Verisk Analytics Investor Day

December 8, 2016

Verisk Analytics

SERVE | ADD VALUE | INNOVATE

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, U.S. 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 organic constant currency revenue, adjusted EBITDA, adjusted EBITDA margin, adjusted net income from continuing operations, adjusted EPS, and free cash flow, 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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Strategy

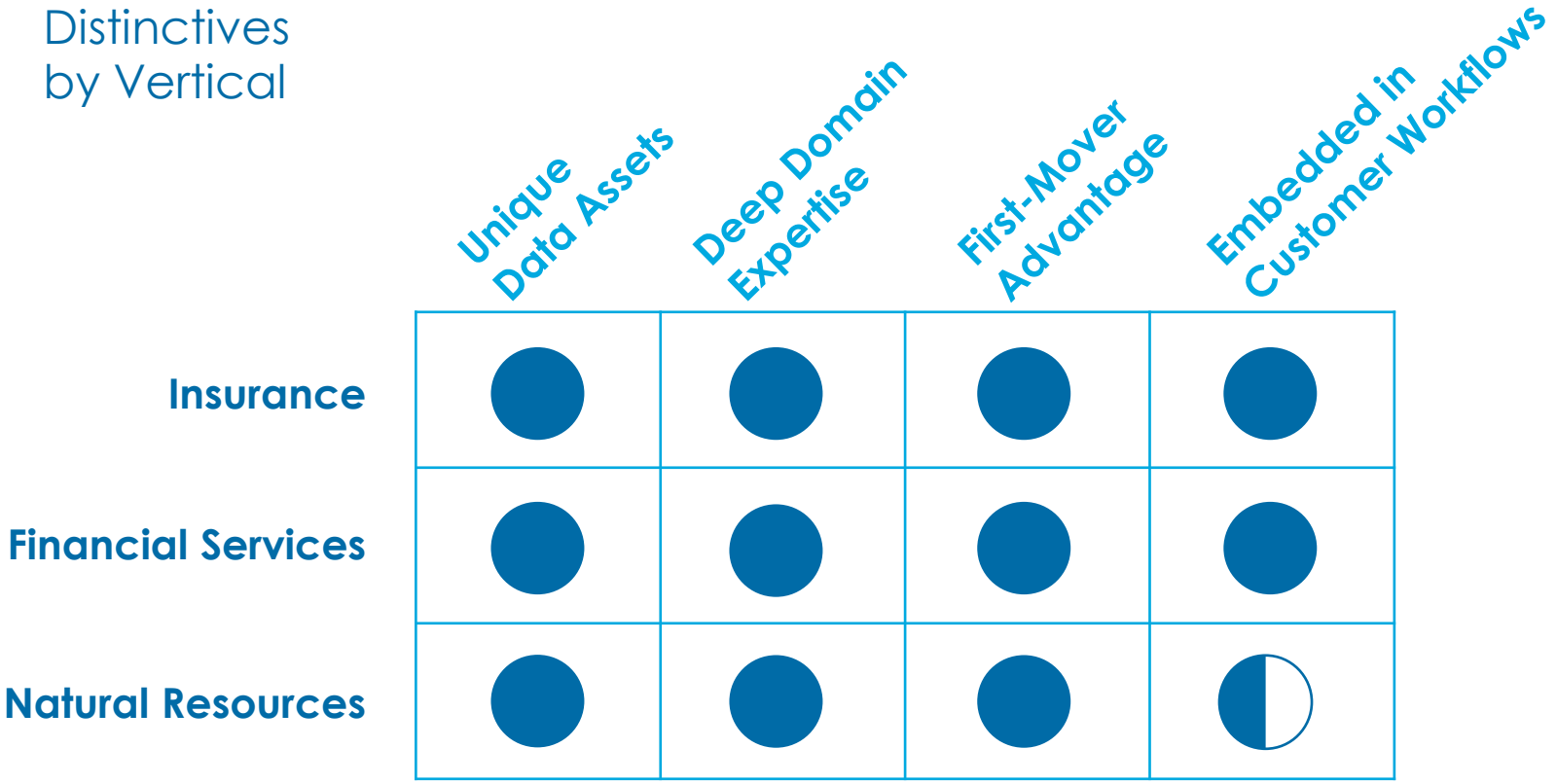
Scott Stephenson
President, Chairman, and Chief Executive Officer



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How Do We Achieve Leading End-Market Positions?

Distinctives by Vertical



GREAT PLACE TO WORK® CERTIFIED SEP 2016 - SEP 2017 USA

Forbes 2016 THE WORLD'S MOST INNOVATIVE COMPANIES POWERED BY THE INNOVATOR'S DNA
VERISK ANALYTICS RANKED: 2015 & 2016

Forbes | 2016 AMERICA'S BEST LARGE EMPLOYERS POWERED BY STATISTA

S&P500®

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Good Past Performance — Sticking with Our Design — Driving Shareholder Value

Efficient Use of Capital

- Scalable Products
- Proactive M&A

Growth* (*esp Organic)

- Investing
- Innovating with Customers
- Well Capitalized

Exceptional Value to Customers and Colleagues

- Vertical
- Distinctive IP
- Skilled

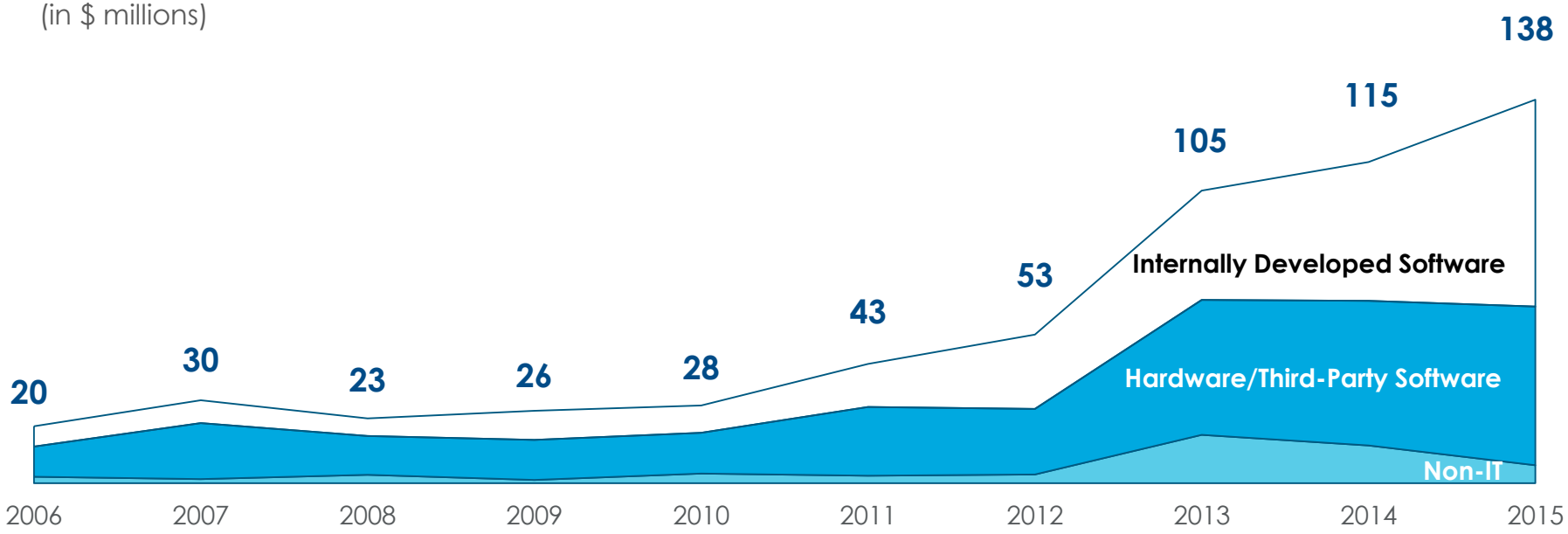
Not B2C

Limited Transaction-Basis

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Investing

(in $ millions)



CapEx as a % of Revenue

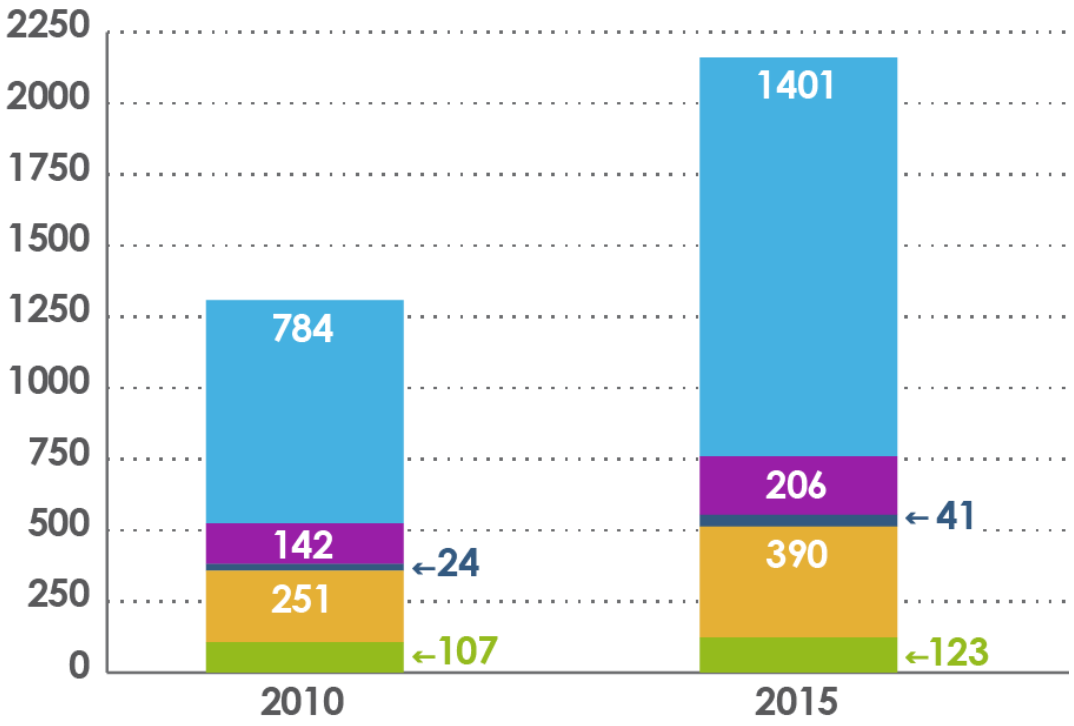
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
3.0%	4.0%	2.9%	3.0%	3.0%	3.9%	4.5%	7.9%	8.0%	7.8%

Note: Non-IT includes items such as furniture and leasehold improvements (e.g., office renovations).

All figures exclude mortgage and healthcare

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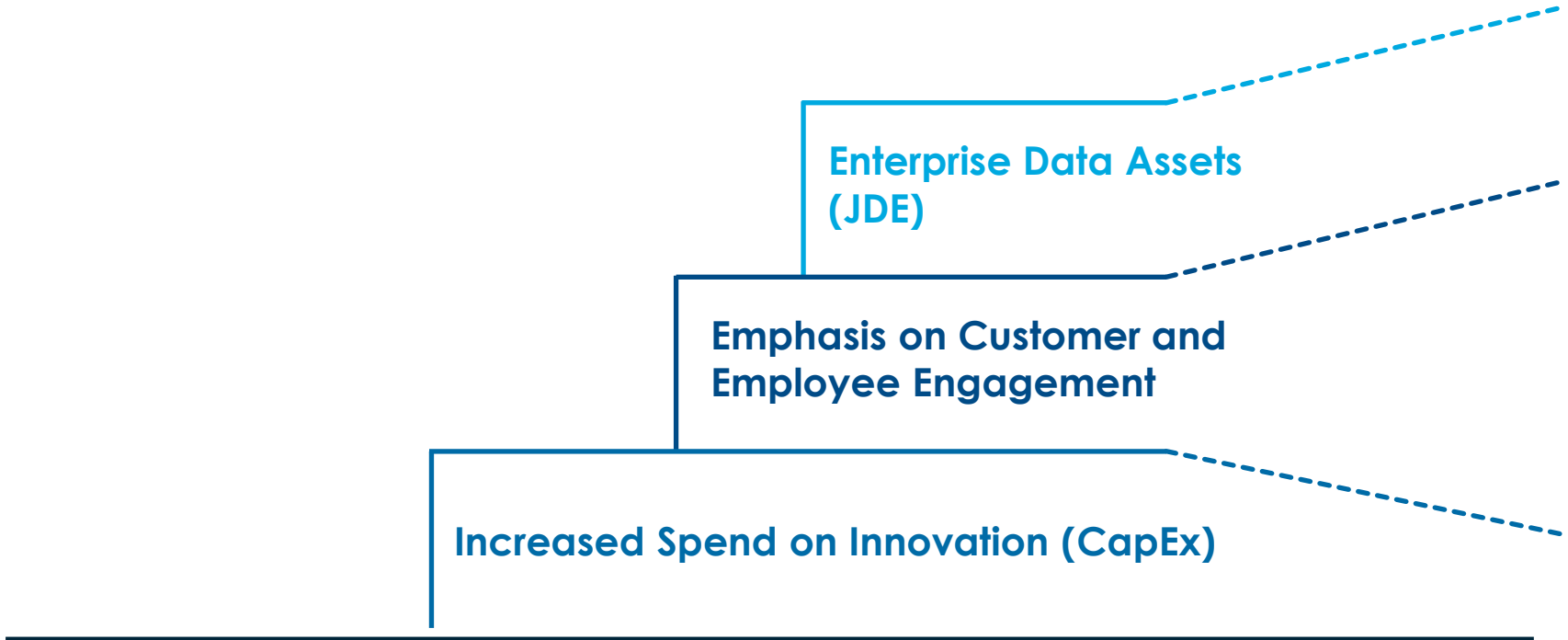
Skilled Workforce



- DBA/Developer/Programmer — 79% increase
- MBA — 45% increase
- CAS Fellow — 71% increase
- Master of Science — 55% increase
- PhD — 15% increase

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Reasonably Optimized



	2013	2014	2015	2016 YTD
Adjusted EBITDA Margin	46.7%	46.0%	48.1%	50.9%
% Subscription	69.6%	72.3%	74.7%	82.4%

All years exclude mortgage. 2016 YTD (year-to-date) also excludes healthcare.
2014 includes one-time FTC-related and talent realignment costs.

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Where Speed and Focus Will Matter Most

Development and Commercialization of Breakout Solutions

Capable champions, fully dedicated, incented

Execution of Major Technology and Platform Projects

Agile methods, careful scoping, time-bound

Talent Development: Acquisition and Pruning

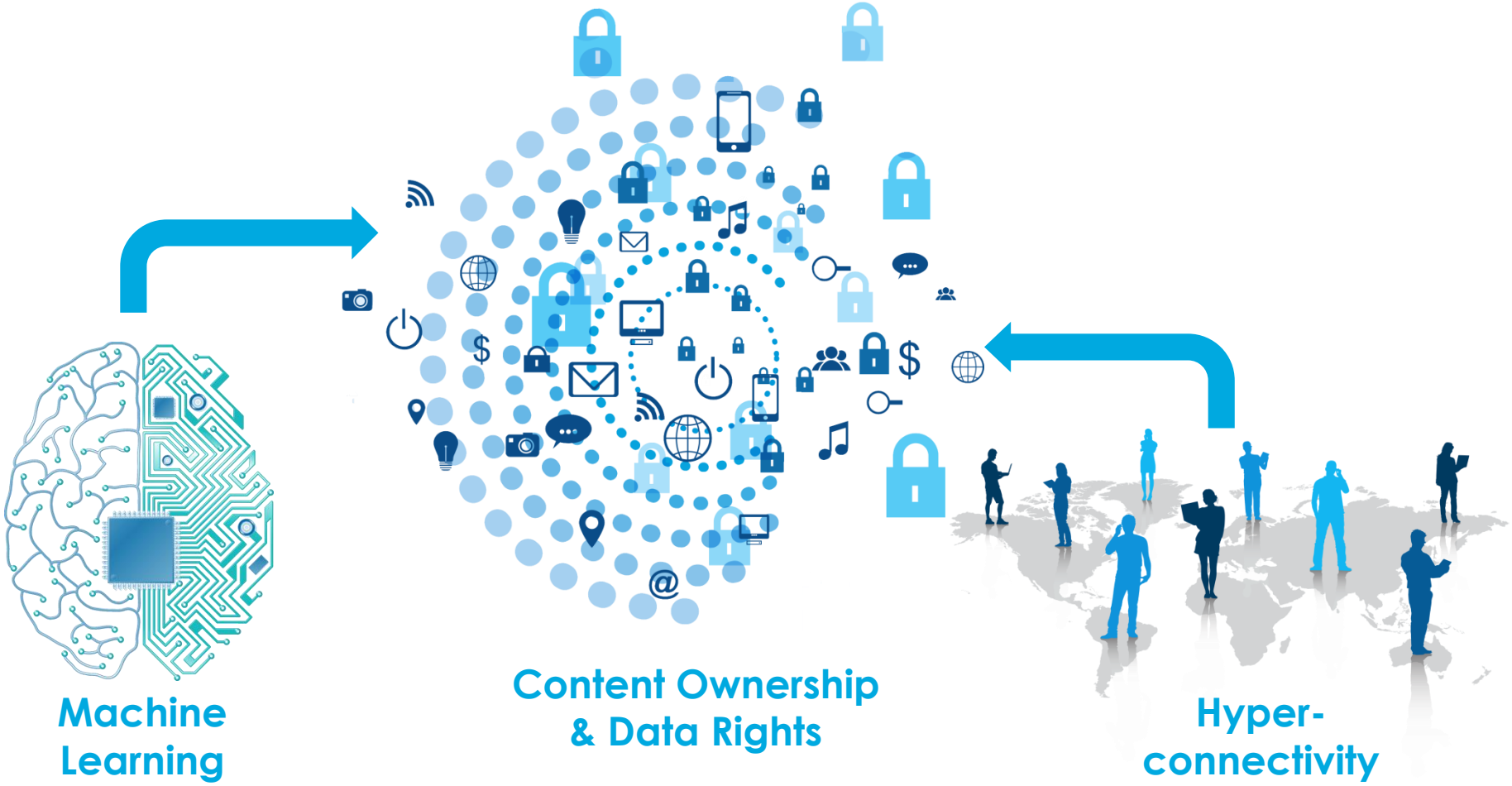
Thinking ahead, frank assessments, pro-action

Enhanced Sensitivity to Customers

Presence, system view, information management

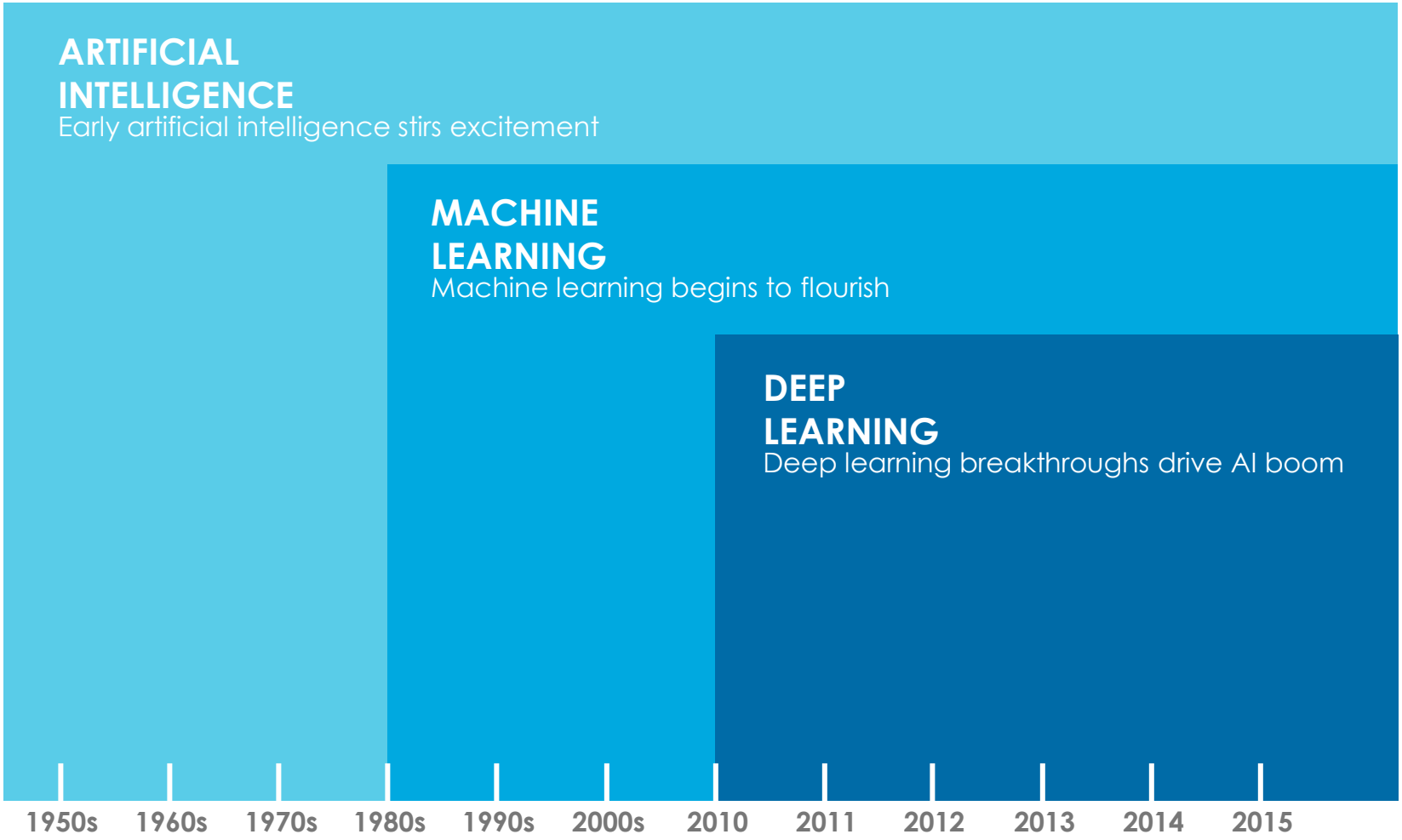


An Existential Matter: The Competition Between Content and Methods



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Deep Learning, Subset of Machine Learning Causing Flurry of Disruptions



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Accelerants to Deep Learning/AI

Data Explosion

Volume
SCALE OF DATA

- 40 ZETTABYTES (43 TRILLION GB) DATA CREATED BY YR 2020, 300x FROM 2005
- 2.5 QUINTILLION BYTES (2.3 TRILLION GB) CREATED DAILY
- 6 BILLION PEOPLE WITH CELL PHONES
- 100 TERRABYTES (100,000 GB) STORED BY MOST U.S. FIRMS

Velocity
STREAMING DATA

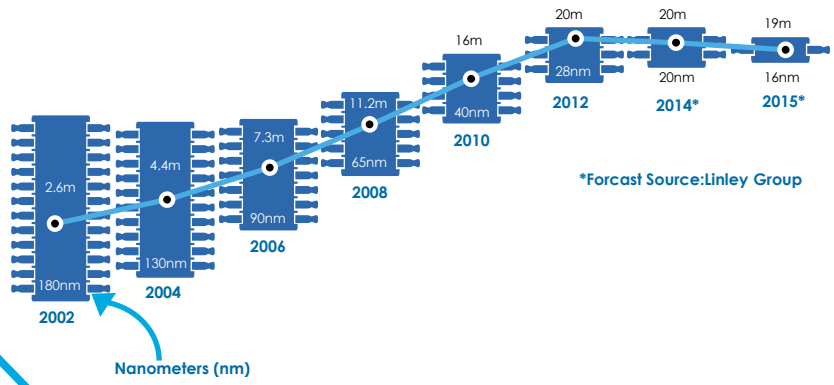
- 1 TERRABYTE TRADE DATA, NYSE DAILY
- 19 BILLION NETWORK CONNECTIONS, 2.5 PER PERSON
- 100 SENSORS PER MODERN AUTOMOBILE
- 30 BILLION CONTENT PCS MONTHYLY ON FACEBOOK

Source: McKinsey Global Institute, Twitter, Cisco, Gartner, EMC, SAS, IBM, MEPTEC, QAS

- People
- Cloud
- Social
- Sensors
- Telemetry
- Government
- Mobility
- Facebook
- Twitter
- Google
- E-Mail
- Instagram
- Legal
- Corporations
- Purchasing
- Intelligence
- Law Enforcement
- Defense
- Machines
- Airplanes
- Ships & Cargo
- Etc.

Moore's Law

Shrinking chips
Number and length of transistors bought per $



Helping solve:

- New class of cognitive problems at scale, and
- Known complex problems more effectively

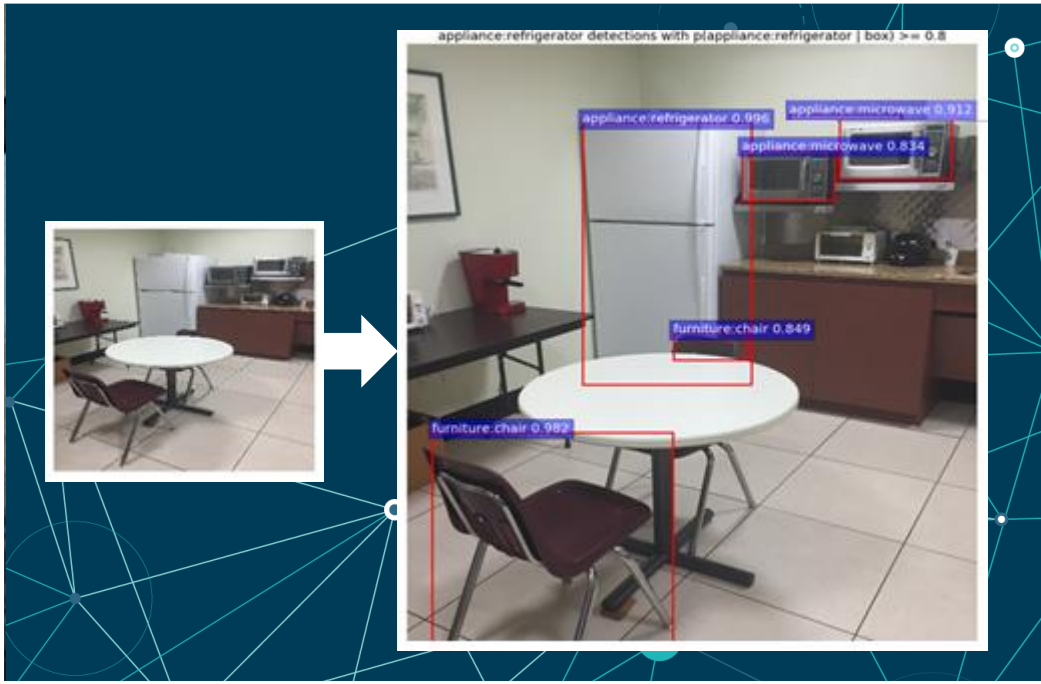
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MACHINE LEARNING USE CASES

Automated Attribute & Change Detection



Object Recognition & Classification

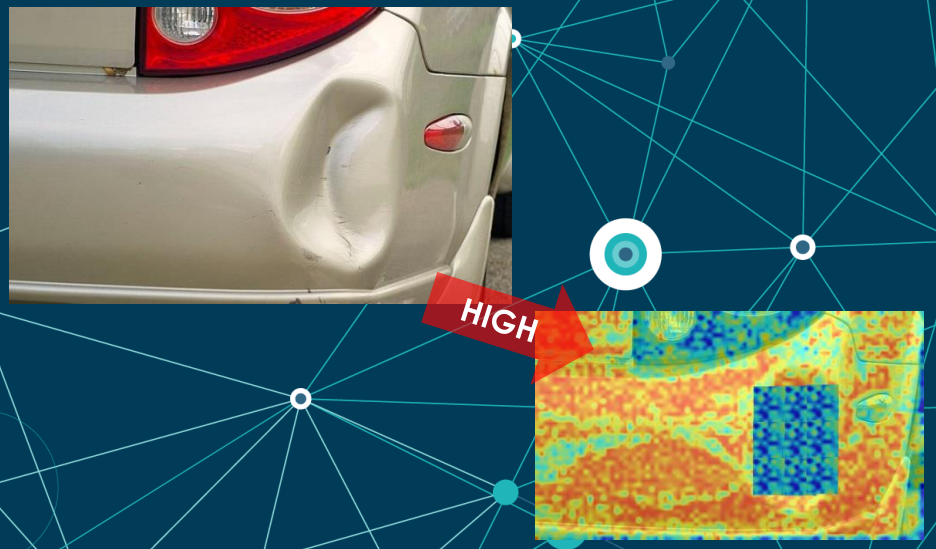


MACHINE LEARNING USE CASES

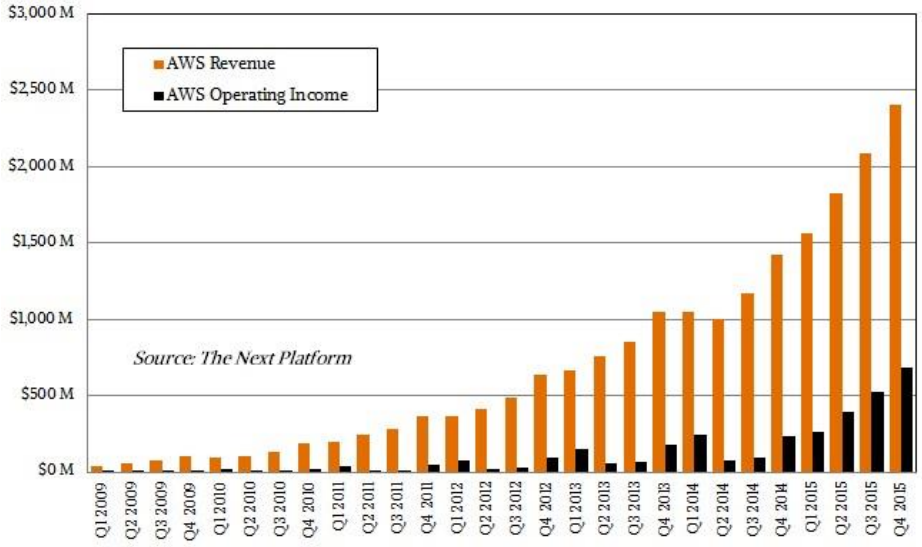
Image Forgery Detection & Scoring – Banking

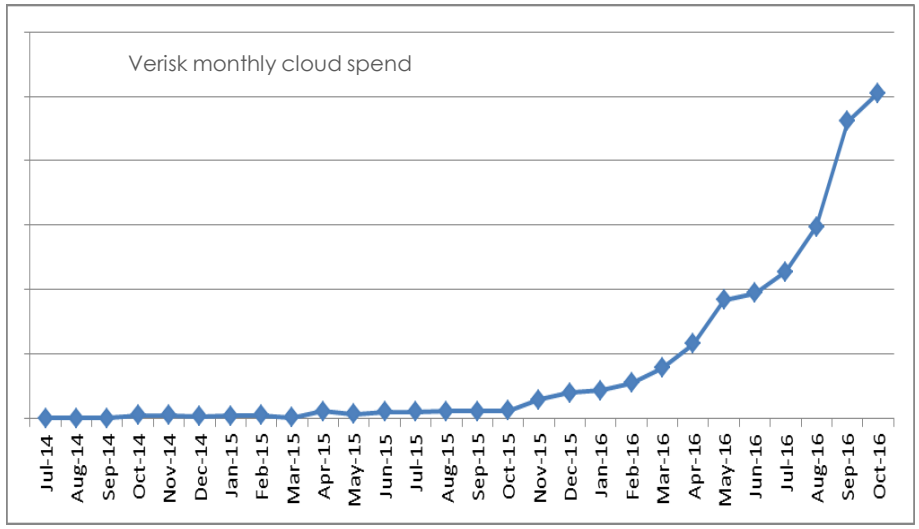


Image Forgery Detection & Scoring – Claims



Growth Rates of Amazon Web Services (AWS) and Usage at Verisk Demonstrate the Value Proposition of Cloud

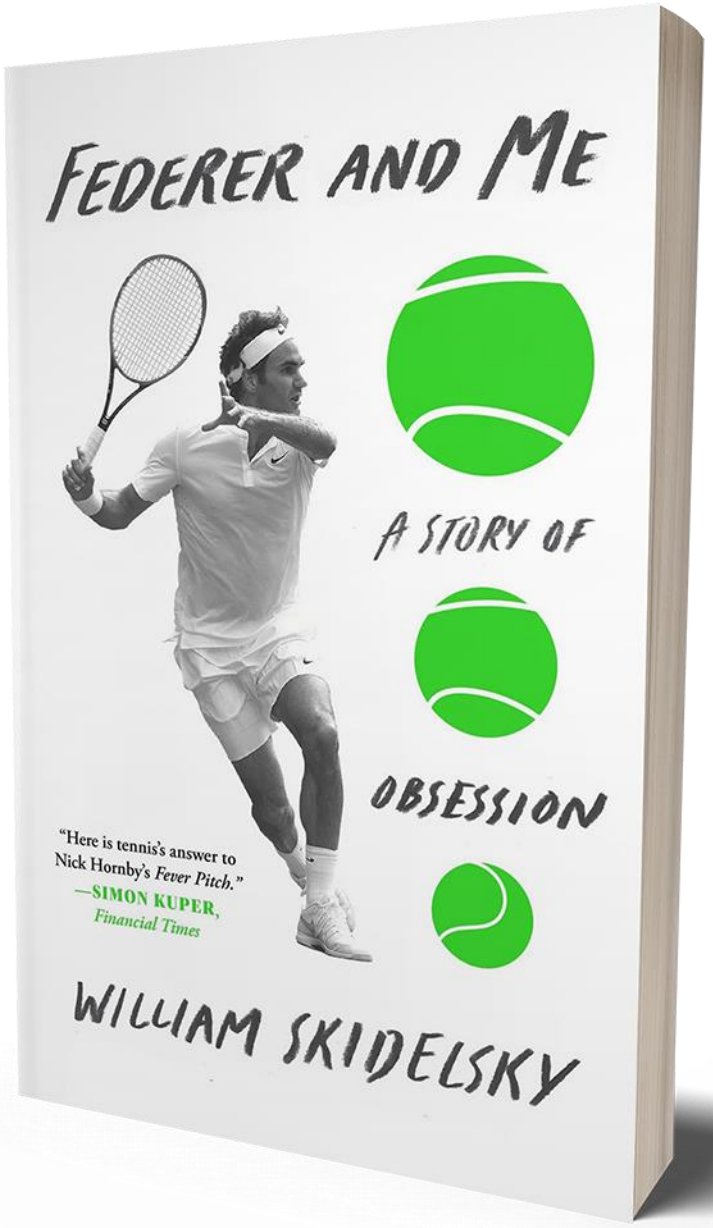




AWS annual run rate exceeds $10B within 10 years from launch

~37% growth compounded monthly over last 12 months

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"It's more on my racquet than on anyone else's"

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Operating Priorities in 2017



Technical Infrastructure



Faster Software Development



Exchanges for IoT Data



Customer Intimacy



Global Effectiveness

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Areas of Focus in Our Technical Infrastructure



Client Sensitivity



Application Re-architecting



Operational Model



Security Model



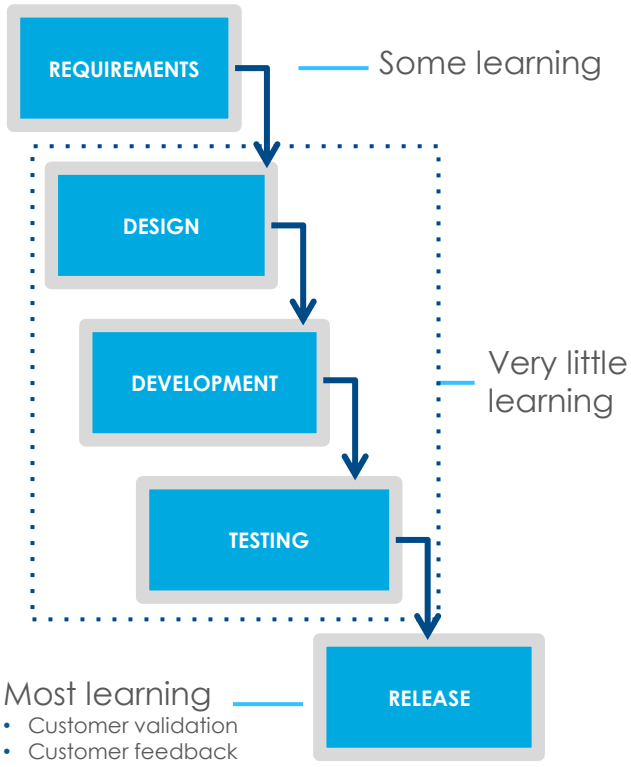
Economics

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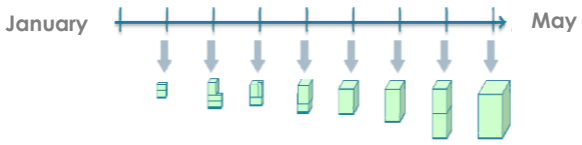
Software Development, Delivery and Deployment Models

Though not required, cloud architectures enable migration to continuous deployment model

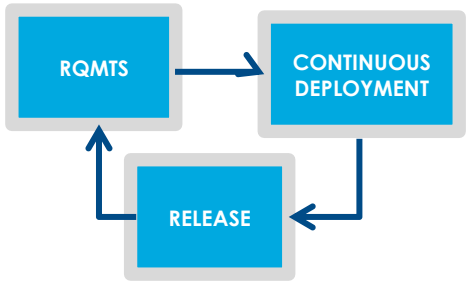
Waterfall
Years/Months



Agile
Weeks



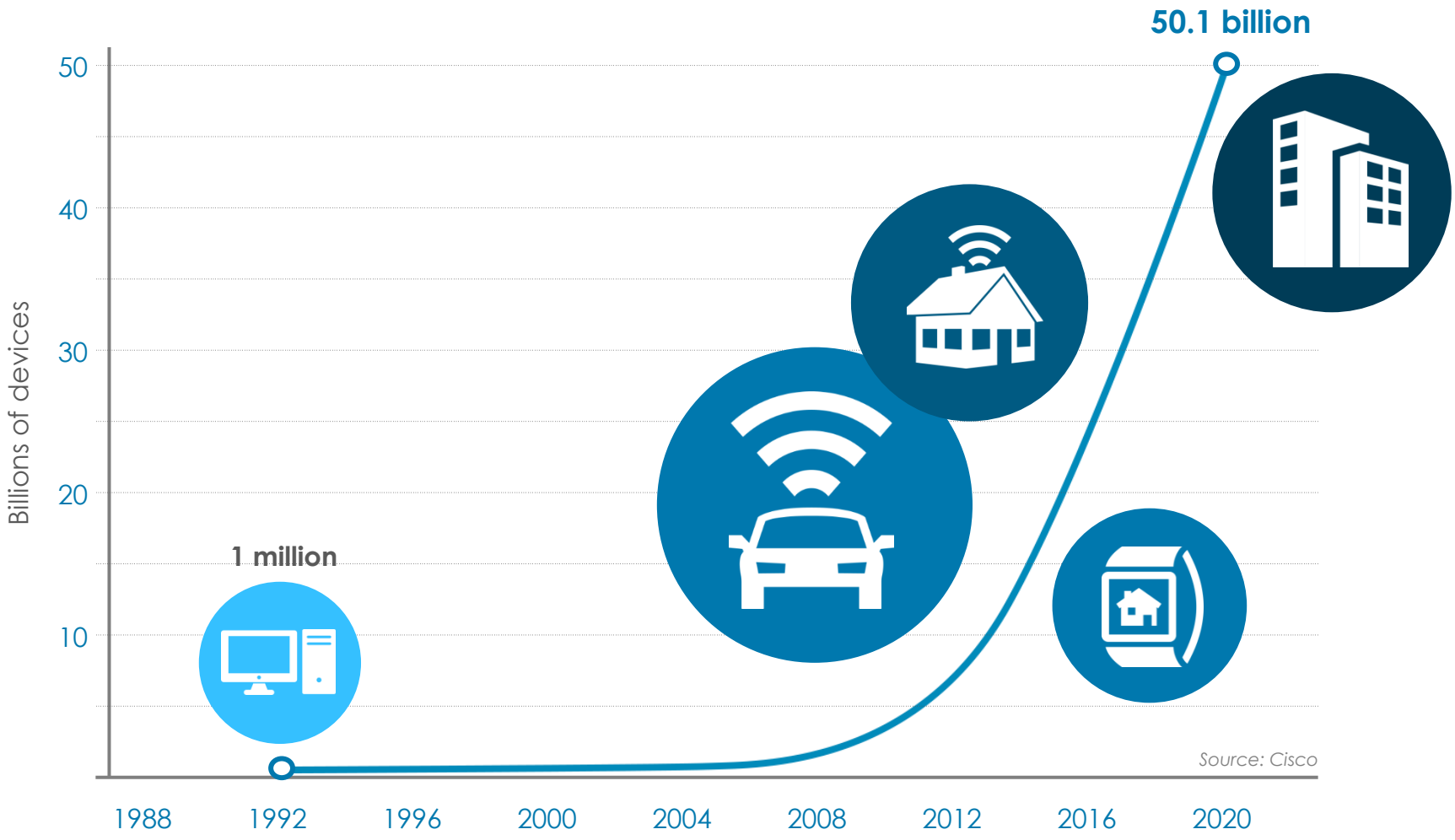
Continuous
Hours/Minutes



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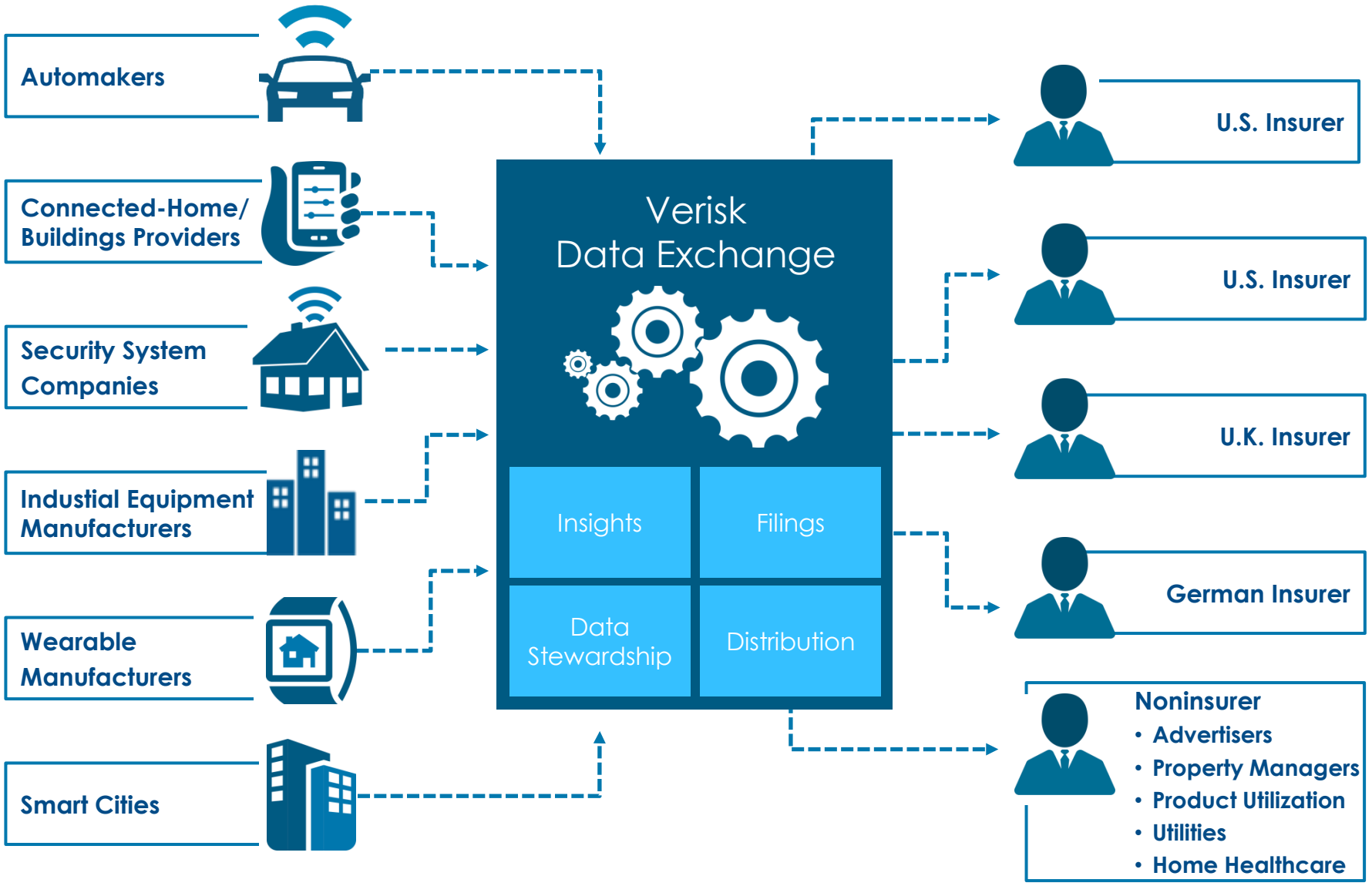
Growth in the Internet of Things

The number of connected devices expected to exceed 50 billion by 2020



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Our Vision: The Verisk Data Exchange



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Improving the Experiences of Our Customers

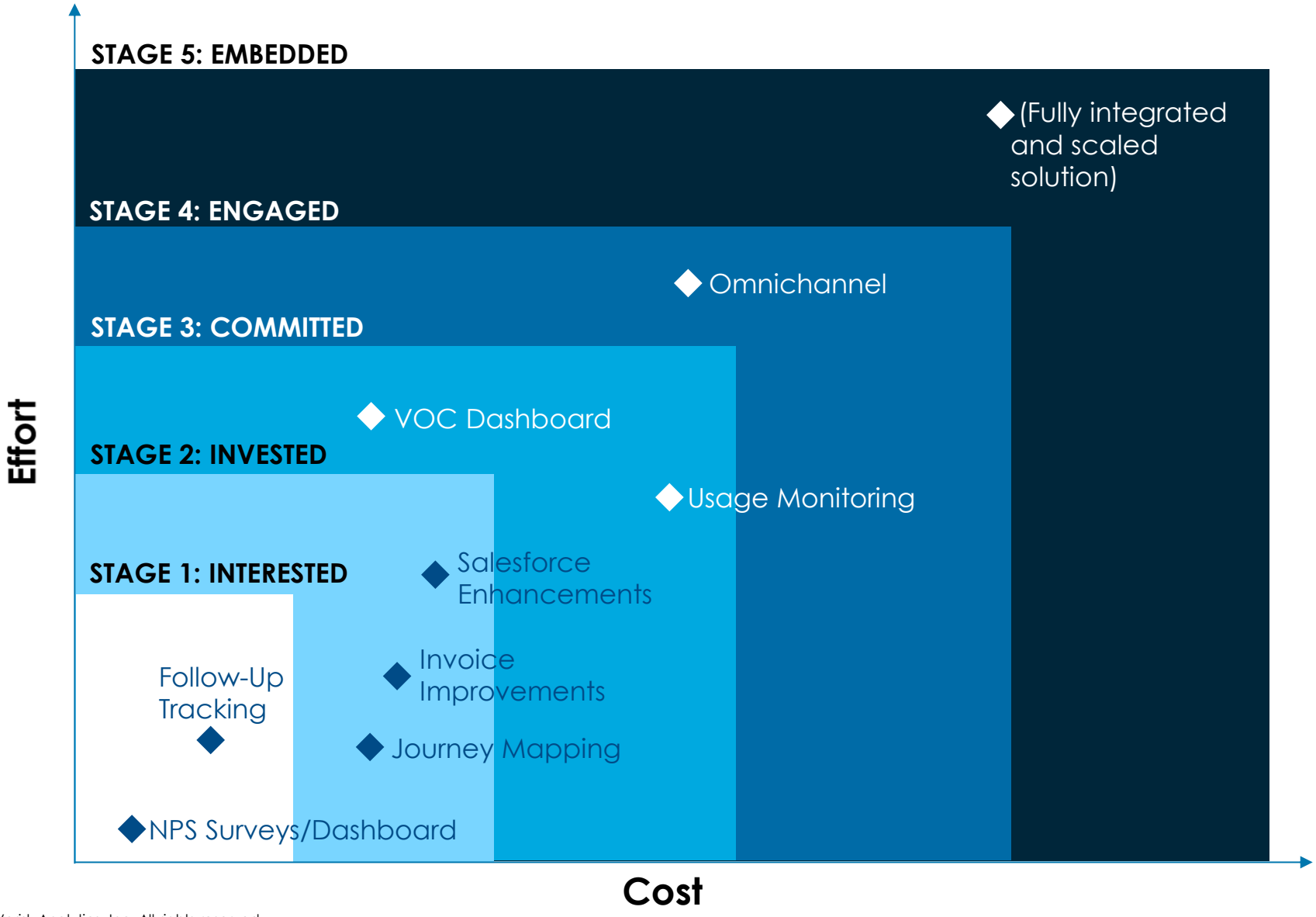


2014 2015 2016

~10,000 people responded to
the enterprise-wide NPS initiative in 2016.

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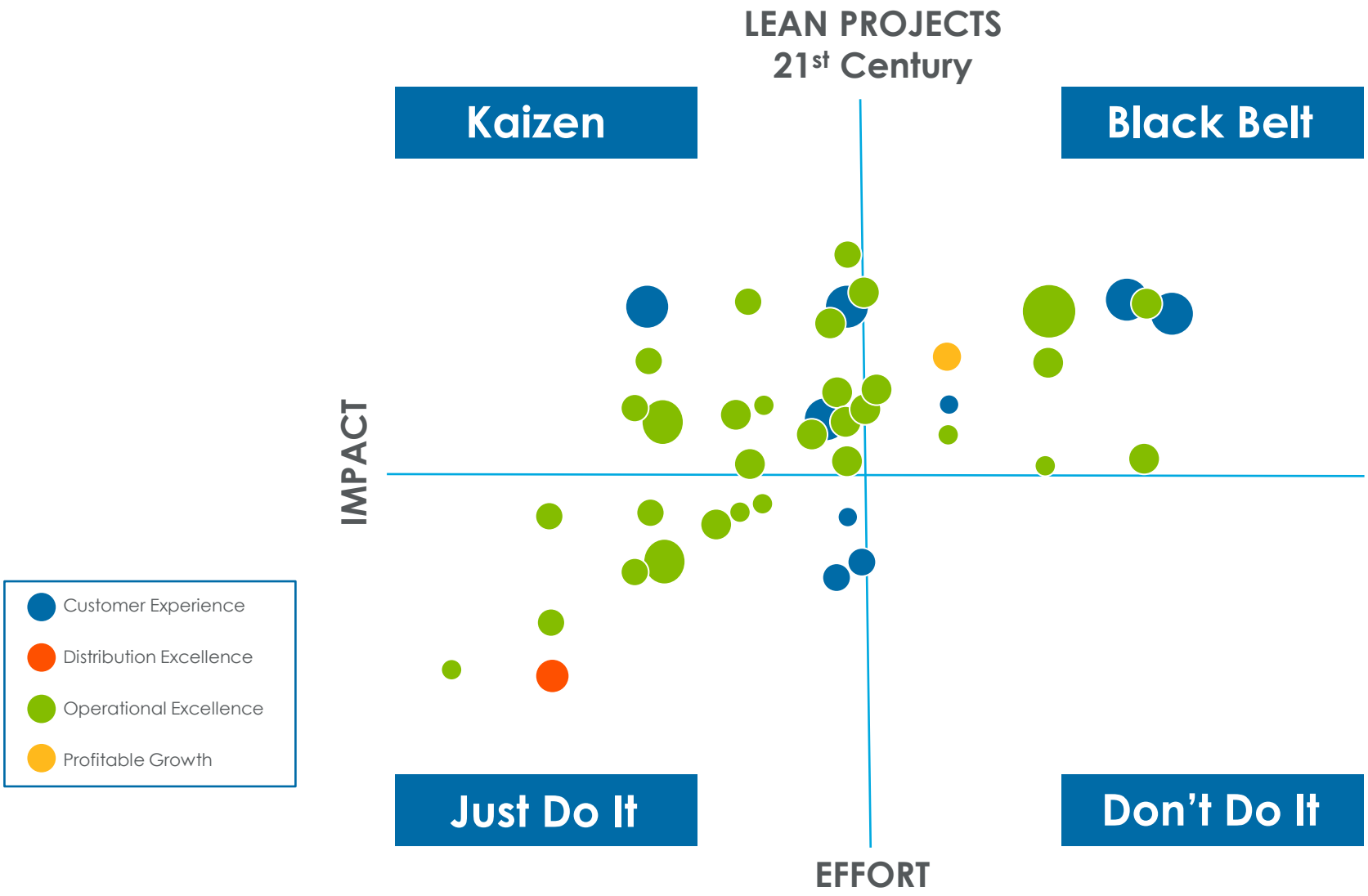
Customer Experience Evolution



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Operational Excellence

Lean Office



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Accelerating Our Global Enterprise Platform

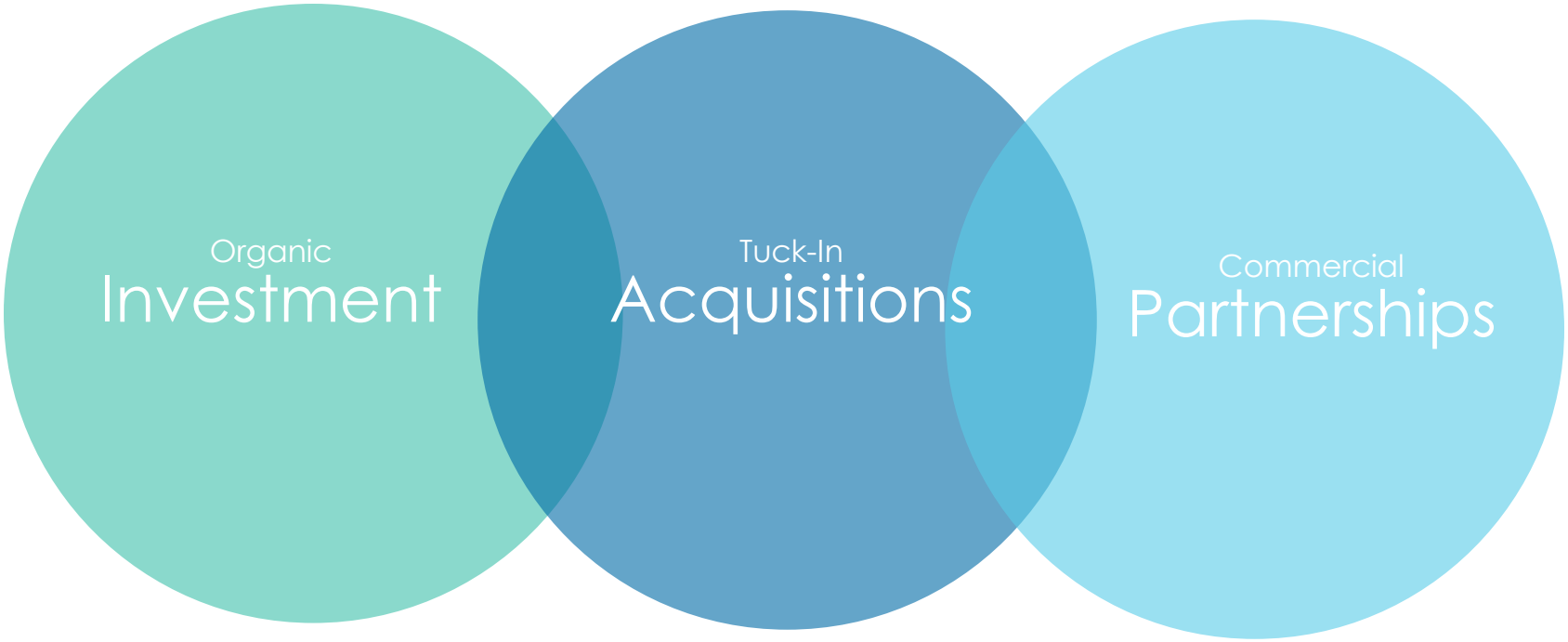
Be Native Local Market Experts	Prioritize Opportunity with Wisdom & Act	Attract & Reward Best Local Talent	Execute with Speed & Focus… & Patience	Enterprise Resolve: Leadership, Vision, Partners, Capital
Local customer & solutions provider ecosystems Identify local customers & global players Seek local data	Prioritize geographies (super cities) Follow the customer	Develop, promote & transfer from within Retain talent from acquisitions Flexibility on employees vs. advisors/consultants	Determine build vs. buy based on availability of suitable targets & data Acquire & integrate attractive actionable targets	Executive leadership commitment Non-U.S. origin leadership International Advisory Board

Leverage Verisk Core Competencies Globally

- **High-resolution imagery analysis**
- **Telematics & IoT capabilities**
- **Integrated global solutions that cut across U.S. business units**
- **Best practices and new products brought home to U.S.**

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Global Expansion through Investment and Acquisition



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Verisk Strategy Statement

Our vision is to be the world's most effective and responsible data analytics company in pursuit of our customers' most strategic opportunities.
The Verisk Way—to serve, add value, and innovate— is our road map to achieve this vision.

Purpose

Business Model

Our Distinctives

Our People

Core Capabilities

How We Behave

Performance Goals

- Our People
- Customers
- Innovation
- Performance

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Our Emerging Contours

Cloud Computing



Global



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CEO Priorities for 2017

Visits with Customer CEOs

International Advisors/Advisory Board

Acceleration of Move to Cloud Computing

Frequent Interaction with Innovation Opportunities and Their Champions

Encouraging Our Senior Leaders to Become Better:

- Coaches
- Design Thinkers
- Promoters of Lean, Agile Methods

Drive the Organization toward Higher Security for Data at Rest

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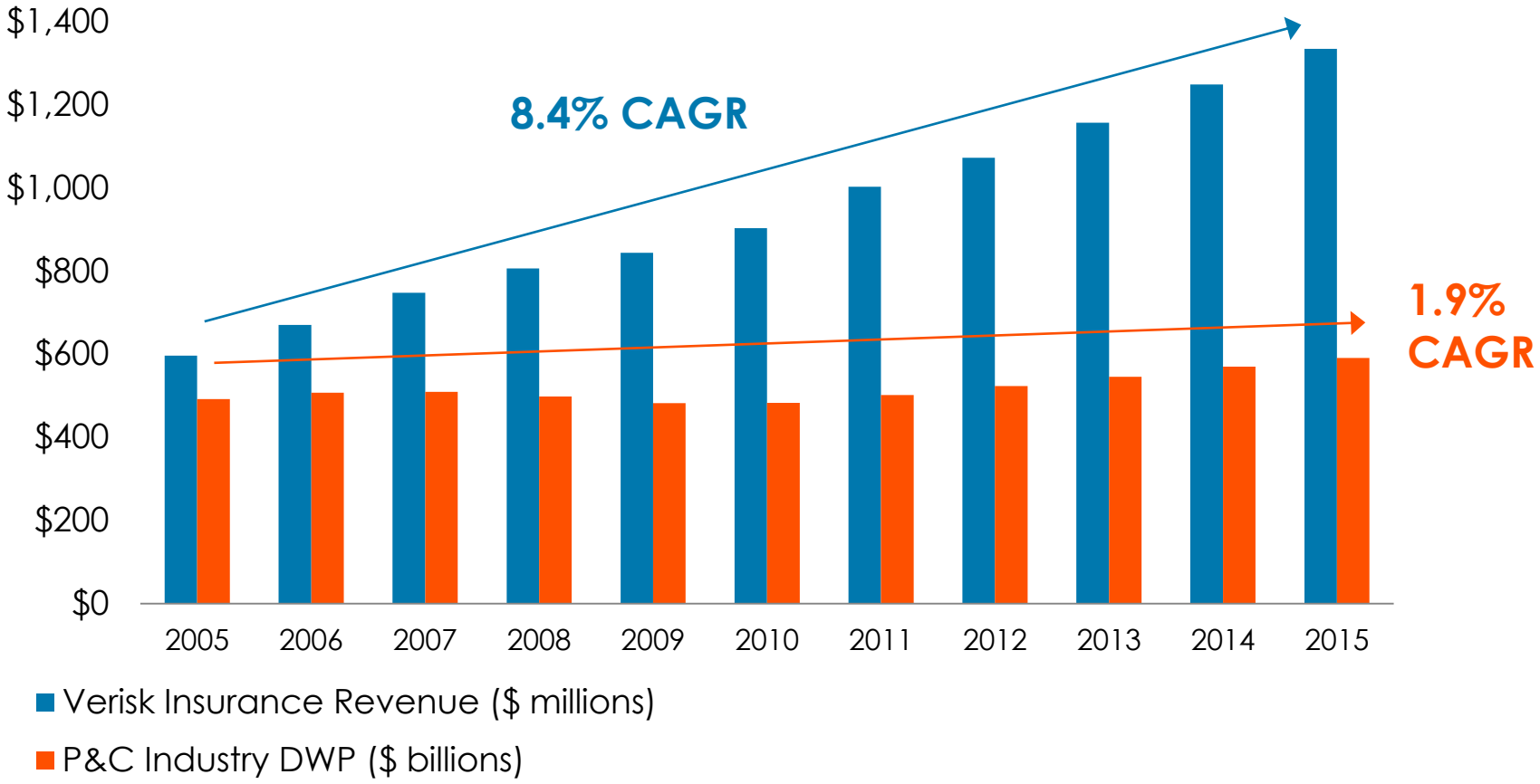
Insurance

Mark Anquillare
Chief Operating Officer

Verisk Analytics

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Verisk and Property/Casualty Industry Growth

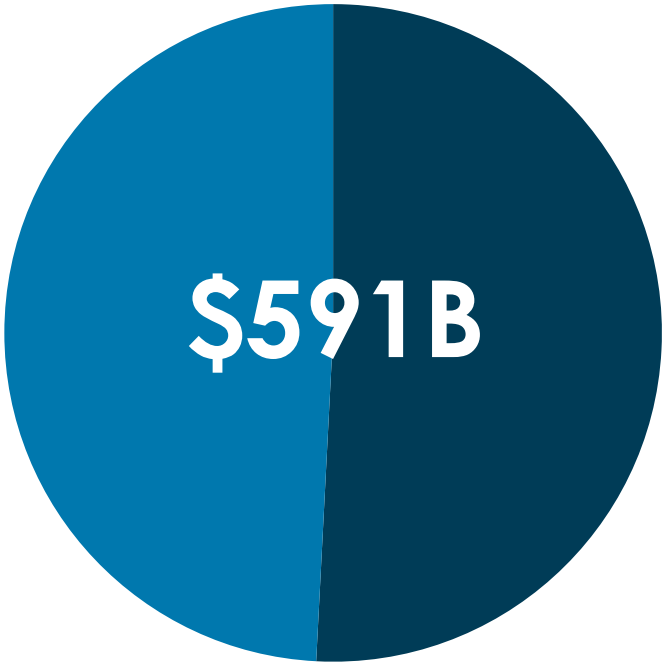


Verisk revenue: Highly recurring and predictable (~83% subscription)

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U.S. P&C Market Overview and Growth Dynamics

U.S. P&C 2015 DWP



Claims and claim settlement expenses: **$397B** or ~67% of earned premiums

1. Source: AM Best

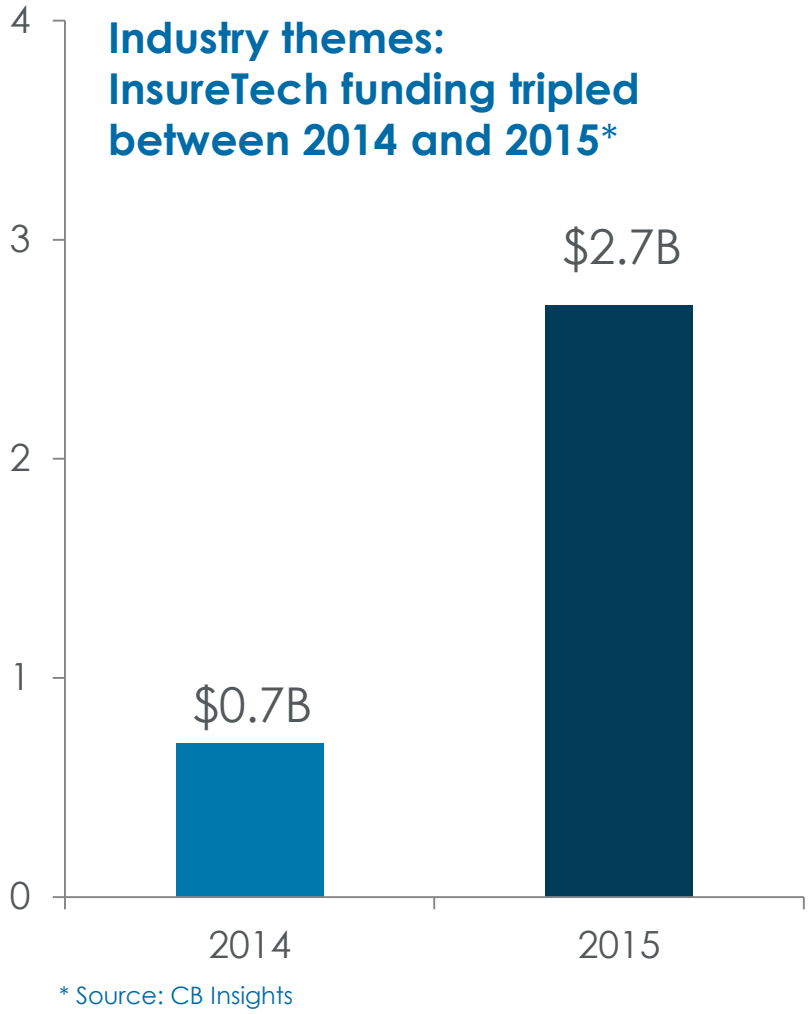
- U.S. property/casualty insurance market is the largest in the world
- Moderate 4% premium growth in 2015 and market remains soft in 2016
  - Personal lines grew 5% in 2015, with rates in auto increasing in 2016
  - Commercial lines grew 3% in 2015, with downward pressure on rates in 2016
- Reinsurance pricing remains challenged

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Customer and P&C Insurance Technology Trends

Customer Themes

- **Big Data**
  - Big Data + Predictive Analytics
  - $\begin{pmatrix}\text{Great}\\\text{Data}\end{pmatrix} + \begin{pmatrix}\text{Good}\\\text{Model}\end{pmatrix} > \begin{pmatrix}\text{Good}\\\text{Data}\end{pmatrix} + \begin{pmatrix}\text{Great}\\\text{Model}\end{pmatrix}$
- **Automation**
  - Opportunity to improve efficiency and quality
  - Addresses talent drain
  - "Flow" business
  - Straight-through claims processing
  - Remote imagery
- **Digital Engagement**
  - Improve customer experience (Amazon-like)
  - Drive customer intimacy and ease of use



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Building on Our Unique Heritage

Primary Solutions for the Insurance Life Cycle

- ISO was formed as an industry consortium in 1971
- Expansion of solution sets to complement valuable core
- Verisk Insurance Solutions brand introduced 2010
- Increased global focus



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Actuarial Analysis

Industry-Standard Programs

ISO



Advisory Information



Loss Costs

Advisory loss cost information based on line, class, occupancy, etc. (created from data analysis)



Rules

Classification and rating rules (the commercial and personal lines manuals)



Policy Language

ISO policy language in 26 insurance lines (13,000 forms) included in more than 200M policies

~3,000 regulatory filings submitted annually

Product Development/ Mgmt | **Actuarial Analysis** | Underwriting | Claims Management | Compliance | Portfolio Analysis | Risk Transfer

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Private Passenger Auto: Rating Variables

~$200B in Direct Written Premium



323
ISO Vehicle Series

2,759
unique ten-digit vehicle identifiers

17,500,000
cars and light trucks sold in model year 2016

Vehicle



2016 Sports Car
Loss Cost: $1,631



2006 Compact
Loss Cost: $556

260 million vehicles in the U.S., each with its own story…

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Private Passenger Auto: Rating Variables

ISO



1,493
Rating Territories

41,195
ZIP Codes

220,334
Census Block Groups

Geography



2016 Sports Car
New York, NY
Loss Cost: $2,201

2016 Sports Car
West Des Moines, Iowa
Loss Cost: $1,203

Driving Behavior & Usage



2016 Sports Car
Good Behavior
12,000 mile/year
Loss Cost: $1,088



2016 Sports Car
Bad behavior
12,000 mile/year
Loss Cost: $4,094

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Disruptive Innovation: Verisk Telematics Data Exchange

Verisk Insurance Solutions

OEMs

There are currently **18 major automakers** collecting driving data from their U.S. customers

Without the exchange, automakers would need to connect to ~300 insurers to sell their customers' driving data



Verisk Telematics Data Exchange

- Insights
- Filings
- Data Stewardship
- Distribution

Extensions to:
- **connected fleets**
- **connected homes**
- **connected buildings**

Insurers

There are currently **~300 auto insurers** making up a market for automakers' driving data

Without the exchange, these insurers would each need to connect to 18 automakers to receive their customers' driving data



Underwriting: Private Passenger Auto

Verisk Insurance Solutions



Comprehensive suite of underwriting analytics to expedite accurate underwriting decisions

Verisk provides data and analytics needed to support auto underwriting:

- Motor vehicle reports / Moving violations
- Odometer readings and mileage predictions
- Undisclosed drivers
- Claims loss history
- Current and prior coverages
- Coverage lapses
- Vehicle telematics

Verisk analyzes **~300M** transactions each month

Product Development/ Mgmt | Actuarial Analysis | **Underwriting** | Claims Management | Compliance | Portfolio Analysis | Risk Transfer

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Disruptive Innovation: LightSpeed

Case Study: Large Personal Auto Insurer

Verisk Insurance Solutions

Current
15 minutes



12–40 questions from consumer



480,000 qualified buyers (35% experience a rate change)



70,000 new sales

1,000,000 leads	Quote Inquiry	Processing, Coverage & Cross-Sell	Bind* of Auto/Others

LightSpeed
30 seconds

Name, address, and DOB	840,000 Qualified Buyers (Very limited rate change)	130,000 new sales

- 60,000 new sales generating $72 million of additional premium
- 75% more qualified buyers with the same marketing spend
- Improved customer experience

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Underwriting: Commercial Lines

~$170B in Direct Written Premium*

Verisk Insurance Solutions

Unique database of **3.9M** commercial buildings, **26M** businesses, and ratings on **~47,000** fire protection areas provide differentiated methods to underwrite

Verisk verifies application information is correct:

Buildings	Businesses	Fleets
• Construction	• Classification	• Vehicles in the fleet
• Occupancy	• Annual sales	• Rating territory
• Protection	• Employee count & payroll distribution	• Garage location
• Exposure	• Firmographic details	
	• Governing & companion classes	

* iii estimates – WC $58B, BOP & Property - $80B, CA - $32B

Product Development/ Mgmt | Actuarial Analysis | **Underwriting** | Claims Management | Compliance | Portfolio Analysis | Risk Transfer

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Structural and Personal Property Claims Cost Estimating

Xactware

Industry-standard estimating and claims management solutions for efficient claims handling, improved customer satisfaction, and reduced indemnity spend



Deeply embedded and highly valuable within our customers' workflow:

- Pricing research
- Property data
- Integration tools
- Policyholder collaboration
- Weather analytics
- Remote imagery

Customer success:

"Reduced our cycle times by 80%"
– Insurance carrier

"Achieved a 20% increase in efficiency"
– Independent adjuster firm

"Saved half the time"
– Restoration contractor

Product Development/ Mgmt | Actuarial Analysis | Underwriting | **Claims Management** | Compliance | Portfolio Analysis | Risk Transfer

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Claims Management and Fraud Detection

ISO

Claims management and fraud detection solutions to reduce cycle time, lower combined ratio, and increase customer satisfaction

Innovative Fraud Detection

Advanced Analytics

Unique Cross-Industry Claims Perspective

Insight from more than **1 Billion** claims

24% of high-severity claims found sooner, reducing spend by **~10%**

Medical billing by suspicious providers reduced **~71%**

60% improvement in general damage settlement consistency

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Industry Challenge:
Auto Claims Fraud Continues to Impact Results

$133B Insurers incurred a total of $133B in auto insurance losses in 2015*

$5.6B – $7.7B Fraud added $5.6B to $7.7B in excess payments to auto injury claims in 2012**

15% Inflated claims represent 15% of total payout for auto injury claims**

Common Fraud Scenarios:

Staged Accidents

Medical Provider Fraud

Fake/Exaggerated Injuries

Arson/Staged Auto Thefts



* Insurance Information Institute
** Insurance Research Council

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Disruptive Innovation
Fraud Analytics and Claim Automation



Optimized first notice of loss triaging

Policyholder collaboration

Mitigating damage exposure

Optimized operational costs

Real-time analytics

Loss forensics

Suspicious claim identification

Reduced cycle time

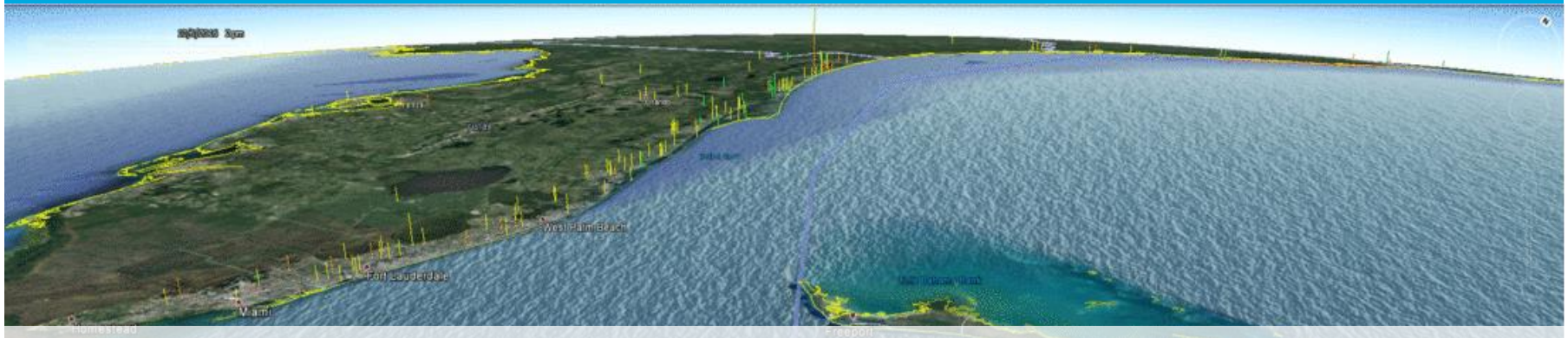
Increased customer satisfaction

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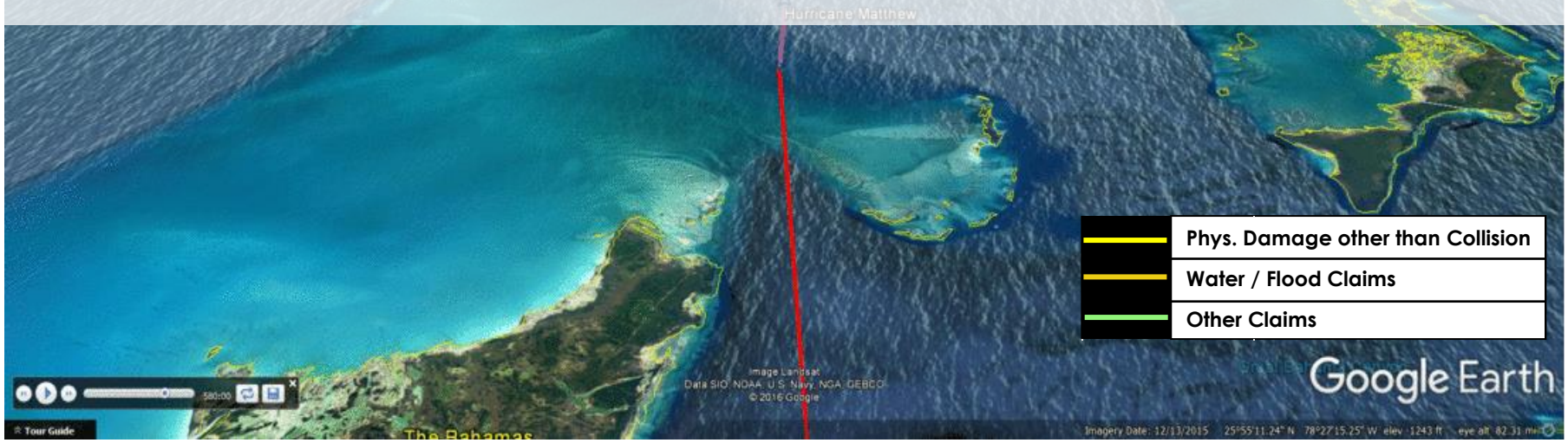
Personal Auto Claims – Hurricane Matthew

October 5 through October 9, 2016

Visualization of actual path of Hurricane Matthew



To view video go to **www.verisk.com/matthew**



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Product Development/ Mgmt | Actuarial Analysis | Underwriting | Claims Management | Compliance | Portfolio Analysis | Risk Transfer



Product Development/ Mgmt | Actuarial Analysis | Underwriting | Claims Management | Compliance | Portfolio Analysis | Risk Transfer

Underwrite and Price Account Cat Risk in Context of Portfolio

AIR WORLDWIDE

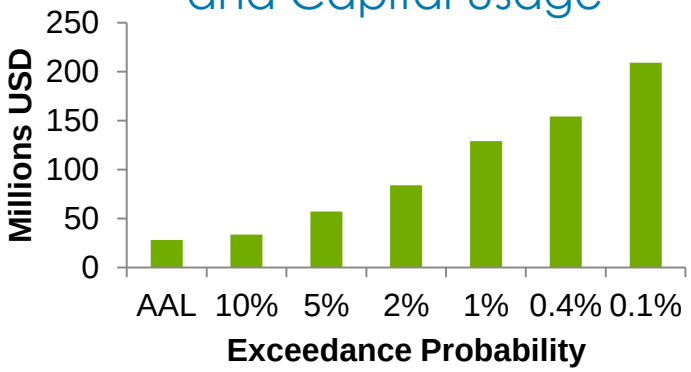
Understand Account Makeup



Assess Underwriting Guidelines

Attribute	Indicator
Distance to Coast	
Storm Surge Potential	
Distance to Nearest Fault	
Soil Type	
Flood Zone	

Price for Expected Losses and Capital Usage



Dynamically Update Portfolio



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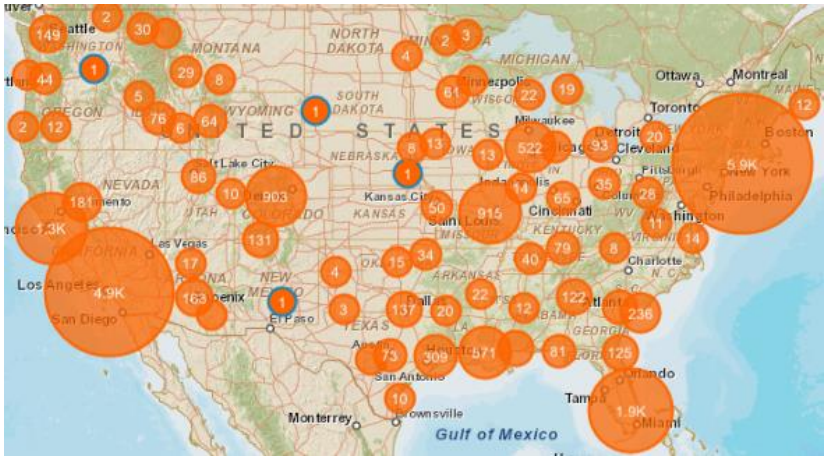
Case Study: Portfolio Analysis

AIR WORLDWIDE

U.S. Commercial Portfolio

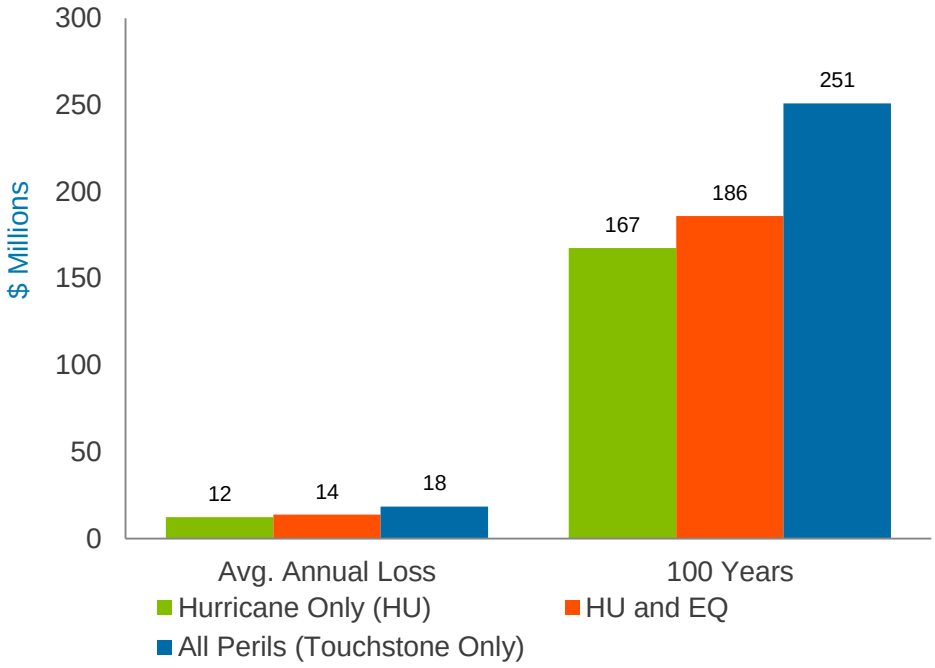
~300K
Locations

~$200B
Countrywide Total Insured Value



All-Peril Analysis, Improved Efficiency

Touchstone:
All-Peril Analysis Time in **3 Hours**



Source: Verisk data and analysis

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Verisk Provides Industry-Leading Solutions and Analytics

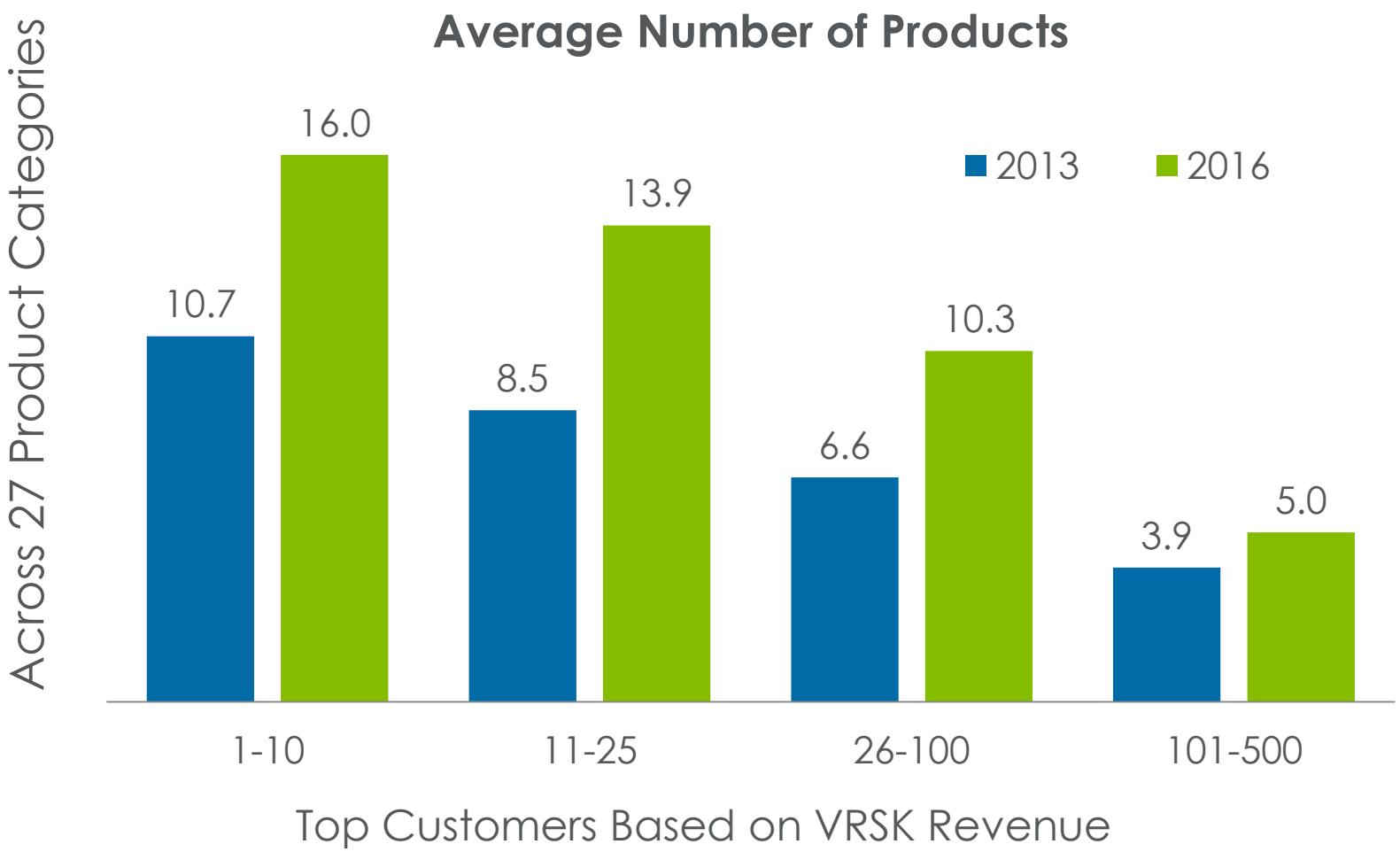
Risk Assessment	Competitive Advantage	Primary Competitors
Industry-Standard Insurance Programs	5 petabytes of time-series data and coverage language in >200M policies	Internal
Property Information	Comprehensive database of 3.9M commercial buildings and ratings on ~47,000 fire protection areas	Internal
Underwriting Solutions	Comprehensive industry-standard information	CoreLogic MSB, REED ELSEVIER
Decision Analytics		
Claims Adjudication and Fraud Detection Solutions	Industry database totaling over 1 billion claims	Internal
Property Damage Claims Estimating	100M structural estimation price points and integrated network	simsol, symbility
Catastrophe Modeling	Advanced science, advanced software platform covering more than 100 countries	RMS, CoreLogic EQECAT

Certain competitors offer point solutions that compete with Verisk, but no other firm provides the same breadth and depth of solutions and analytics

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Growth Opportunities

Cross-Sell 2013–2016



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Building on Our Unique Heritage

Growth Opportunities



Industrywide Focus	New Solutions	New Customer Sets
• Big Data & Predictive Analytics	• Telematics / IoT	• Global
• Automation: Flow Underwriting & Claims Adjudication	• Remote Imagery	• Excess & Surplus Lines
• Digital Engagement	• Cyber	• Marketing Departments
	• Claim Experience	• Energy

Product Development/ Mgmt → Actuarial Analysis → Underwriting → Claims Management → Compliance → Portfolio Analysis → Risk Transfer

ISO · verisk Insurance Solutions · verisk Insurance Solutions · ISO · AIR · AIR

AIR · Xactware · verisk Insurance Solutions

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Acquisitions

Acquisition	Strategic Rationale	Overview
Risk Intelligence Ireland	Global focus (Ireland)	Provider of fraud detection, compliance, risk control, and process automation services
GeoInformation	Global focus (UK)	Provider of essential geospatial information for those seeking insight into land and property
MarketStance	Extend into marketing department	Provider of market intelligence to help identify potential growth opportunities
Analyze Re	Enhance portfolio analysis capability	Provider of real-time pricing, exposure management, and enterprise portfolio roll-up capabilities for reinsurance

Product Development/ Mgmt | Actuarial Analysis | Underwriting | Claims Management | Compliance | Portfolio Analysis | Risk Transfer

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Verisk
Insurance Solutions

Our Vision

Be our customers' preferred partner to accelerate innovation, excellence, and profitable growth through analytics and insights



Driving Growth with Deep Domain Expertise

Verisk Insurance Solutions

Name	Role	Tenure (years)
Underwriting & Rating		
Neil Spector	President, Underwriting Solutions	14
Beth Fitzgerald	President, ISO Solutions	36
Claims		
Bill Raichle	President, Verisk Insurance Solutions – Claims	35
Mike Fulton	President, Xactware Solutions	25
Rich Della Rocca	President, ISO Claims Analytics	21
Enterprise Risk		
Bill Churney	President, AIR Worldwide	14

145 combined years at Verisk and heritage firms

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Break



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Natural Resources

Stephen Halliday
Group President

Verisk Analytics

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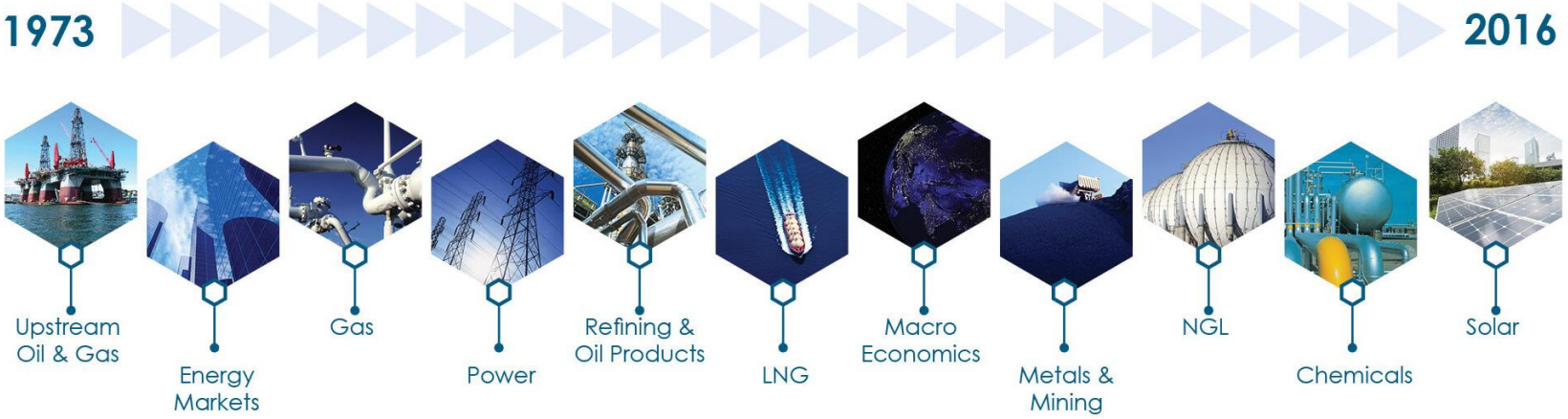
Mission Statement



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



Leading provider of commercial intelligence in the natural resources sector – we are now active in all target areas



"Follow the molecule – an integrated view"

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Key Messages for Today

- Cyclical trough, however, with resilient business model, client relationships & great team, we are outperforming
- Organic growth is in our DNA. Organic build model is the foundation
- Subscription customers up from less than 1,000 at time of Verisk acquisition to more than 2,000 today
- Supported by tuck-in M&A: Wood Mackenzie now engaging all target markets
- Multiple avenues for growth with a particular focus on new product initiatives: subsurface, costs, decarbonization, and chemicals

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WM Evolution: Strong Structure for Renewed Organic Growth



Organic Growth



Targeted M&A



Organic Growth, Niche M&A

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Great Global Platform in Place – Future Scale Will Be Client-Led



People Balanced to Win

Total Headcount: ~1,100

28% of staff are located in the Americas

53% of staff are located in EMEARC

19% of staff are located in APAC

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Simple Business Model Focused on Clients



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Providing client support and access to our experts worldwide



We count the world's key blue chip institutions and governments among our most loyal clients

In the past 5 years we have delivered over 2,000 consulting projects to 800 clients globally



Bespoke support for clients with a broad array of offerings

Positioning our clients for success in today's complex and competitive marketplace.



Providing a competitive advantage to help clients understand the market and the value drivers of energy and metals assets.

Supporting optimal business decisions through a detailed understanding of investment and project economics.

Helping clients to plan effectively, improve margin performance, reduce costs, and achieve greater shareholder value.

Enabling well-informed decisions faster by developing and testing strategies that position clients' businesses for future performance and profitability.

We Are Focused on Our People

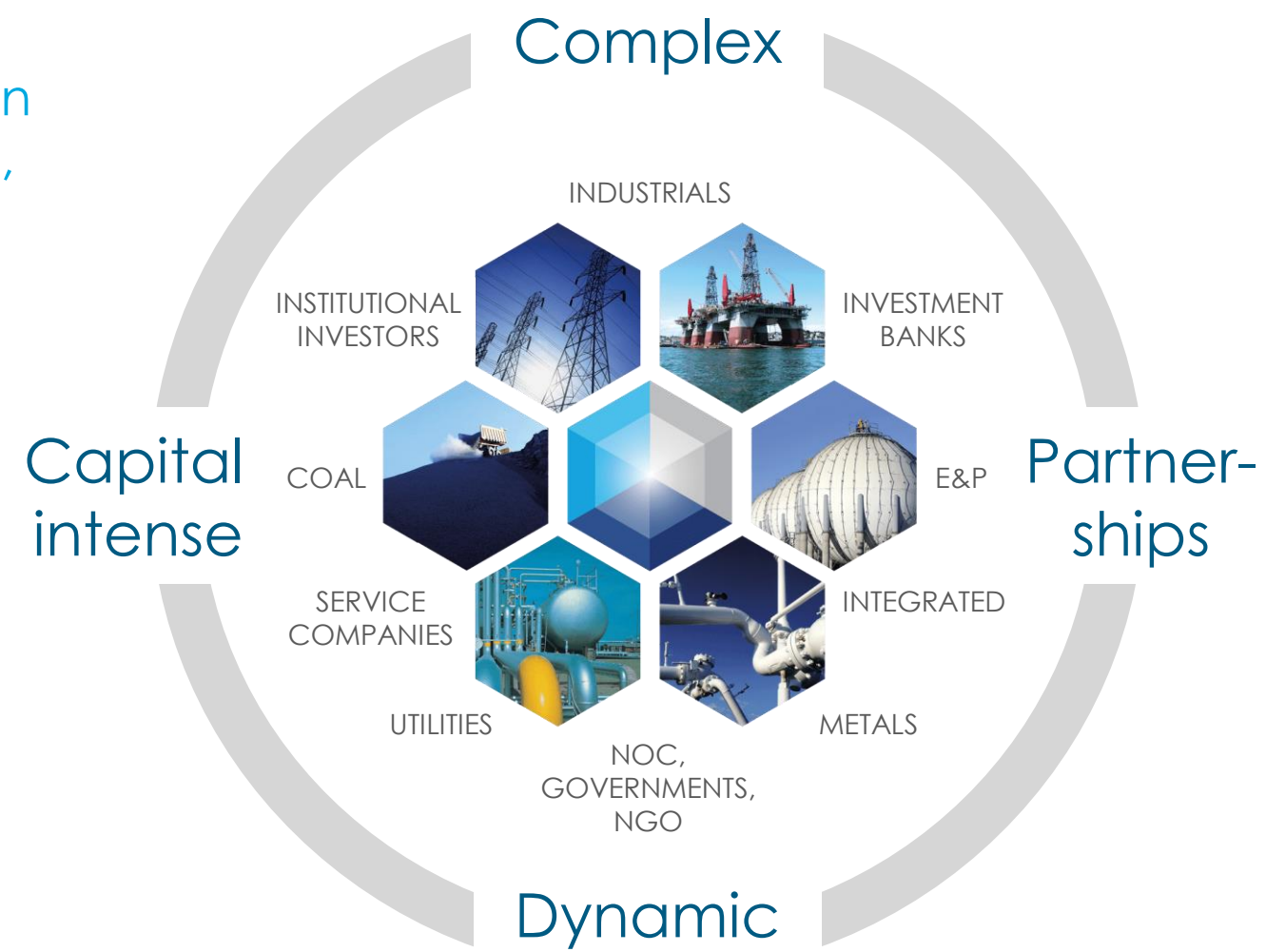


INVESTORS IN PEOPLE | Gold

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

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Our clients' exposure to commodity cycles, reduction in industry workforce, and geopolitical uncertainty increases their need for analysis

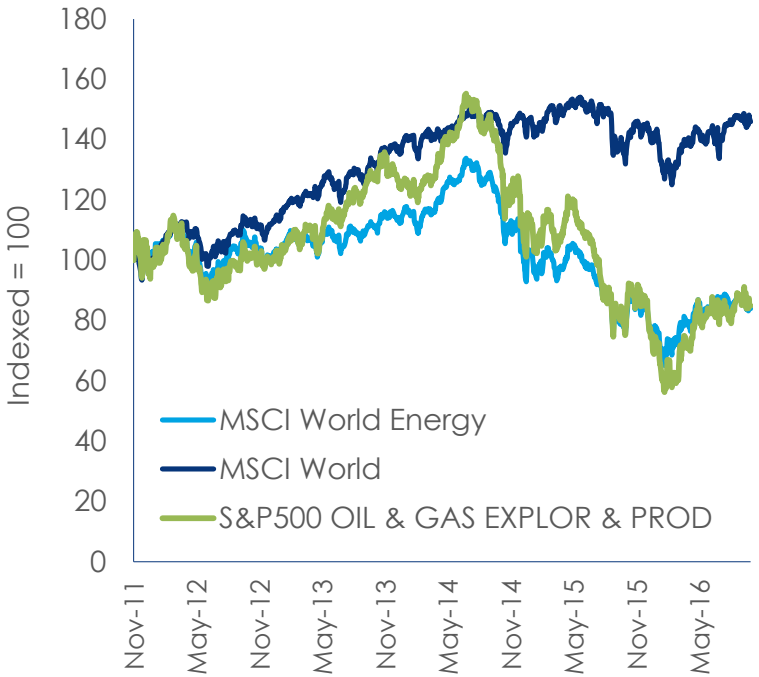


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What Has Been Happening to Our Clients?

Severity of market conditions on clients

Equity Performance Comparison



Region

Client Category

	Americas	EMEARC	AsiaPac
E&P and Integrated	High	High	High
Metals & Mining	High	High	High
NOCs, Govs & NGOs	High	Low	High
Financials	Low	Low	Medium
Other	Low	Low	Medium
Chemicals*	Low	Low	Low

How has this affected WM?

- Cost cutting and budget scrutiny
- Tougher negotiations on renewals
- Pursuing diverse customer segments – "following the money"

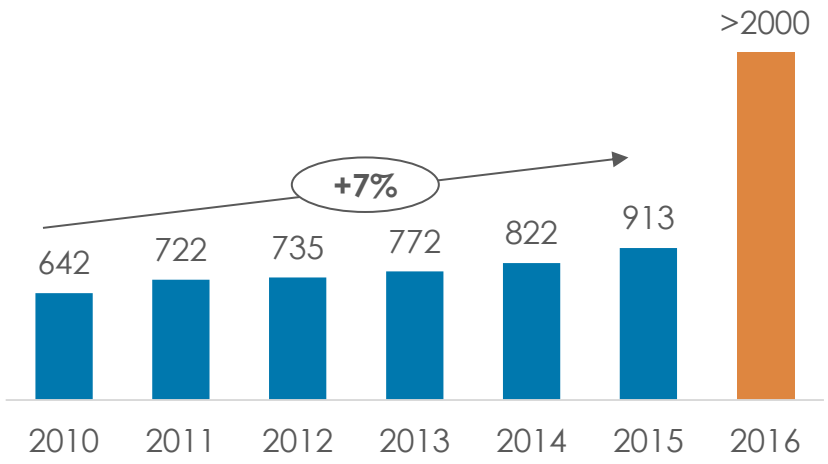
*Chemicals is a product category that is sold across client categories

High Medium Low

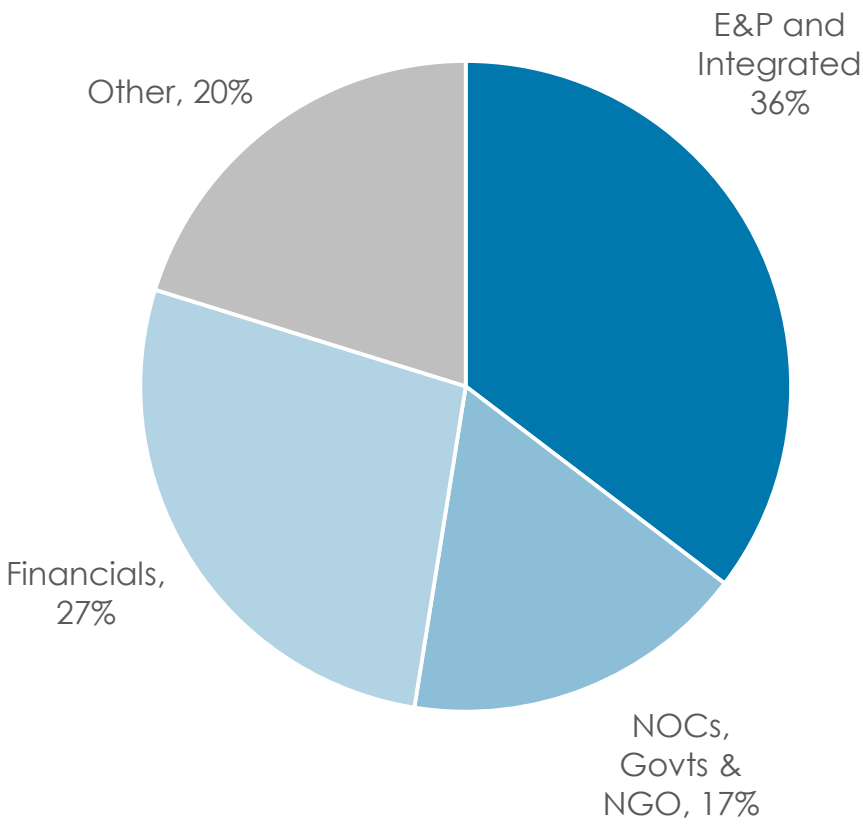
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Diverse Subscription Customer Set across Energy, Chemicals, Metals and Mining Value Chains

Growing No. of Customers[1]



End User Mix[2]



Low Customer Concentration [1]

24%

Top 10 Client Subscription Value (Nov 2016)

<4%

Maximum Individual Customer Value

1. Wood Mackenzie core only pre-2016, excludes Acquisitions, who add approx. 1,100 new subscription clients
2. Represents figures for Nov 2016 for Wood Mackenzie core subscriptions only

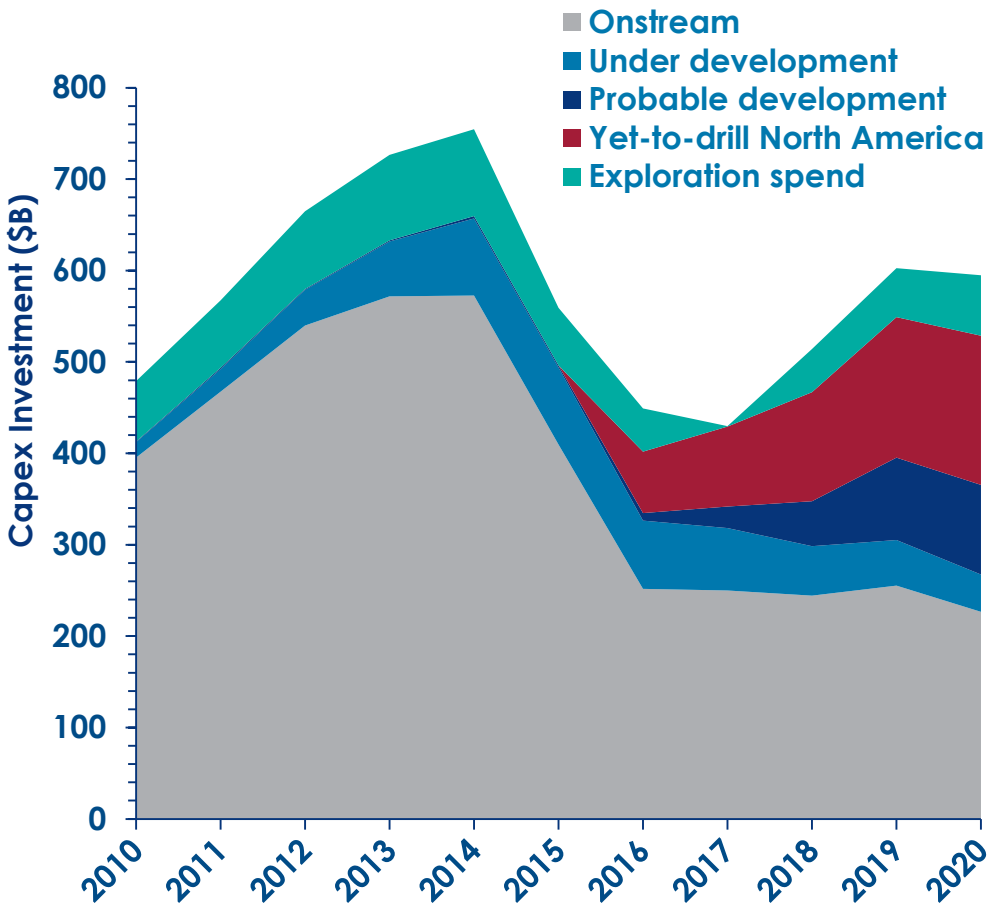
NOC = National Oil Company; NGO = Nongovernment Organization; E&P = Exploration & Production; Other includes Utilities, Manufacturing, Conglomerates, and Professional Services.

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Focus on Oil and Gas: Signs of Increased Activity

Global upstream spend ($B)

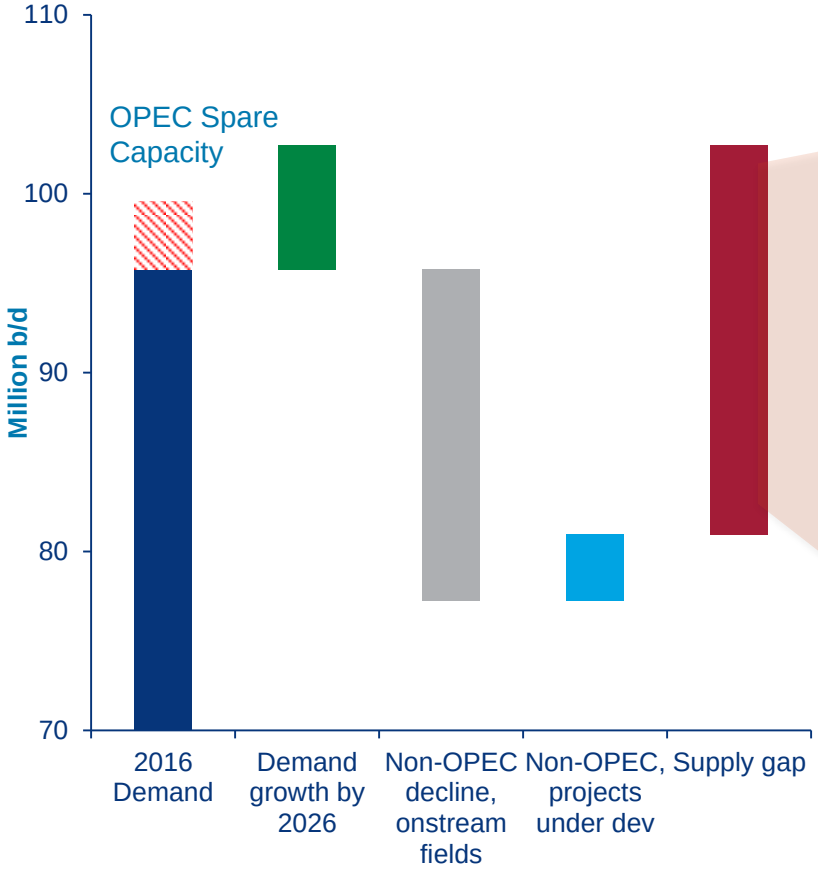
- E&P investment low expected in 2016 at around $40B
- Capital investment now $400B vs. $660B in 2014
- Lower 48 leads spend recovery in 2017 with firming oil price
- Sector cash flow breakevens $55/bbl Brent; could be cashflow positive 2H 2017 and into 2018



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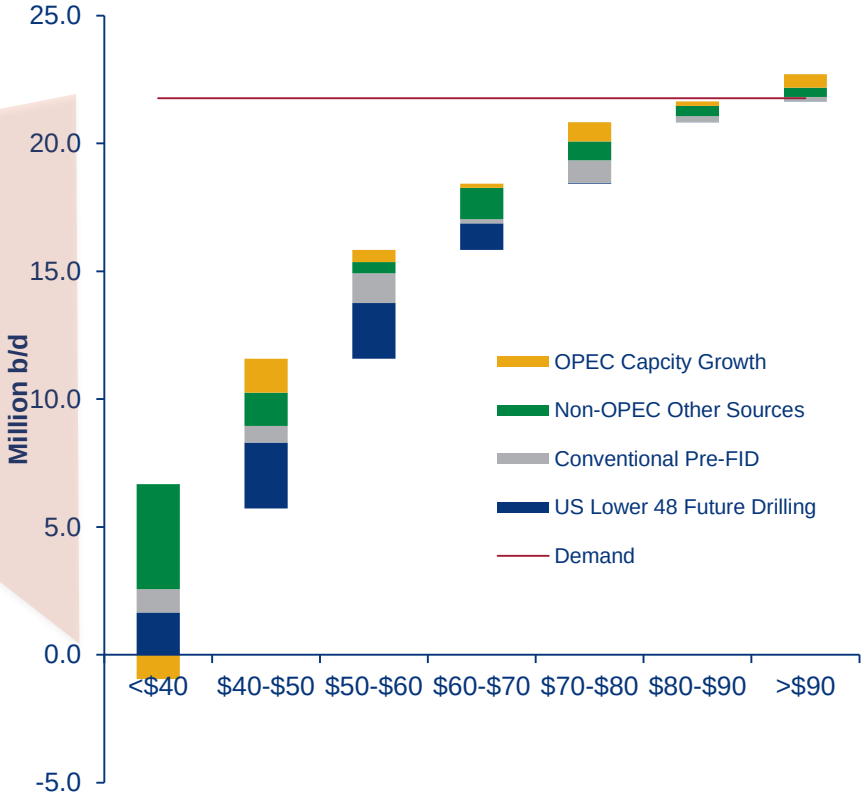
Higher Cost Sources of Supply Required to Meet Supply Gap by 2026 (which stands at 22 million b/d)

Supply Gap 10 Years from Now



Source: Wood Mackenzie

High-Cost Supply Crucial to Fill Gap

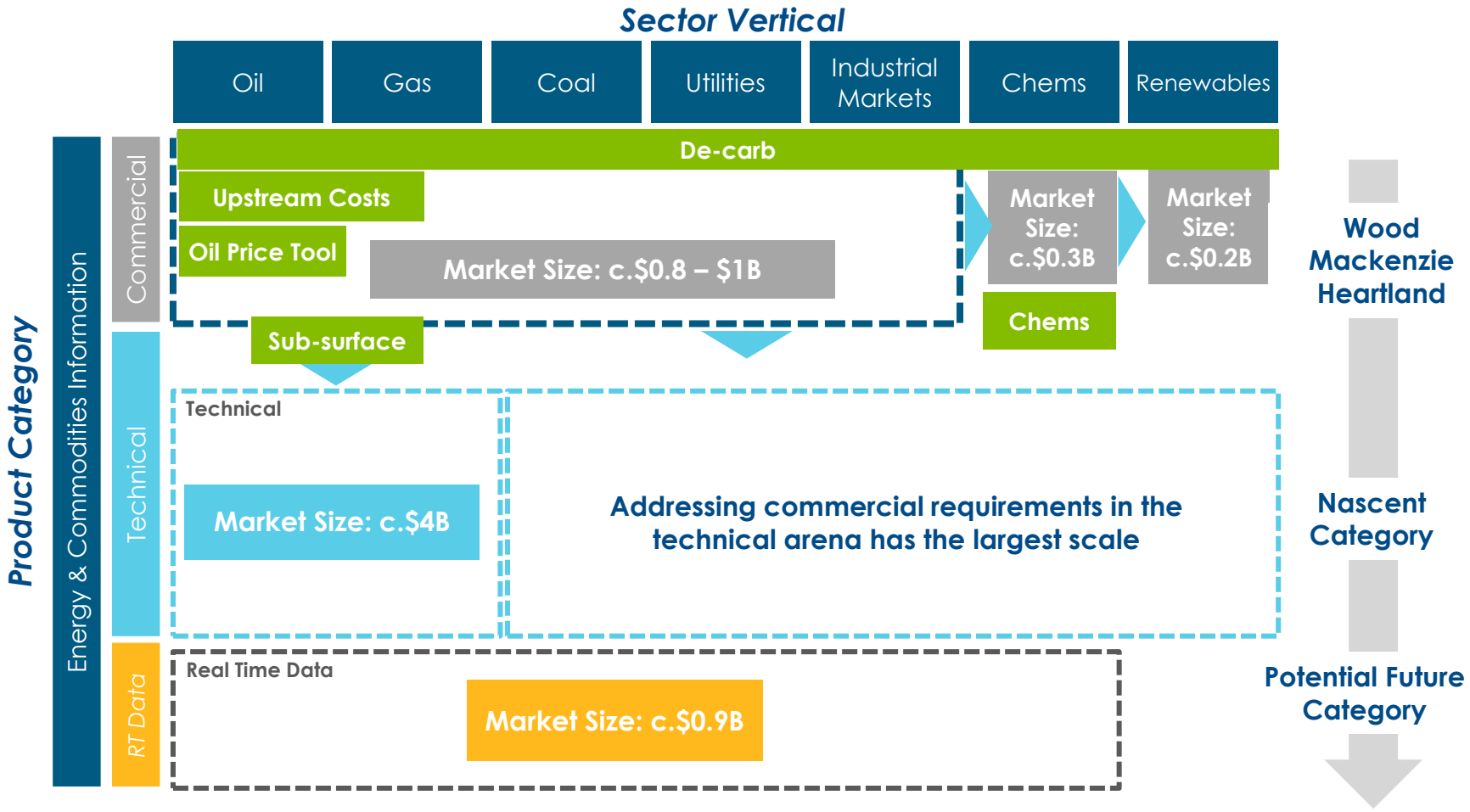


Source: Wood Mackenzie

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Large Addressable Market

Existing Wood Mackenzie Markets, Emerging Verticals and Adjacent Categories



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Competitors across Wood Mackenzie's Markets: An Evolving Picture

	Frontrunners/Leaders	Established Global	Established Regional	Emergent Competitors
Upstream	Wood Mackenzie A Verisk Analytics Business; IHS Markit	platts; GlobalData	RYSTAD ENERGY; drillinginfo	ame group; Hannon Westwood; RS ENERGY GROUP
Renewables	Bloomberg NEW ENERGY FINANCE; IHS Markit	NAVIGANT	Wood Mackenzie A Verisk Analytics Business; SNL	
Gas	Wood Mackenzie A Verisk Analytics Business; IHS Markit	argus; platts; GENSCAPE		
Downstream	Wood Mackenzie A Verisk Analytics Business; IHS Markit	argus; platts		
Chemicals	Wood Mackenzie A Verisk Analytics Business; IHS Markit	argus; ICIS; platts; Nexant; Tecnon OrbiChem	mmsa; PetroChemWire; www.amiplastics.com	
Metals & Mining	Wood Mackenzie A Verisk Analytics Business; CRU	Bloomberg; ame group; REUTERS; platts		SNL
Macro Energy	Wood Mackenzie A Verisk Analytics Business; IHS Markit	OXFORD ECONOMICS		

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The Portal Is the Window to Access Wood Mackenzie's Library of Content, Tools, and Proprietary Data

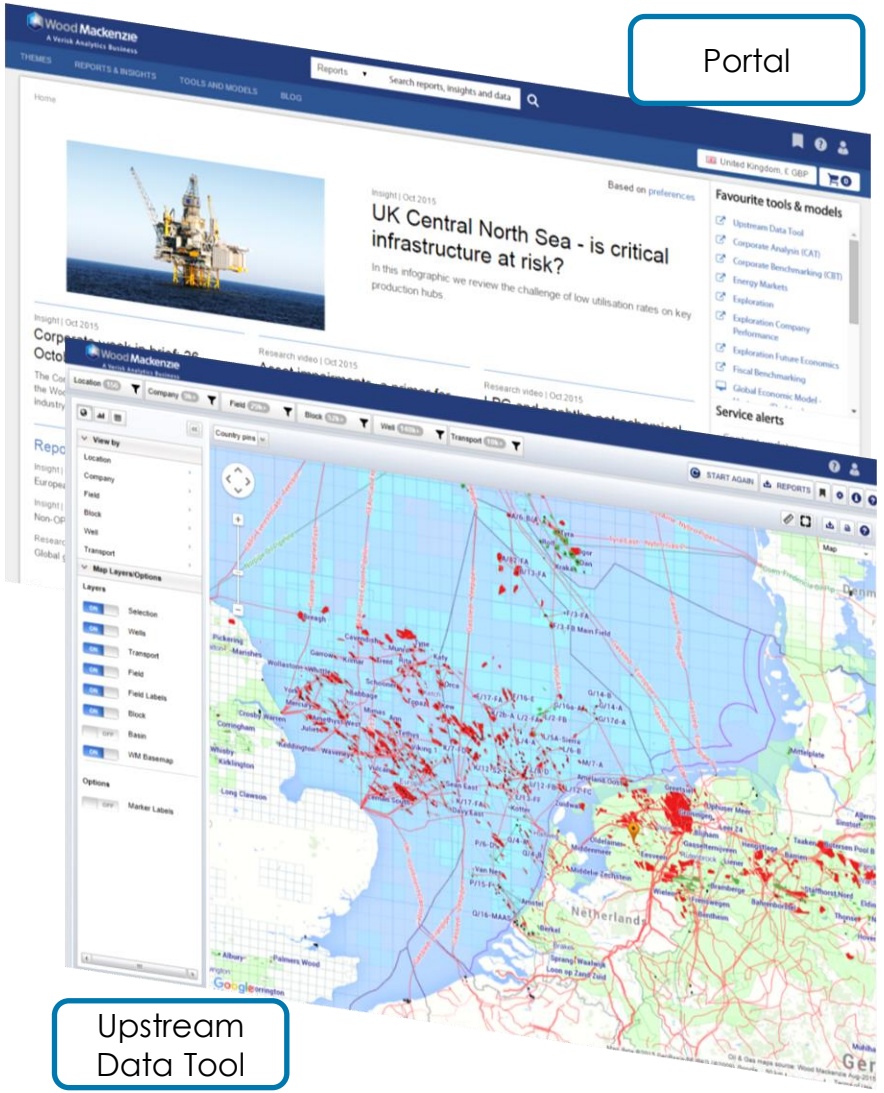
60+ tools and models, 14,000 reports, and vital analysis

Through the portal, our clients can:

- Access objective integrated analysis on assets, companies, and markets
- Use tools and models to value and evaluate assets and markets
- Connect directly with our teams of analysts

To do these tasks:

- Identify, evaluate, and screen growth opportunities and trends
- Understand the fundamentals in their markets: oil, gas, power, and bulk commodities
- Assess competitors and identify risks
- Make informed strategic decisions



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Case Study: PetroView

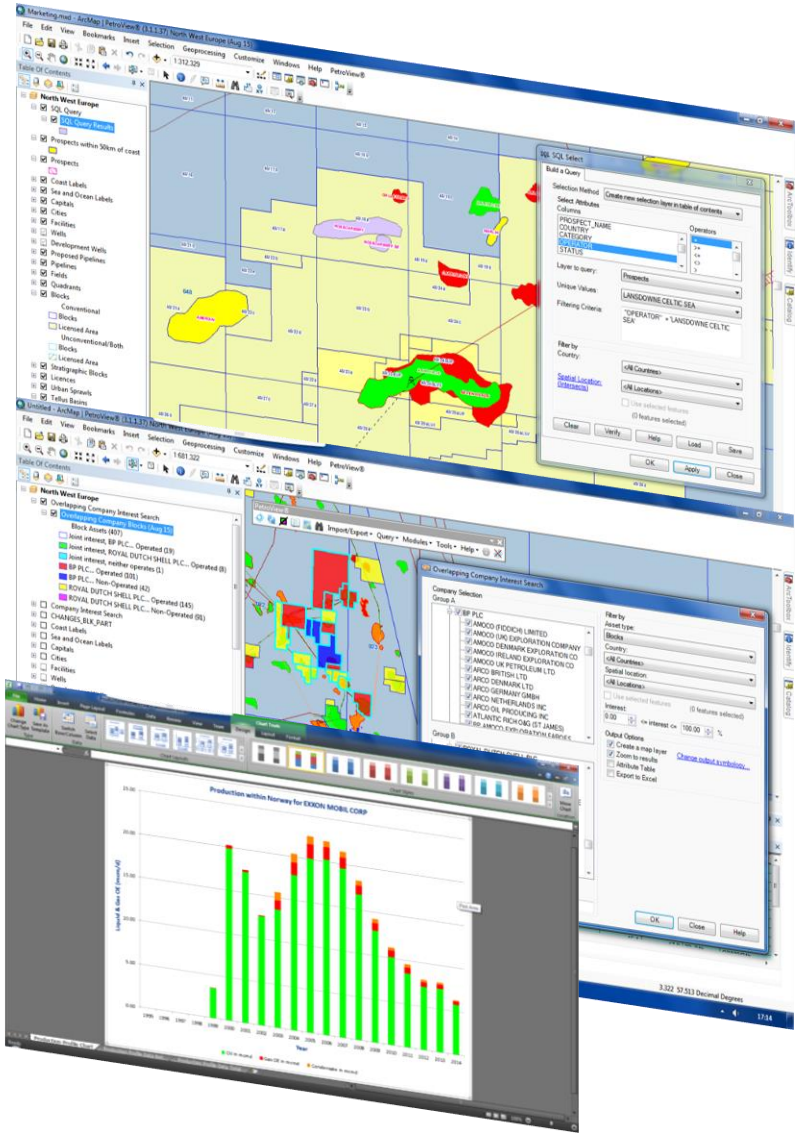
A comprehensive upstream database of licenses, fields, wells, platforms, pipelines, and cultural layers

With our content, clients can:

- Review specific basins, plays, wells, fields, companies, and upstream assets
- Access key data with a global view
- Define specific search criteria
- Overlay their own information
- Work in their preferred format

To do these tasks:

- Evaluate new ventures
- Apply a geological framework and search criteria
- Locate and assess new opportunities in their geographical context
- Undertake spatial analysis and extract subsurface data, economic data



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Case Study: Solar

GTM's coverage of decarbonisation and decentralization trends includes:

Solar power, electric grid, and energy storage technologies

With our content clients can:

- Evaluate the global solar supply chain
- Review grid market technology analysis and data services
- Assess energy storage market reports, deployments, policies, regulations, and financing in the U.S.

To do these tasks:

- Develop market entry strategies
- Assess their competitive position
- Understand new technologies
- Assess new market opportunities arising out of policy and regulatory developments worldwide





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Case Study: Chemicals

Chemicals, polymers, and fibres coverage realises the connections from feed stocks through to end products

With our content, our clients can:

- Access integrated commercial knowledge and robust proprietary data from the refinery through to end-use applications
- Discover deeper insight across the full range of olefins, aromatics, and derivatives

To do these tasks:

- Build commercial strategies
- Understand the market fundamentals
- Assess competitors and identify risks
- Make informed strategic decisions





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Multiple Avenues for Organic Growth

Content Areas

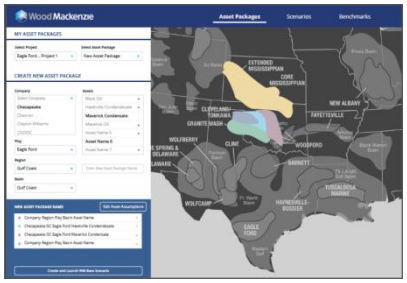
Spend Management $1.2B TAM

Chemicals $425M TAM

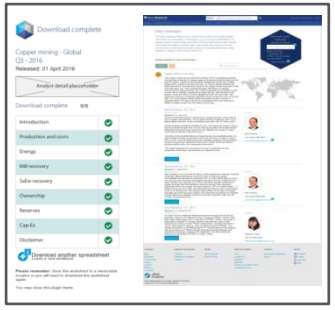
Subsurface $750M TAM

Decarbonisation $200M TAM

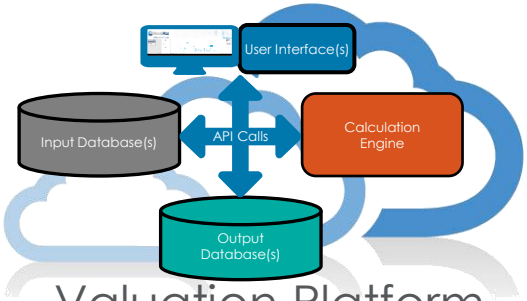
User Interface



Contour

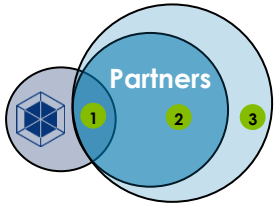


Fusion



Valuation Platform

Sales Avenues



Partnerships



E-commerce



Data as a Service (DaaS)

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Summary



- Commodity cycles continue to evolve: light is emerging
- Wood Mackenzie has used the disruption to undertake targeted M&A; we are active on all fronts now
- Organic activity and M&A have increased subscription customer count from less than 1,000 in 2015 to more than 2,000
- Focus is on strengthening Wood Mackenzie by leveraging Verisk's strengths in data and analytics
- Wood Mackenzie has a large TAM and multiple avenues for organic growth

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Q&A



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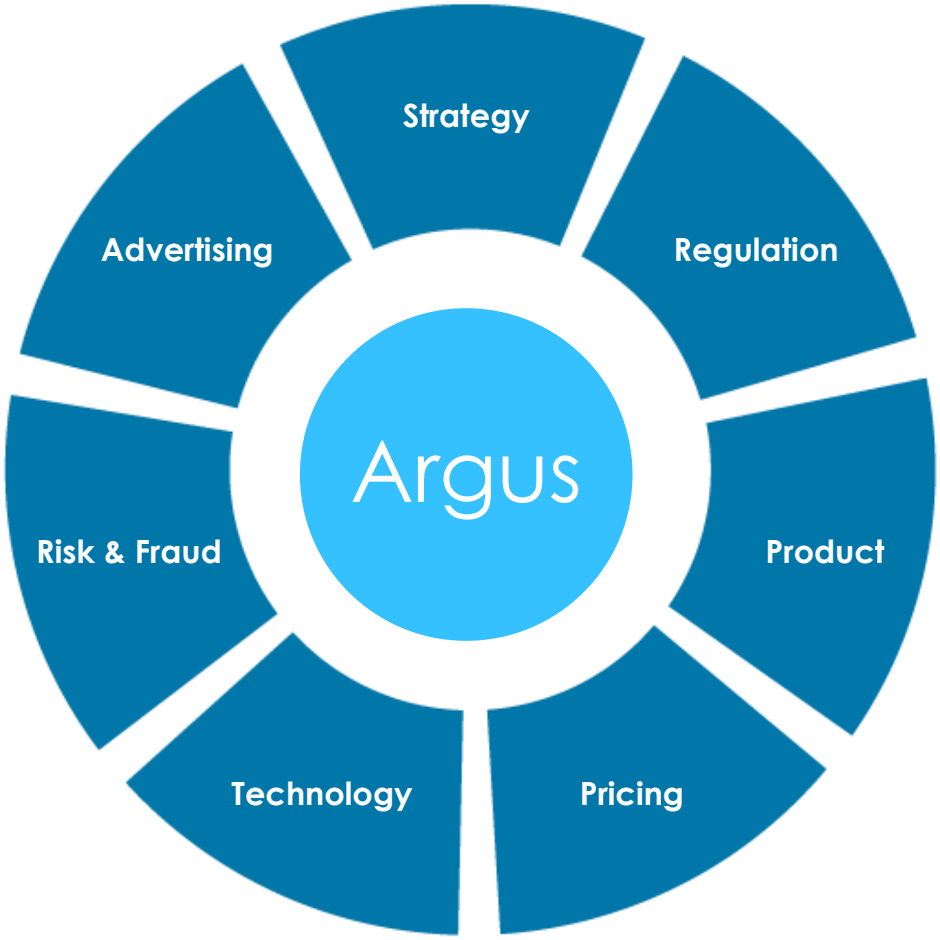
Financial Services

Nana Banerjee
Group President

Verisk Analytics

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Leader in Information & Analytic Solutions for Banks & Regulators



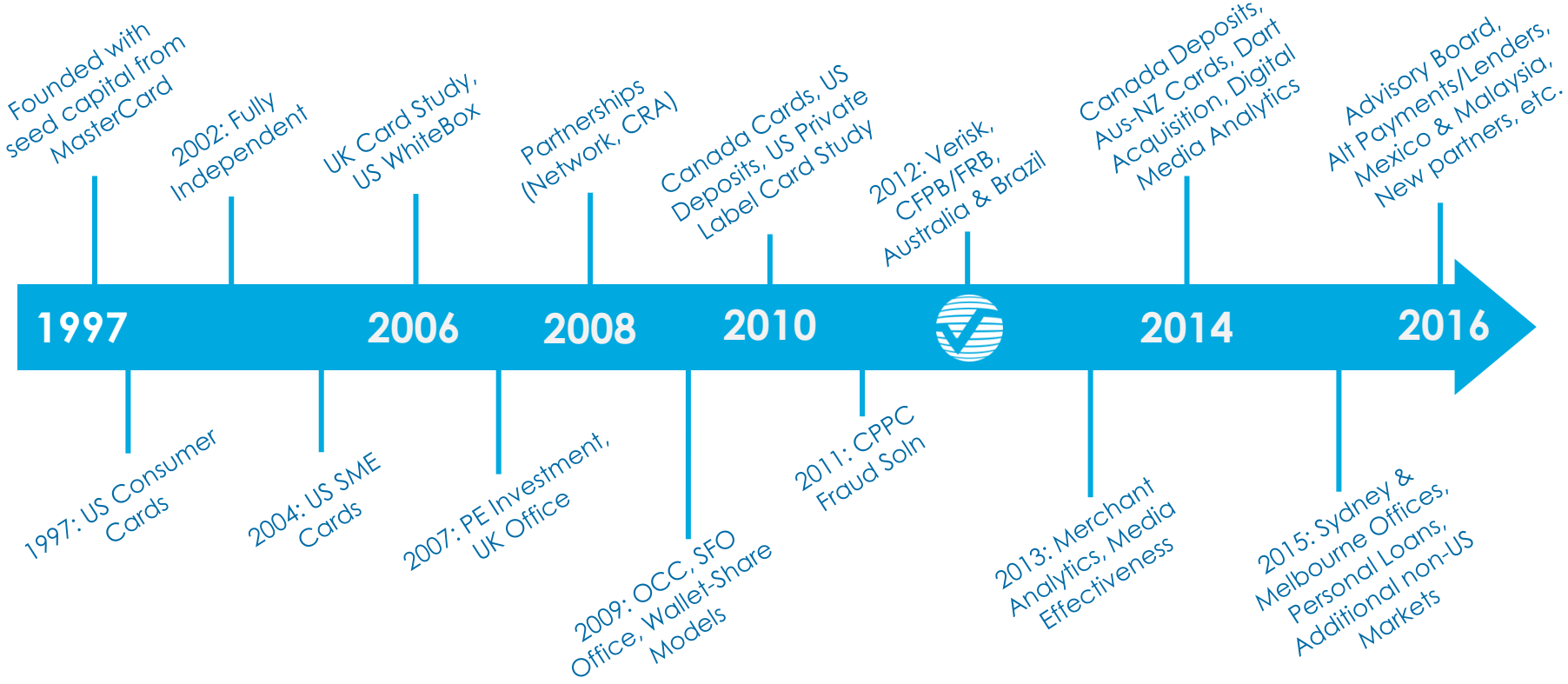
Our Distinctives…

- Unique & Proprietary Consortia Data Sets
- Deep Domain Expertise in Analytics & Consumer Banking
- Steady Stream of First-to-Market Innovations
- Solutions Integrated into Customer Workflows

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Growth… Geographic Expansion & Innovation

Company Milestones



Track Record of Innovation

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Our Solution Groups

Benchmarking Studies

Help Understand the External Environment

- Customized… Ever-green subscriptions
- Pricing… annual with modest inflation-type cost increases
- Based on wallet-level customer, account & transaction data
- Users: business heads, product & portfolio managers, risk officers a& regulators

Product Solutions

Make Proprietary Data Accessible & Actionable

- Customized… recurring licenses
- Pricing… installation fees & annual site licensing/maintenance fees
- Data platforms, reg reporting, stress-testing, wallet-based stochastic algorithms
- Users: IT, risk/compliance, decision management, marketing

Analytical Services

Strategic Insights, Planning & Execution Support

- Annual retainers or strategy engagements
- Pricing… annual (retainer) or monthly run-rates, value/time-materials based
- Argus analysts mine its consortia data sets to build & support bank strategies
- Users: business heads, product & portfolio managers, risk officers & associations

Media Effectiveness

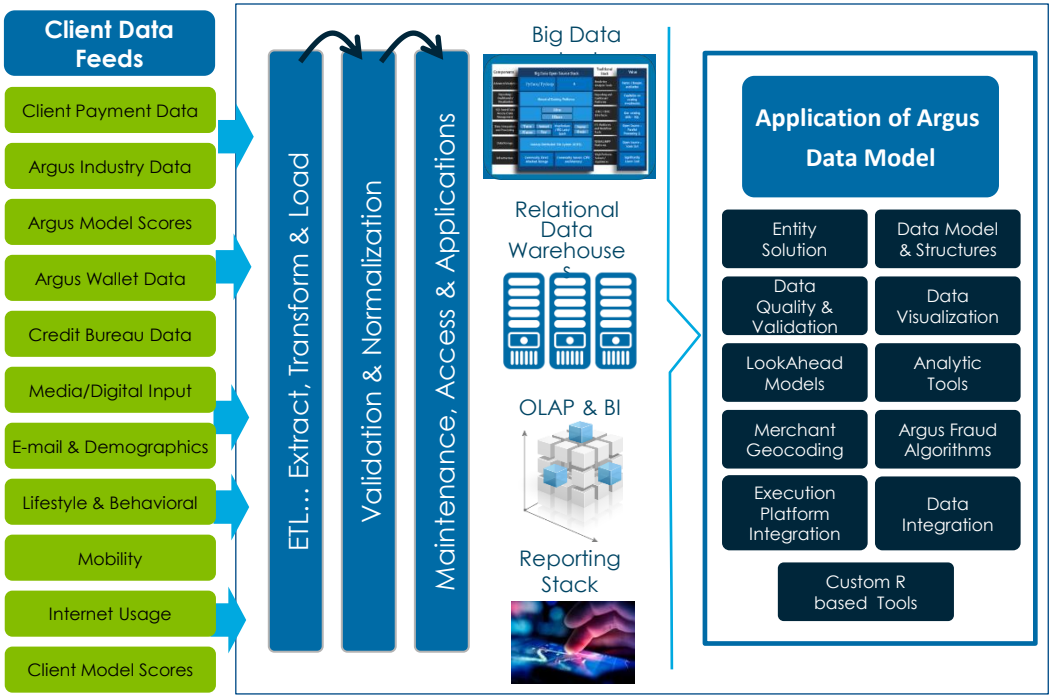
Measure Effectiveness & Optimize Targeting of Ads

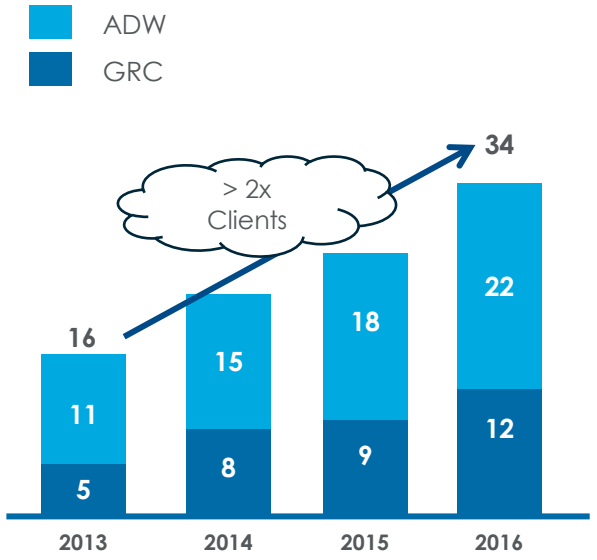
- Custom installs or partner platforms
- Pricing… multiyear licenses, beta tests, rev-share with partner
- Media & ad effectiveness insights & software
- Users: marketing heads, agencies, bank partners/retailers, ad platforms

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Data Management Solutions…
Industry Standard for GRC and ADW Requirements

- **Turnkey**… IP on Data Models, Edit Checks, Workflow Tools, Automation, Reporting
- **User Access…** Granular, MIS Reports, OLAP/BI, Algorithms (SQL/No-SQL, SAS, R, Tableau)
- Extensively used for **GRC, Marketing, Ops, Fraud/Risk, M&A, etc.**





Expanding Solutions into:

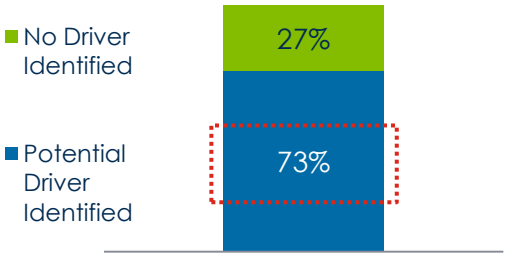
- International Markets
- Insurance Verticals
- Retail Verticals

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Bank: What Off-Us Incentive Did Customers Have for Decreasing Spend Share on Our Card?

Spend Share Decliners

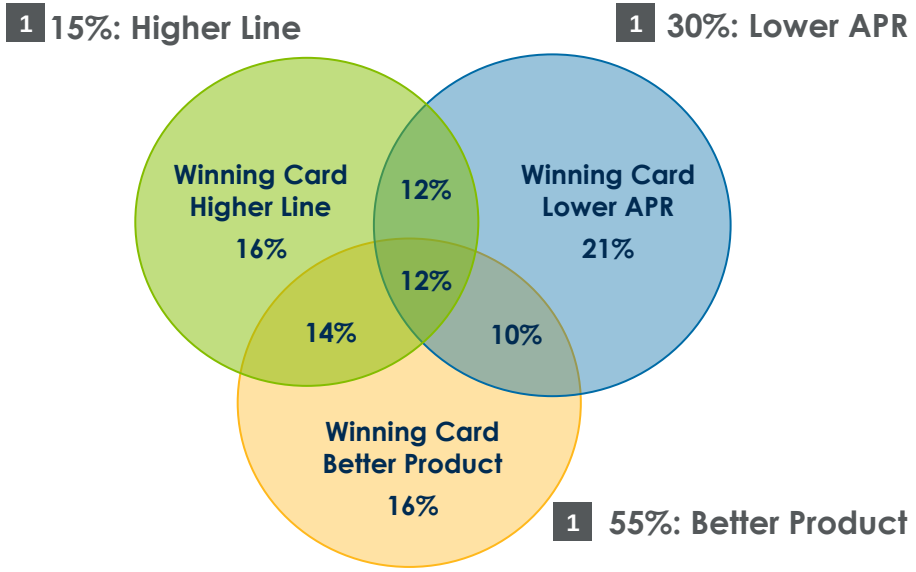
Total Customers: 45K



Spend Share Decliners
Bank vs. Winning Competitor Card

Post-period (May'16-Nov'16)	Bank's Credit Card	Winning Competitor Card	*Industry Actives**
Avg. Spend	$3,857	$6,555	*$4,006*
Avg. Retail APR	14.7%	13.1%	*15.5%*
Avg. Credit Line	$10,015	$10,009	*$8,685*
% Premium	10.8%	55.2%	*31.2%*

Spend Share Decliners by Potential Drivers
100% = 45K Customers



Recommended Action…

- Product upgrades (line, APR, and/or value prop) to customers with elite competitor cards in wallet… **identify them using Argus wallet-share algorithms.**

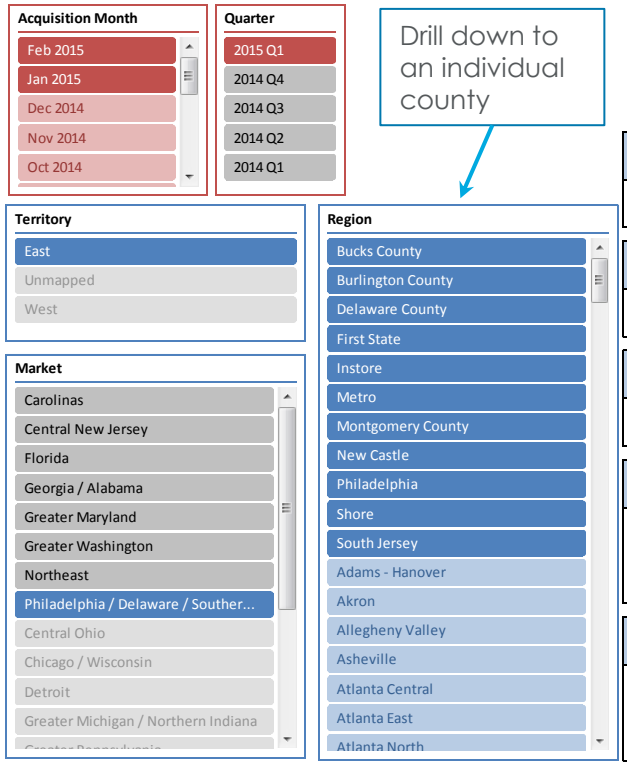
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The Market-Level Benchmarked Acquisition Report Is Produced Quarterly to Improve Sales & Customer Onboarding

Quarterly Market Acquisition Report… allows user to rapidly find segments of opportunity by comparing within the bank and to the benchmark

- Performance of vintages in the 90-120 day period
- Assess geographic differences (e.g., attrition, direct deposit usage, funding, primacy)

Segmentations by
- Customer age
- Inflows
- Risk score
- Outflows by channel



Drill down to an individual county

In Selected Month(s) and Region(s)	
Accounts Opened	10,673
Accounts Closed	12,265
Growth	(1,592)

Metric		Customer Age Bands					
		18 - 25	26 - 35	36 - 45	46 - 55	56 - 65	65+
Account Distribution	Bank	32.3%	21.3%	13.4%	13.5%	9.5%	10.0%
	Industry	24.7%	25.8%	17.0%	14.8%	9.7%	8.1%

Metric		Total Deposit Inflows					
		< $500	$500 - $1,000	$1,000 - $2,500	$2,500 - $5,000	$5,000 - $10,000	$10,000+
Account Distribution	Bank	43.2%	12.0%	19.6%	11.4%	5.6%	8.2%
	Industry	49.0%	11.1%	17.5%	7.8%	2.9%	11.7%

Metric		Risk Score Bands					
		Missing	< 600	600 - 649	650 - 699	700 - 749	750+
Account Distribution	Bank	65.6%	6.5%	5.5%	6.5%	7.3%	8.6%
	Industry	68.8%	6.5%	4.5%	5.7%	5.8%	8.7%

Bank		Outflow Amount Bands					
		< $10	$10 - $25	$25 - $50	$50 - $250	$250 - $1,000	$1,000+
%of Outflow Transactions by Amount & Channel	Debit POS	38.3%	28.9%	17.4%	13.9%	1.3%	0.1%
	Cash Withdrawal (Branch & ATM)	1.1%	26.5%	17.3%	45.1%	9.6%	0.3%
	Check	2.3%	7.7%	13.2%	37.4%	23.6%	15.9%
	ACH	5.2%	7.7%	13.3%	45.4%	20.5%	7.8%

Industry		Outflow Amount Bands					
		< $10	$10 - $25	$25 - $50	$50 - $250	$250 - $1,000	$1,000+
% of Outflow Transactions by Amount & Channel	Debit POS	36.8%	29.8%	17.3%	14.4%	1.6%	0.2%
	Cash Withdrawal (Branch & ATM)	0.6%	21.9%	15.8%	46.7%	13.4%	1.6%
	Check	2.3%	8.8%	13.4%	39.5%	22.4%	13.5%
	ACH	6.4%	9.0%	14.0%	44.2%	19.1%	7.2%

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Unique Data Enabling Valuable & Differentiated Solutions

	Description	Argus-Verisk*	Credit Bureaus	Payment Networks	Payment Processors
Daily POS Transactions	POS & online transaction detail (merchant, location, amount, date)	●		◑	◑
Payment Instruments	Credit card, deposits, checking, and money market account performance	●	◑	◑	◑
Product Attributes	Features including pricing, value propositions, pricing, promo detail	●			◑
Account-Level P&L	Revenue and cost details including finance charges, fees, losses, OpEx	●			◑
Customer Behavior	Usage details including spend, fraud, channel, payment, etc.	●	◑	◑	◑
Customer & Wallet Views	Complete consumer view (share of wallet) across issuers and instruments	●	◑		
Argus Partnerships	Complementary data assets on one common platform (including media)	● →	→	→	→

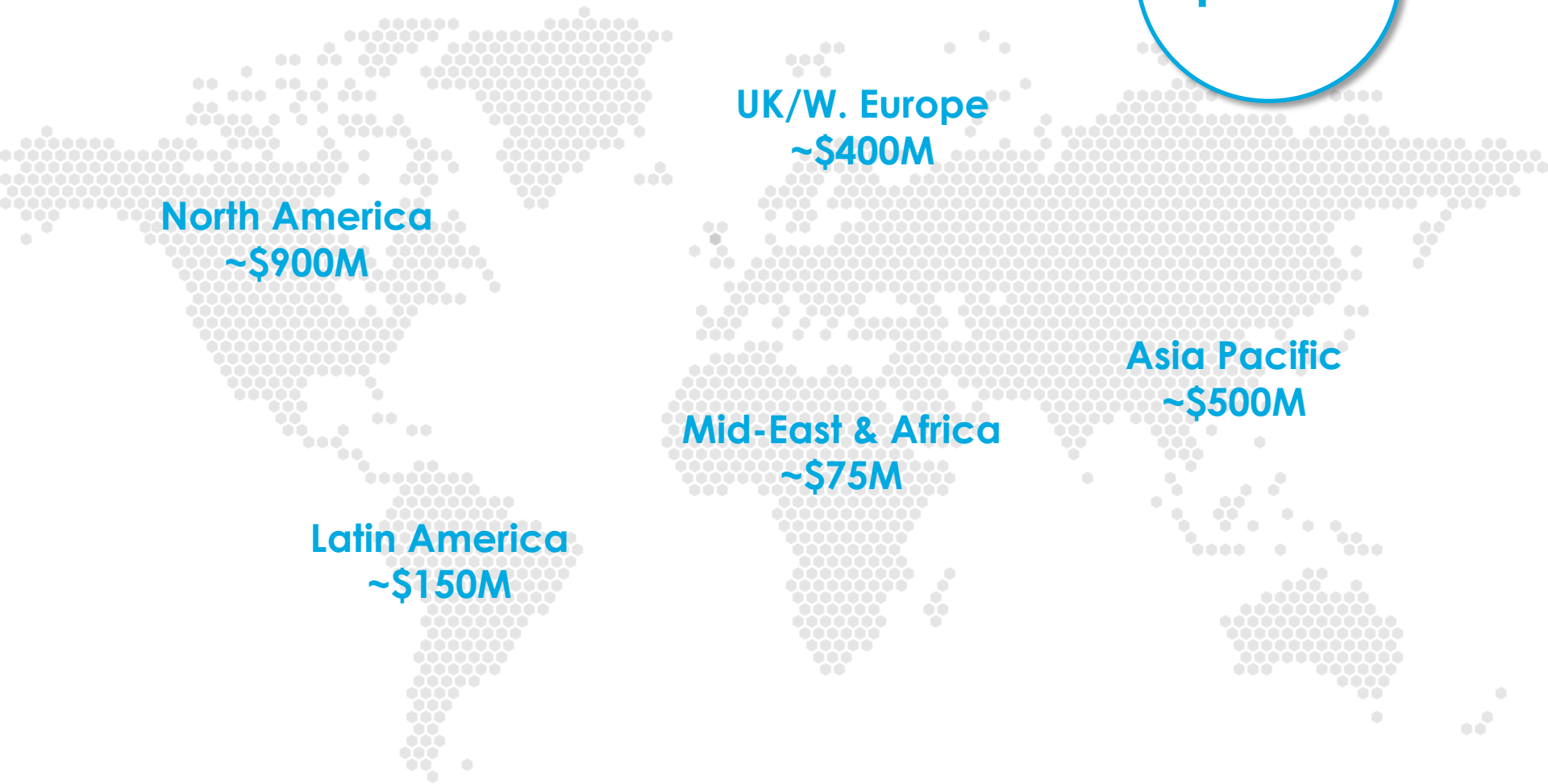
Data on millions of merchants, billions of accounts, trillions of $'s in transactions… updated daily

**Some Argus data assets have been developed in partnership with non-Verisk institutions.*

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Significant Runway (TAM)

$2B+



** Calculations based on est. median price x est. number of credible clients*
*** TAM for products that do not require new data assets ~$1.5B*

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Strategic Priorities

Drive Revenue Growth

- Strong retention, farm smart & drive customer intimacy
- New markets & partners, add new clients
- Innovation ventures… seeding accelerated growth

Manage Margins & Productivity

- Adopt best practices, leverage cloud… an eye toward ease of use
- Align organization, outsource or automate for scale/development
- Cross-company technology advancements

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Strong Retention, Farm Smart & Drive Client Intimacy

Improved Solutions



- Digital "binders"
- SME wallet models
- Turnkey GRC reports
- Retail alert prioritization
- Store & employee score for theft risk

New Studies



- Personal loans
- SME deposits
- Brokerage accounts
- Cost study
- Aus. deposits
- U.K. ACE study

Client Intimacy



- DAPS pricing elasticity
- Contract extensions
- Dashboards, weekly engagement
- Annual CEO/SLT visits

Advisory Board



- Prioritize use cases
- Data sensitivity
- New product ideas
- Expand group
- Engage & educate

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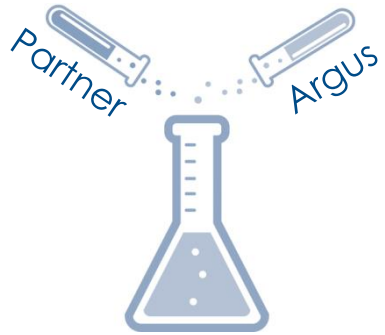
New Markets & Partners, Add New Clients

New Markets



- APAC serviced from Singapore
- ACE study: Indonesia, Malaysia (x-sell access)
- Cluster: Vietnam, Korea, Taiwan & Hong Kong
- India: Immediate opportunity deposits
- China: Considering options
- Multicountry access (global banks)

New Partners



- Deepen existing partnerships
- Credit reporting agencies
- Media measurement
- Publishing & printing
- Marketing agencies
- Bank turnkey digital mktg
- Sports & entertainment

New Clients

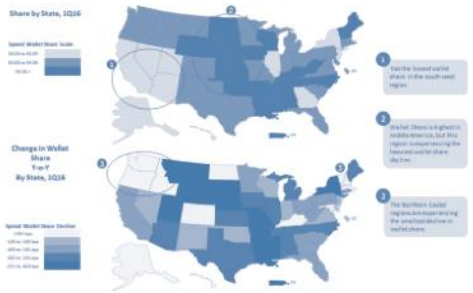


- Italy: major bank
- ME: major processor
- Vietnam: big bank
- Insurance: major U.S. carrier
- O&G: major global
- I-Bank: major bank research division
- Merchants: Top-20 U.S., U.K., Canada & ANZ

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Innovation Ventures… Seeding Accelerated Growth

Market Indices



- Leverage views of economic activity by segment
- Categorize into meaningful sectors
- Establish distribution & marketing channels

Digital Marketing



- Ad placement & workflows
- Customer prospecting & solicitation
- Digital delivery (tablets, phones, cloud, mobility & social)

Cost Benchmarking



- Benchmarking of expenses
- Support alignment of productivity & costs with revenue
- GRC emphasis making banks focus on costs

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In Addition to Breakthrough Opportunities, Argus's Innovation Pipeline Is Strong

In development …



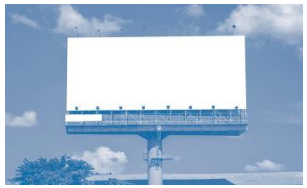
Retail brokerage bm, strategy/ execution support



Retail analytics: predictive fraud modeling at store and associate level



SME wallet models through CRA & processor partnerships

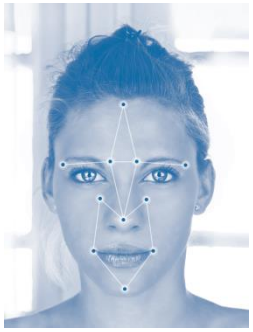


Media: billboard, mobile & digital ads, insurance ads & mktg



Fraud: Transaction-level scoring

Further Out… Cognitive Analytics / AI



- Store theft
- Text analytics
- Fraudulent checks
- Image tokenization



- Fraud/money laundering
- Branch/store customer counting/product selection
- Telematics/detection/criminal behavior

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Manage Margins & Productivity

Cloud



- Major install for alt-lending client
- Migrating all new development
- Cost efficiencies & security features
- Hedge to increasing SQL license costs
- Global data migration constraints
- AWS marketplace for broad distribution of ADW

Global/Outsource



- Implementation of regulatory solutions
- Maintenance & refinement of BAU solutions
- Quality assurance & service handling
- Surge requirements & short-term resourcing
- Handling of APAC & MEA clients

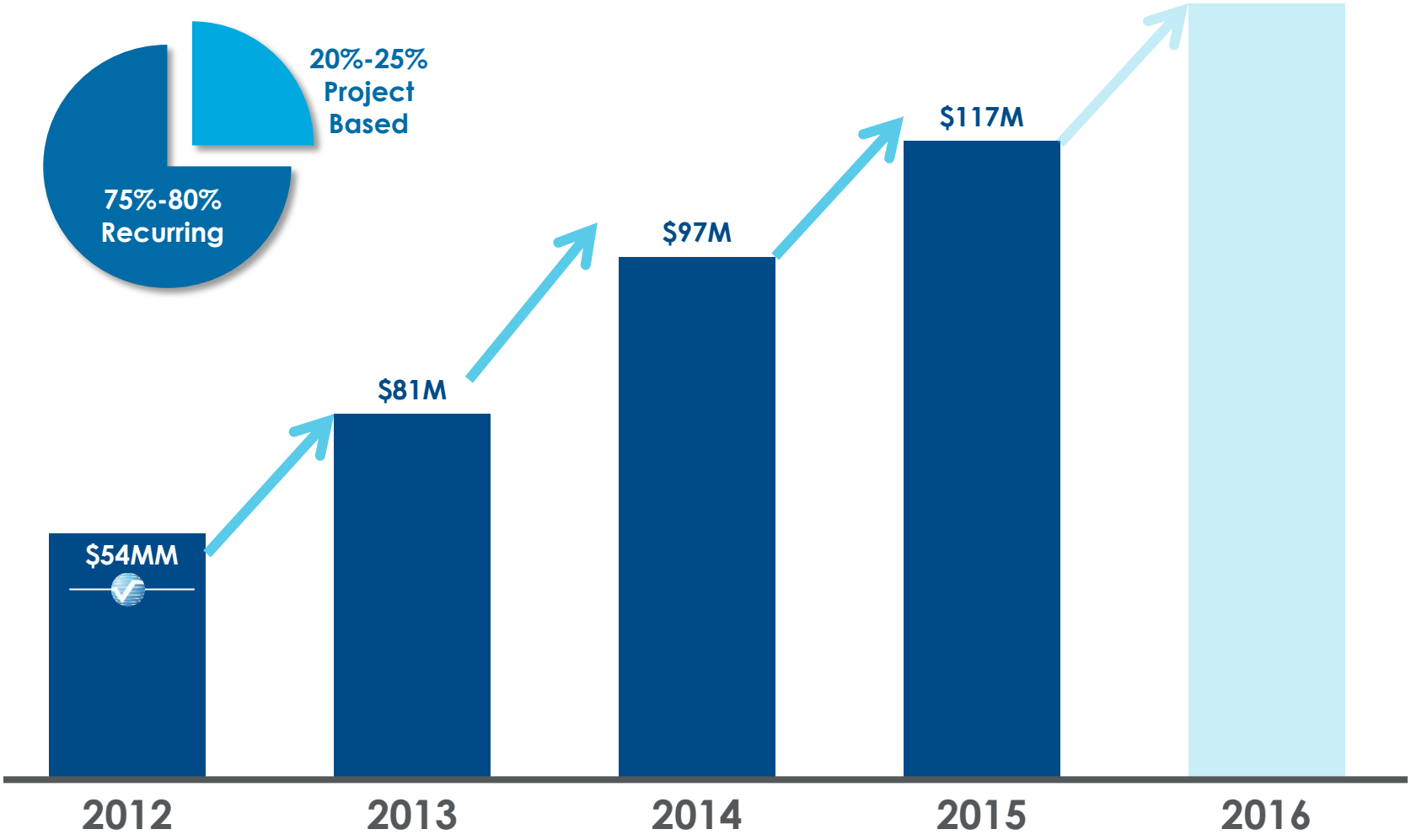
Reorganize



- Reorg, retrain, shed & recruit to realign org readiness
- Supplement focus and build expertise on new breakout opportunities
- Optimize R&D platforms & capabilities
- Functionalize areas that offer scale (design/user experience, marketing, etc.)

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Recent and Past Successes Validate the Multipronged Path for Growth



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Q&A



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Break



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Financial Review

Eva Huston
Chief Financial Officer



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Attractive Business Model

Recurring revenue stream and high barriers to entry

- More than 80% subscription and long-term revenue, majority prepaid
- Long-standing and deep relationships; high customer retention
- Analytics built on unique data sets

Strong cash-flow generation

- Build once, sell many times
- High incremental margins on existing businesses
- Our business is not service- or capital-intensive

Diverse customer base and revenue contribution

- 3 primary verticals
- Largest customer: about 2% of revenues[1]
- Top 10 customers: about 17% of revenues[1]

1. Based on FY2015 continuing operations revenue

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Historical Performance Summary

Metric	2006-2010	2011-2015	
Revenue	8.6%	12.8%	CAGR
Organic Revenue Growth	6.9%	7.6%	AVG
% Subscription Revenue	--	81.6%	AVG
EBITDA	13.2%	14.3%	CAGR
EBITDA Margin	44.9%	50.1%	AVG
Adjusted EPS	--	15.3%	CAGR
CapEx as % of Revenue	3.2%	6.4%	AVG
Cash Flow (EBITDA less CapEx)	13.6%	12.0%	CAGR
Productivity			
Revenue/Employee	269K	317K	AVG
EBITDA/Employee	121K	160K	AVG

All figures exclude mortgage and healthcare

Key Takeaways

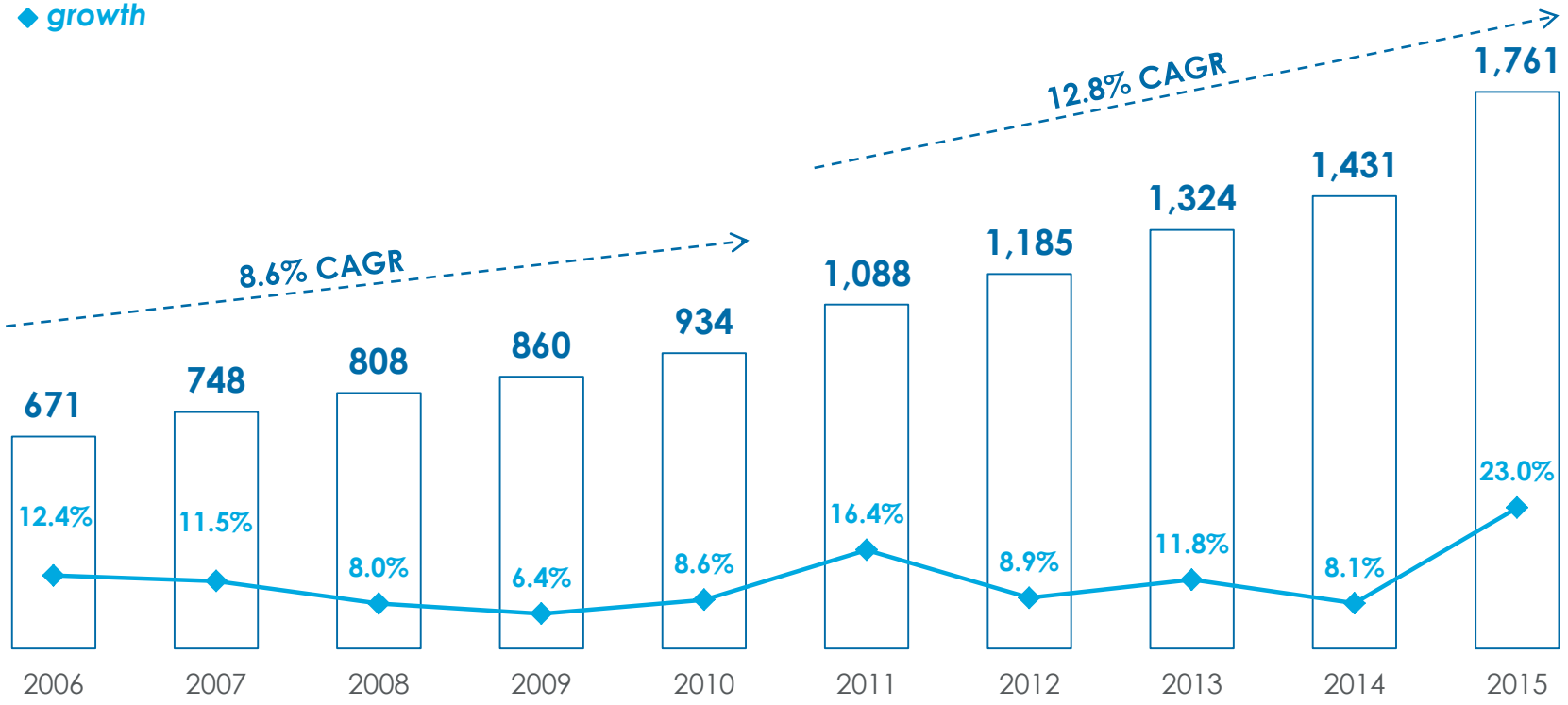
- Revenue growth, benefiting from insurance strength, addition of Argus (organic in 2014), and Wood Mackenzie
- EBITDA margins expanded in the recent five-year period, reaching more than 50%
- CapEx stepped up in 2013–2014 for investment, moderating since
- Adjusted EPS growth stable, as D&A growth was offset by M&A contributions and lower share count

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Total Revenue

(in $ millions)

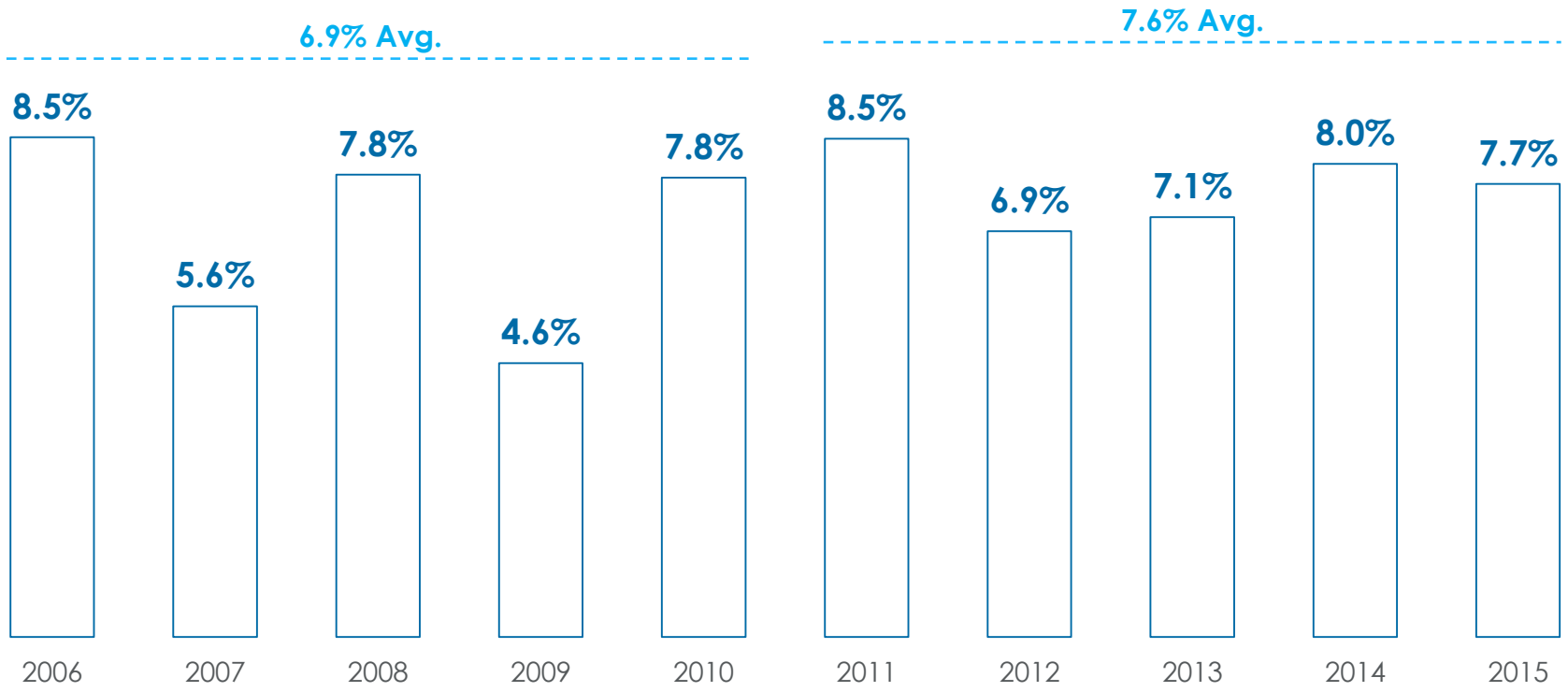
◆ *growth*



All figures exclude mortgage and healthcare

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Organic Revenue Growth

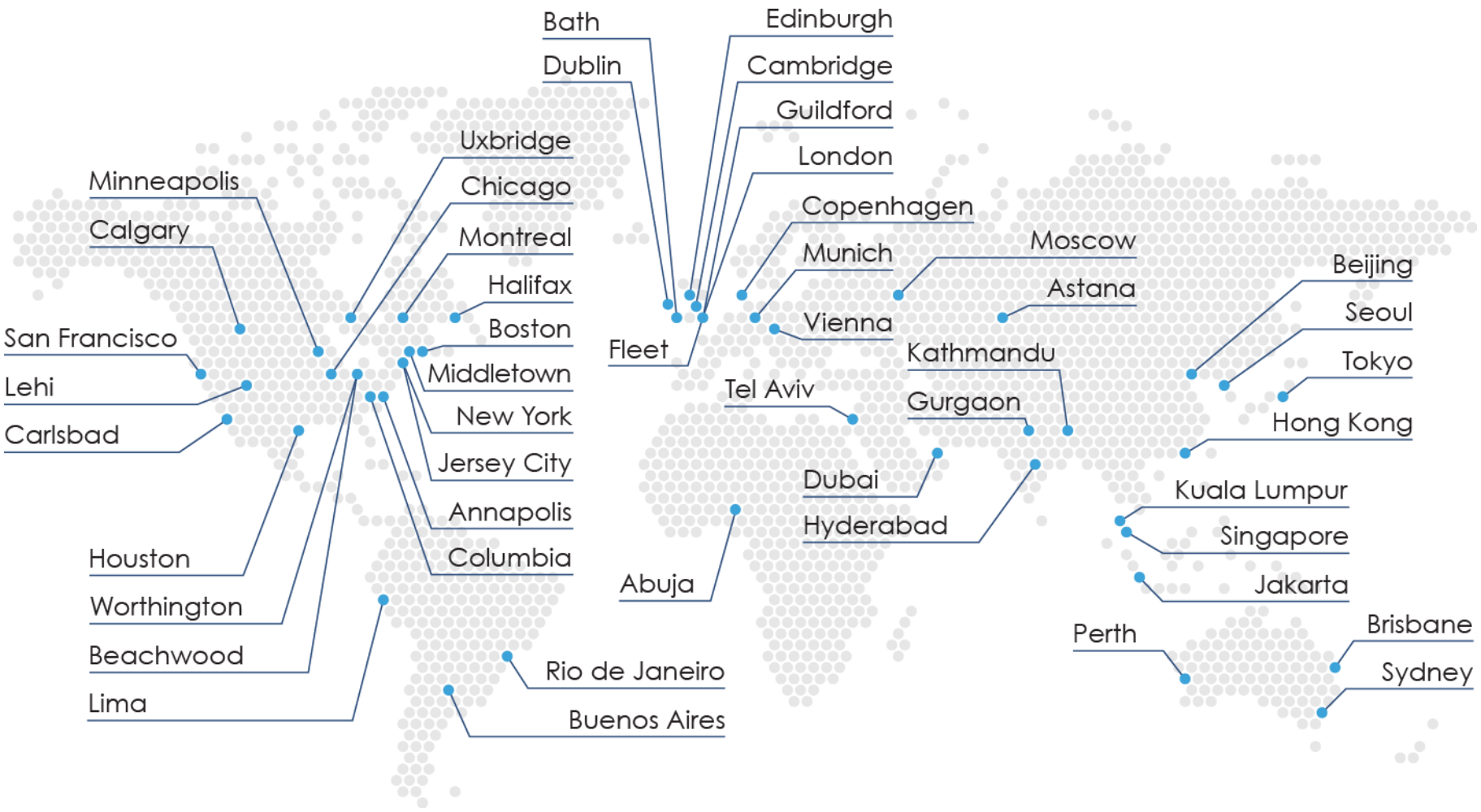


Note: Organic growth includes businesses owned for a full year or more at measurement.

All figures exclude mortgage and healthcare

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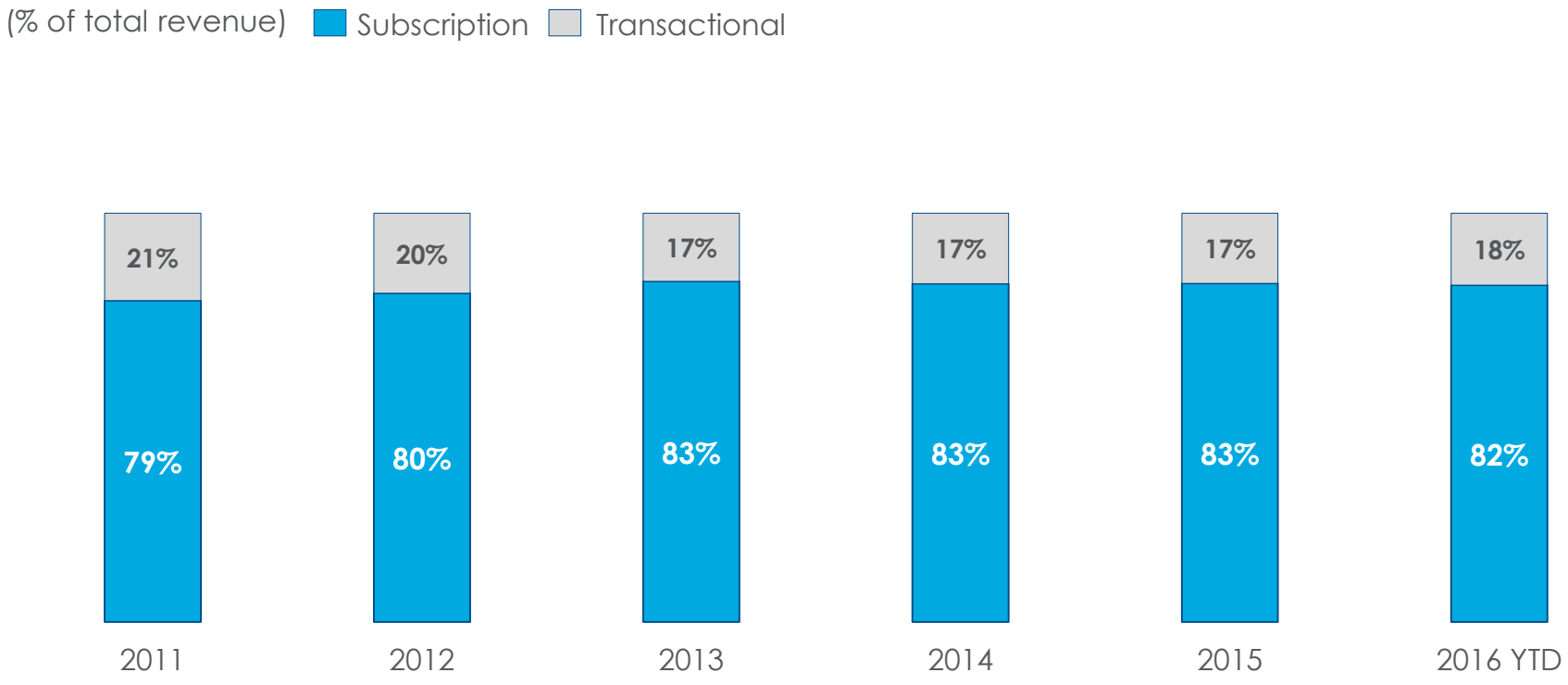
Global Platform



International Revenue: > 20% of Total

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Subscription Revenue

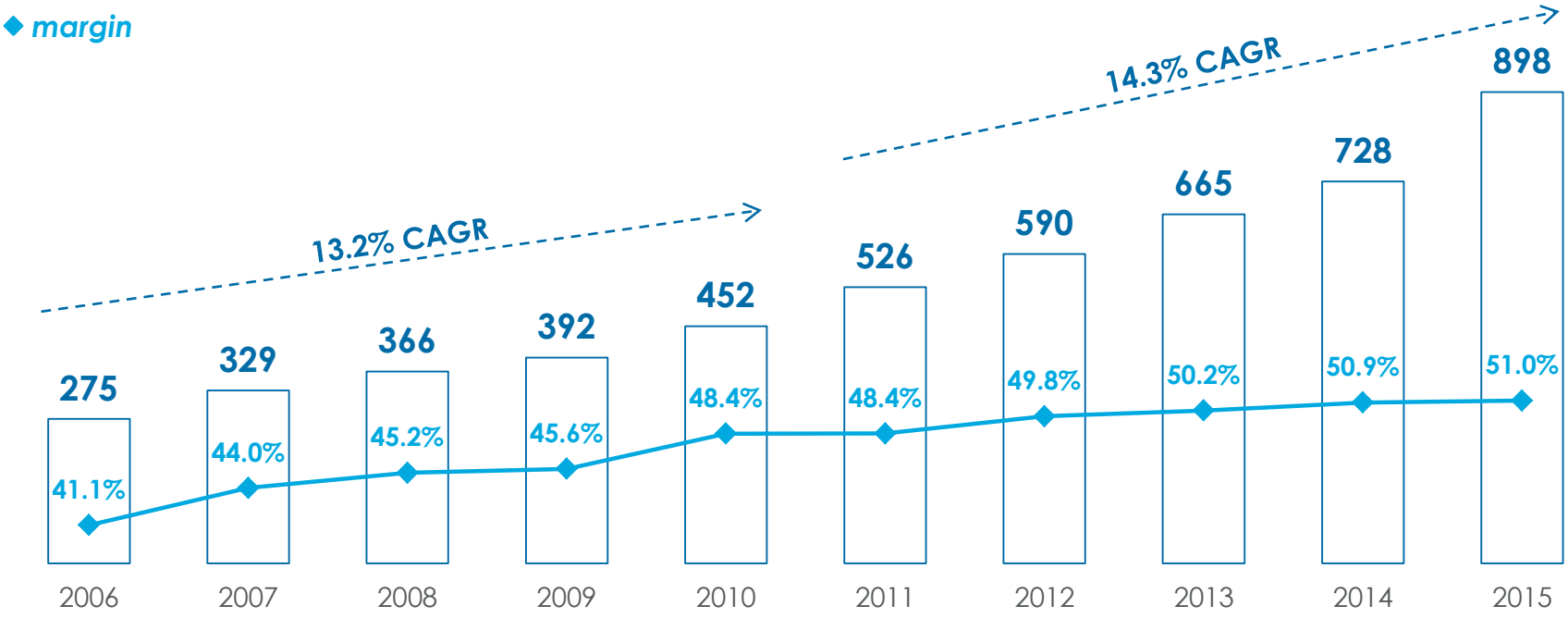


All figures exclude mortgage and healthcare

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EBITDA

(in $ millions)



Notes: 2015 excludes warrant gain and 2Q one-time Wood Mackenzie acquisition fees (net of hedge).

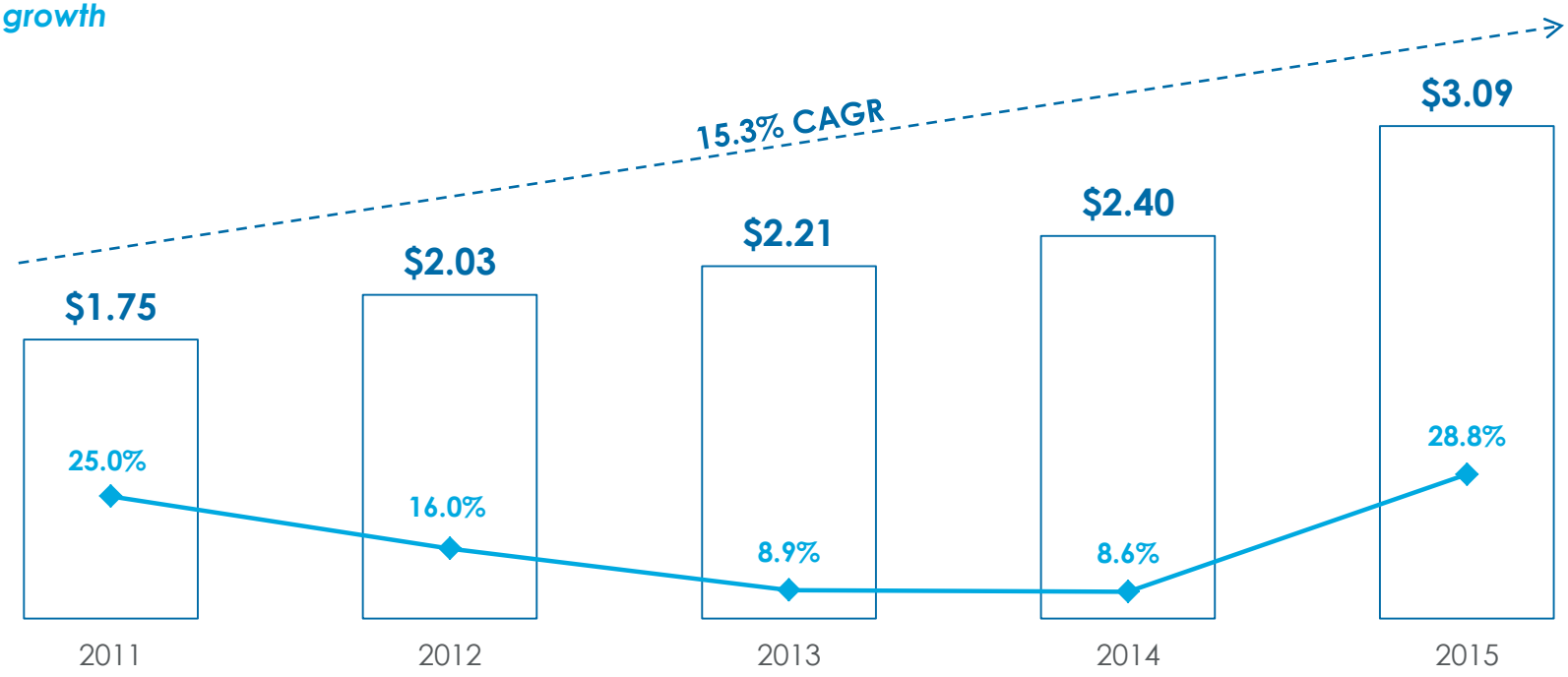
All figures exclude mortgage and healthcare

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Adjusted EPS (As Reported)

($ per share)

◆ *growth*



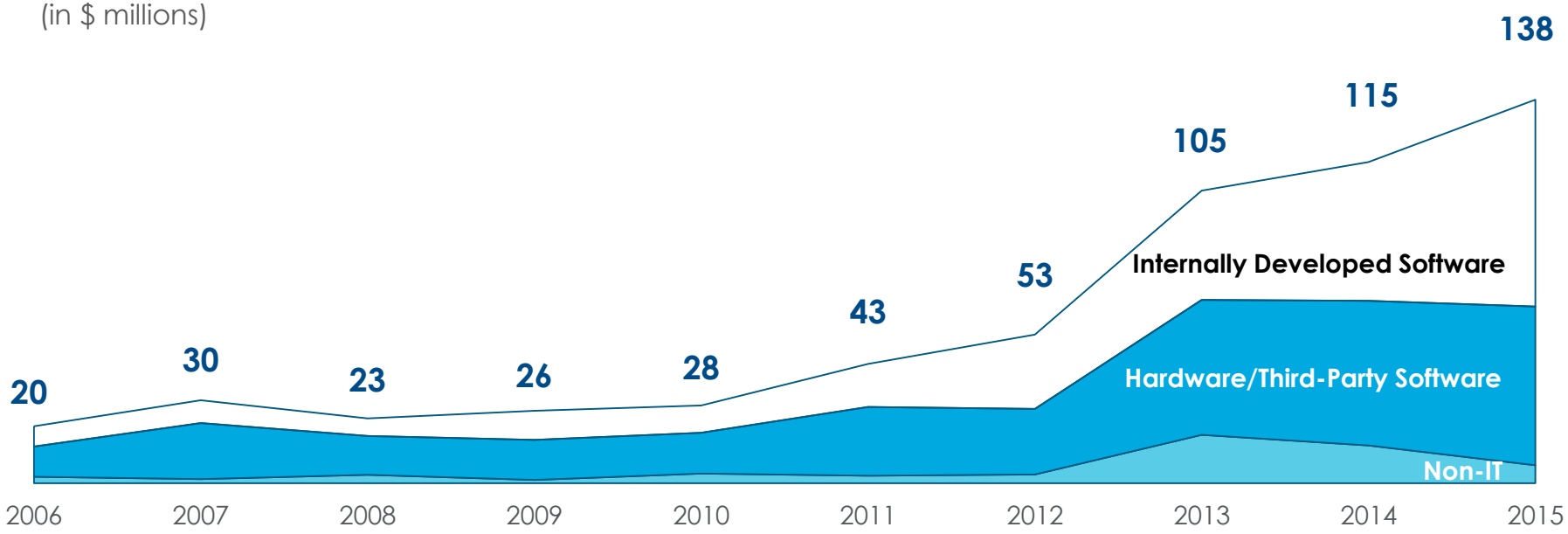
Notes: 2010-2011 Adjusted EPS includes mortgage. 2012-2015 Adjusted EPS excludes mortgage/includes healthcare.
2015 excludes 2Q one-time Wood Mackenzie acquisition fees (net of hedge).

All figures exclude mortgage and healthcare

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Capital Expenditures

(in $ millions)



CapEx as a % of Revenue

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
3.0%	4.0%	2.9%	3.0%	3.0%	3.9%	4.5%	7.9%	8.0%	7.8%

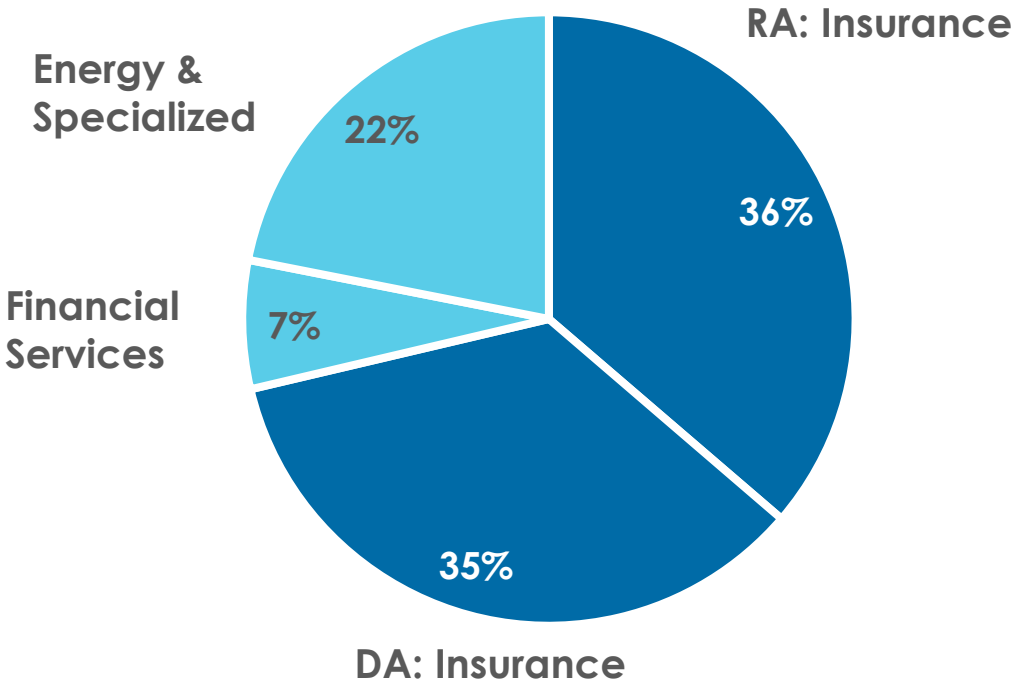
Note: Non-IT includes items such as furniture and leasehold improvements (e.g., office renovations).

All figures exclude mortgage and healthcare

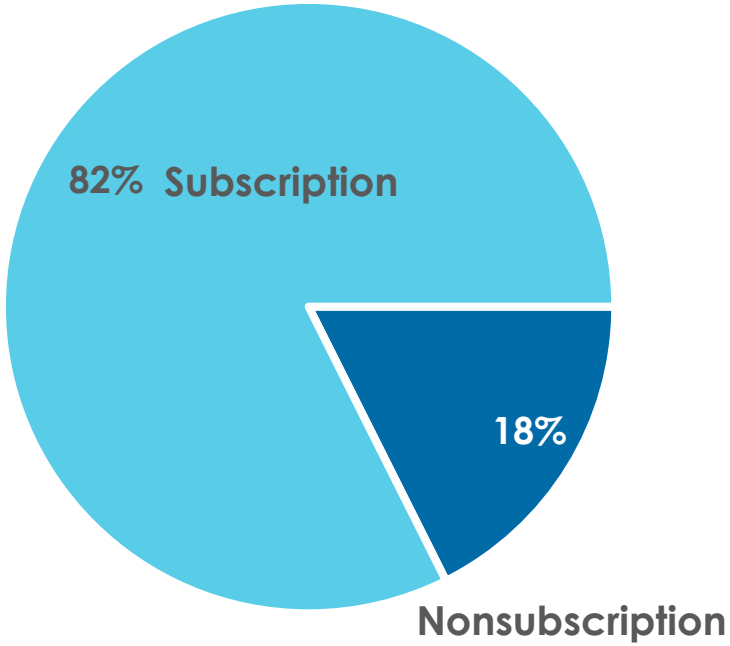
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Diverse, High-Recurring Revenue Sources

3Q2016 Revenue Distribution

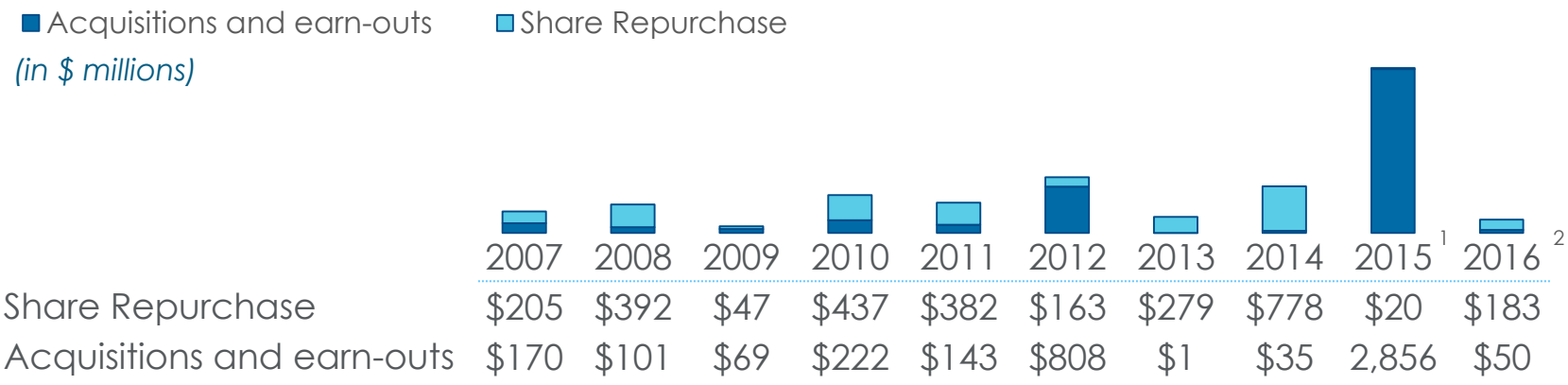


3Q2016 YTD Subscription Base



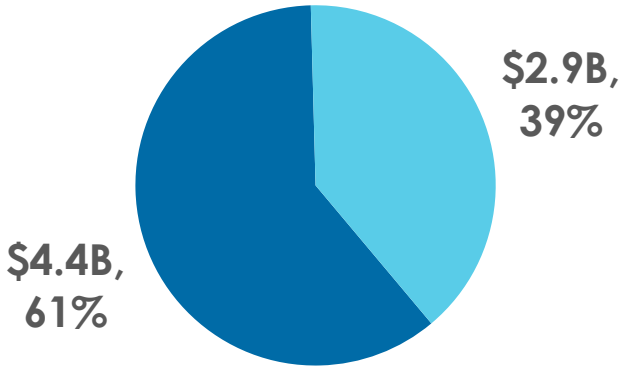
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Disciplined Capital Allocation



	2007	2008	2009	2010	2011	2012	2013	2014	2015[1]	2016[2]
Share Repurchase	$205	$392	$47	$437	$382	$163	$279	$778	$20	$183
Acquisitions and earn-outs	$170	$101	$69	$222	$143	$808	$1	$35	2,856	$50

Cumulative Capital Allocation, $ billions[3]

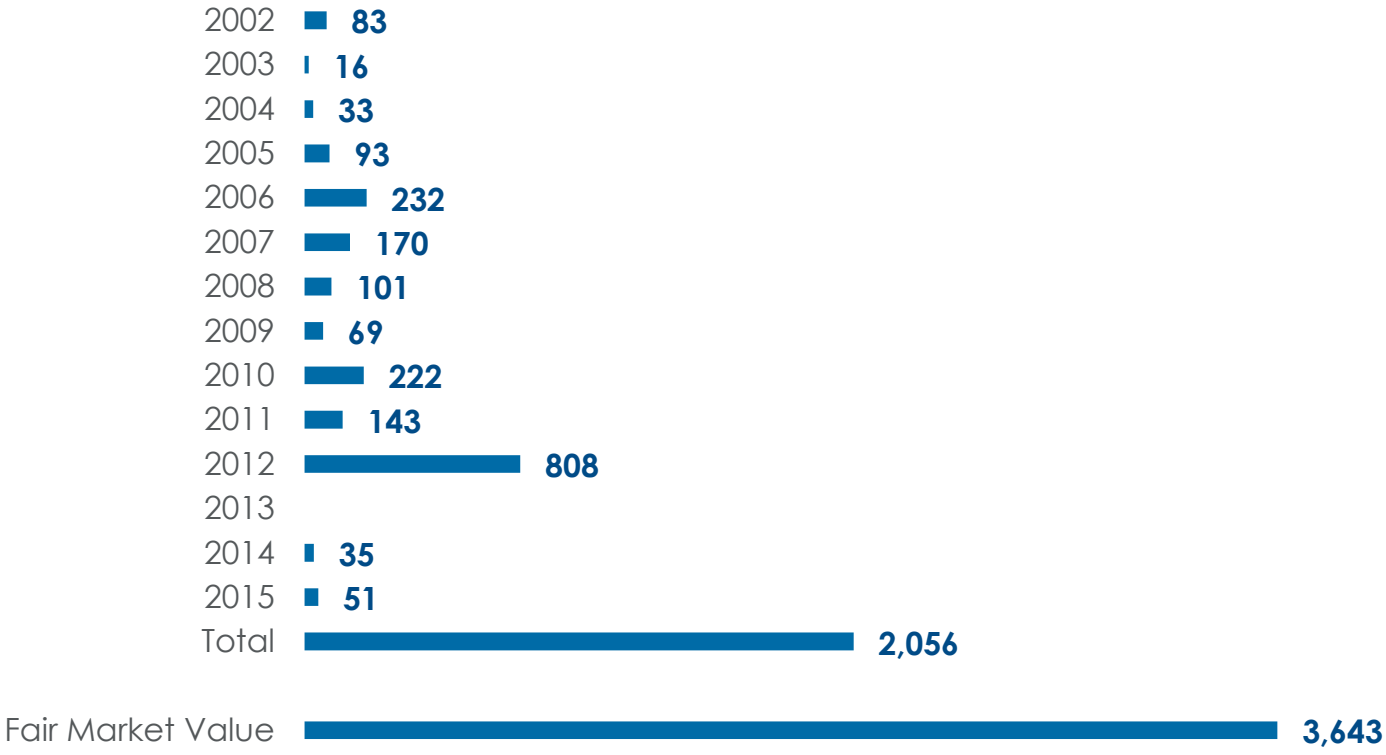


1. 2015 acquisition amount is net of currency hedges
2. As of September 30, 2016
3. January 1, 2007, through September 30, 2016

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Strong Aggregate IRRs on M&A

- $2.1 billion invested 2002–2015 (excluding Wood Mackenzie)
- Increase in value at 10x multiple: ~ $1.6 billion
- Annualized return[1]: ~ 19%

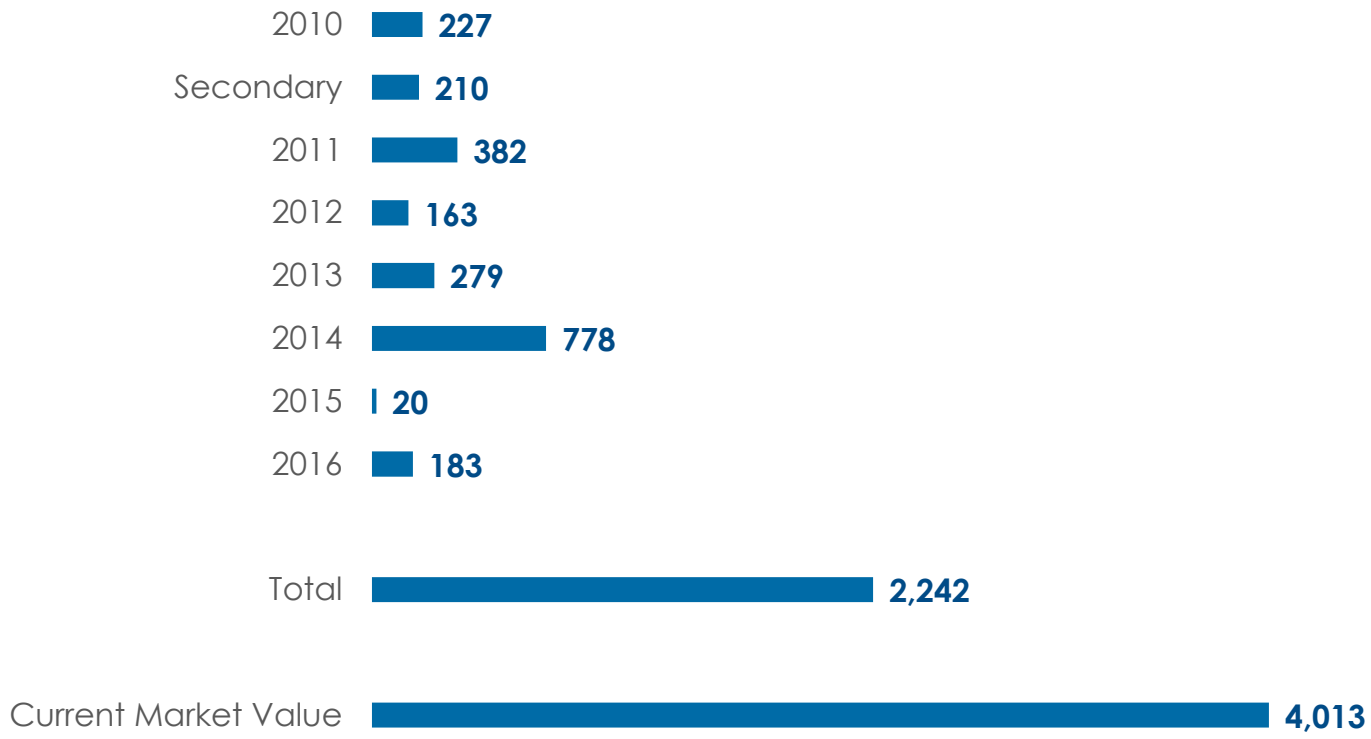


1. Return reflects cash paid, earnouts, and cash inflows and assumes a 10x EBITDA multiple to generate the terminal value; excludes Wood Mackenzie but includes other acquisitions through 2015.

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Strong Aggregate IRRs on Repurchases

- $2.2 billion repurchased since 2010
- Increase in value at current share price: ~ $1.8 billion
- Annualized return[1]: ~ 15%



1. Based on 9/30/2016 closing price of $81.28

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Aggregate Success of Key Deals

- AIR Worldwide
- Xactware
- D2Hawkeye
- Crowe Paradis
- 3E Company
- Bloodhound
- Health Risk Partners
- MediConnect
- Argus

All deals > $50M purchase price (including earnouts)[1]

Total Paid ($M)	1,639
EV/Yr 1 EBITDA	9.0x
Actual Revenue CAGR thru Yr 3	15%
Actual EBITDA CAGR thru Yr 3	25%
ROIC	8.3%

1. Excludes Wood Mackenzie

Notes: Year 1 is first full year after acquisition. ROIC calculated as year 3 free cash flow/total purchase price

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2016 Acquisitions

	MARKETSTANCE	The GeoInformation Group	Analyze Re	Quest Offshore	greentechmedia	Risk Intelligence IRELAND
Date	Nov 2016	Nov 2016	Oct 2016	Aug 2016	Jul 2016	Apr 2016
Description	Provides market intelligence data and analytics to the property & casualty insurance market	Provides large-scale mapping services and geospatial data and analytic solutions to a wide array of companies and more than 300 public sector organizations	Provides a software analytics suite designed for the reinsurance and insurance industries	Provides strategic market intelligence to the global oil and gas community through subscriptions to their eight proprietary market-forecast databases	Delivers business-to-business news, market analysis, and conferences that inform and connect players in the global clean energy market	Provides value-added services focused on fraud detection, compliance, risk control, and process automation
Vertical	Insurance	Insurance	Insurance	Natural Resources	Natural Resources	Insurance
Location	Middletown, Connecticut	Cambridge, United Kingdom	Halifax, Nova Scotia	Sugar Land, Texas	Boston, Massachusetts	Dublin, Ireland

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Guidelines for Capital Allocation Future Success

For M&A

- Reasonable prices for good businesses
  - Identify businesses that fit strategy and grow cash flow
  - Seek sticky subscription revenue
- ROIC provides an additional measure with nearer-term horizon

For Buyback

- Remain disciplined
  - Volume/price targets
  - Share reduction secondary outcome

Balanced strategy creates flexibility

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Strong Capital Structure to Support Growth

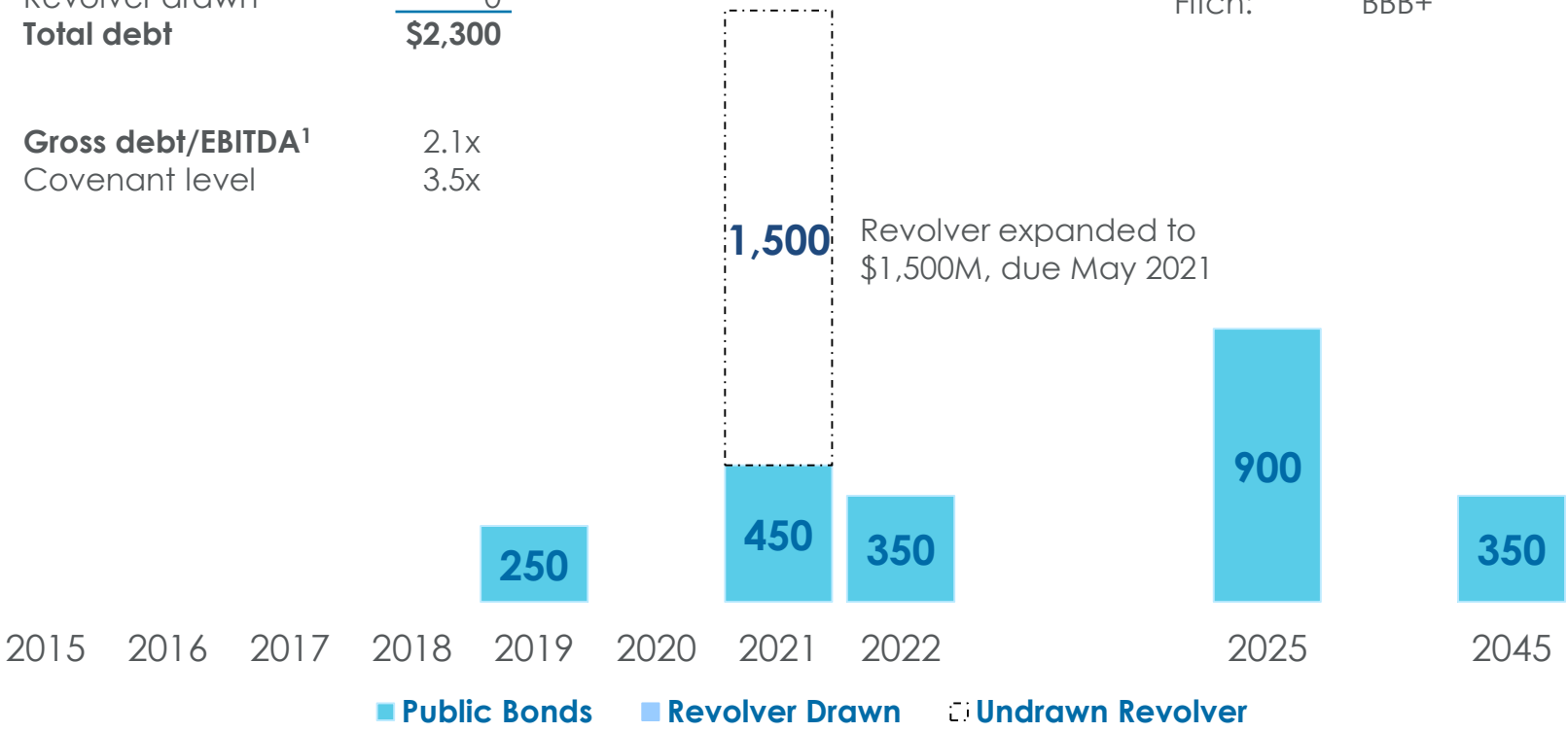
as of 9/30/2016

($ millions)	
Bonds	$2,300
Revolver drawn	0
Total debt	**$2,300**

Gross debt/EBITDA[1]	2.1x
Covenant level	3.5x

Investment-grade ratings

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



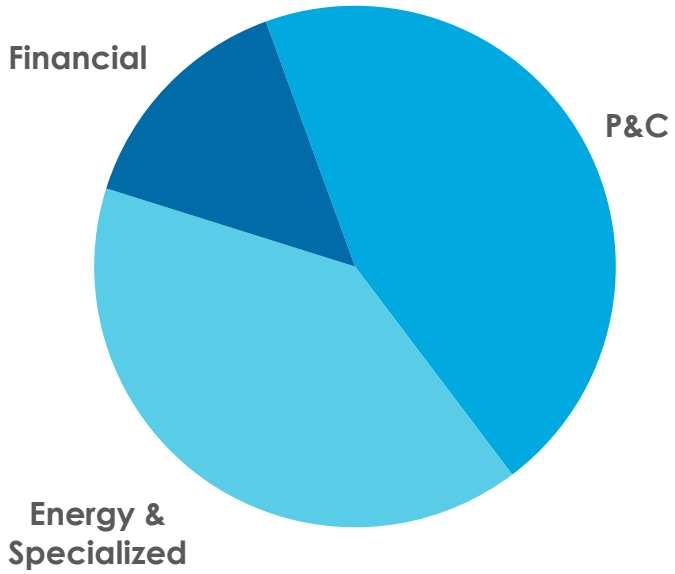
Leverage reference point: 2.5x gross debt/EBITDA

1. Per debt covenant

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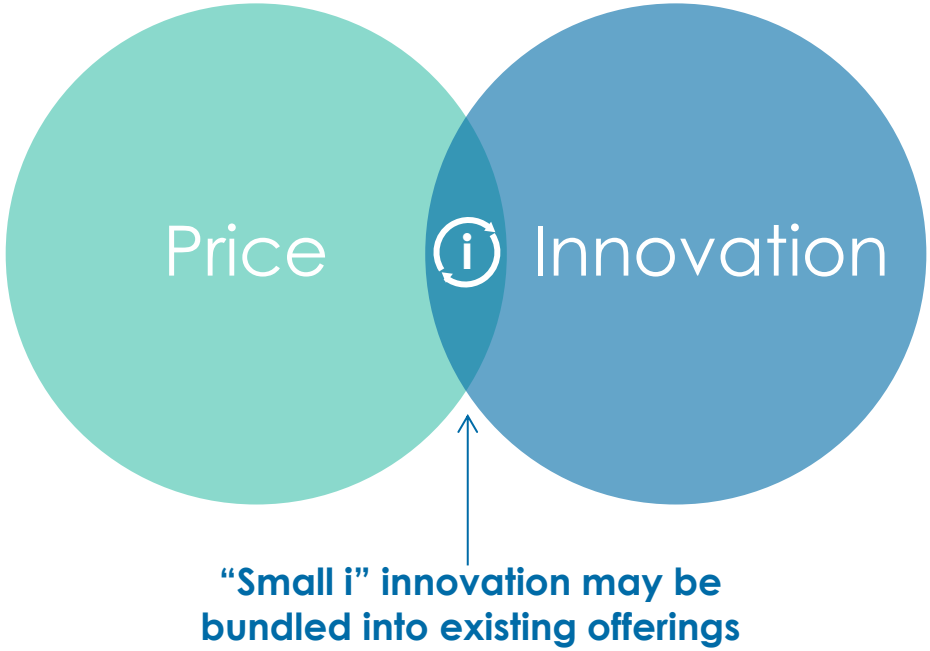
Verisk Addressable Market

$16 Billion Addressable Market



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Innovation Opportunities



- Discrete programs, not built materially off of existing solutions
- Material incremental revenue streams
- Genuinely staffed with a 24/7 champion, i.e., someone whose success is directly tied to the success of the project
- Appropriate incentive programs
- May, though not necessarily, require incremental OpEx or CapEx

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Corporate Objectives: Path to 2021



Our People



Customers



Innovation



Performance

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Conclusion

On average, outlook over time:

- Organic revenue growth consistent with long-term historical performance
- Measured margin expansion
- Drive free cash-flow growth to increase enterprise and shareholder value
- Long-term compounding of growth

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Q&A



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Verisk Analytics Investor Day

December 8, 2016

Verisk Analytics

SERVE | ADD VALUE | INNOVATE

Appendix



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Non-GAAP Reconciliations: Adjusted EPS

($ per share)	2015	2014	2013	2012	2011
Diluted EPS – GAAP	3.01	2.37	2.02	1.92	1.63
Plus: Amortization of intangibles	0.56	0.34	0.37	0.30	0.20
Less: Income tax effect on amortization of intangibles	(0.16)	(0.13)	(0.14)	(0.12)	(0.08)
Plus: Nonrecurring items related to the Wood Mackenzie acquisition	(0.25)	--	--	--	--
Less: Income tax effect on one-time items related to the Wood Mackenzie acquisition	(0.07)	--	--	--	--
Less: Discontinued operations, net of tax	--	(0.18)	(0.04)	(0.07)	--
Adjusted EPS	3.09	2.40	2.21	2.03	1.75

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Non-GAAP Reconciliations: EBITDA

($ millions)	2015	2014	2013	2012	2011
Net Income	508	400	348	329	283
Depreciation and amortization	215	142	130	99	79
Interest expense	121	70	76	73	54
Provision for income tax	210	220	196	182	178
Less: Nonrecurring items related to Wood Mackenzie acquisition	-59	0	0	0	0
Less: Gain on sale of warrant	-16	0	0	0	0
Less: EBITDA from discontinued operations	-82	-75	-80	-81	-67
Less: Income from discontinued operations, net of tax	0	-29	-6	-12	0
Adjusted EBITDA from continuing operations	898	728	665	590	526

Notes: 2012-2014 reconciling items exclude mortgage (divested in 2014).

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