treasury stock, at cost, 399,037,784 and 389,301,902 shares, respectively	(8,319.4)	(6,239.5)
Retained earnings	6,291.8	5,999.1
Accumulated other comprehensive income (loss)	15.8	(731.2)
Total Verisk stockholders' equity	384.5	1,749.3
Noncontrolling interests	10.7	18.4
Total stockholders' equity	395.2	1,767.7
Total liabilities and stockholders' equity	\$ 4,363.9	\$ 6,961.1

VERISK ANALYTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

For the Three and Nine Months Ended September 30, 2023 and 2022

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions, except for share and per share data)			
Revenues	\$ 677.6	\$ 610.1	\$ 2,004.2	\$ 1,866.5
Operating expenses (income):				
Cost of revenues (exclusive of items shown separately below)	217.2	195.2	650.3	619.4
Selling, general and administrative	111.6	96.5	277.4	300.7
Depreciation and amortization of fixed assets	48.1	41.5	139.2	121.1
Amortization of intangible assets	19.6	18.0	56.1	57.5
Other operating loss (income), net	—	5.3	—	(356.2)
Total operating expenses, net	396.5	356.5	1,123.0	742.5
Operating income	281.1	253.6	881.2	1,124.0
Other expense:				
Investment loss	(2.0)	(0.6)	(9.3)	(3.4)
Interest expense, net	(29.4)	(34.4)	(87.4)	(97.6)
Total other expense, net	(31.4)	(35.0)	(96.7)	(101.0)
Income from continuing operations before income taxes	249.7	218.6	784.5	1,023.0
Provision for income taxes	(62.3)	(52.8)	(198.4)	(196.6)
Income from continuing operations	187.4	165.8	586.1	826.4
Income (loss) from discontinued operations net of tax expense of \$0.0, \$(2.9), \$(0.2), and \$(8.3), respectively (Note 7)	—	23.7	(145.5)	66.7
Net income	187.4	189.5	440.6	893.1
Less: Net income attributable to noncontrolling interests	—	(0.1)	—	(0.3)
Net income attributable to Verisk	\$ 187.4	\$ 189.4	\$ 440.6	\$ 892.8
Basic net income per share attributable to Verisk:				
Income from continuing operations	\$ 1.29	\$ 1.06	\$ 3.98	\$ 5.21
Income (loss) from discontinued operations	—	0.15	(0.99)	0.42
Basic net income per share attributable to Verisk:	\$ 1.29	\$ 1.21	\$ 2.99	\$ 5.63
Diluted net income per share attributable to Verisk:				
Income from continuing operations	\$ 1.29	\$ 1.05	\$ 3.96	\$ 5.18
Income (loss) from discontinued operations	—	0.15	(0.98)	0.41
Diluted net income per share attributable to Verisk:	\$ 1.29	\$ 1.20	\$ 2.98	\$ 5.59
Weighted-average shares outstanding:				
Basic	145,011,020	156,940,608	147,292,590	158,531,439
Diluted	145,742,519	157,978,606	147,983,986	159,580,262

VERISK ANALYTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the Three and Nine Months Ended September 30, 2023 and 2022

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)			
Cash flows from operating activities:				

Net income	\$	187.4	\$	189.5	\$	440.6	\$	893.1
Adjustments to reconcile net income to net cash provided by operating activities:								
Depreciation and amortization of fixed assets		48.1		51.7		139.2		151.1
Amortization of intangible assets		19.6		36.6		56.1		121.0
Amortization of debt issuance costs and original issue discount, net of original issue premium		0.4		0.2		1.0		0.9
Provision for doubtful accounts		3.4		1.5		8.9		4.4
Loss (gain) on sale of assets		—		7.8		135.3		(427.4)
Impairment of cost-based investments		—		—		6.5		—
Stock-based compensation expense		12.4		11.3		46.3		50.2
Impairment of long-lived assets		—		—		—		73.7
Deferred income taxes		(9.2)		(11.9)		(25.9)		(61.3)
Loss on disposal of fixed assets		2.4		0.1		2.3		0.8
Acquisition related liability adjustment		—		—		(22.0)		—
Changes in assets and liabilities, net of effects from acquisitions:								
Accounts receivable		22.9		21.0		(104.3)		(82.3)
Prepaid expenses and other assets		0.6		6.0		(36.8)		(11.5)
Operating lease right-of-use assets, net		8.5		16.6		21.4		35.3
Income taxes		5.5		24.9		13.5		2.3
Accounts payable and accrued liabilities		38.3		36.4		37.4		(27.2)
Deferred revenues		(43.6)		(93.4)		131.1		134.3
Operating lease liabilities		(8.1)		(18.0)		(21.2)		(38.2)
Other liabilities		(38.5)		(0.1)		(21.1)		(9.2)
Net cash provided by operating activities		<u>250.1</u>		<u>280.2</u>		<u>808.3</u>		<u>810.0</u>
Cash flows from investing activities:								
Acquisitions and purchase of additional controlling interest, net of cash acquired of \$0.0, \$0.0, \$8.0, and \$17.4, respectively		—		—		(83.3)		(448.9)
Proceeds from sale of assets		—		—		3,066.4		1,073.3
Investments in nonpublic companies		(0.9)		(2.1)		(1.7)		(43.9)
Capital expenditures		(54.3)		(65.8)		(173.7)		(195.0)
Escrow funding associated with acquisitions		—		—		(3.8)		(2.3)
Other investing activities, net		(0.1)		—		(0.4)		—
Net cash (used in) provided by investing activities		<u>(55.3)</u>		<u>(67.9)</u>		<u>2,803.5</u>		<u>383.2</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(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	0.7	—	(6.0)	—
Proceeds (repayment) of short-term debt	—	290.0	(1,265.0)	330.0
Repayment of long-term debt	—	(350.0)	—	(350.0)
Repayment of short-term debt with original maturities greater than three months	—	—	(125.0)	—
Proceeds from issuance of short-term debt with original maturities less than three months	—	—	—	125.0
Repurchases of common stock	(49.8)	(300.0)	(2,049.8)	(1,196.3)
Share repurchases not yet settled	—	—	(500.0)	—
Proceeds from stock options exercised	19.4	18.6	134.3	111.6
Net share settlement of taxes from restricted stock and performance share awards	(0.3)	(0.4)	(14.0)	(20.4)
Dividends paid	(49.2)	(48.6)	(147.9)	(147.2)
Other financing activities, net	(10.4)	(9.4)	(13.2)	(13.5)
Net cash used in financing activities	<u>(89.6)</u>	<u>(399.8)</u>	<u>(3,491.4)</u>	<u>(1,160.8)</u>
Effect of exchange rate changes	2.9	(16.4)	3.7	(35.9)
Net increase in cash and cash equivalents	<u>108.1</u>	<u>(203.9)</u>	<u>124.1</u>	<u>(3.5)</u>
Cash and cash equivalents, beginning of period	<u>308.7</u>	<u>480.7</u>	<u>292.7</u>	<u>280.3</u>
Cash and cash equivalents, end of period	\$ <u>416.8</u>	\$ <u>276.8</u>	\$ <u>416.8</u>	\$ <u>276.8</u>
Supplemental disclosures:				
Income taxes paid	\$ 66.0	\$ 42.6	\$ 210.9	\$ 264.4

Interest paid	\$	8.5	\$	13.7	\$	60.9	\$	74.3
Noncash investing and financing activities:								
Deferred tax (asset) liability established on date of acquisition	\$	(1.4)	\$	—	\$	8.9	\$	16.5
Net assets sold as part of the disposition	\$	—	\$	—	\$	3,211.8	\$	607.4
Finance lease additions	\$	30.6	\$	1.4	\$	43.7	\$	4.9
Operating lease additions, net	\$	3.6	\$	7.6	\$	29.4	\$	15.9
Fixed assets included in accounts payable and accrued liabilities	\$	(0.2)	\$	0.2	\$	0.1	\$	0.2

Non-GAAP Reconciliations

Consolidated EBITDA, Adjusted EBITDA and Organic Adjusted EBITDA Reconciliation

(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 September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	Total	Margin	Total	Margin	Total	Margin	Total	Margin
Net income	\$ 187.4	27.7 %	\$ 189.5	31.1 %	\$ 440.6	22.0 %	\$ 893.1	47.9 %
Less: Income (loss) income from discontinued operations	—	—	23.7	3.9	(145.5)	(7.3)	66.7	3.6
Income from continuing operations	187.4	27.7 %	165.8	27.2 %	586.1	29.2 %	826.4	44.3 %
Depreciation and amortization of fixed assets	48.1	7.1	41.5	6.8	139.2	6.9	121.1	6.5
Amortization of intangible assets	19.6	2.9	18.0	2.9	56.1	2.9	57.5	3.1
Interest expense, net	29.4	4.3	34.4	5.6	87.4	4.4	97.6	5.2
Provision for income taxes	62.3	9.2	52.8	8.7	198.4	9.9	196.6	10.5
EBITDA	346.8	51.2	312.5	51.2	1,067.2	53.3	1,299.2	69.6
Impairment loss	—	—	—	—	—	—	73.7	3.9
Acquisition-related costs (earn-outs)	—	—	7.7	1.2	(21.4)	(1.1)	7.7	0.4
Impairment of cost-based investments	—	—	—	—	6.5	0.3	—	—
Loss (gain) from dispositions	—	—	5.3	0.9	—	—	(429.9)	(23.0)
Severance expense	—	—	—	—	—	—	1.8	0.1
Litigation reserve	19.2	2.8	—	—	19.2	1.0	—	—
Adjusted EBITDA	366.0	54.0	325.5	53.3	1,071.5	53.5	952.5	51.0
Adjusted EBITDA from acquisitions and dispositions	(1.6)	—	1.0	—	(7.4)	—	(13.9)	—
Organic adjusted EBITDA	\$ 364.4	54.4	\$ 326.5	53.5	\$ 1,064.1	54.1	\$ 938.6	52.3

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 September 30,		Three Months Ended September 30, 2022		
	2023		Insurance	Energy and Specialized Markets	Financial Services
Revenues	\$	677.6	\$ 610.1	\$ —	\$ —
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		—		—
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	\$	—	\$	—

	Nine Months Ended September 30, 2023		Nine Months Ended September 30, 2022			
	Insurance		Insurance	Energy and Specialized Markets	Financial Services	
Revenues	\$	2,004.2	\$	1,806.5	\$	22.4
Revenues from acquisitions and dispositions		(36.0)		(10.5)		(22.4)
Organic revenues	\$	1,968.2	\$	1,796.0	\$	—
EBITDA	\$	1,067.2	\$	960.2	\$	425.7
Impairment loss		—		—		—
Acquisition-related (credit) costs (earn-outs)		(21.4)		7.7		—
Impairment of cost-based investments		6.5		—		—
(Gain) loss from dispositions		—		—		(449.5)
Severance expense		—		—		1.8
Litigation reserve		19.2		—		—
Adjusted EBITDA		1,071.5		967.9		(22.0)
Adjusted EBITDA from acquisitions and dispositions		(7.4)		(29.3)		22.0
Organic adjusted EBITDA	\$	1,064.1	\$	938.6	\$	—

Segment Adjusted EBITDA Margin Reconciliation

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

	Three Months Ended September 30, 2023		Three Months Ended September 30, 2022			
	Insurance		Insurance	Energy and Specialized Markets	Financial Services	
EBITDA margin	51.2 %		53.6 %	N/A		N/A
Acquisition-related costs (earn-outs)	—		1.3	N/A		N/A
Impairment of cost-based investments	—		—	N/A		N/A
Litigation reserve	2.8		—	N/A		N/A
Adjusted EBITDA margin	54.0		54.9	N/A		N/A

	Nine Months Ended September 30, 2023		Nine Months Ended September 30, 2022		
	Insurance		Insurance	Energy and Specialized Markets	Financial Services
EBITDA margin	53.3 %		53.2 %	N/A	N/A
Acquisition-related (credit) costs (earn-outs)	(1.1)		0.4	N/A	N/A
Impairment of cost-based investments	0.3		—	N/A	N/A
Litigation reserve	1.0		—	N/A	N/A
Adjusted EBITDA margin	53.5		53.6	N/A	N/A

Consolidated Adjusted EBITDA Expense Reconciliation

(in millions)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating expenses	\$ 396.5	\$ 356.5	\$ 1,123.0	\$ 742.5
Depreciation and amortization of fixed assets	(48.1)	(41.5)	(139.2)	(121.1)
Amortization of intangible assets	(19.6)	(18.0)	(56.1)	(57.5)
Investment loss	2.0	0.6	9.3	3.4
Acquisition-related (credit) costs (earn-outs)	—	(7.7)	21.4	(7.7)
Impairment of cost-based investments	—	—	(6.5)	—
Impairment loss	—	—	—	(73.7)
(Loss) gain from dispositions	—	(5.3)	—	429.9
Severance expense	—	—	—	(1.8)
Litigation reserve	(19.2)	—	(19.2)	—
Adjusted EBITDA expenses	\$ 311.6	\$ 284.6	\$ 932.7	\$ 914.0

Diluted Adjusted EPS Reconciliation

(in millions, except per share amounts)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income	\$ 187.4	\$ 189.5	\$ 440.6	\$ 893.1
Income (loss) from discontinued operations	—	23.7	(145.5)	66.7
Income from continuing operations	187.4	165.8	586.1	826.4
plus: Amortization of intangibles	19.6	18.0	56.1	57.5
less: Income tax effect on amortization of intangibles	(5.0)	(4.5)	(14.1)	(14.4)
plus: Acquisition-related costs (credit) (earn-outs)	—	7.7	(21.4)	7.7
less: Income tax effect on acquisition-related costs (credit) (earn-outs)	—	(1.9)	5.5	(1.9)
plus: Impairment loss	—	—	—	73.7

less: Income tax effect on impairment loss	—	—	—	(16.8)
plus: Loss (gain) from dispositions	—	5.3	—	(429.9)
less: Income tax effect on (loss) gain from dispositions	—	(1.3)	—	67.4
plus: Impairment of cost-based investments	—	—	6.5	—
less: Income tax effect on impairment of cost-based investments	—	—	(0.4)	—
plus: Severance expense	—	—	—	1.8
less: Income tax effect on severance expense	—	—	—	(0.4)
plus: Litigation reserve	19.2	—	19.2	—
less: Income tax effect on litigation reserve	—	—	—	—
Adjusted net income	\$ 221.2	\$ 189.1	\$ 637.5	\$ 571.1
Diluted EPS attributable to Verisk	\$ 1.29	\$ 1.05	\$ 3.96	\$ 5.18
Diluted adjusted EPS	\$ 1.52	\$ 1.20	\$ 4.31	\$ 3.58
Weighted-average diluted shares outstanding	145.7	158.0	148.0	159.6

Free Cash Flow Reconciliation

(in millions)

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

	Three Months Ended September 30,		Change	Nine Months Ended September 30,		Change
	2023	2022		2023	2022	
Net cash provided by operating activities	\$ 250.1	\$ 280.2	(10.7)%	\$ 808.3	\$ 810.0	(0.2)%
Capital expenditures	(54.3)	(65.8)	17.5%	(173.7)	(195.0)	10.9%
Free cash flow	\$ 195.8	\$ 214.4	(8.7)%	\$ 634.6	\$ 615.0	3.2%

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