1Q2022 Earnings Presentation

May 3, 2022

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

Forward-Looking Statements

This release contains forward-looking statements. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. This includes, but is not limited to, our expectation and ability to pay a cash dividend on our common stock in the future, subject to the determination by our Board of Directors and based on an evaluation of our earnings, financial condition and requirements, business conditions, capital allocation determinations, and other factors, risks, and uncertainties. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “target,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements, because they involve known and unknown risks, uncertainties, and other factors that are, in some cases, beyond our control and that could materially affect actual results, levels of activity, performance, or achievements.

Other factors that could materially affect actual results, levels of activity, performance, or achievements can be found in our quarterly reports on Form 10-Q, annual reports on Form 10-K, and current reports on Form 8-K filed with the Securities and Exchange Commission. If any of these risks or uncertainties materialize or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement in this release reflects our current views with respect to future events and is subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.

Notes Regarding the Use of Non-GAAP Financial Measures

We have provided certain non-GAAP financial information as supplemental information regarding our operating results. These measures are not in accordance with, or an alternative for, U.S. GAAP and may be different from non-GAAP measures reported by other companies. We believe that our presentation of non-GAAP measures provides useful information to management and investors regarding certain financial and business trends relating to our financial condition and results of operations. In addition, our management uses these measures for reviewing our financial results, for budgeting and planning purposes, and for evaluating the performance of senior management.

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Business and Financial Highlights

- Organic constant currency (OCC) revenue growth of 5.3%, or 5.7% when normalized for the impact of suspension of Russian operations, was driven by consistent growth in insurance and sequential improvement in energy.
- OCC adjusted EBITDA growth of 4.1%, or 6.9% when normalized for Russia impact and higher discrete professional fees.
- OCC revenue growth for subscription revenue, which is 82% of total organic revenue, was approximately 6.2%, demonstrating the consistency and durability of our business model.
- Made key progress on ongoing portfolio review, completed divestiture of 3E and Verisk Financial Services.
- Returned $621 million to shareholders through share repurchases and dividends.

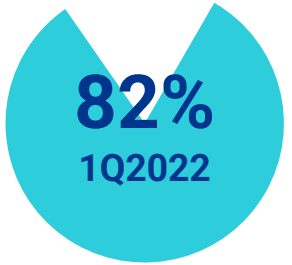


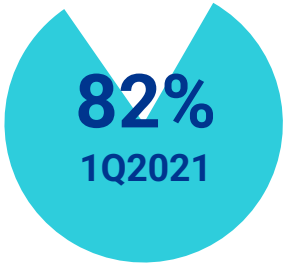
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Financial Summary

	Three months ended March 31		
	2022	2021	% change
Revenue	$775M	$726M	6.8%
Net income	506	169	199.9
Adjusted net income	217	203	7.0
Adjusted EBITDA	359	346	4.0
Adjusted EBITDA margin	46.3%	47.6%	-130 bps
Diluted GAAP EPS	$3.13	$1.03	203.9
Diluted adjusted EPS	$1.34	$1.23	8.9
Free cash flow	340	390	-12.8

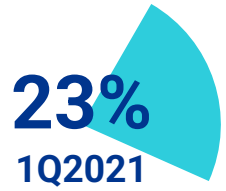
Subscription/Long-Term Revenue





International Revenue

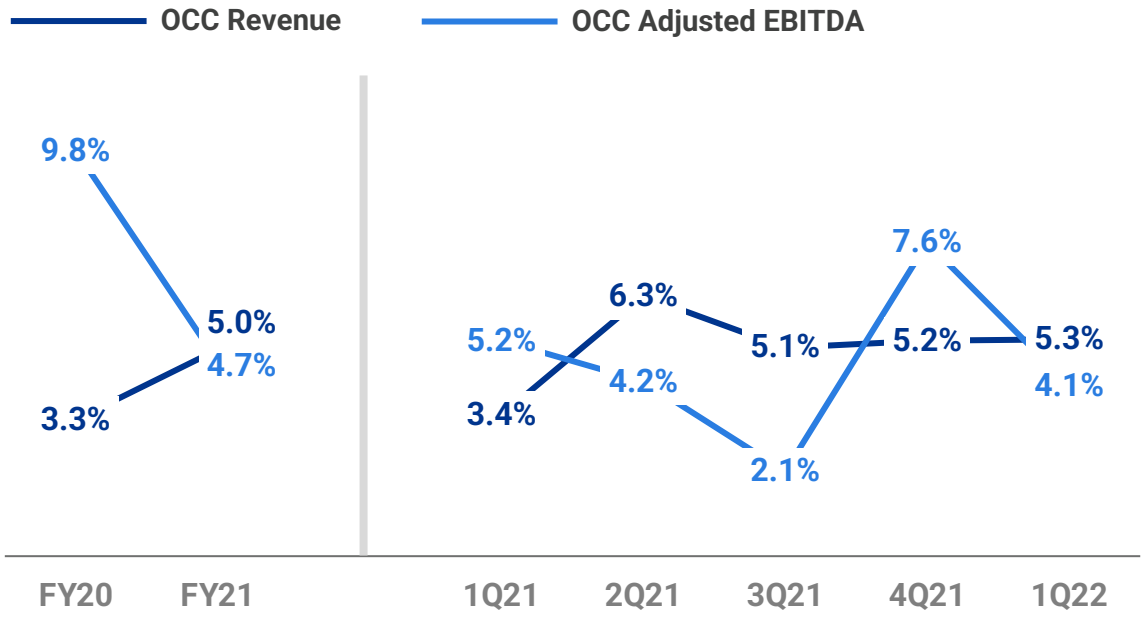




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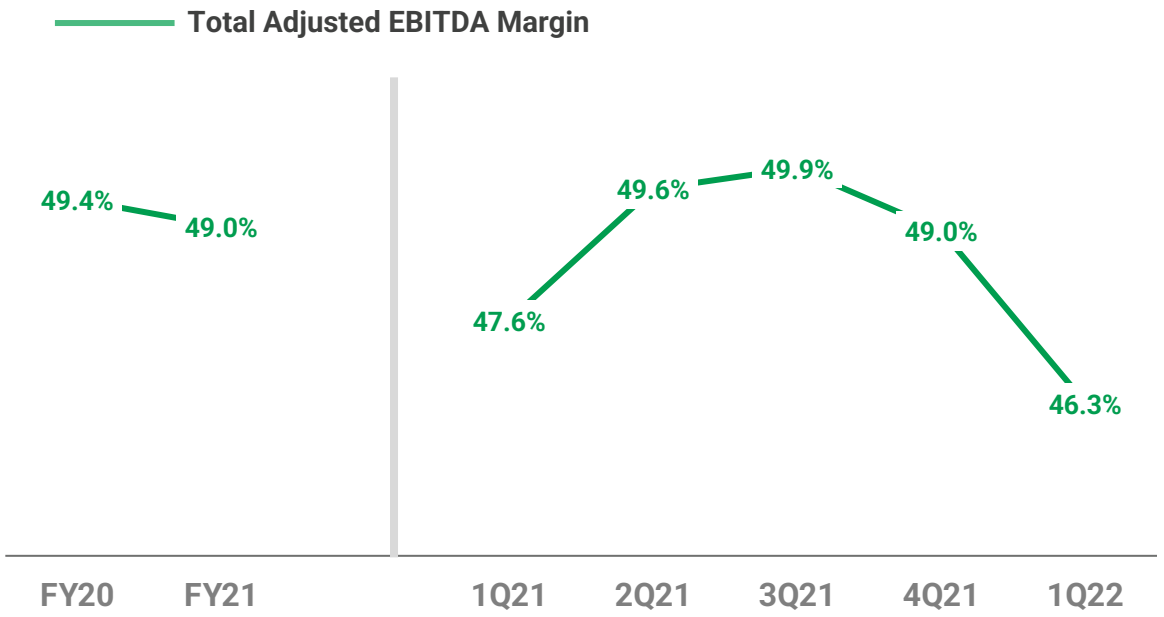
Organic Constant Currency Growth and Adjusted EBITDA Margins

1Q Financial Review



Highlights

- OCC revenue[1] increased 5.7% when adjusted for the Russian impact, driven by growth in subscription revenues across all segments.
- OCC adjusted EBITDA[1] growth was 6.9% when adjusted for the Russian impact and higher discrete professional fees.



Highlights

- Total adjusted EBITDA margin was 46.3%, down 130 basis points, reflecting the Russian impact and the discrete professional fees as well as recent acquisitions and higher travel and entertainment expense.
- This level of margin includes approximately 90 basis points of headwind from our ongoing technological transformation, including our cloud transition costs.

1. All 1Q22 OCC figures exclude results from recently announced dispositions, namely, 3E and Financial Services.

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Subscription vs. Non-subscription Growth

Organic Constant Currency

Growth	1Q22		
	Insurance	E&SM	Total
Subscription revenue	7.2%	2.0%	6.2%
Non-subscription revenue	1.3	1.5	1.3
Total	**6.1%**	**1.9%**	**5.3%**

Highlights

Insurance

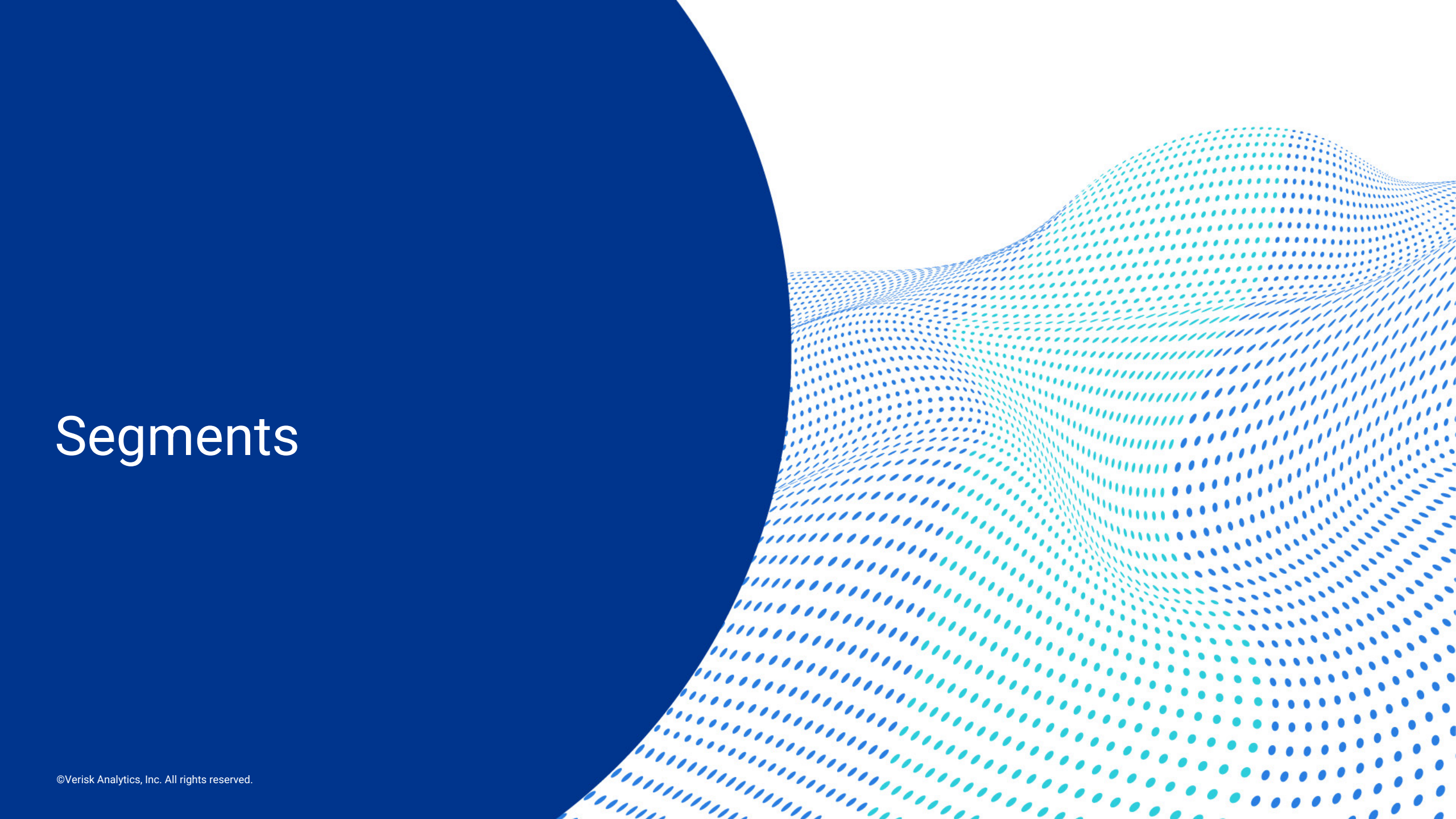
- Strong growth in core underwriting, claims analytics, extreme event modeling, life insurance solutions, and marketing solutions drove the growth.
- Non-subs revenue negatively impacted by lower storm-related revenue versus last year's Texas ice storms.

Energy

- Adjusting for the impact of the Russian revenues, subscription revenues increased 4.8%.
- Delivered double-digit growth in energy transition and chemicals subscriptions.
- Non-subs growth impacted by resource constraints.

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Segments



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Insurance

Industry-leading data analytics and insights

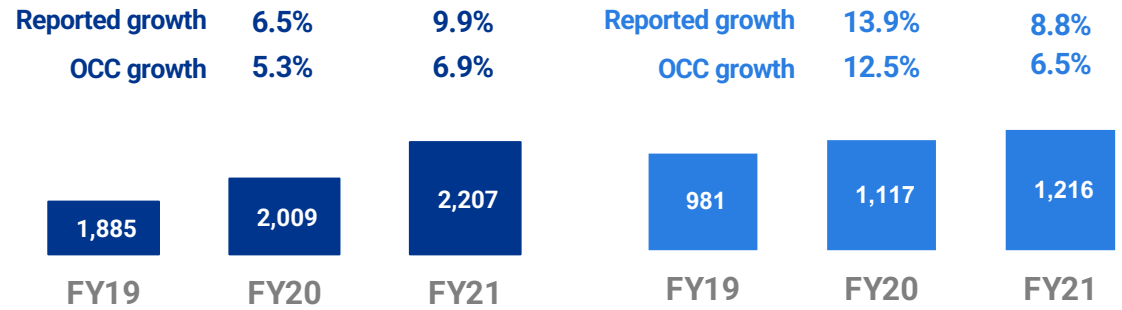
Underwriting & Rating Solutions

Underwriting Solutions	Industry-standard insurance programs, property-specific underwriting & rating information, and underwriting solutions
Extreme Event Solutions	Catastrophe and extreme event models and data covering natural and man-made risks such as terrorism
Specialty Business Solutions	Integrated suite of software that provides full end-to-end management of all insurance and reinsurance business

Claims Solutions

Claims Solutions	Integrated analytics solutions for improving claim outcomes and fighting fraud at every step of the process
Property Estimating Solutions	Loss quantification and repair cost estimating for professionals involved in all phases of building and repair

Historical Performance



1Q2022



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Insurance Quarterly Performance

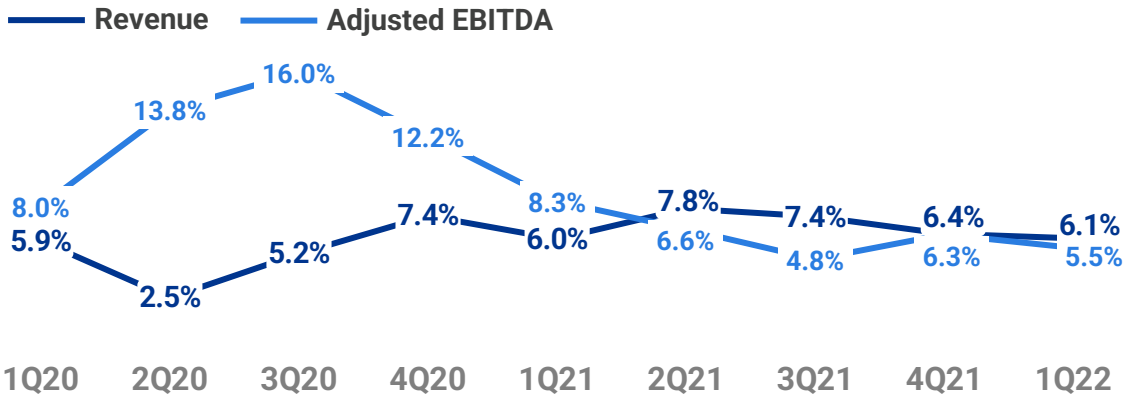
Financials

	1Q22	1Q21	% change Reported	% change OCC
UW & rating	$416M	$377M	10.3%	6.4%
Claims	170	159	7.5	5.3
Revenue	**586**	**536**	**9.5**	**6.1**
Adjusted EBITDA	**302**	**289**	**4.6**	**5.5**
Total margin	51.5%	53.9%		

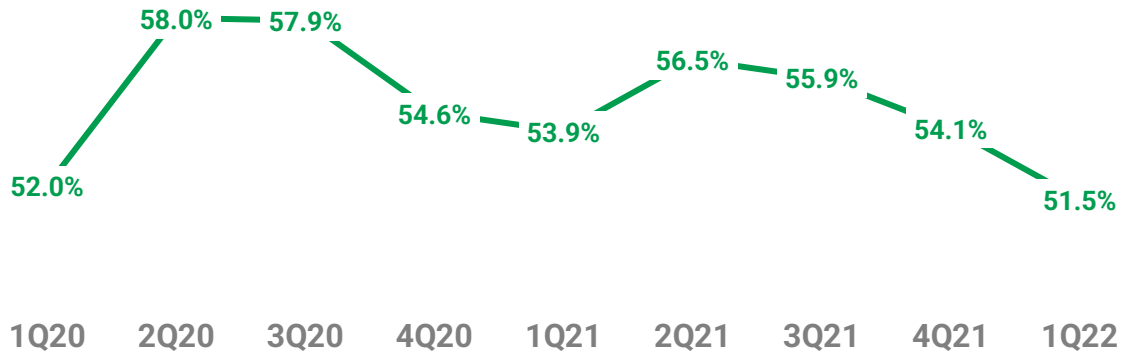
Business Highlights

- Underwriting and rating grew 6.4% on an OCC basis with solid growth across industry-standard programs, extreme events solutions, life insurance solutions, and international software solutions.
- Claims delivered 5.3% OCC growth, driven by strong growth in claims analytics and modest gains in property estimating solutions.
- Margins declined 240 basis points to 51.5%, reflecting a higher level of corporate allocations, the impact of recent acquisitions, higher cloud and travel & entertainment expense.

Organic Constant Currency Growth



Total Adjusted EBITDA Margin



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Energy and Specialized Markets

Unique insight on the world's energy resources and intelligent compliance solutions

Energy

Wood Mackenzie

Energy and natural resources solutions across Research & Analytics and Advisory Services

Providing engaging digital platforms and tools to support objective decision-making for the oil and gas, metals and mining, chemicals, subsurface, and power and renewables industries

Power Advocate

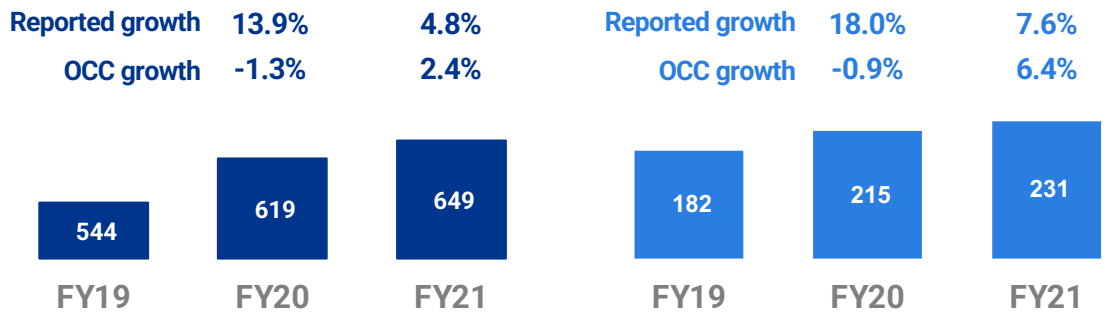
Spend and cost data from millions of transactions across thousands of services, materials, and equipment categories

Specialized Markets

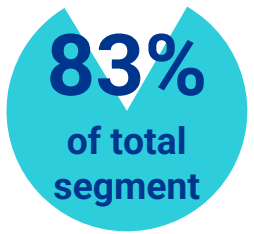
Verisk 3E

Supporting compliance with global environmental health and safety requirements

Historical Performance



1Q2022



% Subscription



Revenue



Adjusted EBITDA

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Energy and Specialized Markets Quarterly Performance

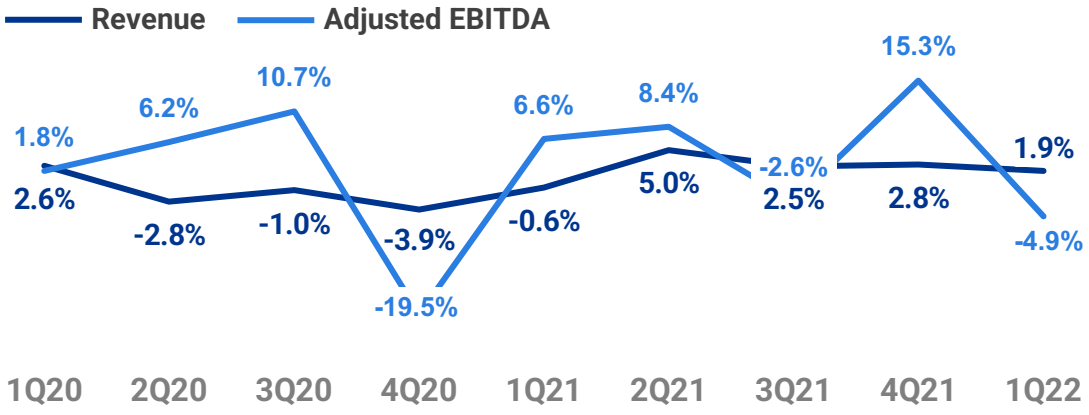
Financials

	1Q22	1Q21	% change Reported	% change OCC[1]
Revenue	**$154M**	**$156M**	**(1.2)%**	**1.9%**
Adjusted EBITDA	**51**	**54**	**(4.8)**	**(4.9)**
Total margin	33.1%	34.4%		

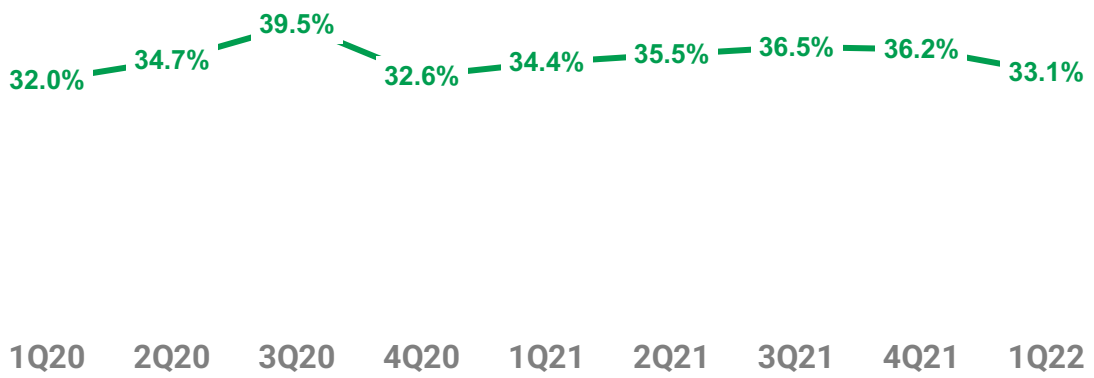
Business Highlights

- OCC revenue increased 1.9%, reflecting growth in subscription and consulting revenues.
  - Normalizing for the impact of suspended operations in Russia, Energy revenue would have grown 4.3% on an OCC basis.
- OCC adjusted EBITDA grew 5.3% when normalizing for the impact of suspended operations in Russia.
- Total adjusted EBITDA margin was 33.1%, down 130 bps year-over-year reflecting the impact of Russia and higher cloud and travel expenses.

Organic Constant Currency Growth



Total Adjusted EBITDA Margin



1. All OCC figures exclude results from recently completed disposition of 3E.

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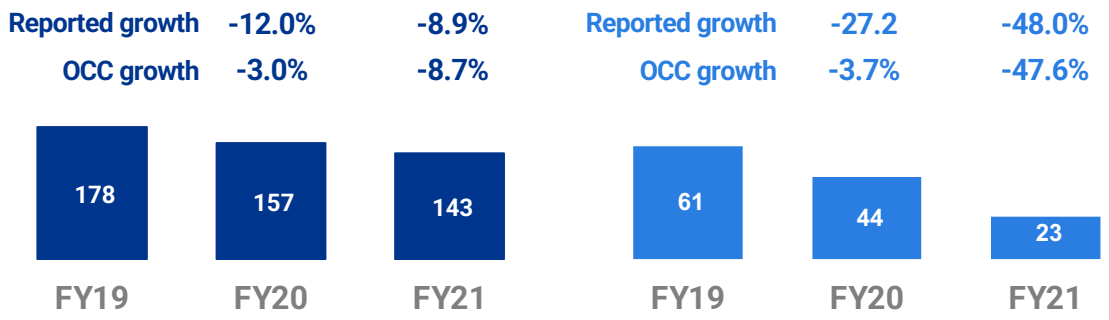
Financial Services

Big data, predictive analytics, and insights

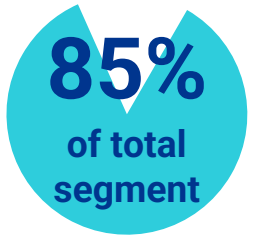
Verisk Financial

Argus Portfolio Management	Solutions for financial institutions, including competitive benchmarking, decisioning algorithms and advisory services, and data management platforms
Management Information & Regulatory Reporting	MIS solutions and regulatory reporting solutions for the banking sector
Fraud & Credit Risk Management	Tools for bankruptcy management and debt collection, and solutions to detect fraud and illicit or noncompliant merchant activity for e-commerce and payments companies
Spend-Informed Analytics	Consumer spending analysis and insights, including marketing targeting models and campaign measurement tools

Historical Performance



1Q2022



% Subscription



Revenue



Adjusted EBITDA

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Cash Flow and Capital



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Cash Flow Utilization

(in $ millions)	2019	2020	2021	1Q21	1Q22
Net cash provided by operating activities	$956M	$1,068M	$1,156M	$449M	400M
Capital expenditures	(217)	(247)	(268)	(59)	(60)
Free cash flow (FCF)	740	821	887	390	340
Acquisitions (net of cash acquired) and related items[1]	(704)	(396)	(299)	(14)	(445)
Proceeds from sale of assets and settlement of related note	2	23	—	—	575
Net debt (repayments) borrowings	450	44	110	(50)	325
Purchase of investments in a nonpublic company	—	(95)	(24)	—	(41)
Repurchases of common stock	(300)	(349)	(475)	(100)	(571)
Dividends paid	(164)	(176)	(188)	(47)	(49)

1. Includes acquisition-related earnout payments from both operating and financing activities.

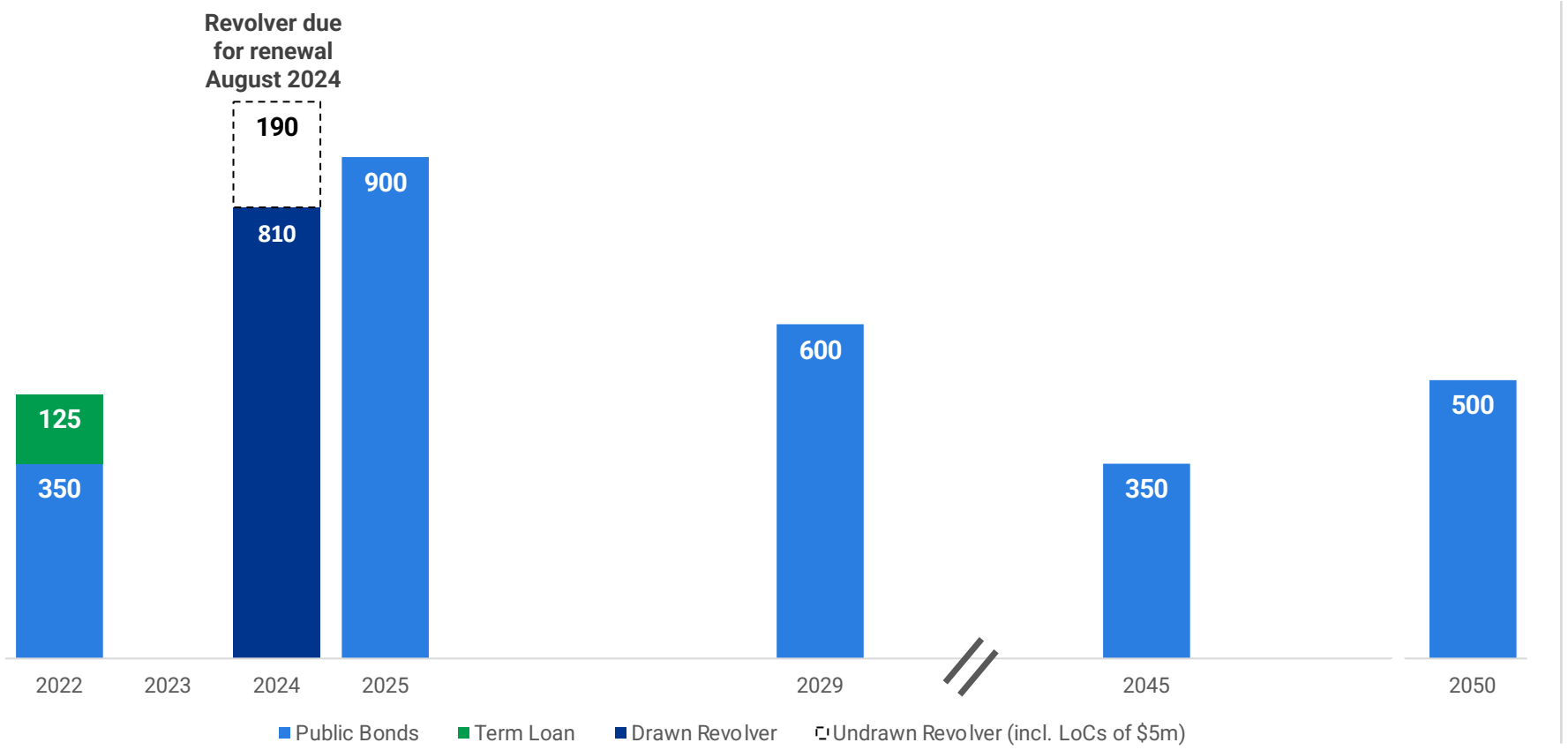
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Capital Structure

(in $ millions)	as of Mar-2022
Bonds	**$2,700**
Term Loan	**$125**
Revolver Drawn	**$810**
Total Debt [1]	**$3,635**
Debt/EBITDA [2]	**2.31x**
Covenant level [3]	**3.50x**

Investment Grade Ratings

S&P	BBB
Moody's	Baa2
Fitch	BBB+

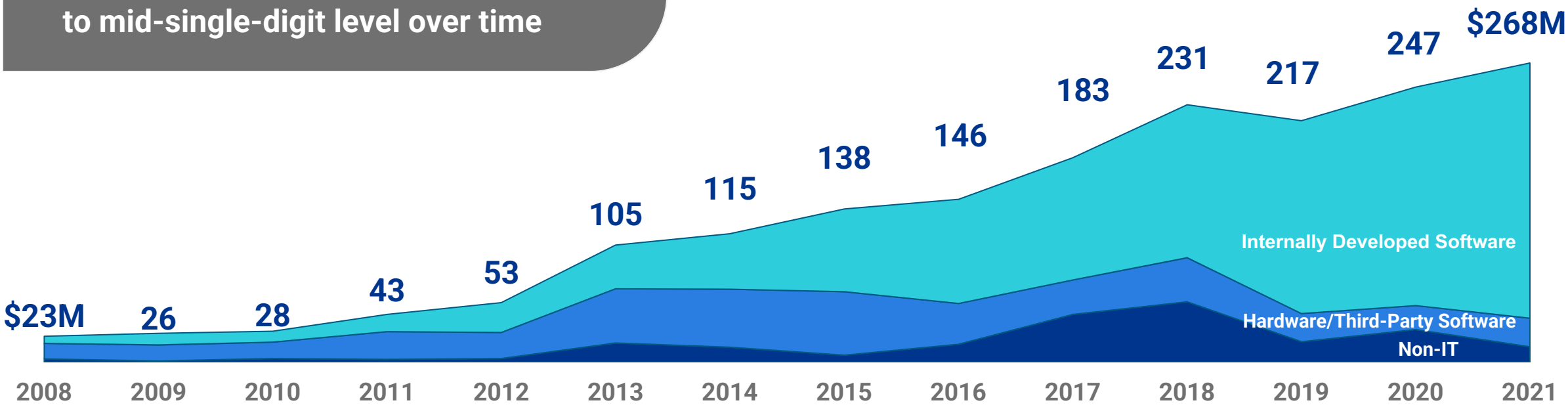


1. Total debt excludes finance lease liabilities, any issued letters of credit, and issued surety bonds.
2. Per bank covenant; leverage based on reported (face) EBITDA is 2.60x i.e., total debt(including finance lease liabilities & surety bonds)/unadjusted EBITDA.
3. At Verisk's election, covenant may increase once to 4.25x and once to 4.00x for a period of up to 12 months twice in the facility life.
The second step-up in the leverage covenant level can occur only if actual leverage is <=3.00x at two consecutive quarter ends after the occurrence of the first step-up.

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Capital Expenditures

Capex as a % of revenue to come down to mid-single-digit level over time



Capex as a % of revenue

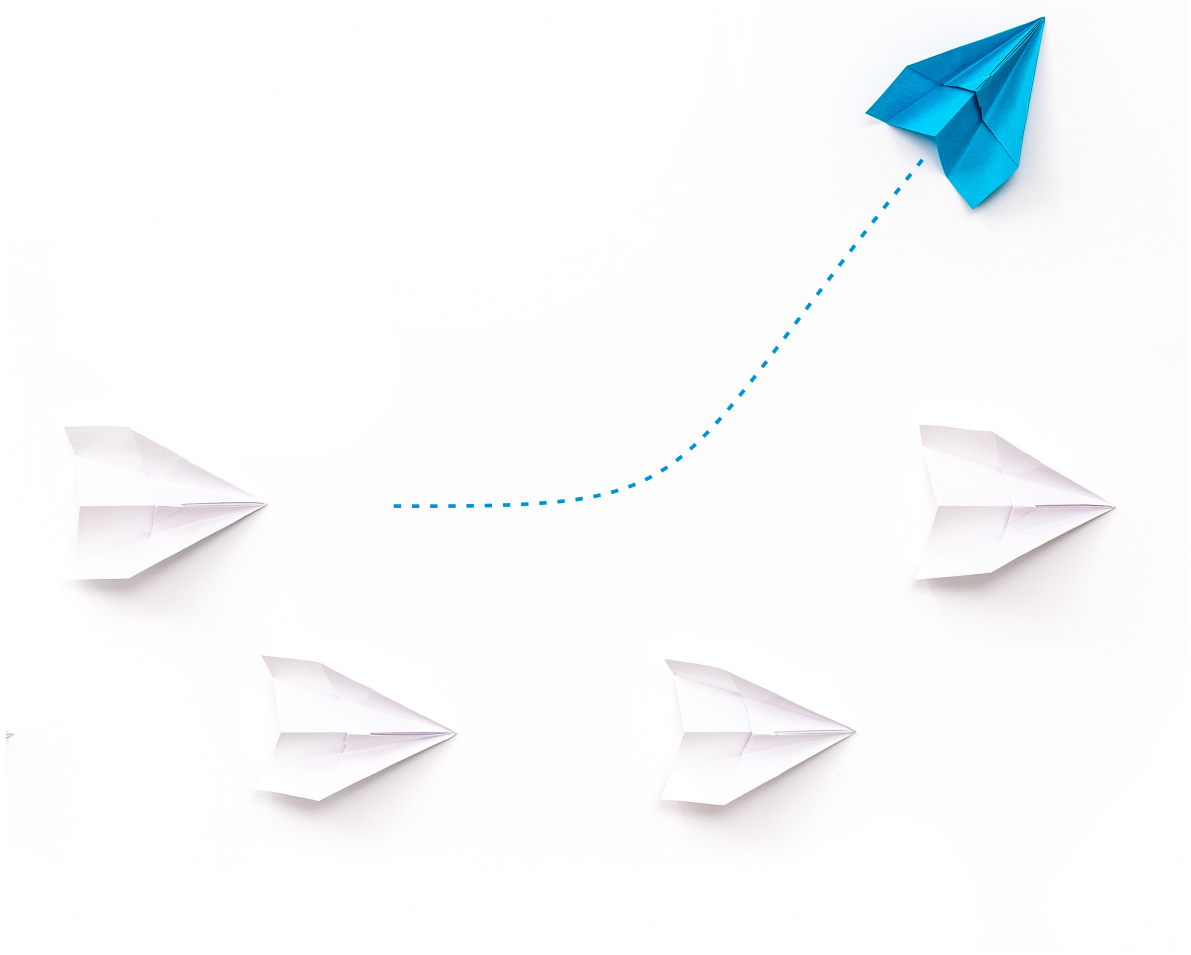
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
2.9%	3.0%	3.0%	3.9%	4.5%	7.9%	8.0%	7.8%	7.3%	8.6%	9.6%	8.3%	8.9%	9.0%

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Capital Management Philosophy

Focused on value creation and improving ROIC

- Understand and optimize operating capital generation
- Identify internal and external investment opportunities
- Compare estimated returns on invested capital relative to risk-weighted WACC
- Compare operating cash flow growth and aggregate value creation opportunity
- Allocate capital to attractive return opportunities in excess of risk-adjusted WACC with highest value creation opportunity
- Host biannual project level reviews for all capex spend with each business unit
- Target returns to exceed WACC in approximately three years
- Evaluate capital return alternatives
- Determine capital return allocation through dividends and share repurchases
- Maintain investment grade rating as important to customers; target leverage of 2–3x



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Appendix:

Supplemental Slides and/or Non-GAAP Reconciliations

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Non-GAAP Reconciliations

Specified Metrics

We have provided certain non-GAAP financial information as supplemental information regarding our operating results. These measures are not in accordance with, or an alternative for, U.S. GAAP and may be different from non-GAAP measures reported by other companies. We believe that our presentation of non-GAAP measures provides useful information to management and investors regarding certain financial and business trends relating to our financial condition and results of operations. In addition, our management uses these measures for reviewing our financial results, for budgeting and planning purposes, and for evaluating the performance of senior management.

EBITDA, Adjusted EBITDA, and Adjusted EBITDA Expenses

EBITDA represents GAAP net income adjusted for (i) depreciation and amortization of fixed assets; (ii) amortization of intangible assets; (iii) interest expense; and (iv) provision for income taxes. Adjusted EBITDA represents EBITDA adjusted for acquisition-related costs (earn-outs), gain/loss from dispositions (which includes businesses held for sale), and nonrecurring gain/loss. Adjusted EBITDA expenses represent adjusted EBITDA net of revenues. We believe these measures are useful and meaningful because they allow for greater transparency regarding our operating performance and facilitate period-to-period comparison.

Adjusted Net Income and Diluted Adjusted EPS

Adjusted net income represents GAAP net income adjusted for (i) amortization of intangible assets, net of tax; (ii) acquisition-related costs (earn-outs), net of tax; (iii) gain/loss from dispositions (which includes businesses held for sale), net of tax; and (iv) nonrecurring gain/loss, net of tax. Diluted adjusted EPS represents adjusted net income divided by weighted-average diluted shares. We believe these measures are useful and meaningful because they allow evaluation of the after-tax profitability of our results excluding the after-tax effect of acquisition-related costs and nonrecurring items.

Free Cash Flow

Free cash flow represents net cash provided by operating activities determined in accordance with GAAP minus payments for capital expenditures. We believe free cash flow is an important measure of the recurring cash generated by our operations that may be available to repay debt obligations, repurchase our stock, invest in future growth through new business development activities, or make acquisitions.

Organic

Organic is defined as operating results excluding the effect of recent acquisitions and dispositions (which include businesses held for sale) that have occurred over the past year. An acquisition is included as organic at the beginning of the calendar quarter that occurs subsequent to the one-year anniversary of the acquisition date. Once an acquisition is included in its current-period organic base, its comparable prior-year-period operating results are also included to calculate organic growth. A disposition (which includes a business held for sale) is excluded from organic at the beginning of the calendar quarter in which the disposition occurs (or when a business meets the held-for-sale criteria under U.S. GAAP). Once a disposition is excluded from its current-period organic base, its comparable prior-year-period operating results are also excluded to calculate organic growth. We believe the organic presentation enables investors to assess the growth of the business without the impact of recent acquisitions for which there is no prior-year comparison and the impact of recent dispositions, for which results are removed from all prior periods presented to allow for comparability.

Organic Constant Currency (OCC) Growth Rate

Organic Constant Currency (OCC) Growth Rate: Our operating results, such as, but not limited to, revenue and adjusted EBITDA, reported in U.S. dollars are affected by foreign currency exchange rate fluctuations because the underlying foreign currencies in which we transact changes in value over time compared with the U.S. dollar; accordingly, we present certain constant currency financial information to assess how we performed excluding the impact of foreign currency exchange rate fluctuations. We calculate constant currency by translating comparable prior-year-period results at the currency exchange rates used in the current period. We believe organic constant currency is a useful and meaningful measure to enhance investors' understanding of the continuing operating performance of our business and to facilitate the comparison of period-to-period performance because it excludes the impact of foreign exchange rate movements, acquisitions, and dispositions.

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Non-GAAP Reconciliations

Segment Results and EBITDA | Current and Prior-Year Period

Segment Results Summary and Adjusted EBITDA Reconciliation	1Q22			1Q21		
	Insurance	E&SM	FS	Insurance	E&SM	FS
Revenues	$586.4M	$154.3M	$34.8M	$535.6M	$156.2M	$34.3M
Revenues from acquisitions and dispositions	(19.8)	(24.5)	(34.8)	(0.6)	(27.3)	(34.3)
Organic revenues	**566.6**	**129.8**	**—**	**535.0**	**128.9**	**—**
EBITDA	302.3	501.9	(67.8)	289.0	53.7	2.9
Impairment loss	—	—	73.7	—	—	—
Acquisition-related costs (earn-outs)	—	—	—	(0.1)	—	—
Gain from disposition	—	(450.8)	—	—	—	—
Adjusted EBITDA	**302.3**	**51.1**	**5.9**	**288.9**	**53.7**	**2.9**
Adjusted EBITDA from acquisitions and dispositions	(3.2)	(10.1)	(5.9)	(4.6)	(9.7)	(2.9)
Organic adjusted EBITDA	**299.1**	**41.0**	**—**	**284.3**	**44.0**	**—**

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Non-GAAP Reconciliations

Segment Results and EBITDA | Current and Prior-Year Period

Segment Results Summary and Adjusted EBITDA Reconciliation	FY21			FY20		
	Insurance	E&SM	FS	Insurance	E&SM	FS
Revenues	$2,206.9M	$648.9M	$142.8M	$2,008.7M	$619.2M	$156.7M
Revenues from acquisitions and dispositions	(58.5)	(2.9)	—	(6.2)	—	(1.4)
Organic revenues	**2,148.4**	**646.0**	**142.8**	**2,002.5**	**619.2**	**155.3**
EBITDA	1,265.7	231.3	(111.0)	1,131.0	215.1	47.7
Impairment loss	—	—	134.0	—	—	—
Litigation reserve	(50.0)	—	—	—	—	—
Acquisition-related costs (earn-outs)	0.1	—	—	2.1	—	—
Gain from dispositions	—	—	—	(15.9)	—	(3.5)
Adjusted EBITDA	**1,215.8**	**231.3**	**23.0**	**1,117.2**	**215.1**	**44.2**
Adjusted EBITDA from acquisitions and dispositions	(18.2)	1.7	—	4.1	—	(0.1)
Organic adjusted EBITDA	**1,197.6**	**233.0**	**23.0**	**1,121.3**	**215.1**	**44.1**

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Non-GAAP Reconciliations

Adjusted Net Income/EPS and Free Cash Flow | Current and Prior-Year Period

Adjusted Net Income and EPS	FY21	FY20	1Q22	1Q21
Net income	$666.3M	$712.7M	$505.8M	$168.0M
plus: Amortization of intangibles	176.7	165.9	44.6	45.0
less: Income tax effect on amortization of intangibles	(38.8)	(36.5)	(9.8)	(9.9)
less: Litigation reserve	(50.0)	—	—	—
plus: Income tax effect on litigation reserve	12.6	—	—	—
plus: Acquisition-related costs and interest expense (earn-outs)	0.1	2.1	—	(0.1)
less: Income tax effect on acquisition-related costs and interest expense (earn-outs)	—	(0.5)	—	—
plus: Impairment loss	134.0	—	73.7	—
less: Income tax effect on impairment loss	(32.8)	—	(16.8)	—
less: Gain from dispositions	—	(19.4)	(450.8)	—
plus: Income tax effect on gain from dispositions	—	9.6	70.4	—
Adjusted net income	**868.1**	**833.9**	**217.1**	**203.0**
Diluted EPS attributable to Verisk	**$4.08**	**$4.31**	**$3.13**	**$1.03**
Diluted adjusted EPS	**$5.31**	**$5.04**	**$1.34**	**$1.23**
Weighted-average diluted shares outstanding	163.3M	165.3M	161.6M	164.4M

Free Cash Flow	FY21	FY20	1Q22	1Q21
Net cash provided by operating activities	$1,155.7M	$1,068.2M	$399.6M	$448.7M
Capital expenditures	(268.4)	(246.8)	(60.0)	(59.2)
Free cash flow	**887.3**	**821.4**	**339.6**	**389.5**

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Non-GAAP Reconciliations

Adjusted EBITDA | Historical Full-Year Periods

Segment Adjusted EBITDA Reconciliation	2021	2020	2019
Insurance Segment – EBITDA	$1,265.7M	$1,131.0M	$824.1M
Insurance Segment – Acquisition-related costs (earn-outs)	0.1	2.1	32.1
Insurance Segment – Gain and interest income on subordinated promissory note receivable	—	—	—
Gain from dispositions	—	(15.9)	—
Insurance Segment – Litigation reserve	(50.0)	—	125.0
Insurance Segment – Adjusted EBITDA	**1,215.8**	**1,117.2**	**981.2**
Energy and Specialized Markets Segment – EBITDA	$231.3	$215.1	$140.4
Energy and Specialized Markets Segment – Acquisition-related costs (earn-outs)	—	—	41.9
Energy and Specialized Markets Segment – Adjusted EBITDA	**231.3**	**215.1**	**182.2**
Financial Services Segment – EBITDA	$(111.0)	$47.7	$54.4
Financial Services Segment – Impairment reserve (loss)	134.0		
Financial Services Segment – Acquisition-related costs (earn-outs)	—	—	—
Financial Services Segment – Gain and interest income on subordinated promissory note receivable	—	—	—
Financial Services Segment –(Gain) Loss from dispositions	—	(3.5)	6.2
Financial Services Segment – Adjusted EBITDA	**23.0**	**44.2**	**60.6**

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