



NEWS RELEASE

Verisk Reports Third-Quarter 2024 Financial Results

2024-10-30

- Consolidated revenues were \$725 million, up 7.0%, and up 6.8% on an organic constant currency (OCC) basis for the third quarter of 2024.
- Income from continuing operations was \$220 million, up 17.4% for the third quarter of 2024. Adjusted EBITDA, a non-GAAP measure, was \$401 million, up 9.4%, and up 7.2% on an OCC basis.
- Diluted GAAP earnings per share from continuing operations (diluted EPS) were \$1.54 for the third quarter of 2024, up 19.4%. Diluted adjusted earnings per share (diluted adjusted EPS), a non-GAAP measure, were \$1.67, up 9.9%.
- Net cash provided by operating activities was \$296 million, up 18.4% and free cash flow, a non-GAAP measure, was \$241 million, up 22.9% for the third quarter of 2024.
- We paid a cash dividend of 39 cents per share on September 30, 2024, and repurchased \$400 million of our common shares during the third quarter of 2024. Our Board of Directors approved a cash dividend of 39 cents per share payable December 31, 2024, an increase of 15% from 2023.

JERSEY CITY, N.J., Oct. 30, 2024 (GLOBE NEWSWIRE) -- Verisk (Nasdaq: VRSK), a leading global data analytics and technology provider, today announced results for the third quarter ended September 30, 2024.

Lee Shavel, president and CEO, Verisk: "We are pleased with this quarter's strong financial results, which demonstrate the power of our subscription-based business model and the value we create for our clients. We continue to elevate and intensify our strategic dialogue with clients, generating new opportunities and stronger relationships. In the face of growing operating and technological challenges for the insurance industry, we are innovating and investing at scale to enhance its efficiency, effectiveness, and profitability."

Elizabeth Mann, CFO, Verisk: "Verisk delivered another strong quarter of top line growth, led by strength in our subscription businesses. OCC revenue grew 6.8%, driven by a sequential improvement in both underwriting and claims.

Our focus on delivering on our margin commitments while balancing investment in our growth initiatives translated into strong margin expansion and adjusted EBITDA margins of 54.6% for the trailing twelve months. We also continued our commitment to return cash to shareholders through dividends and our share repurchase activity with the completion of our \$400 million accelerated share repurchase in October 2024."

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 September 30,			Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Revenues	\$ 725	677	7.0 %	\$ 2,146	\$ 2,004	7.1 %
Income from continuing operations	220	187	17.4	747	586	27.5
Adjusted EBITDA	401	366	9.4	1,178	1,072	10.0
Diluted EPS attributable to Verisk	1.54	1.29	19.4	5.22	3.96	31.8
Diluted adjusted EPS	1.67	1.52	9.9	5.04	4.31	16.9
Net cash provided by operating activities	296	250	18.4	889	808	9.9
Free cash flow	241	196	22.9	720	635	13.5

Revenues from Continuing Operations

Consolidated and OCC revenues increased 7.0% and 6.8%, respectively, with solid growth contributions from both underwriting and claims within Insurance.

Revenues and Revenue Growth

(in millions)

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

	Three Months Ended September 30,		Revenue Growth Three Months Ended September 30, 2024	
	2024	2023	Reported	OCC
Underwriting	\$ 507	\$ 475	6.7 %	6.5 %
Claims	218	202	7.9	7.4
Insurance	\$ 725	\$ 677	7.0	6.8

	Nine Months Ended September 30,		Revenue Growth Nine Months Ended September 30, 2024	
	2024	2023	Reported	OCC
Underwriting	\$ 1,513	\$ 1,414	7.0 %	6.8 %
Claims	633	590	7.3	6.0
Insurance	\$ 2,146	\$ 2,004	7.1	6.5

Insurance revenues grew 7.0% in the third quarter and 6.8% on an OCC basis.

- Underwriting revenues increased 6.7% in the quarter and 6.5% on an OCC basis, primarily due to our forms, rules and loss cost services and extreme event solutions. Specialty business and life solutions also contributed to the growth.
- Claims revenues increased 7.9% in the quarter and 7.4% on an OCC basis, primarily due to growth in our anti-fraud solutions and property estimating solutions.

Income and Adjusted EBITDA from Continuing Operations

During third-quarter 2024, income from continuing operations was \$220 million, an increase of 17.4%. The increase in income from continuing operations was primarily driven by strong revenue growth and cost discipline, a litigation reserve expense of \$19.2 million in the prior year associated with our former Financial Services segment, and a lower effective tax rate.

Adjusted EBITDA increased 9.4%, and 7.2% on an OCC basis, primarily due to strong revenue growth and cost discipline.

Segment EBITDA and Adjusted EBITDA

(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 September 30,										
	EBITDA		EBITDA Growth	EBITDA Margin		Adjusted EBITDA		Adjusted EBITDA Growth		Adjusted EBITDA Margin	
	2024	2023	2024	2024	2023	2024	2023	2024	2024	2024	2023
			Reported					OCC	Reported		
Insurance	\$ 394	\$ 347	13.5 %	54.3 %	51.2 %	\$ 401	\$ 366	9.4 %	7.2 %	55.2 %	54.0 %

	Nine Months Ended September 30,										
	EBITDA		EBITDA Growth	EBITDA Margin		Adjusted EBITDA		Adjusted EBITDA Growth		Adjusted EBITDA Margin	
	2024	2023	2024	2024	2023	2024	2023	2024	2024	2024	2023
			Reported					OCC			
Insurance	\$ 1,273	\$ 1,067	19.3 %	59.3 %	53.3 %	\$ 1,178	\$ 1,072	10.0 %	8.7 %	54.9 %	53.5 %

Earnings Per Share and Diluted Adjusted Earnings Per Share

Diluted EPS attributable to Verisk increased 19.4% to \$1.54 for the third quarter of 2024. The increase in Diluted EPS was driven by strong operating performance, a litigation reserve expense of \$19.2 million in the prior year and a lower effective tax rate. Diluted adjusted EPS increased 9.9% to \$1.67 for the third quarter of 2024, reflecting 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 \$296.2 million for the third quarter of 2024, up 18.4%, and free cash flow was \$240.7 million, up 22.9%. The increase in operating cash flow was due to an increase in operating profit.

Dividend

On September 30, 2024, we paid a cash dividend of 39 cents per share of common stock issued and outstanding to the holders of record as of September 15, 2024.

On October 23, 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 December 31, 2024, to holders of record as of December 13, 2024.

Share Repurchases

During the third quarter of 2024, we initiated a \$400 million Accelerated Share Repurchase program, which was completed on October 25, 2024 and resulted in a repurchase of 1,515,616 shares at an average price of \$263.92. As of September 30, 2024, we had \$892 million remaining under our share repurchase authorization.

2024 Financial Guidance

The Company's financial outlook for 2024 remains unchanged and is 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, October 30, 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, sustainability 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 adjustments (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 adjustments (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 results summary and a reconciliation of adjusted EBITDA. See page 11 for a reconciliation of 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, 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 September 30, 2024 and December 31, 2023

	September 30, 2024	December 31, 2023
	(in millions, except for share and per share data)	
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 458.0	\$ 302.7
Accounts receivable, net of allowance for doubtful accounts of \$22.2 and \$15.1, respectively	446.1	334.2
Prepaid expenses	77.0	84.5
Income taxes receivable	80.5	23.5
Other current assets	31.0	65.2
Total current assets	1,092.6	810.1
Noncurrent assets:		
Fixed assets, net	621.8	604.9
Operating lease right-of-use assets, net	164.1	191.7
Intangible assets, net	422.6	471.7
Goodwill	1,792.8	1,760.8
Deferred income tax assets	32.3	30.8
Other noncurrent assets	437.0	496.1
Total assets	\$ 4,563.2	\$ 4,366.1
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 282.4	\$ 340.8
Short-term debt and current portion of long-term debt	516.1	14.5
Deferred revenues	499.0	375.1
Operating lease liabilities	26.7	33.1
Income taxes payable	10.9	7.9
Total current liabilities	1,335.1	771.4
Noncurrent liabilities:		
Long-term debt	2,546.9	2,852.2
Deferred income tax liabilities	187.5	210.1
Operating lease liabilities	168.8	195.6
Other noncurrent liabilities	20.2	14.6
Total liabilities	4,258.5	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; 141,396,745 and 143,308,729 shares outstanding, respectively	0.1	0.1
Additional paid-in capital	2,957.7	2,872.3
Treasury stock, at cost, 402,606,293 and 400,694,309 shares, respectively	(9,747.3)	(9,037.5)
Retained earnings	6,998.1	6,416.9
Accumulated other comprehensive income	91.0	58.2
Total Verisk stockholders' equity	299.6	310.0
Noncontrolling interests	5.1	12.2
Total stockholders' equity	304.7	322.2
Total liabilities and stockholders' equity	\$ 4,563.2	\$ 4,366.1

VERISK ANALYTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

For the Three and Nine Months Ended September 30, 2024 and 2023

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions, except for share and per share data)			
Revenues	\$ 725.3	\$ 677.6	\$ 2,146.1	\$ 2,004.2
Operating expenses:				
Cost of revenues (exclusive of items shown separately below)	223.4	217.2	670.6	650.3
Selling, general and administrative	114.0	111.6	308.4	277.4
Depreciation and amortization of fixed assets	58.1	48.1	174.5	139.2

Amortization of intangible assets	18.3	19.6	55.0	56.1
Total operating expenses, net	413.8	396.5	1,208.5	1,123.0
Operating income	311.5	281.1	937.6	881.2
Other income (expense):				
Net gain on early extinguishment of debt	—	—	3.6	—
Investment gain (loss)	5.9	(2.0)	102.4	(9.3)
Interest expense, net	(32.1)	(29.4)	(90.1)	(87.4)
Total other (expense) income, net	(26.2)	(31.4)	15.9	(96.7)
Income from continuing operations before income taxes	285.3	249.7	953.5	784.5
Provision for income taxes	(65.3)	(62.3)	(206.3)	(198.4)
Income from continuing operations	220.0	187.4	747.2	586.1
Loss from discontinued operations net of tax expense of \$0.0, \$0.0, \$0.0, and \$(0.2), respectively (Note 7)	—	—	—	(145.5)
Net income	220.0	187.4	747.2	440.6
Less: Net loss attributable to noncontrolling interests	0.1	—	0.6	—
Net income attributable to Verisk	\$ 220.1	\$ 187.4	\$ 747.8	\$ 440.6
Basic net income per share attributable to Verisk:				
Income from continuing operations	\$ 1.55	\$ 1.29	\$ 5.24	\$ 3.98
Loss from discontinued operations	—	—	—	(0.99)
Basic net income per share attributable to Verisk:	\$ 1.55	\$ 1.29	\$ 5.24	\$ 2.99
Diluted net income per share attributable to Verisk:				
Income from continuing operations	\$ 1.54	\$ 1.29	\$ 5.22	\$ 3.96
Loss from discontinued operations	—	—	—	(0.98)
Diluted net income per share attributable to Verisk:	\$ 1.54	\$ 1.29	\$ 5.22	\$ 2.98
Weighted-average shares outstanding:				
Basic	141,778,551	145,011,020	142,594,074	147,292,590
Diluted	142,511,476	145,742,519	143,259,411	147,983,986

VERISK ANALYTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the Three and Nine Months Ended September 30, 2024 and 2023

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)			
Cash flows from operating activities:				
Net income	\$ 220.0	\$ 187.4	\$ 747.2	\$ 440.6
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of fixed assets	58.1	48.1	174.5	139.2
Amortization of intangible assets	18.3	19.6	55.0	56.1
Amortization of debt issuance costs and original issue discount, net of original issue premium	0.9	0.4	2.2	1.0
Provision for doubtful accounts	4.3	3.4	11.2	8.9
Net gain on early extinguishment of debt	—	—	(3.6)	—
Loss on sale of assets	—	—	—	135.3
Impairment of cost-based investments	—	—	1.0	6.5
Stock-based compensation expense	11.6	12.4	37.2	46.3
Net gain upon settlement of investment in non-public companies	—	—	(98.3)	—
Deferred income taxes	(8.2)	(9.2)	(26.0)	(25.9)
Loss on disposal of fixed assets	7.5	2.4	7.7	2.3
Gain on lease modification	(1.9)	—	(1.9)	—
Acquisition related liability adjustment	—	—	—	(22.0)
Changes in assets and liabilities, net of effects from acquisitions:				
Accounts receivable	31.6	22.9	(120.2)	(104.3)
Prepaid expenses and other assets	7.9	0.6	33.1	(36.8)
Operating lease right-of-use assets, net	9.5	8.5	23.2	21.4
Income taxes	(3.5)	5.5	13.8	13.5
Accounts payable and accrued liabilities	32.9	38.3	(66.1)	37.4
Deferred revenues	(75.7)	(43.6)	122.2	131.1

Operating lease liabilities	(14.9)	(8.1)	(26.7)	(21.2)
Other liabilities	(2.2)	(38.5)	3.1	(21.1)
Net cash provided by operating activities	296.2	250.1	888.6	808.3
Cash flows from investing activities:				
Acquisitions and purchase of additional controlling interest, net of cash acquired of \$0.0, \$0.0, \$1.8, and \$8.0, respectively	—	—	(23.4)	(83.3)
Proceeds from sale of assets	—	—	—	3,066.4
Investments in non-public companies	(0.9)	(0.9)	(0.4)	(1.7)
Proceeds received upon settlement of investment in non-public companies	—	—	112.1	—
Capital expenditures	(55.5)	(54.3)	(168.5)	(173.7)
Escrow release (funding) associated with acquisitions	3.8	—	3.8	(3.8)
Other investing activities, net	—	(0.1)	—	(0.4)
Net cash (used in) provided by investing activities	(52.6)	(55.3)	(76.4)	2,803.5

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)			
Cash flows from financing activities:				
Proceeds from issuance of long-term debt, net of original issue discount	—	—	590.2	495.2
Payment of debt issuance costs	—	0.7	(5.6)	(6.0)
Payment on early extinguishment of debt	—	—	(396.4)	—
Repayment of short-term debt	—	—	—	(1,265.0)
Repayment of short-term debt with original maturities greater than three months	—	—	—	(125.0)
Repurchases of common stock	(340.0)	(49.8)	(690.0)	(2,049.8)
Share repurchases not yet settled	(60.0)	—	(60.0)	(500.0)
Payment of contingent liability related to acquisition	—	—	(8.5)	—
Proceeds from stock options exercised	47.4	19.4	110.6	134.3
Net share settlement of taxes from restricted stock and performance share awards	(0.4)	(0.3)	(13.0)	(14.0)
Dividends paid	(55.3)	(49.2)	(166.6)	(147.9)
Other financing activities, net	(13.0)	(10.4)	(18.9)	(13.2)
Net cash used in financing activities	(421.3)	(89.6)	(658.2)	(3,491.4)
Effect of exchange rate changes	3.6	2.9	1.3	3.7
Net (decrease) increase in cash and cash equivalents	(174.1)	108.1	155.3	124.1
Cash and cash equivalents, beginning of period	632.1	308.7	302.7	292.7
Cash and cash equivalents, end of period	\$ 458.0	\$ 416.8	\$ 458.0	\$ 416.8
Supplemental disclosures:				
Income taxes paid	\$ 77.0	\$ 66.0	\$ 218.4	\$ 210.9
Interest paid	\$ 7.9	\$ 8.5	\$ 63.0	\$ 60.9
Noncash investing and financing activities:				
Deferred tax (asset) liability established on date of acquisition	\$ —	\$ (1.4)	\$ 1.4	\$ 8.9
Net assets sold as part of disposition	\$ —	\$ —	\$ —	\$ 3,211.8
Finance lease additions	\$ 5.9	\$ 30.6	\$ 28.4	\$ 43.7
Operating lease (terminations) additions, net	\$ (9.5)	\$ 3.6	\$ (5.7)	\$ 29.4
Fixed assets included in accounts payable and accrued liabilities	\$ —	\$ (0.2)	\$ —	\$ 0.1

Non-GAAP Reconciliations

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

(in millions)

Note: EBITDA, adjusted EBITDA, adjusted EBITDA margin, 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,			
	2024		2023		2024		2023	
	Total	Margin	Total	Margin	Total	Margin	Total	Margin
Net income	\$ 220.0	30.3 %	\$ 187.4	27.7 %	\$ 747.2	34.8 %	\$ 440.6	22.0 %
Less: Loss from discontinued operations	—	—	—	—	—	—	145.5	7.3
Income from continuing operations	220.0	30.3	187.4	27.7	747.2	34.8	586.1	29.2
Depreciation and amortization of fixed assets	58.1	8.0	48.1	7.1	174.5	8.1	139.2	6.9
Amortization of intangible assets	18.3	2.5	19.6	2.9	55.0	2.6	56.1	2.9
Interest expense, net	32.1	4.5	29.4	4.3	90.1	4.2	87.4	4.4
Provision for income taxes	65.3	9.0	62.3	9.2	206.3	9.6	198.4	9.9
EBITDA	393.8	54.3	346.8	51.2	1,273.1	59.3	1,067.2	53.3
Acquisition-related adjustments (earn-outs)	—	—	—	—	—	—	(21.4)	(1.1)
Impairment of cost-based investments	—	—	—	—	1.0	0.1	6.5	0.3
Nonoperational foreign currency loss on internal loan transaction	—	—	—	—	4.2	0.2	—	—
Litigation reserve, net of recovery	—	—	19.2	2.8	(4.7)	(0.2)	19.2	1.0
Net gain upon settlement of investment in non-public companies	—	—	—	—	(98.3)	(4.6)	—	—
Net gain on early extinguishment of debt	—	—	—	—	(3.6)	(0.2)	—	—
Leasehold impairment, net of lease modification gain	6.7	0.9	—	—	6.7	0.3	—	—
Adjusted EBITDA	400.5	55.2	366.0	54.0	1,178.4	54.9	1,071.5	53.5
Less: Adjusted EBITDA from acquisitions	—	—	0.1	—	(2.0)	—	0.3	—
Organic adjusted EBITDA	\$ 400.5	55.3	\$ 366.1	54.0	\$ 1,176.4	55.1	\$ 1,071.8	53.6

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,	
	2024	2023
Revenues	\$ 725.3	\$ 677.6
Less: Revenues from acquisitions	(0.6)	—
Organic revenues	\$ 724.7	\$ 677.6
EBITDA	\$ 393.8	\$ 346.8
Litigation reserve, net of recovery	—	19.2
Leasehold impairment, net of lease modification gain	6.7	—
Adjusted EBITDA	400.5	366.0
Less: Adjusted EBITDA from acquisitions	—	0.1
Organic adjusted EBITDA	\$ 400.5	\$ 366.1

	Nine Months Ended September 30,	
	2024	2023
Revenues	\$ 2,146.1	\$ 2,004.2
Less: Revenues from acquisitions and dispositions	(12.8)	(4.7)
Organic revenues	\$ 2,133.3	\$ 1,999.5
EBITDA	\$ 1,273.1	\$ 1,067.2
Acquisition-related adjustments (earn-outs)	—	(21.4)
Impairment of cost-based investments	1.0	6.5
Nonoperational foreign currency loss on internal loan transaction	4.2	—
Litigation reserve, net of recovery	(4.7)	19.2
Net gain upon settlement of investment in non-public companies	(98.3)	—
Net gain on early extinguishment of debt	(3.6)	—
Leasehold impairment, net of lease modification gain	6.7	—
Adjusted EBITDA	1,178.4	1,071.5
Less: Adjusted EBITDA from acquisitions	(2.0)	0.3
Organic adjusted EBITDA	\$ 1,176.4	\$ 1,071.8

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,	
	2024	2023	2024	2023
Operating expenses	\$ 413.8	\$ 396.5	\$ 1,208.5	\$ 1,123.0
Less: Depreciation and amortization of fixed assets	(58.1)	(48.1)	(174.5)	(139.2)
Less: Amortization of intangible assets	(18.3)	(19.6)	(55.0)	(56.1)
Less: Net gain on early extinguishment of debt	—	—	(3.6)	—
Plus: Investment (gain) loss	(5.9)	2.0	(102.4)	9.3
Plus: Acquisition-related adjustments (earn-outs)	—	—	—	21.4
Less: Impairment of cost-based investments	—	—	(1.0)	(6.5)
Less: Nonoperational foreign currency loss on internal loan transaction	—	—	(4.2)	—
Plus: Litigation reserve, net of recovery	—	(19.2)	4.7	(19.2)
Plus: Net gain upon settlement of investment in non-public companies	—	—	98.3	—
Plus: Net gain on early extinguishment of debt	—	—	3.6	—
Less: Leasehold impairment, net of lease modification gain	(6.7)	—	(6.7)	—
Adjusted EBITDA expenses	\$ 324.8	\$ 311.6	\$ 967.7	\$ 932.7

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,	
	2024	2023	2024	2023
Net income	\$ 220.0	\$ 187.4	\$ 747.2	\$ 440.6
Less: Loss from discontinued operations	—	—	—	145.5

Income from continuing operations	220.0	187.4	747.2	586.1
Plus: Amortization of intangibles	18.3	19.6	55.0	56.1
Less: Income tax effect on amortization of intangibles	(4.8)	(5.0)	(14.3)	(14.1)
Less: Acquisition-related adjustment (earn-outs)	—	—	—	(21.4)
Plus: Income tax effect on acquisition-related adjustment (earn-outs)	—	—	—	5.5
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	6.5
Less: Income tax effect on impairment of cost-based investments	—	—	(0.2)	(0.4)
Less: Litigation reserve, net of recovery	—	19.2	(4.7)	19.2
Plus: Income tax effect on litigation reserve, net of recovery	—	—	1.7	—
Less: Net gain upon settlement of investment in non-public companies	—	—	(98.3)	—
Plus: Income tax effect on net gain upon settlement of investment in non-public companies	—	—	28.5	—
Less: Net gain on early extinguishment of debt	—	—	(3.6)	—
Plus: Income tax effect on net gain on early extinguishment of debt	—	—	0.9	—
Plus: Leasehold impairment, net of lease modification gain	6.7	—	6.7	—
Less: Income tax effect on leasehold impairment, net of lease modification gain	(1.7)	—	(1.7)	—
Adjusted net income	\$ 238.5	\$ 221.2	\$ 721.4	\$ 637.5
Diluted EPS attributable to Verisk	\$ 1.54	\$ 1.29	\$ 5.22	\$ 3.96
Diluted adjusted EPS	\$ 1.67	\$ 1.52	\$ 5.04	\$ 4.31
Weighted-average diluted shares outstanding	142.5	145.7	143.3	148.0

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
	2024	2023		2024	2023	
Net cash provided by operating activities	\$ 296.2	\$ 250.1	18.4 %	\$ 888.6	\$ 808.3	9.9 %
Capital expenditures	(55.5)	(54.3)	2.2 %	(168.5)	(173.7)	(3.0) %
Free cash flow	\$ 240.7	\$ 195.8	22.9 %	\$ 720.1	\$ 634.6	13.5 %

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