Verisk Analytics Investor Day

December 1, 2015



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Strategy

Scott Stephenson, CEO

Verisk Analytics

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

Forward-Looking Statements

This presentation 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. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "target," "seek," "anticipate," "believe," "estimate," "predict," "potential," or "continue" or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties, and other factors that are, in some cases, beyond our control and that could materially affect actual results, levels of activity, performance, or achievements. Other factors that could materially affect actual results, levels of activity, performance, or achievements can be found in Verisk's quarterly reports on Form 10-Q, annual reports on Form 10-K, and current reports on Form 8-K filed with the Securities and Exchange Commission. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement in this presentation reflects our current views with respect to future events and is subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.

Notes Regarding the Use of Non-GAAP Financial Measures

The company has provided certain non-GAAP financial information as supplemental information regarding its operating results. These measures are not in accordance with, or an alternative for, GAAP and may be different from non-GAAP measures reported by other companies. The company believes that its presentation of non-GAAP measures, such as EBITDA, EBITDA margin and adjusted EBITDA, adjusted net income, and adjusted EPS, provides useful information to management and investors regarding certain financial and business trends relating to its financial condition and results of operations. In addition, the company's management uses these measures for reviewing the financial results of the company and for budgeting and planning purposes.

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How Do We Achieve Leading End-Market Positions?

The Four Distinctives in The Verisk Way



Unique Data Assets



Deep Domain Expertise



First-Mover Advantage



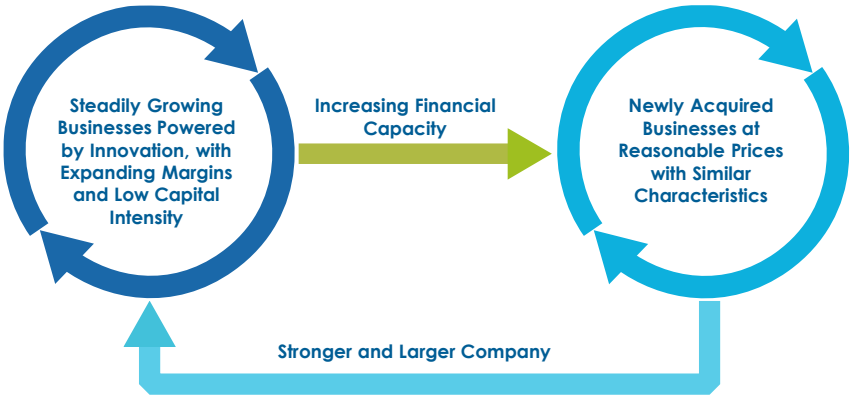
Embedded in Customer Workflows





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The Verisk Formula



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The Verisk Formula (continued)

We can continue to drive strong organic growth

- Stay close to our distinctives
- Moderate levels of transactions and services
- Innovate effectively
- Globalize effectively
- Expand channels

Balanced expectations for M&A spend

Strong balance sheet

- Committed to 2.5x leverage by end 2016
- Maintain investment grade

Return capital to shareholders

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Verisk Strength Built on P&C foundation

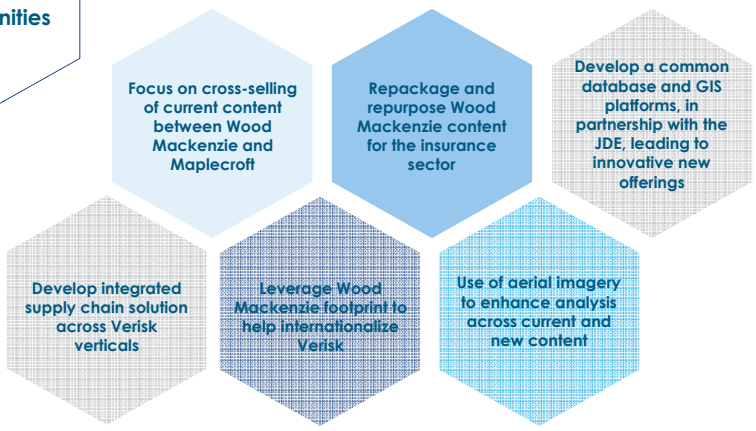
- **Unique data sets, enhanced over time, have enabled growth into more decision processes at our customers**
  - Since 1971, our P&C business has served as the industry standard
  - Leveraging long-standing relationships with innovation and new solutions has enabled strong growth: 7.2% over past 5 years
- **Template for how we develop new verticals at Verisk**
  - First mover creates competitive advantage
  - Become the "must-have" solutions for clients to make strategic decisions about their day-to-day business
  - Build once, sell many times
- **Financial model for P&C solutions sets the standard**
  - High percentage of subscription revenue
  - Limited customer concentration
  - Scalable with low capex requirements

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Verisk is Stronger with WoodMac

Combined Growth Opportunities

- Cross-sell
- New geographic footprint and offering opportunities



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Core Competencies

Original (ISO) Core

Actuarial analysis

Regulatory process (insurance)

Templated data collection and management

Circulars and tabular output

A Different World

Explosion in data volume

High-speed networks

Compute power

Ubiquitous GPS

Automated interpretation of imagery

Too much data, too little insight

Globalization

New form competitors

Current and Future Verisk Core

Large-scale data integration

Multi-tier, multi-spectral imaging

Visualization and consumability with emphasis on geo-location

Stochastic methods leading to prediction

Localization of solutions

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Competencies by Vertical

	Large-Scale Data Integration	Multi-Tier, Multi-Spectral Imaging	Consumability and Geo-Location	Stochastic Modeling	Localization
Insurance	●	●	●	●	●
Banking/Marketing Effectiveness	●		●	●	●
Energy/Metals and Mining	○	●	●	●	●
Healthcare	●		○	●	

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1. Large-Scale Data Integration

Domain	Data Category	Number of Data Stores	Primary Unit of Observation	Other Units of Observation
Insurance	Policy Records	25	Policy	Individual/Business, Property, Geo-location
	Claims Records	27	Claims (estimates and actual figs)	Individual/Business, Property, Geo-location
	Property and Location Attributes	8	Property/Geo-location	Business
	Behavioral/Criminal Records	8	Individual	Geo-location, Property
	Forms and Regulations	4	Business (insurer)	Geo-location
Financial	Deposit Account Attributes	2	Account	Individual, Business, Geo-location
	Credit Account Attributes	2	Account	Individual, Business, Geo-location
	Retail Payment/Deposit Transaction Details	3	Transaction	Individual, Merchant/Business
Oil/Gas	Oil/Gas Field Attributes	7	Field	Property/Geo-location, Business
	Metal, Mineral, Mine Attributes	7	Field/Mine	Property/Geo-location, Business
	Energy Distribution Attributes	7	Flow	Production Geo, Businesses, Regimes
Other	Catastrophic/Geopolitical Event Attributes	9	Geo-location	Property, Businesses, Individuals
	Weather and Climate	5	Geo-location	Property, Businesses
	Materials and Safety	3	Material Details	Property/Geo-location, Business
	Telematics	1	Trip (in car)	Individual/Business, Property, Geo-location

Observations

- Opportunities exist within categories, e.g., insurance claims
- Analyzing individuals is mostly about insurance/financial overlaps; analyzing businesses spans all of what we do
- Geo-location represents the largest degree of potential relatedness
- We are rethinking how we structure our data assets

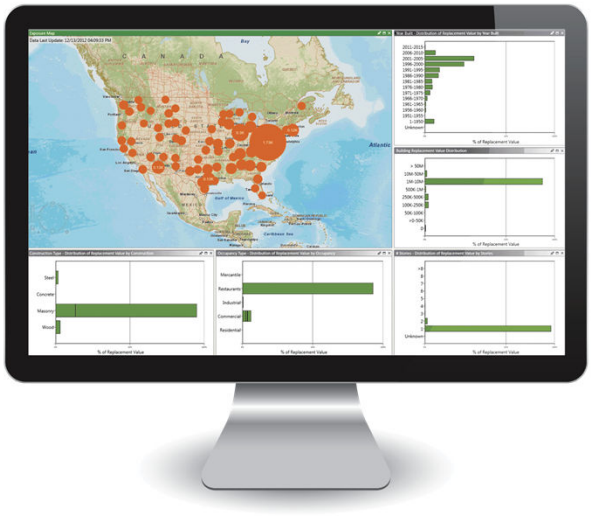
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2. Multi-Tier, Multi-Spectral Imaging

	Nature of Data	Potential Use Cases
Satellite	Global **25-50** cm resolution 1-month revisit Ortho, multi-spectral	1. Addition of a swimming pool 2. Measure corn health and recommend fertilizer
Aerial	Metropolitan **5-7** cm resolution Annual revisit Stereo oblique, visible	1. Automatically identify roofs needing repair 2. Automate the design of PV solar installations
Drone	Neighborhood **<1** cm resolution On-demand revisit Oblique, hyper-spectral	1. Monitor large commercial site construction 2. Monitor encroachment into utility easements
Interior Sensing	Building **<1** cm (gps limit) On-demand revisit Exterior & interior; multi-spectral, thermal, laser	1. Crowdsource insurance inspections 2. Quantify and map building interiors for remodelers

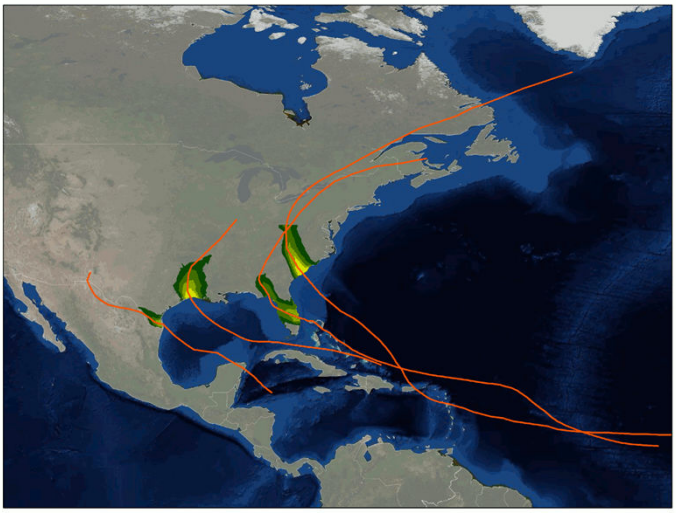
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3. Consumability and Geo-Location



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4. Stochastic Modeling



Catastrophe Models Need to Simulate Thousands of Potential Hurricanes to Provide a View of Risk

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5. Localization

Major steps to make Xactimate useful in Australia:

Australia Pricing Research Data
- 14 databases (~4,000 person-hours)

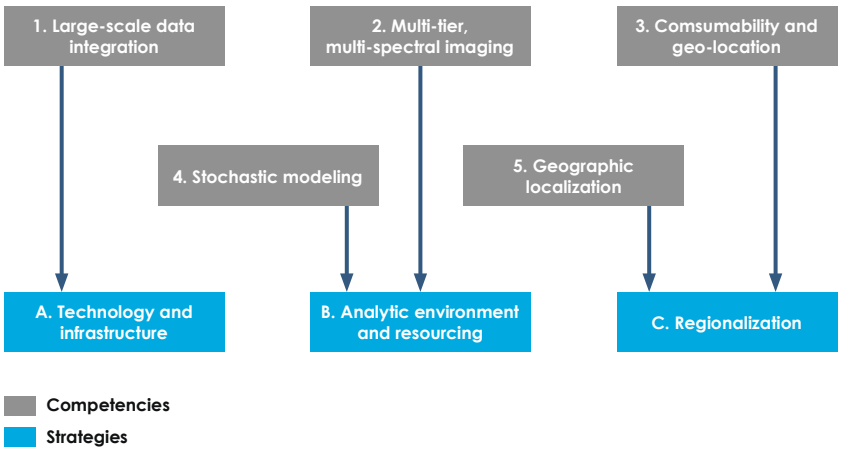
Local Currency and Language Support
- Tweak translations and terminology

Australia Custom Product Features (minimum viable product)
- Tendering estimates out to supply chain
- Simplification
- Appointment management
- Claim-centric approach

Process Requirements – Behave More Like an Agile Startup
- Increased responsiveness to customer requests
- Faster implementation and onboarding
- Better customer tracking and billing management

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Infrastructure Enables Competencies



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A. Technology and Infrastructure

Example: Cloud Strategy

Corporate Systems

- Systems providing general corporatewide functionality, e.g., HR workflow, GL, e-mail
- Will need to evaluate each individually, but generally the SaaS cloud model makes most sense
- Factors to consider
  - Operational efficiencies
  - Economics
  - BU integration
  - Internal cultural bias

Client-Facing Delivery Systems

- Systems providing direct client access with responses and results back to clients
- Will need to work with BUs to determine efficacy, but generally the PaaS or IaaS model will make the most sense
- Factors to consider
  - Evaluate dev/test/prod individually
  - Reliability
  - Scalability
  - Economics
  - Internal cultural and client bias

Back-End Data Management and Processing

- Systems providing data management, including ingestion, ETL, prep, and staging
- Will need to work with BUs to determine efficacy, but generally the PaaS or IaaS model will make the most sense
- Factors to consider
  - Evaluate dev/test/prod individually
  - Reliability
  - Scalability
  - Economics
  - Internal cultural and client bias

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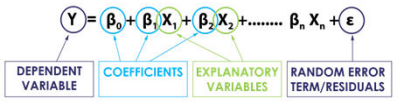
B. Analytic Environment

Classical Regression & Segmentation

Multivariate regression trees and algorithms to estimate event likelihood and cohort belonging.
Serve as industrial workhorses!

Verisk Use Cases:

- Claims likelihood
- Consumer response propensity
- Behavioral segmentation
- Gas price estimation

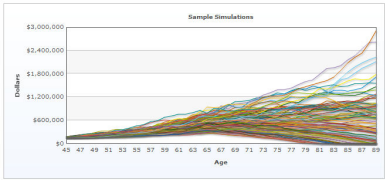


Monte Carlo Stochastic Modeling

Simulated *Monte Carlo* experiments for highly coupled nonlinear systems, particularly with wide variability and high underlying betas.

Verisk Use Cases:

- Weather events (e.g., hurricane landfall)
- Failure rates (manufacturing)
- Bank portfolio stress test



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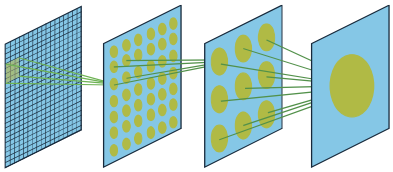
B. Analytic Environment, continued

Machine Learning Methods

Model high-level abstractions using multiple processing layers and complex structures (e.g., Bayesian networks, deep machine learning, NLP).

Verisk Use Cases:

- Dynamic fraud identification
- Image and facial recognition
- Voice and speech recognition
- Sentiment analysis
- Context analytics
- Multi-spectral imaging

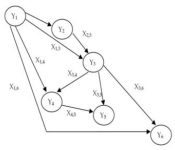


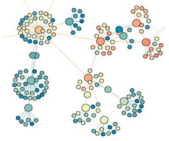
Social Network Analysis (SNA)

Use of network and graph theory — characterizing networked structures in terms of nodes and the ties or edges that connect them.

Verisk Use Cases:

- Predict influence of individuals and communities on their networks (customer interactions and analysis — ads, product choices, etc.)
- Organized/multiparty financial crime (money laundering, intelligence) and fraud (check-kiting, insurance claims)

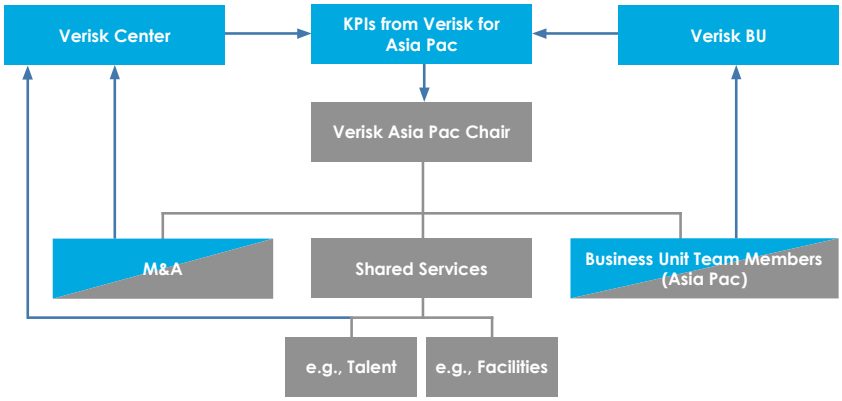




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C. Regionalization

Example: Possible Verisk Asia Pac Organization



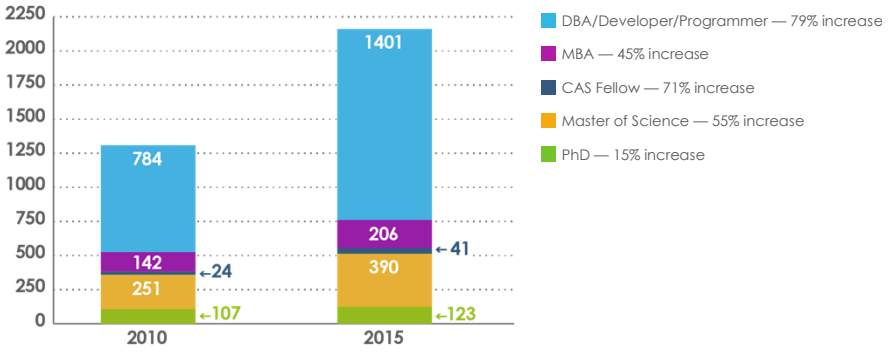
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"Big Five" Operational Priorities

- Strong Team/Talent
- Deeper Customer Intimacy
- Robust Technical Environment
- Focused Attention on Cross-BU Opportunities
- Global Platform

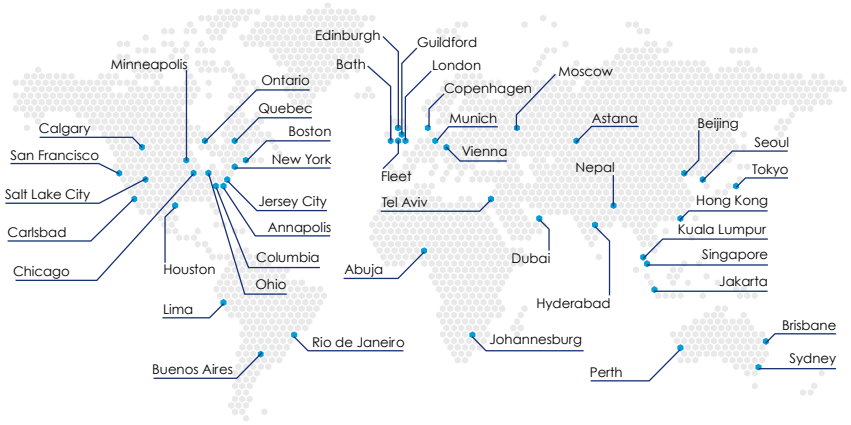
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Technical Talent and Advanced Degrees Growing



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Global Platform



Total Employees: **7,500** Q3 2015 YTD Revenue: **$1.6B**

Note: includes Wood Mackenzie revenue from January through September.

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Conclusion

The best benchmark for Verisk is Verisk.

Average[1] organic revenue growth over the past ten years has been about 8%

- Our business is even better now than it was before
- We should be able to grow over time and on average in a way that is consistent with the past

We have expanded EBITDA margins 450bps to the high 40s, an industry leading level

- We will continue to invest in our business
- There is natural scale in what we do even at the current strong margin levels, as our incremental margins show

[1] Unweighted

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Questions

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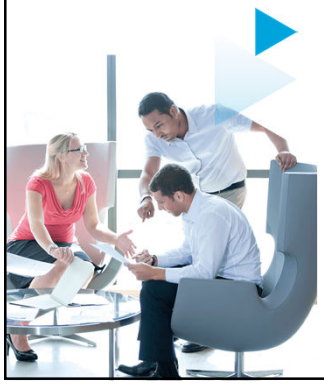
Wood Mackenzie

An Introduction by Stephen Halliday, CEO

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Wood Mackenzie Mission Statement

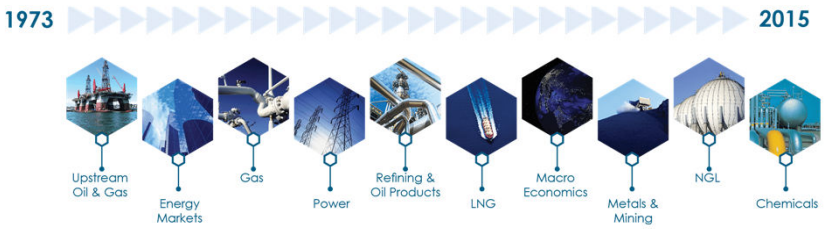




We enrich lives by empowering people with unique insight on the world's natural resources

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We have evolved over 40 years to become the leading provider of commercial intelligence in the natural resources sector

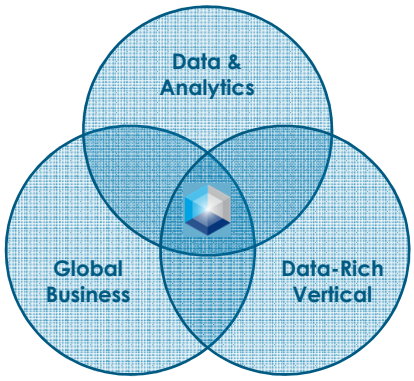


"Follow the molecule"

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Wood Mackenzie is a Verisk business with matching values

	Verisk Analytics	Wood Mackenzie
Verisk Distinctives		
Unique Data Assets and Decision-Making Models	✓	✓
Deep Domain Expertise	✓	✓
First-Mover Advantage	✓	✓
Embedded in Customer Workflows	✓	✓
Company-Specific Attributes		
Track Record of Growth and Innovation	✓	✓
Subscription Revenue Model and High Customer Retention	✓	✓



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Key Messages for Today

- More than 40 years of history with a reputation for quality and strong customer relationships built on trust
- Industries that are perfectly suited for data and analytics
- Diversified across energy, chemicals, and metals & mining
- Undermarketed and undersold
- Multiple avenues for growth
- Verisk and Wood Mackenzie are stronger together

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Wood Mackenzie

Oil & Gas Industry—
Engine of the World Economy

Verisk Analytics

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Oil & Gas Industry—Engine of the World Economy

- What drives the demand for oil and gas?
- Where are the oil and gas reserves?
- Who are the key stakeholders?
- What sets the oil price?
- How does the industry work?
- What are the key themes of today's environment?

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One of our most fascinating, hi-tech, and vital industries

Underpins the way we live today

- Energy to heat homes
- Energy to power industry
- Fuel to transport goods and people
- Raw materials for everyday items





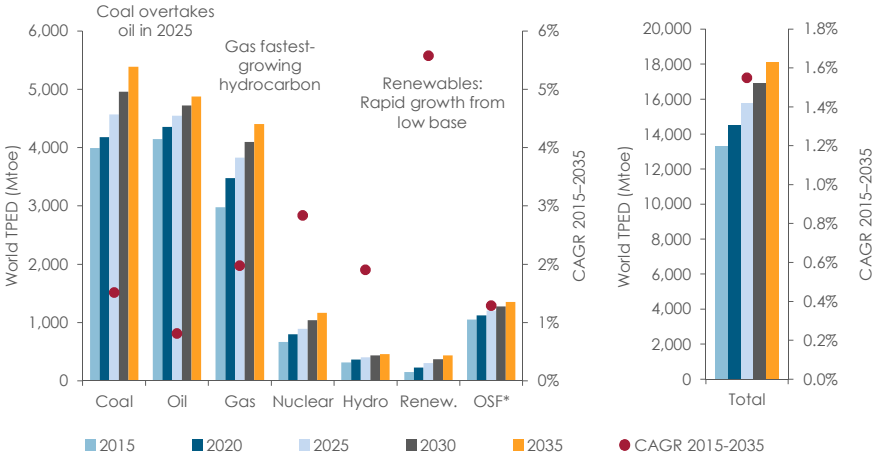


- Cosmetics
- Food
- Medicine
- Plastic
- Gasoline
- Clothing

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Global hydrocarbon fuels underpin global energy demand

World primary energy demand by fuel, 2015–2035



Source: Wood Mackenzie.
*OSF = Other Solid Fuels

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Where are the oil and gas reserves?

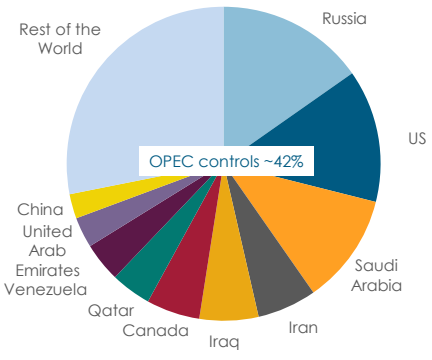


Source: Wood Mackenzie

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OPEC and New Discoveries

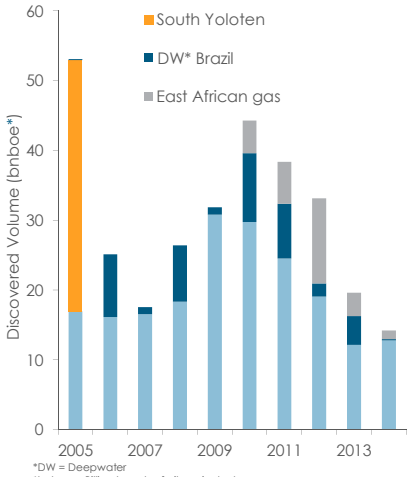
Total remaining oil & gas reserves (1,535 bnboe*)



OPEC members include Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

Source: Wood Mackenzie

Discovered volumes over the last decade



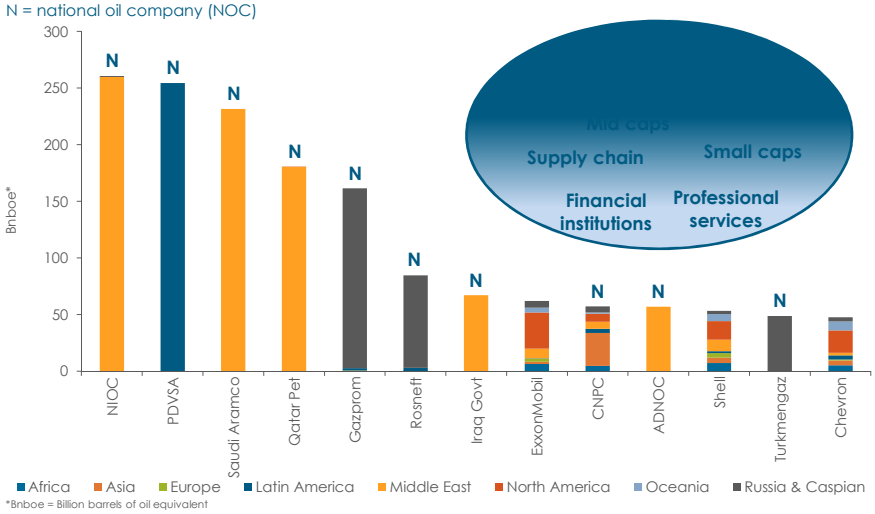
*DW = Deepwater
*bnboe = Billion barrels of oil equivalent

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National oil companies control reserves, only the biggest international oil companies can compete

Global reserves held by company, split by region

N = national oil company (NOC)

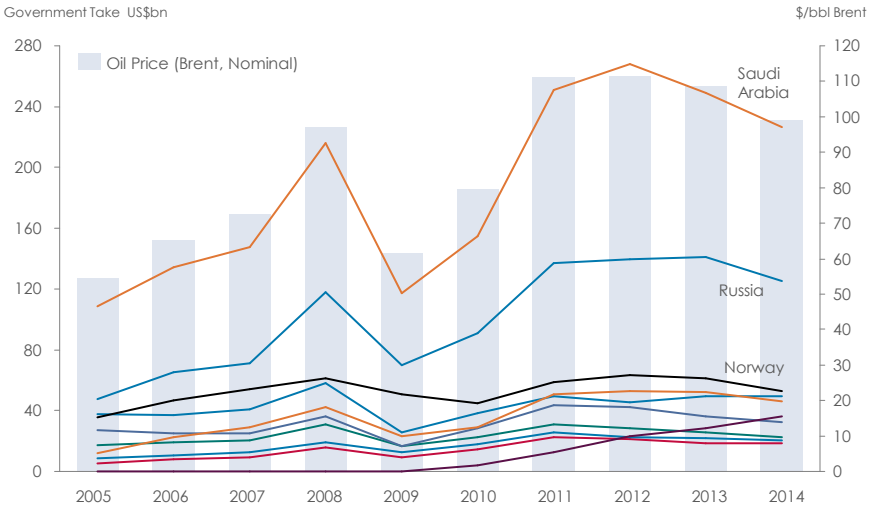


*Bnboe = Billion barrels of oil equivalent

Source: Wood Mackenzie

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Many economies around the world are dependent on oil and gas revenues (and price)

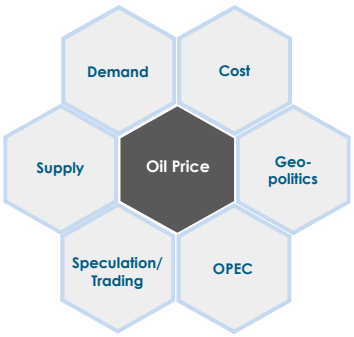


Source: Wood Mackenzie

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What sets the price of oil?

Factors influencing oil price benchmarks



Source: Wood Mackenzie

Select events affecting global oil prices (Average monthly – Brent $/bbl)



Source: Argus Media, Wood Mackenzie

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How does the industry work? The oil and gas value chain



$472bn[1] | $154bn[1] | $52bn[1]

"Global market for petroleum products"

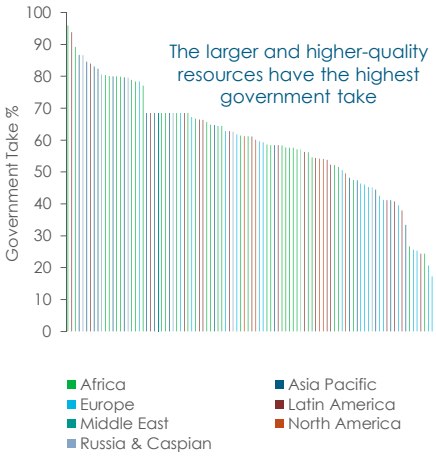
(1) Average annual investment 2000-2013 based on IEA Energy Investment Outlook, Year 2012 US$

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Gaining access to O&G blocks/licenses

Around 50,000 active blocks around the world

- Various routes to being awarded a block/license
  - Licensing rounds
  - Direct negotiations with governments
  - Invitations to tender
- Generally for exploration acreage, sometimes for developments

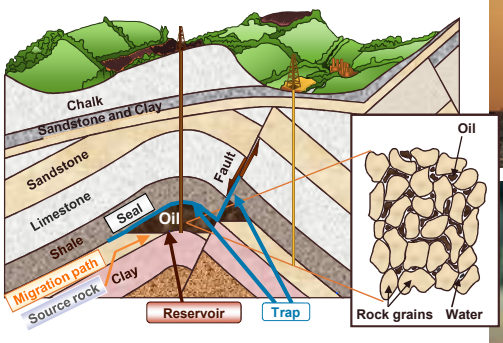


Source: Wood Mackenzie

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Exploration and Appraisal (E&A)

Only around 1 in 5 wells make a commercial discovery

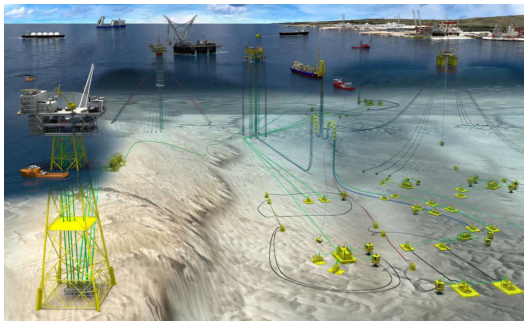


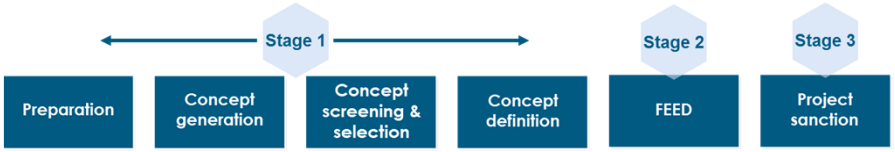


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Development

Discovery to project sanction takes an average of 8+ years

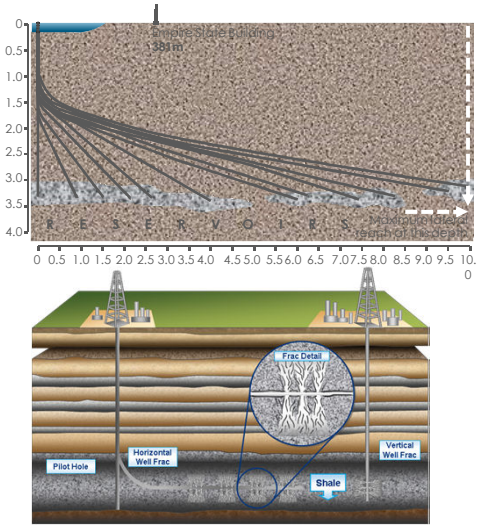


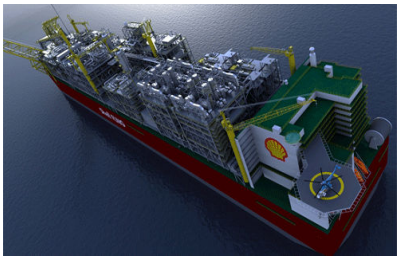


Source: Wood Mackenzie

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Some amazing innovation to develop increasingly difficult reserves...



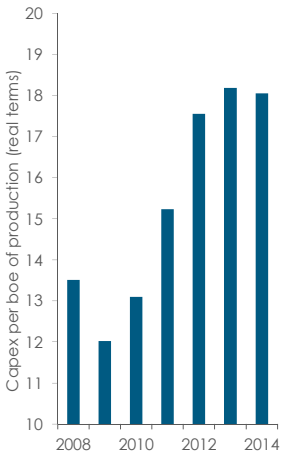


Source: Wood Mackenzie, Shell, The Economist

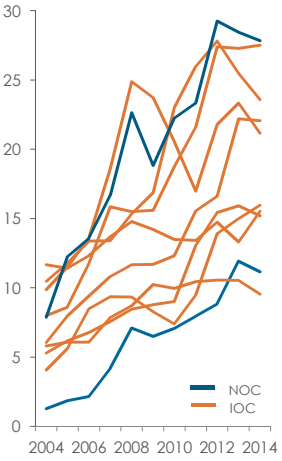
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…which has led to a high cost base for the industry

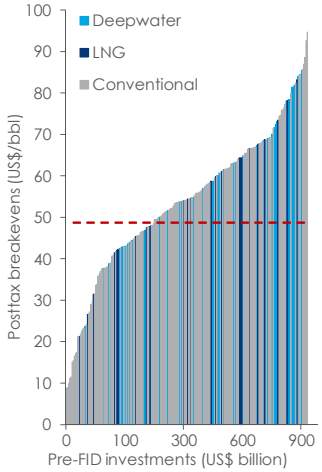
Upstream industry development costs per barrel (US$ real)



Development costs per barrel by company type (US$ real)



Cost curve pre-FID capex: (2015–2030)



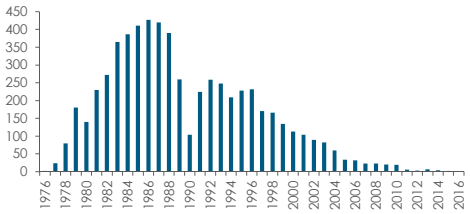
Source: Wood Mackenzie

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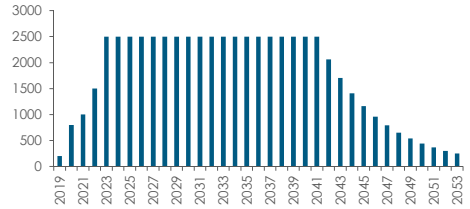
Production

Typical production profiles

Brent field oil production (000 b/d)



Zohr field gas production (mmcfd)



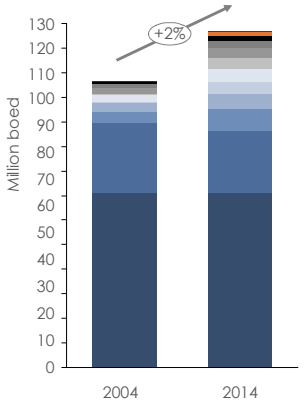


Source: Wood Mackenzie

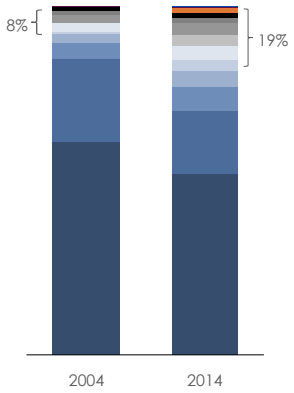
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Production from 'unconventionals' is driving supply growth

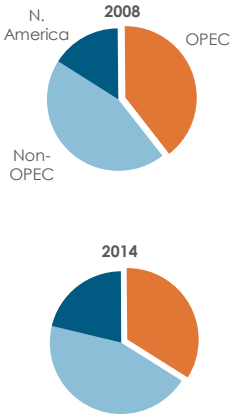
Total production 2004 vs 2014

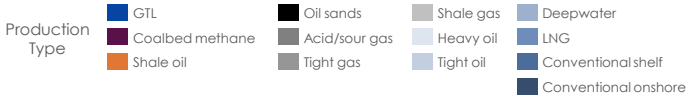


% breakdown by theme 2004 vs '14



OPEC oil market share

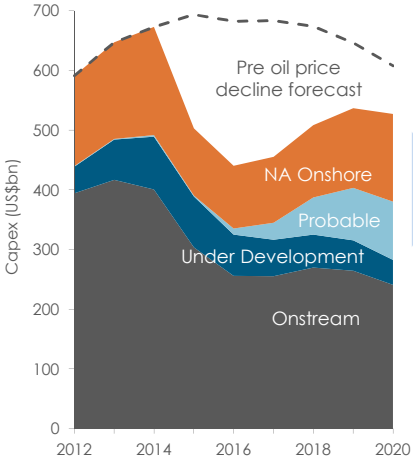




Source: Wood Mackenzie

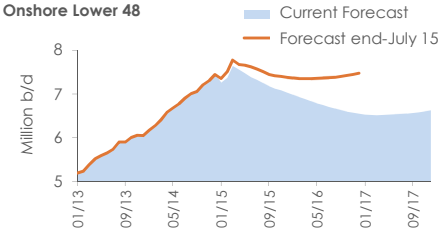
Recent oil price decline results in upstream investment cuts, which lowers the oil supply outlook

Wood Mackenzie capex profile, global upstream spend

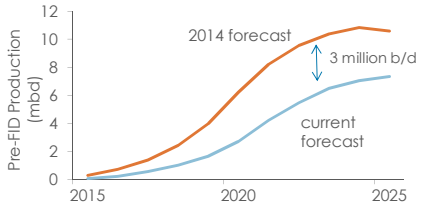


Forecast change in supply following investment cuts

Onshore Lower 48



Pre-FID Project (non L-48)

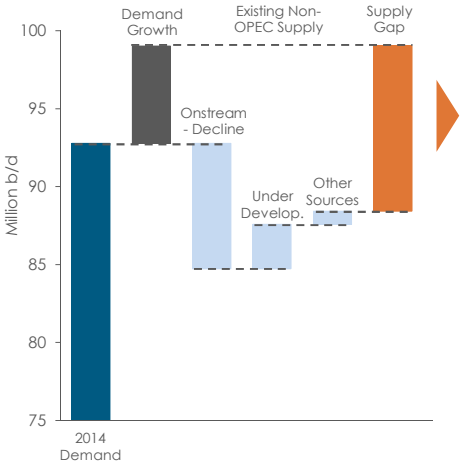


Source: Wood Mackenzie

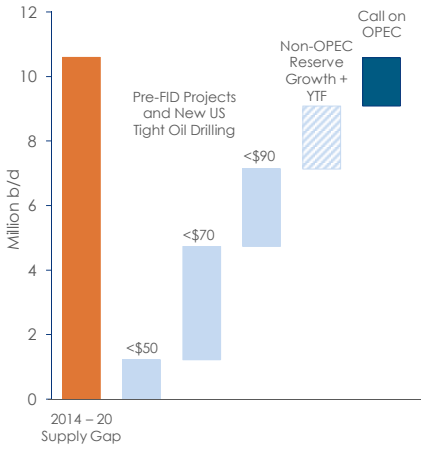
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Ongoing demand growth and production decline — higher cost new developments needed

Supply gap >10m b/d develops (2014 – 2020)…



…requiring a greater call on OPEC, tight oil drilling, and conventional oil projects



Source: Wood Mackenzie. YTF = Yet-to-Find

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Transportation

Massive-scale oil and LNG tankers and pipelines facilitate the global market



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Refining & Marketing

Conversion into finished products for distribution and consumption



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Summary

- A vital, innovative, and dynamic industry—across the value chain
- Demand for oil and gas will keep growing
- Oil and gas found everywhere, but OPEC controls oil reserves
- Capital-intensive industry—new developments are more challenging and more expensive
- Production dynamics changing with emergence of "unconventionals"
- Current oil price cycle removes supply from the market—new, higher-cost developments will be needed to meet growing demand

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Wood Mackenzie

Overview and Opportunity

Verisk Analytics

SERVE | ADD VALUE | INNOVATE

Wood Mackenzie: An Overview

What do we do?



Provide leading commercial intelligence to the global energy, chemicals, and metals & mining industries

Industries are complex and capital-intensive

How do we win?



Differentiated value proposition built on proprietary information, analysis, insight, and advice over 40 years

Embedded in customer workflows

High-performing workforce

How have we grown?



Strong financial record

Subscription-based business with industry-leading renewal rates

Diversified solution set and customer base

What will drive future growth?



Large and diverse addressable market

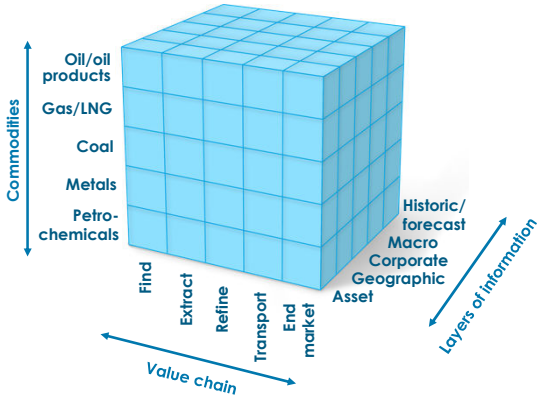
Multiple channels for growth

Undersold and undermarketed

Verisk and Wood Mackenzie stronger together

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We are the reference source for commercial intelligence across the natural resource value chain



- Consistent and integrated view across commodities and the value chain
- Bottom-up approach combined with corporate/macro perspective
- Global coverage based on regional dynamics

The reference source

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Energy is an inherently global business: We are located close to clients and industry contacts

Wood Mackenzie's global footprint: 28 global offices in Americas, EMEARC & APAC



Headcount

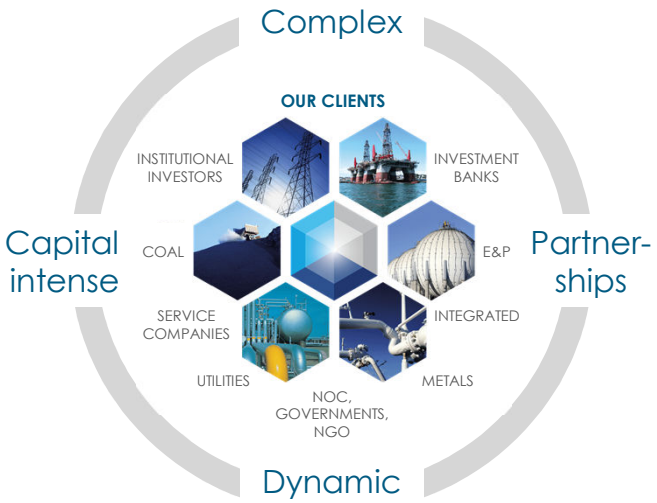
Total Headcount: ~1,100[1]

Americas: 27% *EMEARC: 54%* *APAC: 19%*

(1) As of Oct 2015. Excludes contractor staff

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Our clients are active in highly complex and capital-intensive industries and need our help



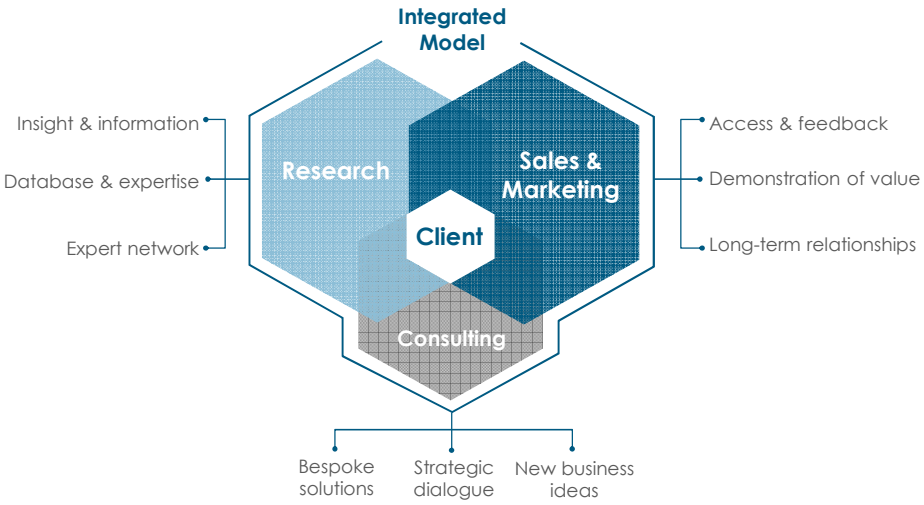
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Wood Mackenzie's value proposition is compelling for multiple users with multiple needs

These features...	...enable these functions...	...to do this:
▶ Global, integrated value chain coverage	▶ Strategy and policy makers	▶ Understand their markets
▶ Industry knowledge and insight	▶ Corporate planning groups	▶ Value assets
▶ Accessible to clients	▶ Business development	▶ Reduce risk
▶ Independence and integrity	▶ New ventures	▶ Identify opportunities
▶ Bottom-up proprietary data	▶ Market fundamental groups	▶ Assess competitors
▶ Reliable analysis and forecasts	▶ Risk management teams	▶ Strengthen strategy
▶ Accuracy of data	▶ Investors and advisors	▶ Enhance in-house views
	▶ Procurement teams	▶ Negotiate effectively with third parties
		▶ Save time

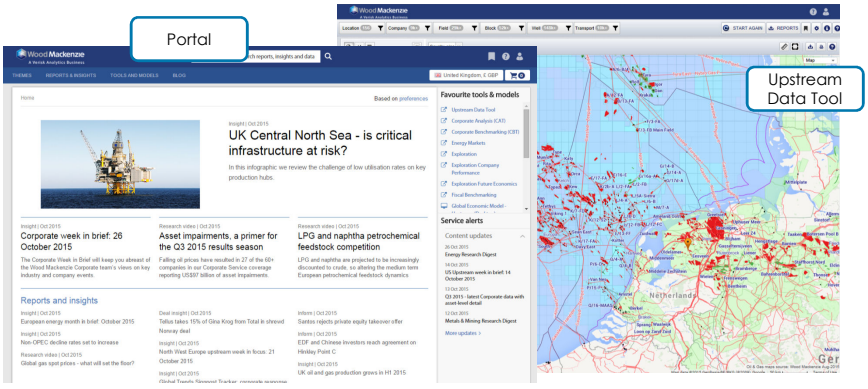
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Integrated research, sales & marketing, and consulting model designed to best serve client needs



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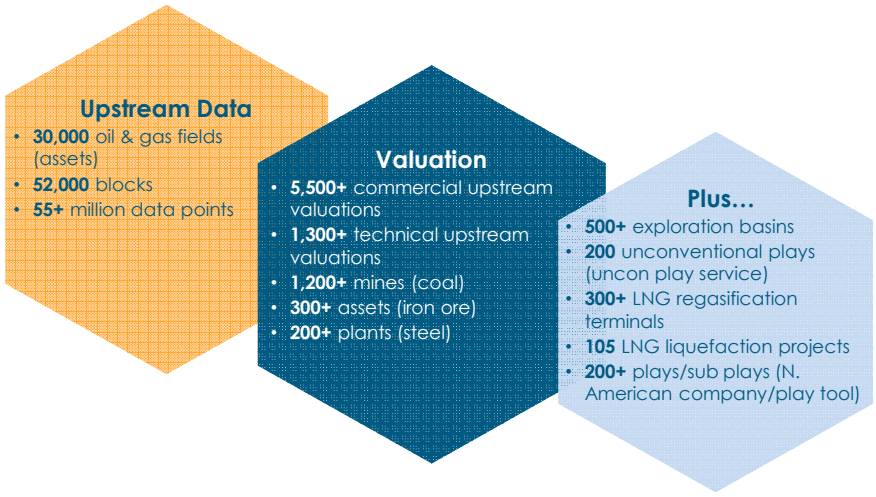
Wood Mackenzie portal is the window to 60+ tools and models, 14,000 reports, and vital analysis



- December 2013 portal launch
  - Enhances user experience
  - Facilitates access to breadth of Wood Mackenzie offerings
- Portal evolving as Wood Mackenzie client base grows
- Engagement up 58% in 2014 and 25% YTD in 2015

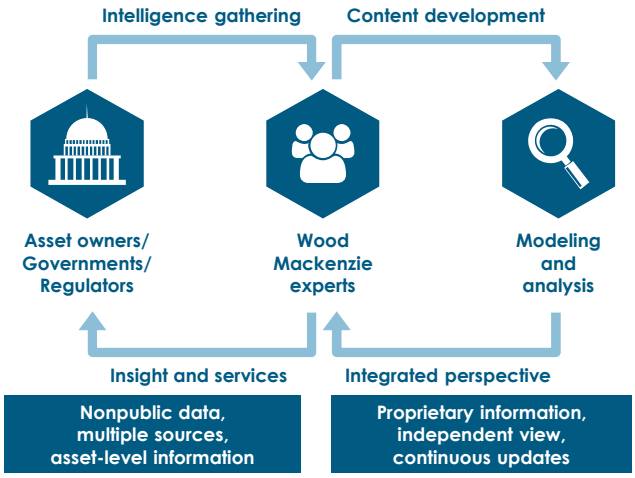
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We have developed unrivaled breadth and depth in our assets coverage



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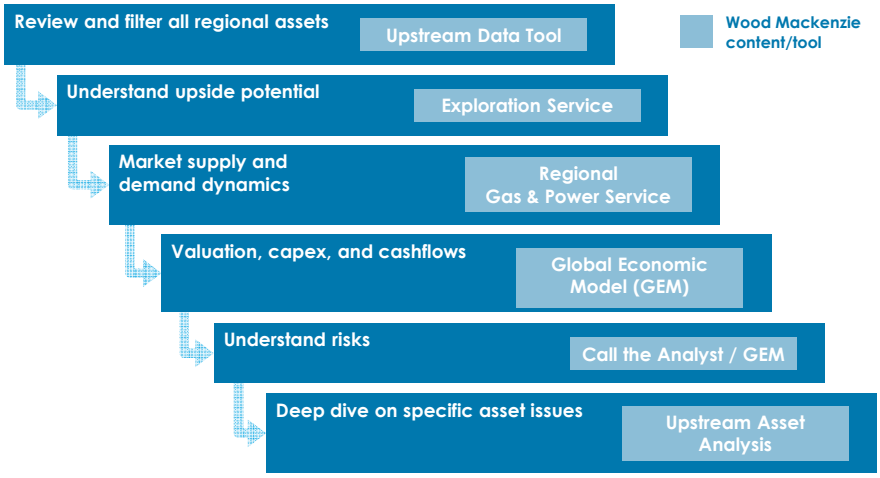
We provide unique and integrated analysis and insight through trusted relationships established over 40 years…



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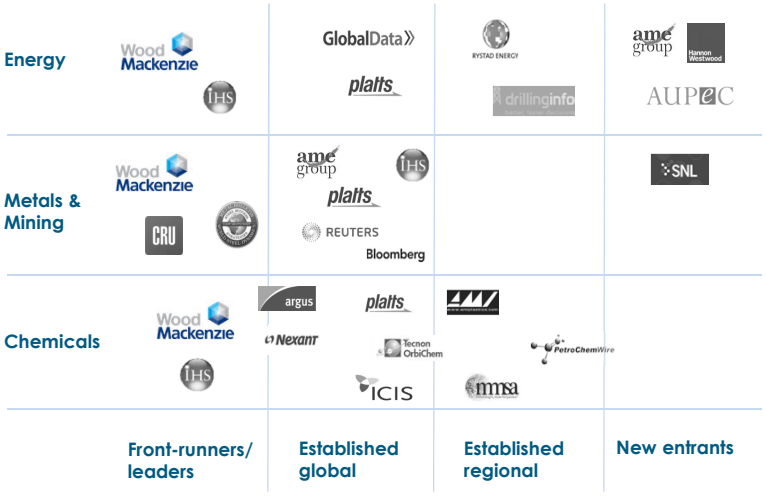
…and are deeply embedded in clients' workflows

User workflow example: Opportunity screening (oil & gas business developer)



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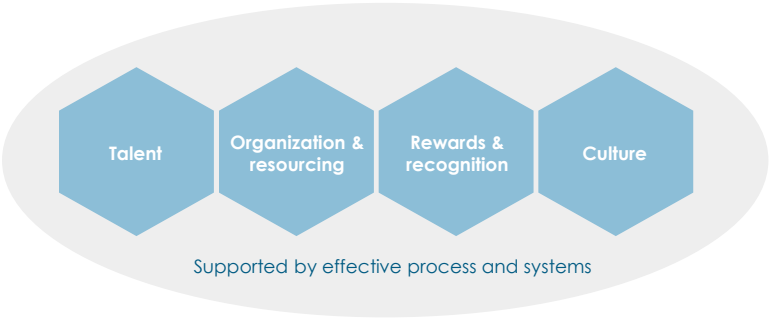
Competitors operate across all of Wood Mackenzie's commercial information market; we aim to be the leader in each vertical



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Having a business with the right talent and culture is key to driving long-term sustainable growth

High-Performing, Diverse, and Engaged Team



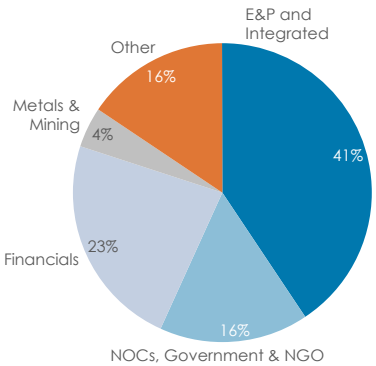
INVESTORS IN PEOPLE | Gold

Wood Mackenzie has received public recognition for its investment in staff and the quality of its work environment

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Wood Mackenzie has a diverse customer base with low customer concentration

Revenue diversified across end users(1)

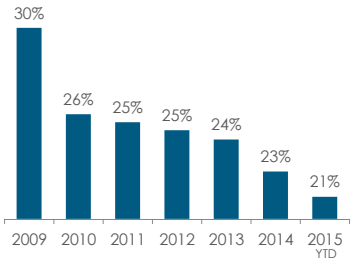


Low customer concentration

21%
Top 10 client subscription value (2015 YTD)

<4%
Maximum individual customer value

Top 10 client subscription value



(1) Represents figures for FY 2014 for subscriptions only
NOC = national oil company; NGO = nongovernment organization; E&P = exploration & production; Other includes utilities, manufacturing, conglomerates, and professional services

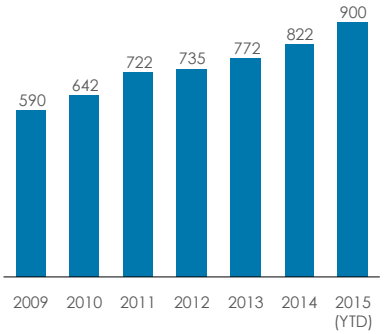
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We have consistently grown our client base and have industry leading renewal rates

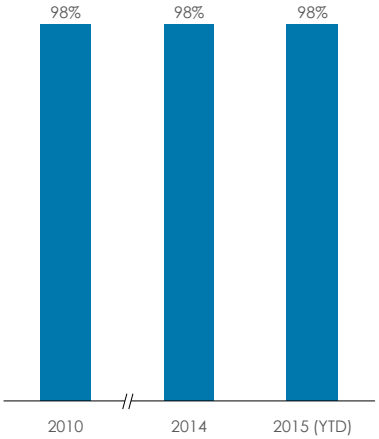
Growth in number of Clients

900
Total Customers

7%
Customer Growth CAGR since 2009



Consistently High Renewal Rates(1)

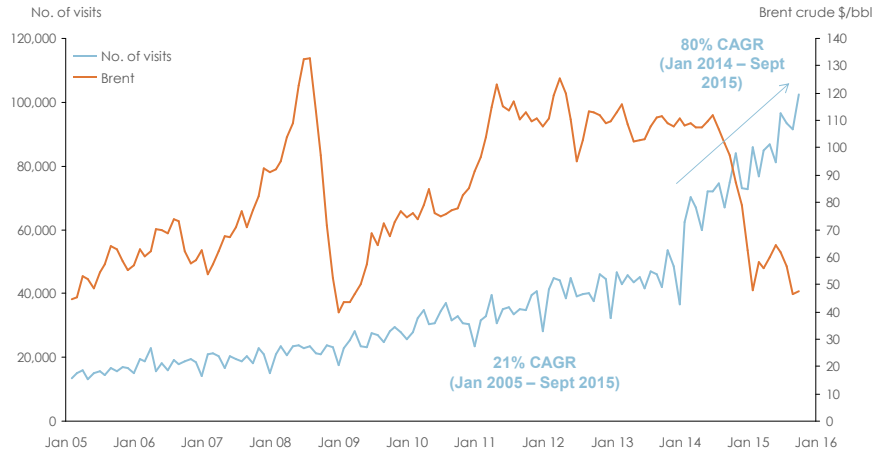


(1) Renewal rates for subscriptions, calculated on total value.

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Our clients have been increasingly engaging our solutions and insights

Number of visits to the Wood Mackenzie portal vs Brent crude price

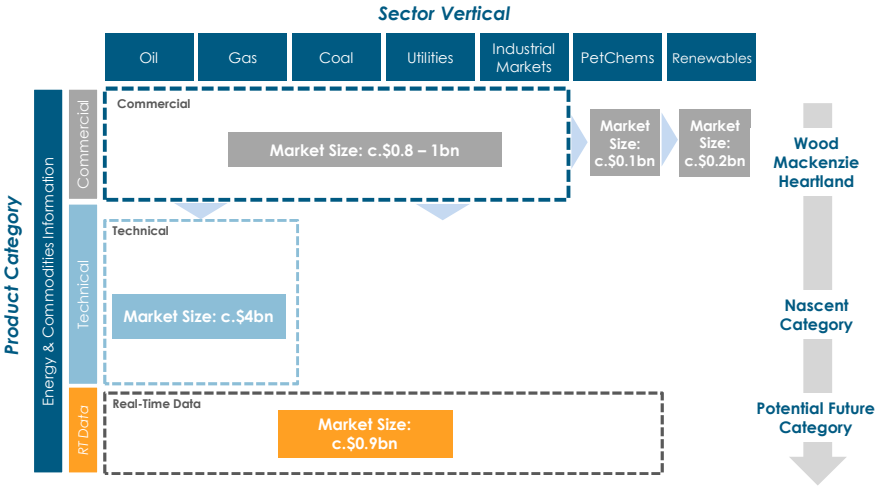


Based on individuals logging in to the Wood Mackenzie portal. Excludes Pathfinder and GEM solutions as they are offline.

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Energy and commodities information has a large addressable market (circa US$ 6bn)

Existing Wood Mackenzie markets, emerging verticals, and adjacent categories



Source: Management Data, Management Presentations, BvD, Annual reports, Broker reports, OC&C Survey, OC&C analysis
Original data in GBP. Conversion rate of 1 GPB = 1.53 USD used.

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Recent dramatic drop in commodity prices has put pressure on our client base; short-term pressure on spend anticipated

Client Category

E&P and Integrated

- Cost cutting to improve cash flow
- Companies waiting for market to stabilize

Financials

- Rationalization
- Buying opportunities being pushed

Metals & Mining

- Still facing malaise that started in 2012

NOCs, Govs & NGOs

- Domestic commitments result in cost-cutting lag
- Focus on efficiencies and attracting new investment

Region

Americas

- Cuts in activity, especially in high-cost North American plays

EMEARC

- Not reached the depths seen in Americas
- May have bottomed out for another year

AsiaPac

- NOC concentration has lessened the negative impact for the time being

Impact of Commodity Price Drop: H M

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However, we have also seen the moat widening

Year-to-Date Changes
Through Q3 2015

+25%
Portal Usage

+34%
Portal Super Users

+24%
Client-Facing Calls/Meetings

+98%
Use of Macro Oils Service and Global Gas Tool

Trusted relationships established over 40 years and embedded way of working are key to maintaining the moat

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Wood Mackenzie has multiple avenues for growth in the short and long term

Growth Avenues



Principles for Growth

- **Wood Mackenzie is currently undersold and undermarketed**
- **Expansion opportunities in emerging verticals and adjacent areas**
- **Investment through the cycle to capture the upside in a recovery**

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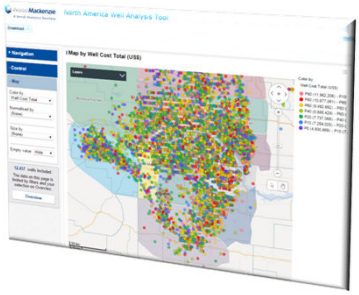
Product development and enhancement strengthen our market position and give access to adjacent categories

Example: North American Well Analysis Tool (NAWAT)

4 billion data points from 75+ sources for 2.3m wells

Visualization tool with interactive maps, charts, type curve generator

Integrated analysis of costs, permits, completions & production



"Making the tool that Wood Mackenzie analysts use available to our clients"

Launched October 2015

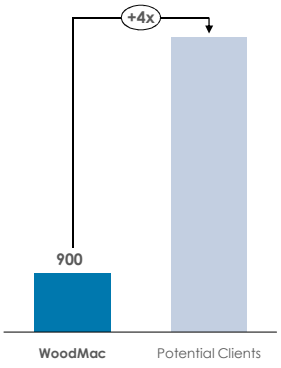
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Significant growth opportunity through New Channels

Benefits of New Channels

- Increasing Brand Awareness
- Accessing new clients and markets
- Increase penetration with existing clients
- Further embedding into client workflows

WoodMac Current vs. Potential Clients

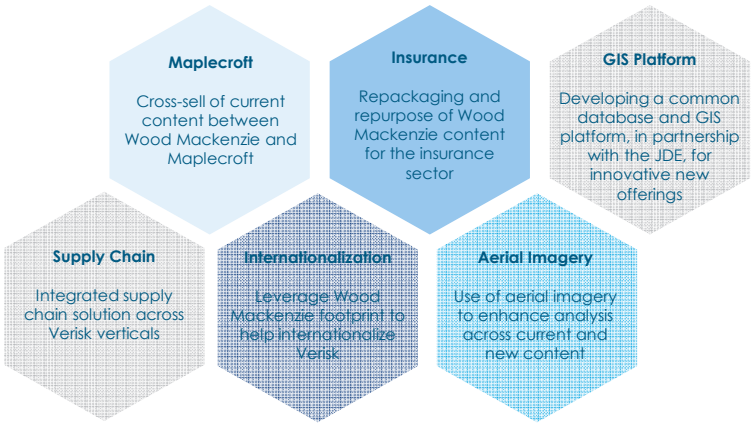


To support growth we are 'Amplifying the Brand'

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Verisk and Wood Mackenzie are stronger together, with both cross-sell and *n*+1 opportunities

Opportunities for developing new proprietary data and strengthening growth



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Summary

Verisk and Wood Mackenzie have matching values and distinctives and are stronger together

Wood Mackenzie has strong customer relationships with high customer retention

Unique data assets and models serving energy, chemicals, and metals & mining

Current industry headwinds are increasing the need for our analysis and enabling us to become more deeply rooted in client workflows

Track record of innovation and multiple avenues for future growth

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Questions

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Financial Performance

Mark Anquillare, CFO

SERVE | ADD VALUE | INNOVATE

Historical Performance Summary

Metric	2005-2009	2010-2014	
Total Revenue	10.8%	15.2%	CAGR
Organic Revenue Growth	7.8%	8.4%	AVG
EBITDA	12.2%	15.0%	CAGR
EBITDA Margin	43.4%	46.6%	AVG
Operating Profit (EBIT)	11.4%	13.5%	CAGR
CapEx as % of Revenue	3.6%	6.2%	AVG
Cash Flow (EBITDA less CapEx)	12.0%	11.6%	CAGR
Adjusted EPS	15.1%	17.9%	CAGR
Productivity			
Revenue/Employee	$249 k	$276 k	AVG
EBITDA/Employee	$108 k	$129 k	AVG

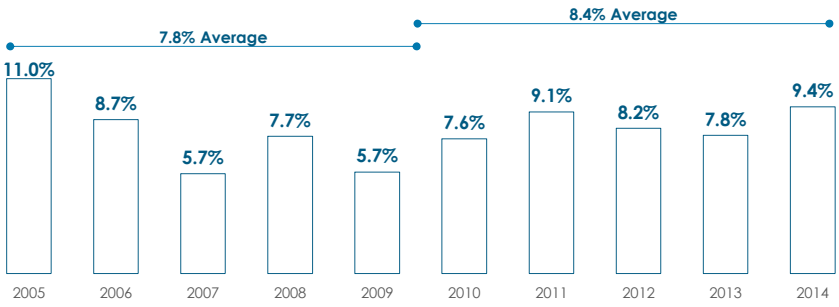
Key Takeaways

- **Summary**
  - Strong growth across the board
  - Organic revenue growth accelerated while EBITDA margins expanded, on average, over the time period
  - Cash flow growth offset by necessary capital expenditures
  - Adjusted EPS growth highlights our ability to continuously deliver shareholder value
- **Implications for Future**
  - Investments in our business have positioned us nicely for continued, strong growth

Note: Excludes mortgage.

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Organic Revenue Growth



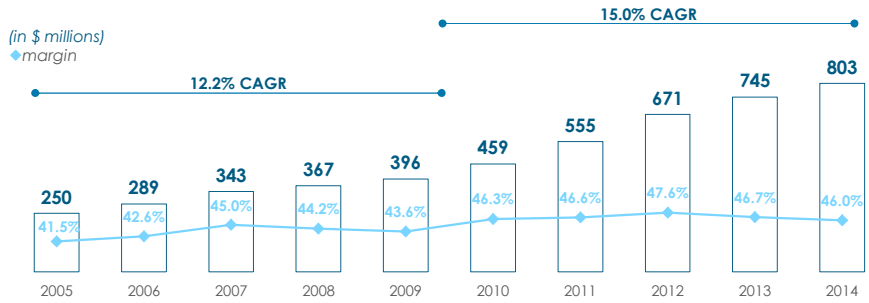
Key Drivers:

- **Organic growth is a measure of our vitality**
- **Robust innovation agenda has spurred stronger organic growth**
- **Growth has become more consistent**

Note: Excludes mortgage. Organic growth includes businesses owned for a full year or more at measurement.

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EBITDA



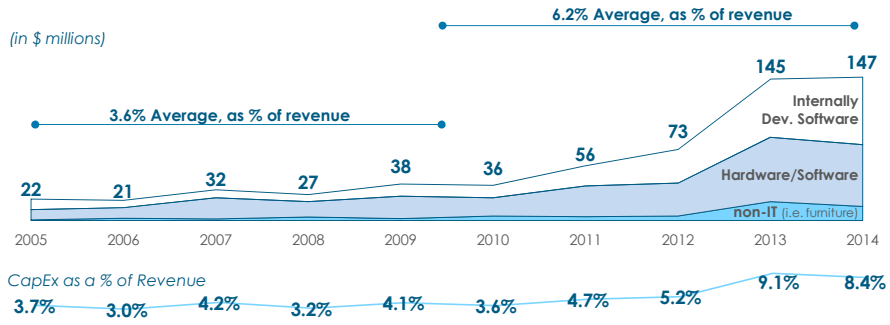
Key Drivers:

- **2010-2014 EBITDA growth has accelerated compared to 2005-2009**
- **Average 2010-2014 EBITDA margin was 46.6%, up from 43.4% in 2005-2009**
- **Evidence of strong operating leverage**
  - 2014 EBITDA margin was 47.6% after adjusting for prospective revenue (Healthcare), one-time FTC, and talent realignment costs

Note: Excludes mortgage.

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Capital Expenditures



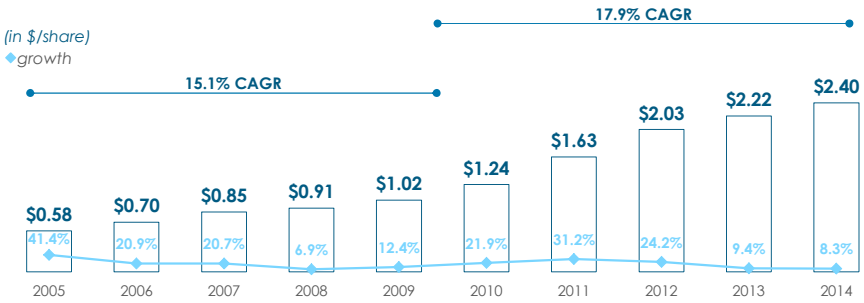
Key Drivers:

- **New product innovation and data assets have led to greater capital intensity**
- **Increased delivery of solutions through software resulting in deeper integration into customer workflows**

Note: Excludes mortgage.

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Adjusted EPS



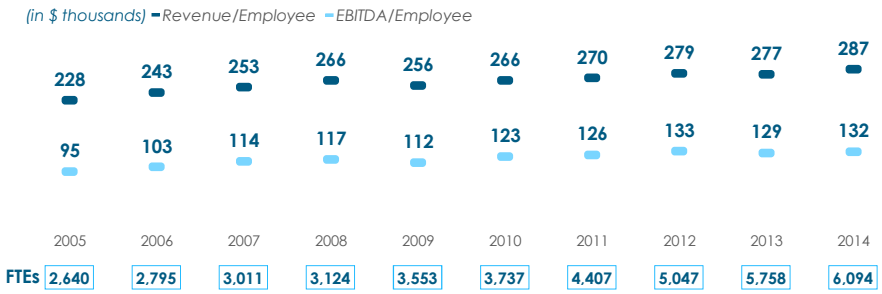
Key Drivers:

- Adjusted EPS CAGR accelerated in public company period driven by execution
- Effective capital deployment via acquisitions and share repurchases contributed to the performance

Note: Excludes mortgage.

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Productivity



Key Drivers:

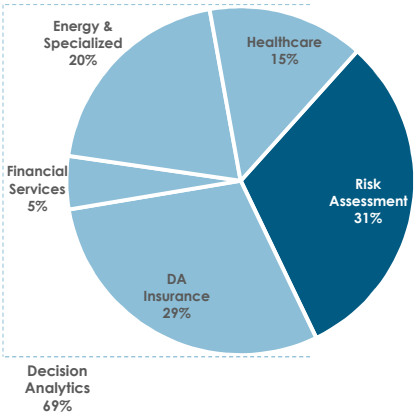
- Few incremental resources are required to implement and service additional customers
- Fostering a culture of continuous improvement

Note: Excludes mortgage.

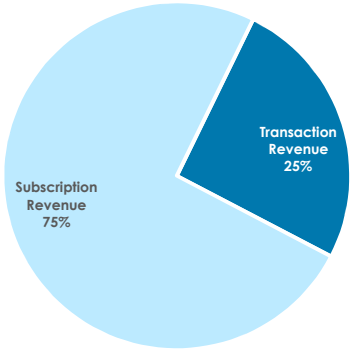
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Diverse, High Recurring Revenue Sources

3Q 2015 Revenue Distribution



3Q 2015 YTD Subscription Base



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Insurance a Strong Foundation; New Verticals Making Important Contributions

- **Growth driven by a combination**
  - New Customers
  - Deeper Penetration into Existing Customers
  - New Solutions
- **Majority of Revenue is Prepaid Quarterly or Annually**
- **Very high customer retention**

3Q 2015 YTD Contribution to Revenue Growth

Industry Standard	Property Specific	DA Insurance	Healthcare	Financial	Energy & Specialized	Acquired	Total Revenue
1.8%	0.5%	2.9%	0.3%(1)	1.6%	0.3%	10.3%	17.6%(1)

3Q 2015 YTD Revenue Growth

Industry Standard	Property Specific	DA Insurance	Healthcare	Financial	Energy & Specialized	Acquired	Total Revenue
6.1%	5.2%	8.5%	1.5%(1)	30.2%	213.7%	*in Energy & Specialized*	17.6%

Note: (1) After adjusting for prospective revenue, Healthcare contributed 1.5% to total revenue growth of 19.2%, and grew 9.9% 3Q 2015 YTD.

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Consistent Quarterly Top-Line Progression

Decision Analytics Revenue
(in $ millions)



Risk Assessment Revenue
(in $ millions)



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Risk Assessment: Our Heritage

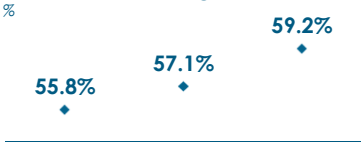
- **100 of top 100 P&C companies are customers**
- **Industry-standard, mission-critical, embedded insurance solutions**
  - Loss cost estimates – insurers' "cost of goods"
  - Regulatory compliance
  - Enable speed to market
  - Leading commercial property analytics for insurers
- **Founded on unique data contributed by insurers**

3Q YTD Revenue
(in $ millions)



- Stable, visible growth profile
- 5.2% growth in 2014, 5.9% growth in 2015

3Q YTD EBITDA Margin
%



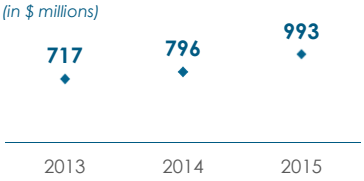
- Scale economies
- Revenue growth coupled with good cost management
- Aligning talent for future growth

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Decision Analytics: Enhancing Our Future

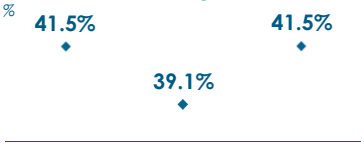
- **New, large verticals with data analytic needs**
- **Cross-vertical themes (antifraud, predictive modeling, benchmarking, optimization)**
- **Leveraging existing assets**
  - Repurposing of data (n + 1)
  - Technology infrastructure
  - Replatforming

3Q YTD Revenue
(in $ millions)



- Strong top-line growth
- 11.0% growth in 2014, 24.7% growth in 2015 helped by acquisitions

3Q YTD EBITDA Margin
%



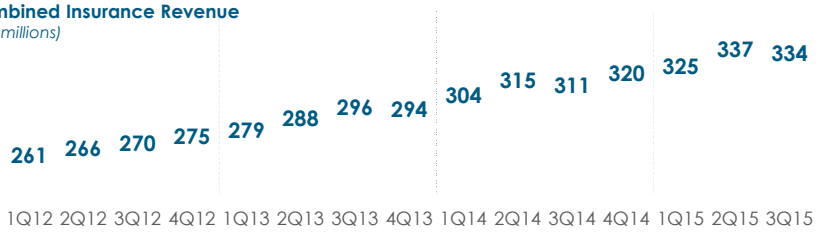
- Critical investments to drive future growth
- Operational efficiencies contributing to margin

Note: 2015 margin excludes one-time items related to Wood Mackenzie acquisition and gain on sale of EVT warrants.

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P&C: Differentiators and Opportunities

Combined Insurance Revenue
(in $ millions)



Differentiators

- Unique and proprietary industry data assets
- Brand recognition and reputation
- Deeply embedded in customer workflows
- Strong technical and industry (domain) expertise
- Broad solution set
- Ability to execute
- Advanced analytical and modeling skills

Opportunities

- International expansion
- Solution line extensions
- Data exchanges
- Create new platforms to deliver our solutions
- Partnerships and third party integration
- Predictive analytics
- Repurposing solutions into adjacent and new markets

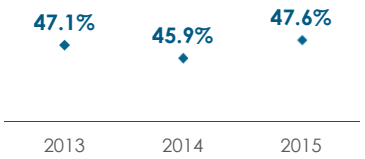
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Verisk's Differentiated Financial Model 3Q Year-to-Date (YTD)

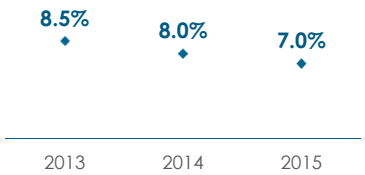
Strong, Stable Revenue Growth
(in $ millions)



Leading EBITDA Margin
(%)



Low Capital Intensity
(as reported, CapEx as a % of Revenue)



Strong Free Cash Flow
(as reported, in $ millions)

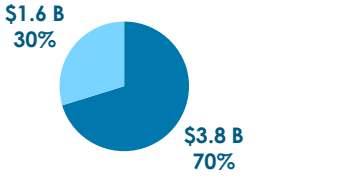


Note: Free Cash Flow defined as Cash from Operations less CapEx.
2015 margin excludes one-time items related to Wood Mackenzie acq. and gain on sale of EVT warrants.

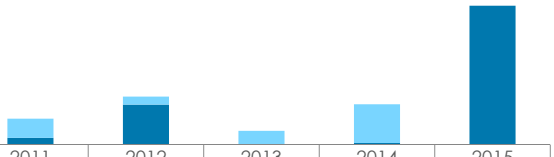
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Verisk: Disciplined Capital Allocation

Cumulative



(in $ millions)



	2011	2012	2013	2014	2015
Share Repurchase	$382	$163	$279	$778	$0
Acquisitions and earn-outs	$143	$808	$1	$35	$2,800

Note: Cumulative from 2011 through June 2015; 2015 Acquisition amount is rounded to the nearest 0.1 billion and net of currency hedges.

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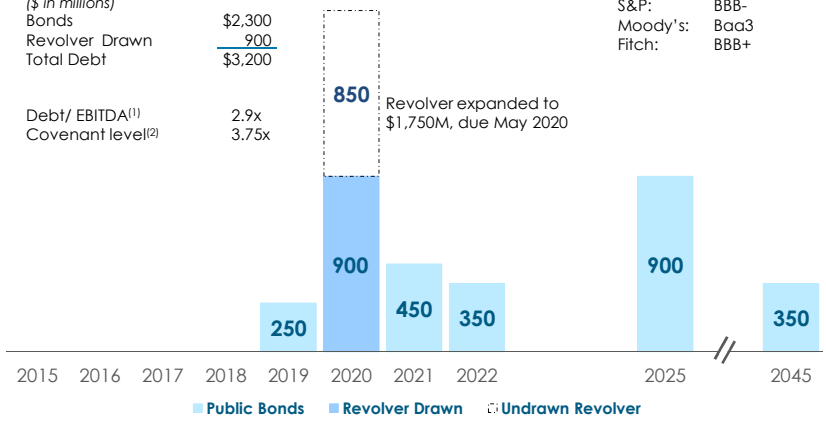
Strong Capital Structure to Support Growth

as of 9/30/2015

($ in millions)	
Bonds	$2,300
Revolver Drawn	900
Total Debt	$3,200
Debt/ EBITDA[1]	2.9x
Covenant level[2]	3.75x

Investment Grade Ratings

S&P:	BBB-
Moody's:	Baa3
Fitch:	BBB+



Note: 1. Per debt covenant
2. Steps down to 3.50x at the end of the fourth fiscal quarter following the acquisition of Wood Mackenzie.

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Attractive Business Model

- **Recurring revenue stream and high barriers to entry**
  - 75% of total revenue is subscription and long-term contracts
  - Extremely high customer retention
  - Majority of revenue is prepaid quarterly or annually
  - Long-standing and deep relationships with our customers
  - Deeply embedded in our customers' critical decision-making processes
- **High incremental margins on existing businesses**
  - Business model is "build once, sell many times"
  - Very little incremental cost to add a new customer
  - *Our business is not service or capital intensive*
- **Diverse client base and revenue contribution**
  - 4 primary verticals with strong underlying demand factors
  - Largest customer accounts for about 5% of revenues
  - Top 10 customers account for about 21% of revenues

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Two Paths to Growth – Organic and M&A

Eva Huston, SVP and Treasurer

Verisk Analytics

SERVE | ADD VALUE | INNOVATE

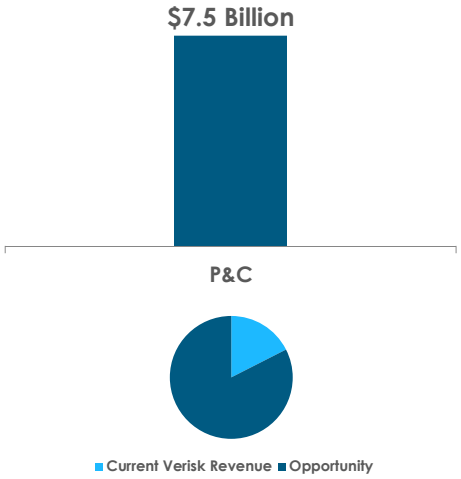
Long Runway Remains for Organic Revenue Growth

- **While we have grown well for many years, our opportunity remains robust**
  - 8.4% average organic revenue growth over five years
  - Multiple verticals contributing to stability of growth
  - Market opportunity is large and growth can continue to exceed that of underlying vertical
- **We have multiple paths to drive growth in each of our verticals**
  - Existing customers, new solutions
  - Adjacencies for new customer sets
  - Adding data to create new analytics

"We are limited only by the imagination of our people."

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P&C Addressable Market

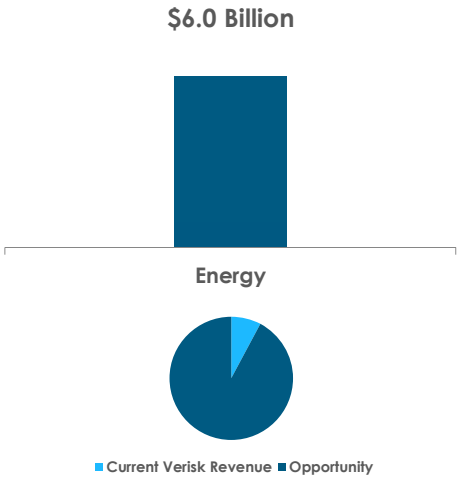


- AIR
- Commercial Lines UW
- ISO Solutions
- Personal Lines UW
- Claims

Note: Revenue reflects TTM through September 2015.

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Energy and Specialized Addressable Market



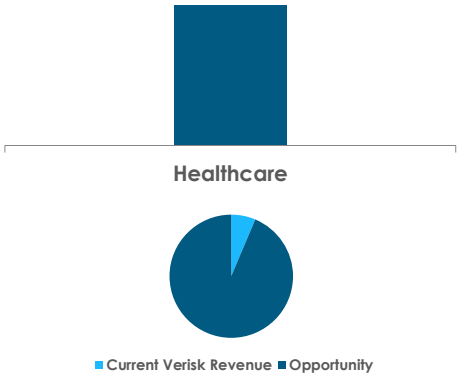
- WM Commercial
- Petrochemicals
- Metals & Mining
- Renewables
- Insurance and Other Related

Note: Revenue reflects TTM through September 2015, pro forma for WoodMac and Maplecroft.

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Healthcare Addressable Market

$5.0 Billion



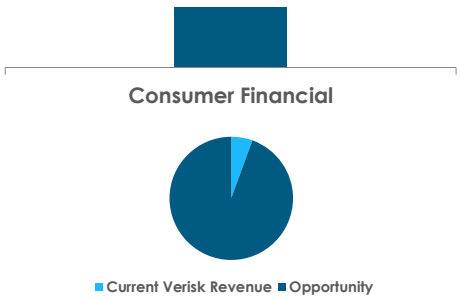
- Revenue Solutions
- Payment Solutions
- Population Health Solutions
- Quality Solutions

Note: Revenue reflects TTM through September 2015.

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Financial Addressable Market

$2.0 Billion



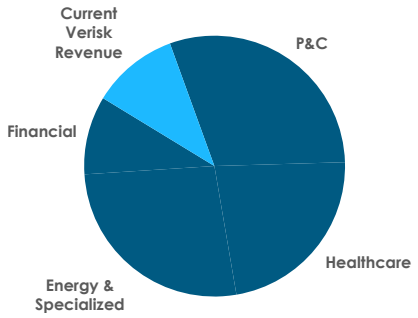
- Global opportunity for benchmarking studies and current analytical solutions
- Innovative solutions for existing customer base
- Media Effectiveness
- Other analytics built on unique data

Note: Revenue reflects TTM through September 2015.

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Verisk Addressable Market

$21 Billion Addressable Market



Note: Revenue reflects TTM through September 2015.

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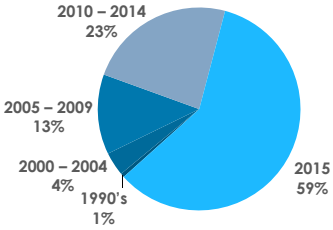
M&A Has Been Effective

- **Driven by strategy**
- **Valuation discipline crucial**
- **Cash generation focused: 19% overall IRR**
  - 15% hurdle rate, adjusted for risk
  - Analysis benchmark for measuring IRR is unlevered
  - Assume conservative 10x terminal EBITDA multiple
- **Exceeded WACC for all deals of size**
  - Strong history of growth
  - Track record of margin expansion post closing

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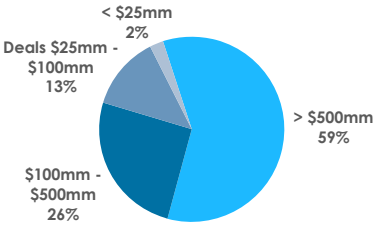
Summary of Acquisitions

By Time Period

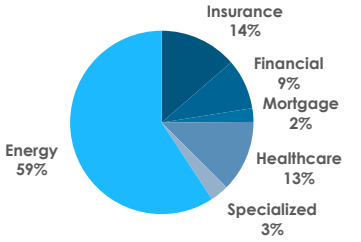


Total Deals
~$4.8 billion

By Deal Size



By Vertical

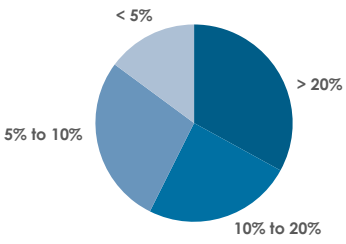


Note: Deal size includes both upfront plus earn-out payments.

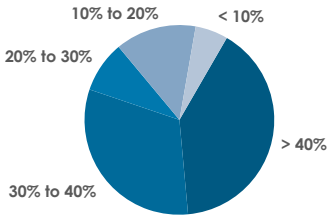
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Acquisitions Have a History of Strong Growth and Margins

Acquisition Spend by Target Revenue CAGR (Yr. 1-3)



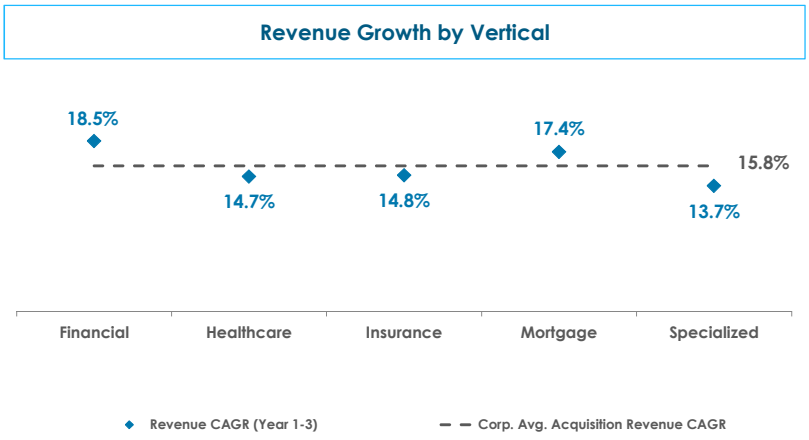
Acquisition Spend by EBITDA Margin @ Acquisition



Note: Deal size includes both upfront plus earn-out payments. Wood Mackenzie excluded.

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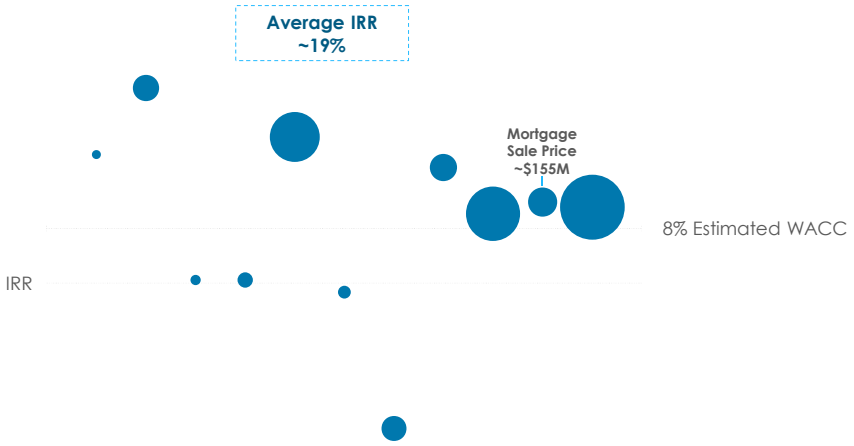
Strong Acquisition Revenue Growth Across Verticals



Note: Excludes Wood Mackenzie. Revenue CAGR is weighted.

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Internal Rates of Return Demonstrate Shareholder Value Creation



Methodology

- Size of bubble reflects purchase price
- IRR based on free cash flow and 10x terminal multiple methodology for all deals except Mortgage
- Some bubbles reflect aggregation of multiple acquisitions (e.g. Mortgage)

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Multiple Paths to Growth

- **Strong track record of *both* organic revenue increases and effective M&A**
  - 8% historical organic revenue growth
  - 16% average acquisition revenue growth
- **Opportunities remain large and growing**
  - Working to execute on both organic and acquisitions to drive growth
- **Share repurchases remain valuable alternative for capital deployment**
  - Deployed $1.6 billion over the past five years
- **Reasonable flexibility while deleveraging towards 2.5x Debt/EBITDA target**

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Senior Management Q & A

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SPEAKER BIOGRAPHIES



Scott G. Stephenson

President and Chief Executive Officer

Scott G. Stephenson is president and chief executive officer of Verisk Analytics.

Before becoming Verisk's CEO, Mr. Stephenson served as president and chief operating officer, managing the day-to-day operations of Verisk Analytics and all of the company's operating units. He joined Verisk's ISO subsidiary in 2001 to focus on bringing new value and functionality to the company's product offerings. In 2002, he was promoted to executive vice president. Mr. Stephenson became chief operating officer in 2008 and president in 2011.

Before joining ISO, Mr. Stephenson was a senior partner with The Boston Consulting Group (BCG), a global management consulting firm, where he served on the firm's North American operating committee. He also served as an advisor to Silver Lake Partners, a technology-oriented private equity firm.

Mr. Stephenson is a graduate of the University of Virginia, where he received a bachelor of science degree in mechanical engineering, and the Harvard Business School, where he received a master of business administration degree. Mr. Stephenson has served on numerous civic and charitable boards.



Stephen J. Halliday

Chief Executive Officer – Wood Mackenzie

Stephen J. Halliday is chief executive officer of Wood Mackenzie, a global leader in data analytics and commercial intelligence for the energy, chemicals, metals, and mining verticals. Mr. Halliday is responsible for setting strategy and overseeing worldwide operations.

Since joining Wood Mackenzie in 1989, Mr. Halliday has filled a number of leadership roles. Before assuming his current position, he was executive director of Wood Mackenzie's Energy business, where he covered the company's research and consulting activities for eight years. Previous roles included senior analyst in the U.K. upstream team, head of the European Energy team, and head of the Energy Consulting team. Mr. Halliday was part of the management team that led the company's management and employee buyout in 2001. He was appointed CEO in 2007.

During his 29 years in the energy industry, Mr. Halliday has also worked for BP in the downstream oil sector and TOTAL in the downstream gas business.

Mr. Halliday holds a bachelor of science (honours) degree in chemical engineering from Edinburgh University.



Mark McCafferty

Head of Upstream Oil and Gas Research for the EMEARC region – Wood Mackenzie

Mark McCafferty is Wood Mackenzie's head of Upstream Oil and Gas Research for the EMEARC (Europe, Middle East, Africa, Russia, and Caspian) region. Mr. McCafferty is responsible for the delivery of Wood Mackenzie's EMEARC upstream content.

Since joining Wood Mackenzie in 2002, Mr. McCafferty has managed the Caspian, Russia, Australasia, and South East Asia upstream teams. He led the relocation of the South East Asia team from Edinburgh, U.K., to Singapore in 2007. Mr. McCafferty became research manager, Europe and Sub Sahara Africa, in 2011 before taking on his current role in 2014.

During his 17 years of experience in the upstream oil and gas industry, Mr. McCafferty was also a project executive in the Scottish Enterprise's Oil and Gas team in Aberdeen, U.K.

Mr. McCafferty holds a bachelor of science (honours) degree in technology and business from Robert Gordon University in Aberdeen.



Mark V. Anquillare

Group Executive, Risk Assessment
Executive Vice President and
Chief Financial Officer

Mark V. Anquillare is executive vice president and chief financial officer of Verisk Analytics. In his role as CFO, Mr. Anquillare is responsible for Verisk's financial processes and systems, financial analysis, and accounting. He also manages tax reporting, treasury functions, and investor relations and plays an important role in forming Verisk's strategic plans, acquisition strategies, and product development initiatives. Mr. Anquillare is responsible for multiple corporate departments, including marketing, information technology, and human resources. He also oversees the ISO Solutions and Underwriting Solutions businesses of Verisk Insurance Solutions.

Mr. Anquillare joined Verisk's ISO subsidiary in 1992 as director–financial systems. He was promoted to assistant vice president in 1994 and to vice president and controller in 2000. Mr. Anquillare was promoted to senior vice president and controller in 2005, to senior vice president and chief financial officer in 2007, and to executive vice president and chief financial officer in 2011.

Before joining ISO, Mr. Anquillare was employed by the Prudential Insurance Company of America. While at Prudential, he was involved in the life and health business and property and casualty operations.

Mr. Anquillare is a graduate of the University of Notre Dame, where he received a bachelor of business administration degree, and the Rutgers Graduate School of Management, where he received a master of business administration degree. Mr. Anquillare is a Fellow of the Life Management Institute (FLMI).



Eva F. Huston

Senior Vice President, Treasurer, and Chief Knowledge Officer

Eva F. Huston is the senior vice president, treasurer, and chief knowledge officer of Verisk Analytics. She joined the company in 2009 as head of investor relations, playing an important role in Verisk's initial public offering of equity. She was appointed treasurer in 2011 and led the company's initial public debt issuance. She assumed additional operational responsibilities in 2012 and 2013.

Ms. Huston is responsible for capital structure and financial planning, corporate marketing and market intelligence, investor relations, corporate communications, customer service, and sales operations. She plays a key role in the evolution of Verisk's product and solution vision for future growth. She also oversees relationships with the debt and equity investment communities, including both buy-side institutional investors and sell-side research analysts.

Before joining Verisk, Ms. Huston held the title of managing director in telecom, media, and technology investment banking at J.P. Morgan, where she was responsible for the marketing and information services practice. Her client base included companies providing data and analytics to a variety of industry verticals, such as consumer and media, financial services, insurance, and automotive. Ms. Huston raised more than $25 billion in equity and debt financing for her clients and advised clients on significant sector acquisitions.

Ms. Huston is a graduate of Georgetown University, where she earned a bachelor of science degree in foreign service with a concentration in international politics. She specialized in Russian area studies.