



# 4Q 2024 Earnings Presentation

February 26, 2025

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

## Forward-Looking Statements

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

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

## 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.

# Business and Financial Highlights – 4Q24

- Organic constant currency (OCC) revenue grew 8.6%, with 7.0% growth in Underwriting and 12.7% growth in Claims.
- OCC subscription revenue grew 11.0%, with broad-based growth across most of our businesses including Forms, Rules and Loss Costs, Property Estimating Solutions, Extreme Event Solutions, and Anti-Fraud.
- OCC transactional revenue declined 1.1%, primarily driven by the ongoing conversions to subscriptions and higher attrition offset in part by elevated volumes in Property Estimating Solutions from storms.
- OCC adjusted EBITDA growth of 13.5% was driven by leverage on the continued revenue growth and cost discipline, partially offset by investments in growth initiatives.
- Adjusted EBITDA margins expanded 70 basis points to 54.1% in the quarter reflecting strong operational leverage and cost discipline offset by a headwind from FX translation.
- Returned \$55 million in dividends and initiated a new \$300 million ASR that was completed in January.





# Business and Financial Highlights – FY24

- Organic constant currency (OCC) revenue grew 7.1%, with 6.8% growth in Underwriting and 7.7% growth in Claims.
- OCC subscription revenue grew 9.1%, with broad-based growth across most of our businesses including Forms, Rules and Loss Costs, Property Estimating Solutions, Anti-Fraud, and Extreme Event Solutions.
- OCC transactional revenue declined 1.0%, primarily driven by the ongoing conversions to subscriptions, a tougher year over year comparison and lower auto-related activity.
- OCC adjusted EBITDA growth of 9.9% was driven by leverage on the continued revenue growth and cost discipline, partially offset by investments in growth initiatives.
- Adjusted EBITDA margins expanded 120 basis points to 54.7% for the year reflecting strong operational leverage and cost discipline.
- Returned \$1.3 billion in capital to shareholders through dividends and share repurchases.



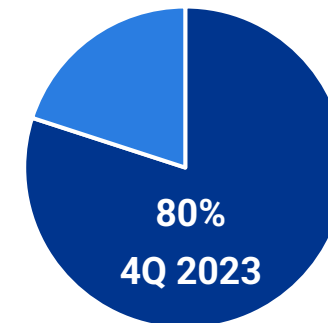
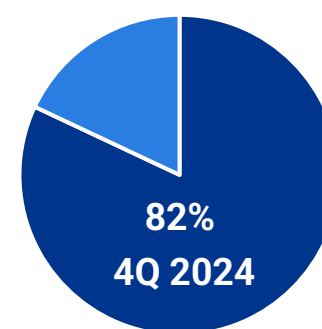
# Financial Results

# Financial Summary

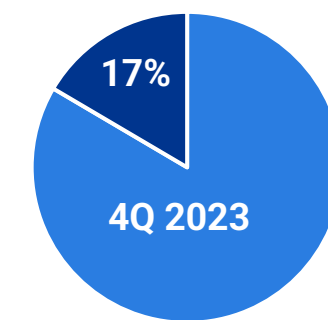
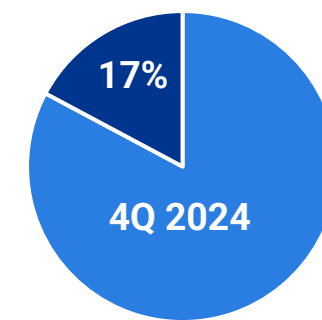
## Three Months ended Dec 31,

	2024	2023	% change
Revenue	\$736M	\$677M	8.6%
Income from Cont. Ops	204	182	11.6
Adjusted net income	228	204	11.6
Adjusted EBITDA	398	362	9.9
Adjusted EBITDA margin	54.1%	53.4%	70 bps
Diluted GAAP EPS	\$1.44	\$1.25	15.2%
Diluted adjusted EPS	1.61	1.40	15.0
Wtd-Avg Diluted Shares	142M	145M	(2.6)
Free cash flow	\$200M	\$196M	2.0

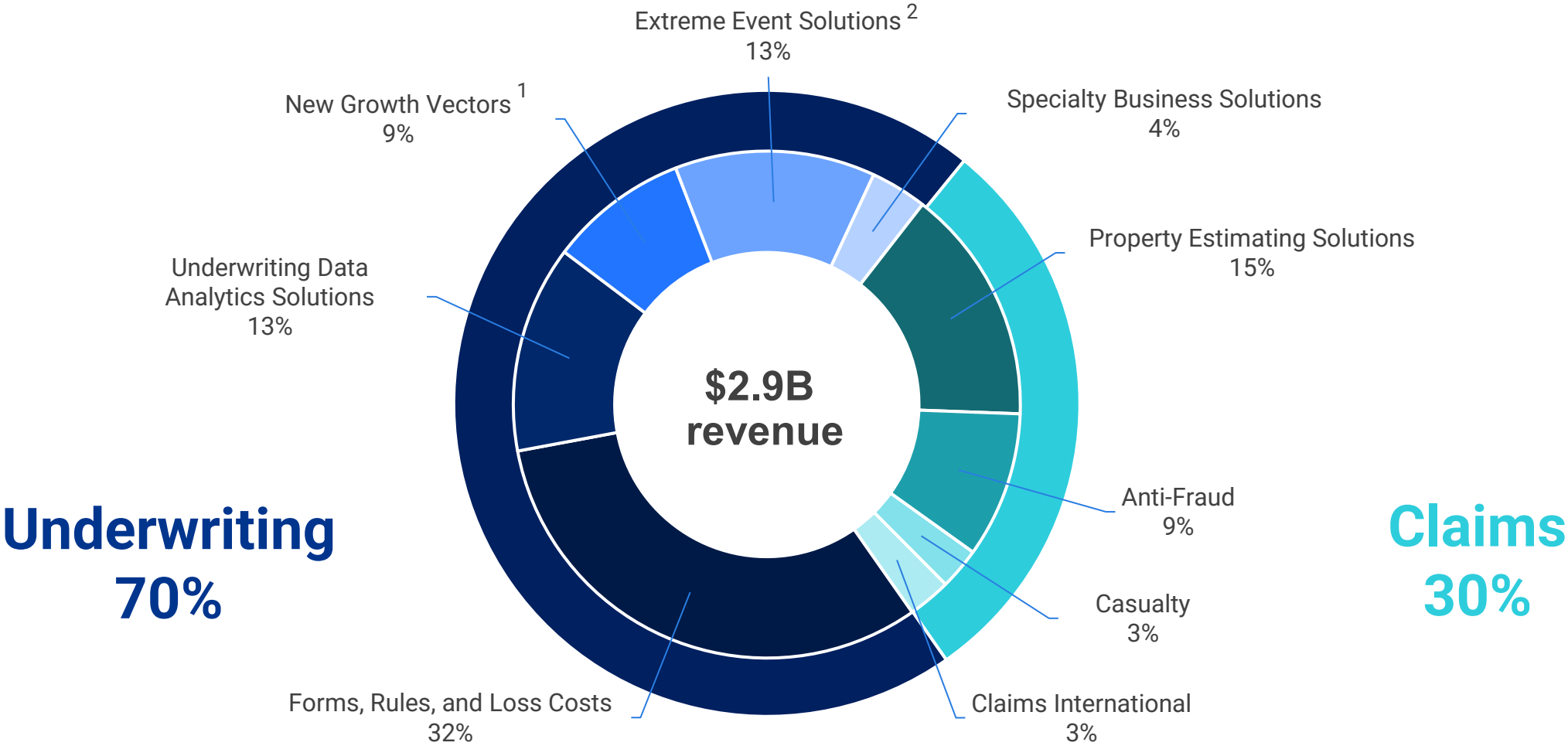
## Subscription/Long-Term Revenue



## International Revenue



# 2024 Revenue Contribution



Percentage changes and totals in this presentation may not sum due to rounding.

1. New Growth Vectors includes Life, Marketing and Underwriting Solutions International

2. Extreme Event Solutions includes AER (\$17M in Revenue in 2024) which we divested in December 2024.



# Subscription vs. Transactional Growth – Insurance Only

## Organic Constant Currency (OCC)

OCC Growth	Subscription	Transactional	Total
<b>FY22</b>	<b>6.9%</b>	<b>4.5%</b>	<b>6.5%</b>
1Q23	8.7%	14.4%	<b>9.8%</b>
2Q23	9.1%	12.4%	<b>9.8%</b>
3Q23	9.3%	10.2%	<b>9.4%</b>
4Q23	7.3%	0.8%	<b>6.0%</b>
<b>FY23</b>	<b>8.6%</b>	<b>9.2%</b>	<b>8.7%</b>
1Q24	7.8%	3.1%	<b>6.9%</b>
2Q24	8.3%	(3.0)%	<b>6.0%</b>
3Q24	9.1%	(2.5)%	<b>6.8%</b>
4Q24	11.0%	(1.1)%	<b>8.6%</b>
<b>FY24</b>	<b>9.1%</b>	<b>(1.0)%</b>	<b>7.1%</b>

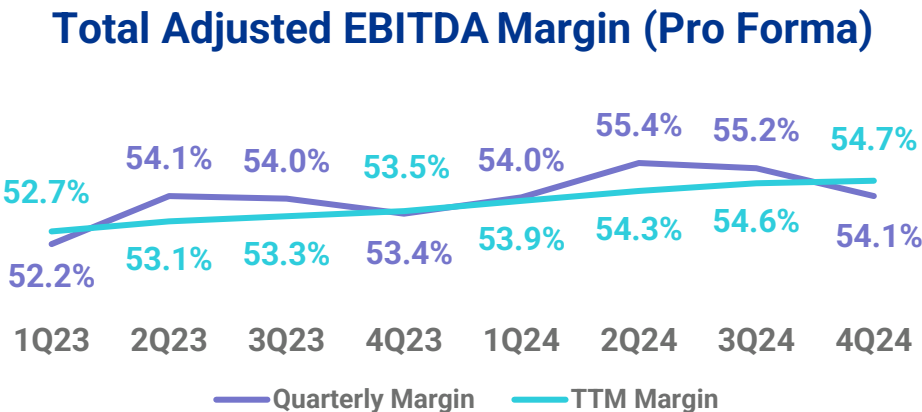
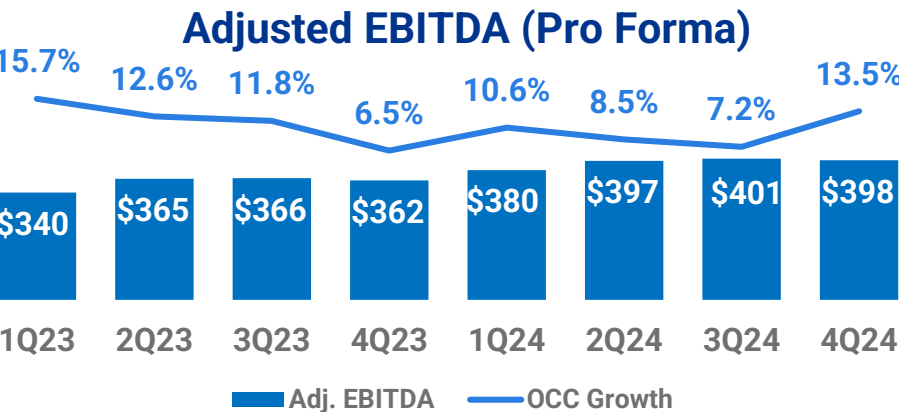
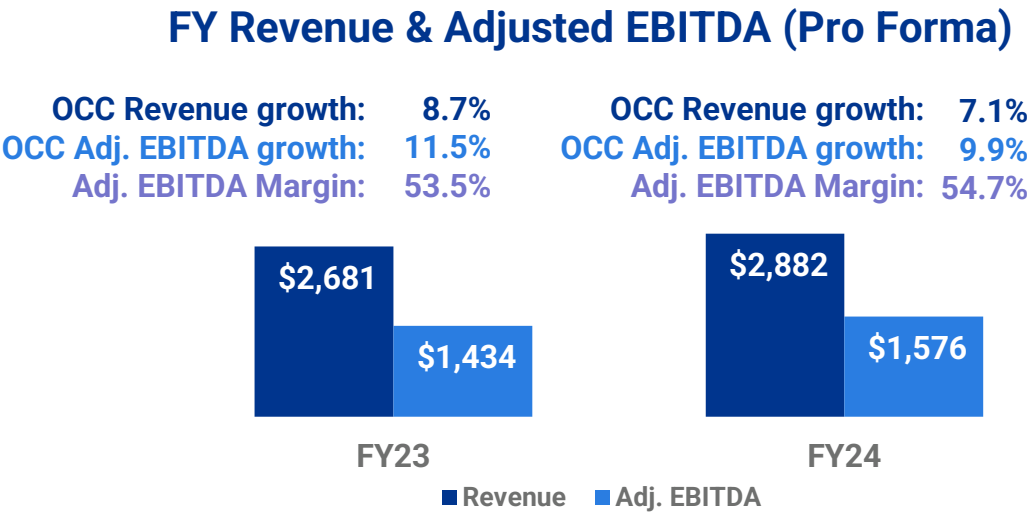
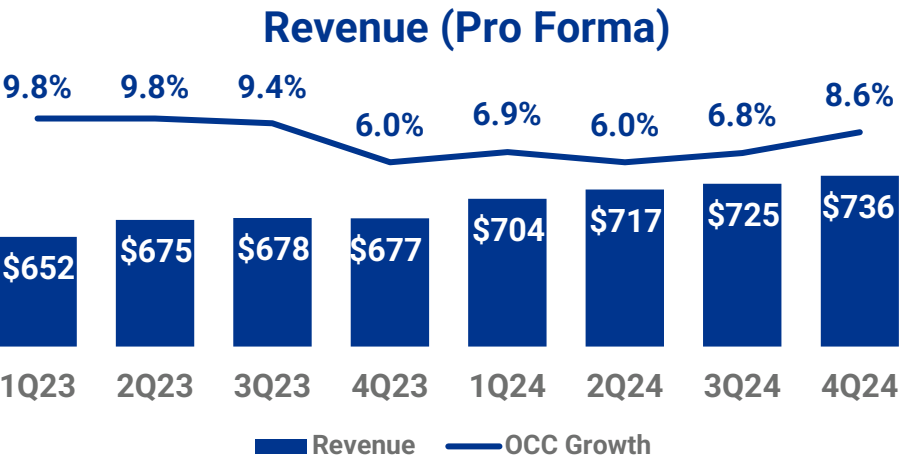
### 4Q24 Highlights

- **Subscription** revenue growth of 11.0% reflects:
  - Strong price realization and renewals in Forms, Rules, and Loss costs
  - Continued benefit from conversion of previously transactional revenues to subscription within Anti Fraud
  - New customer wins and solid renewals within Extreme Event Solutions
- **Transactional** revenue decline of 1.1% is driven by:
  - Conversion of transactional to subscription revenue
  - Experienced a more normalized level of attrition
  - Partially offset by higher transactional volumes in Property Estimating Solutions driven by elevated storm activity



# Insurance Performance<sup>1</sup> - Pro Forma

\$ in million USD



1. See the Appendix for reconciliation to all non-GAAP measures  
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# Underwriting – Revenue

## Industry-leading data analytics and insights



### Underwriting Solutions

(incl. Forms, Rules, and Loss Costs & Underwriting Data Analytics Solutions)

Industry-standard insurance programs, property-specific underwriting & rating information, and underwriting data solutions.



### Extreme Event Solutions

Catastrophe and extreme event models and data covering natural and man-made risks such as terrorism.



### Life

Power for simplified automation, decisions, and processes across the life insurance value chain, driven by an unparalleled array of data sources.



### Specialty Business Solutions

Integrated suite of software that provides full, end-to-end management of all insurance and reinsurance business.



### Marketing

Identity resolution and consumer intelligence to humanize marketing interactions while upholding the highest data security and privacy standards.



### International

A growing, global array of data and analytic solutions for risk assessment, underwriting, claims, and more.

### Historical Performance

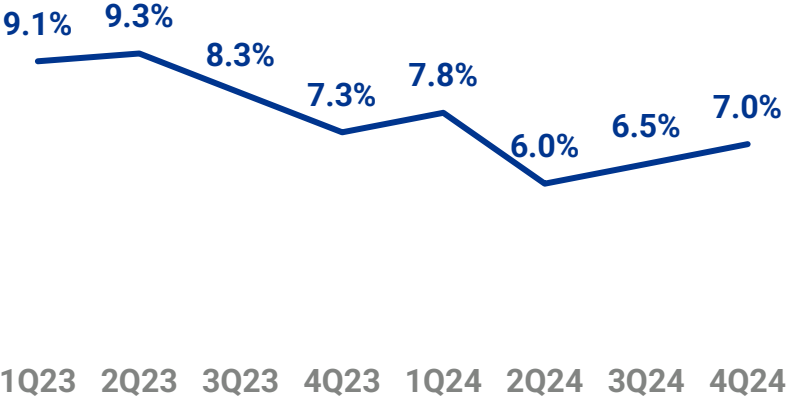
\$ in million USD



### Business Highlights

- Underwriting OCC revenue grew 7.0% driven by strong performance across most business units
  - Solid contribution from Forms, Rules, and Loss costs and Extreme Event Solutions driven by robust renewals and improved price realization
  - Strong growth delivered by Specialty Business Solutions and Life solutions

### OCC Growth



# Claims – Revenue

## Industry-leading data analytics and insights



### Property Estimating Solutions

Loss quantification and repair cost estimating for professionals involved in all phases of building and repair.



### Anti-Fraud Solutions

Unmatched industry data and leading analytics in a comprehensive suite of anti-fraud solutions.



### Casualty Solutions

Broad claims compliance solutions and proven analytics to improve workers' comp and liability claims management.

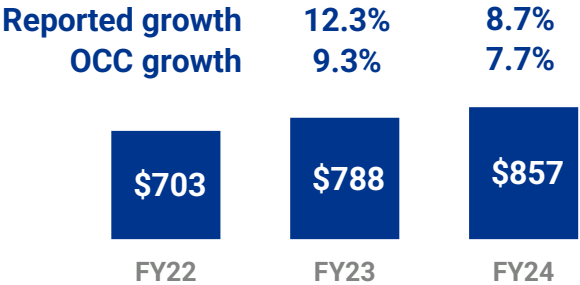


### International

A growing, global array of data and analytic solutions for risk assessment, underwriting, claims, and more.

### Historical Performance

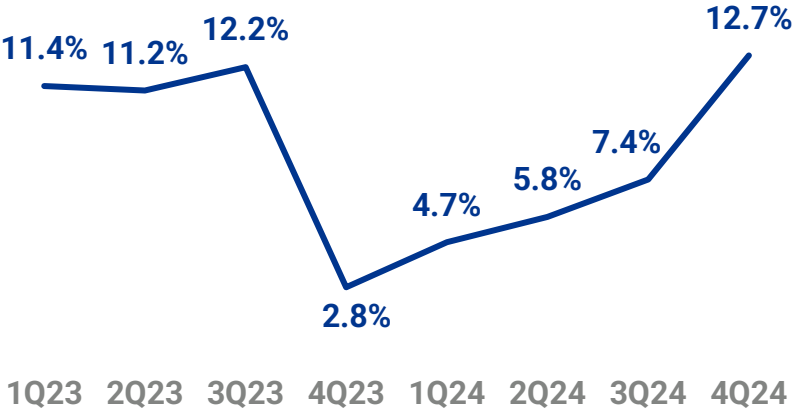
\$ in million USD



### Business Highlights

- Claims OCC revenue grew 12.7%, primarily driven by:
  - Strength in Property Estimating Solutions driven by elevated storm activity
  - Continued growth in Anti-fraud Solutions, resulting from strong renewals, sale of new solutions and continued benefits from conversions

### OCC Growth



# Cash Flow and Capital



# Cash Flow Utilization

(in \$ millions)	2023	2024	4Q23	4Q24
Net cash provided by operating activities <sup>1,2</sup>	\$1,061M	\$1,144M	\$252M	\$255M
Capital expenditures	(230)	(224)	(56)	(55)
Free cash flow (FCF)	831	920	196	200
Acquisitions and divestitures <sup>3</sup>	2,981	95	(1)	7
Net debt borrowings (repayments)	(901)	189	-	-
Repurchases of common stock <sup>4</sup>	(2,800)	(1,050)	(250)	(300)
Dividends paid	(197)	(221)	(49)	(55)

1. Includes acquisition-related earnout payments from operating activities

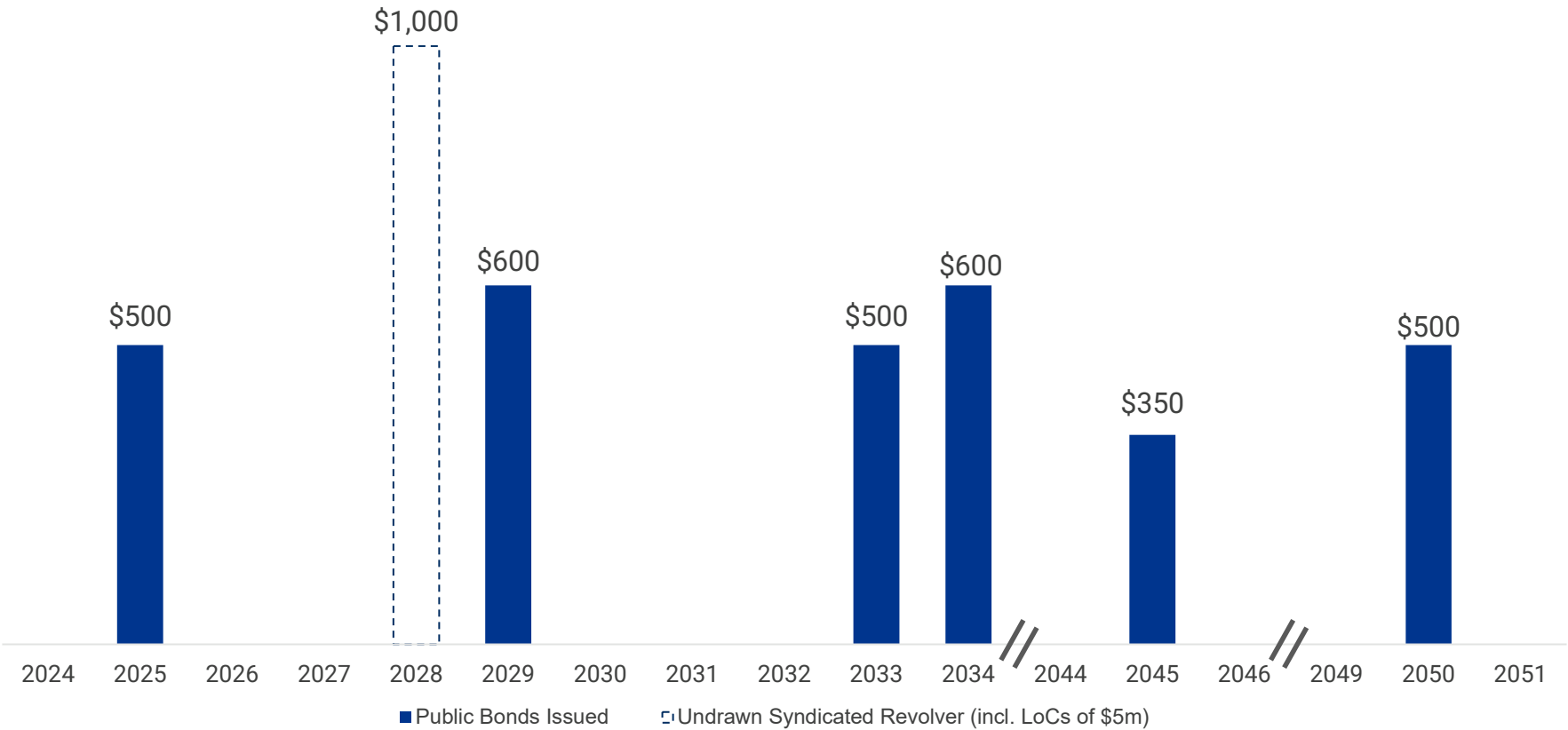
2. Cash flow measures follow GAAP view and includes the impact from recent dispositions, including discontinued operations

3. Includes acquisitions and purchase of controlling interest, proceeds from sale of businesses, investments in nonpublic companies, and proceeds received upon settlement of investment in non-public companies

4. Includes shares repurchased but not yet settled.

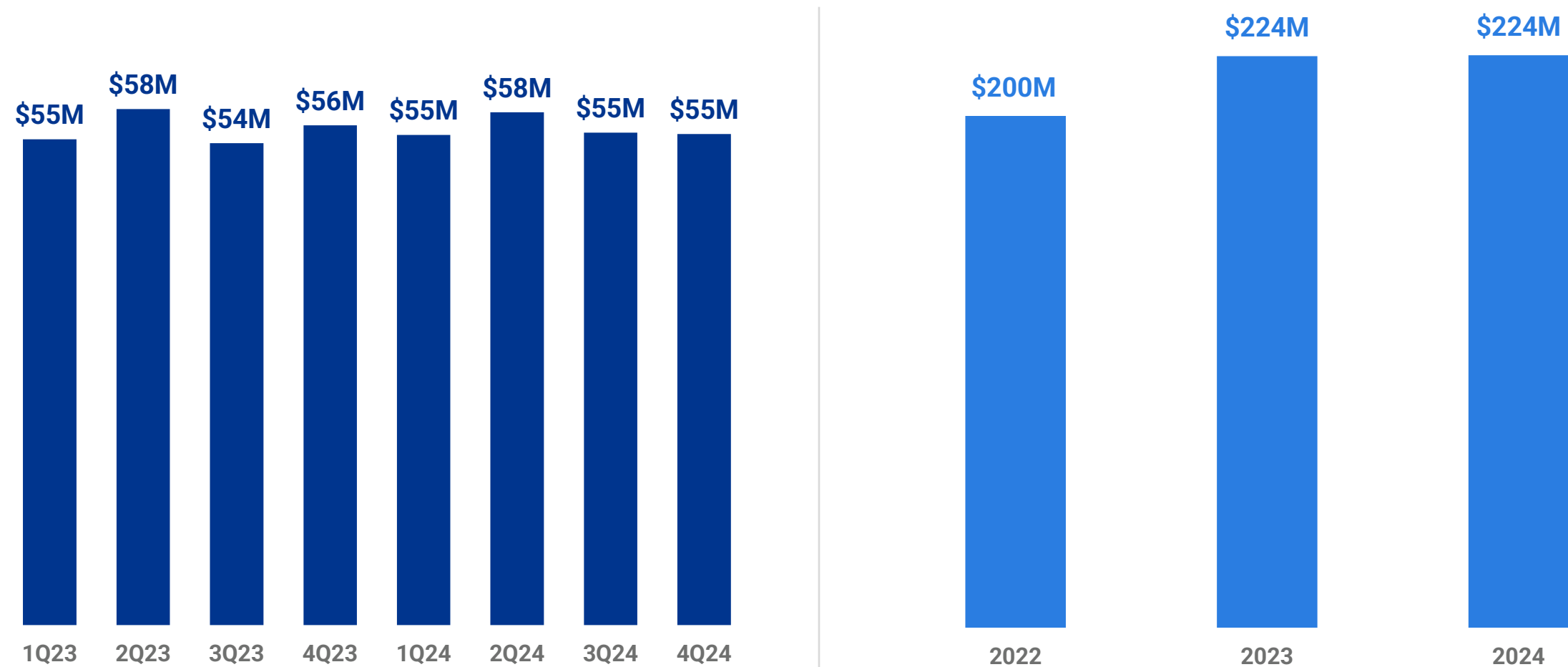
# Capital Structure

(in \$ millions)	as of Dec. 31, 2024
Bonds	\$3,050M
Revolver Drawn	-
Total Debt <sup>1</sup>	\$3,050M
Debt/EBITDA <sup>2</sup>	1.9x
Investment Grade Ratings	
S&P	BBB
Moody's	Baa1

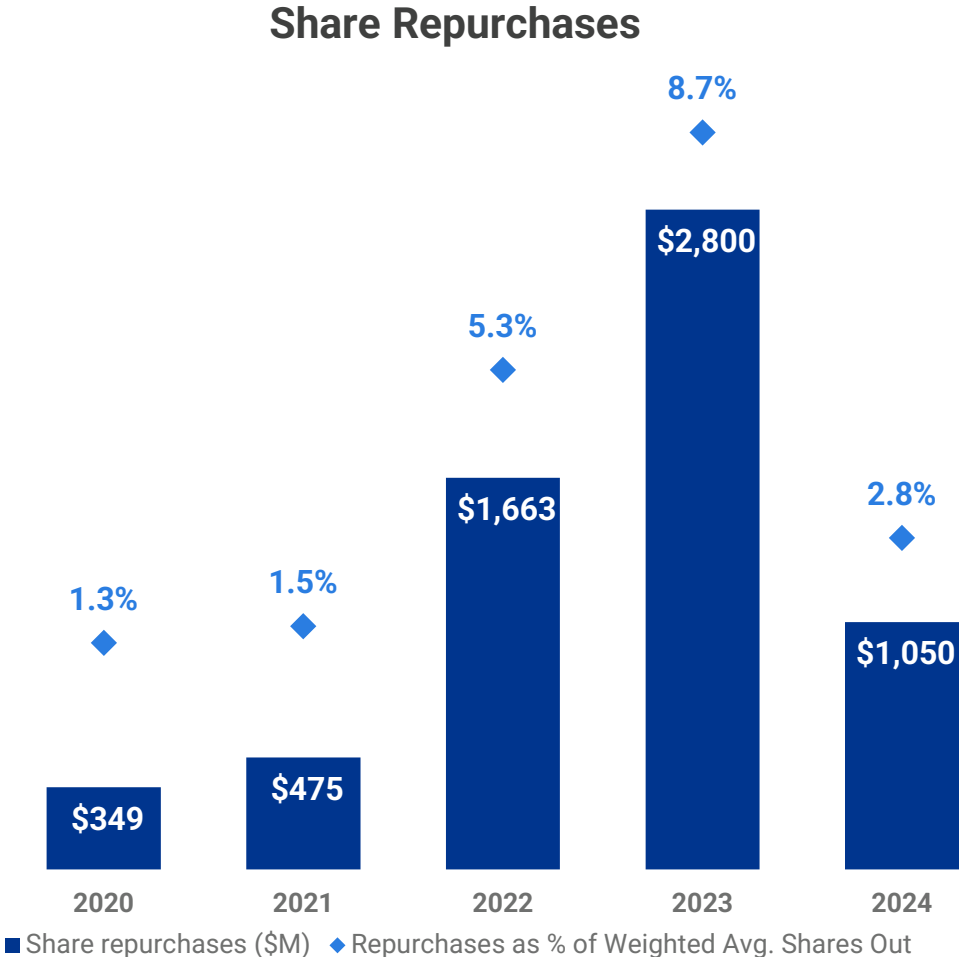
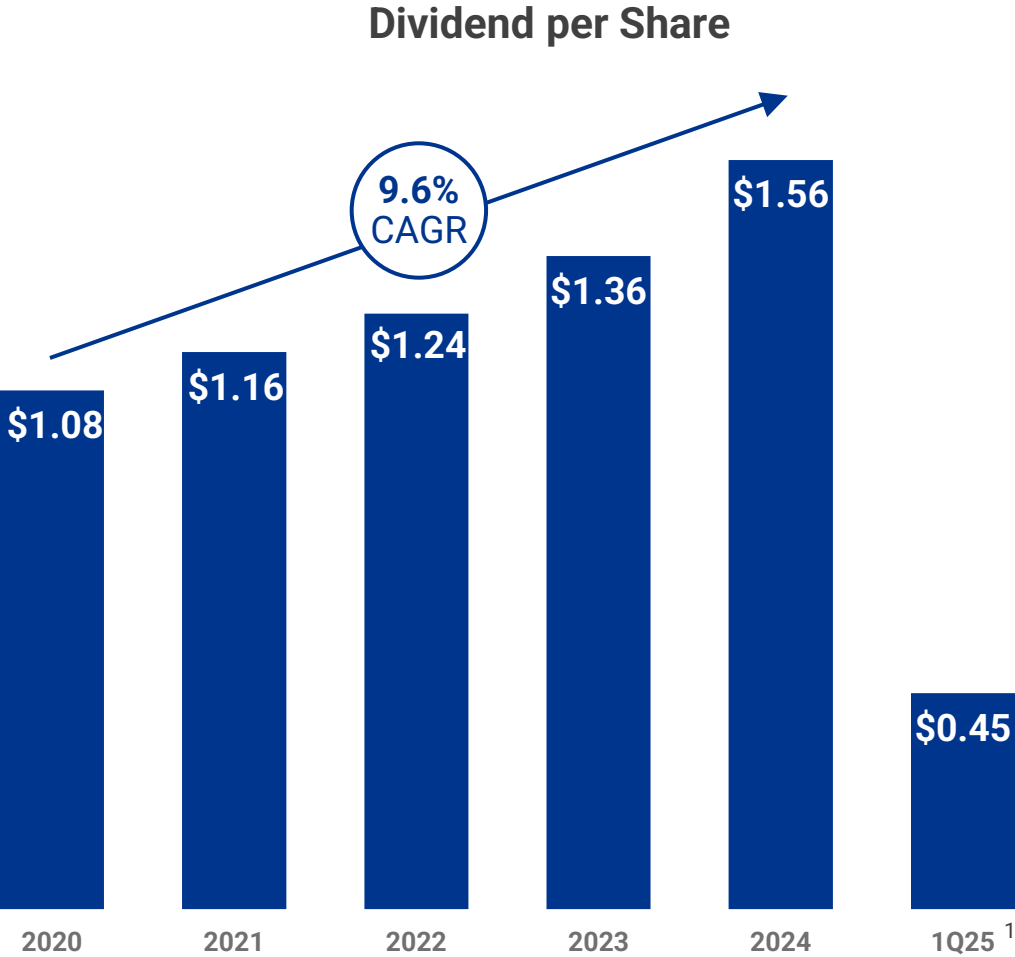


1. Total debt excludes finance lease liabilities, any issued letters of credit, and issued surety bonds.  
2. Debt/EBITDA is based on LTM Adjusted EBITDA.

# Capital Expenditures – Insurance Only



# Capital Return



1. 2025 dividend per share includes \$0.45 approved dividend to be paid on March 31, 2024.



# 2025 Outlook

Metric	2024	2025 Guidance
Total Revenue	\$2,882M	\$3,030 – \$3,080M
OCC %		6.0% – 8.0%
Adjusted EBITDA	\$1,576M	\$1,670 – \$1,720M
Adjusted EBITDA margin	54.7%	55.0% – 55.8%
Diluted Adjusted EPS	\$6.64	\$6.80 – \$7.10
Tax rate	22.6%	23% – 25%
Capex	\$224M	\$245 – \$265M
Fixed asset D&A	\$234M	\$250 – \$270M
Intangible amortization	\$72M	\$65M
Interest Expense	\$125M	\$145 – \$165M
Dividend Per Share	\$1.56	\$1.80

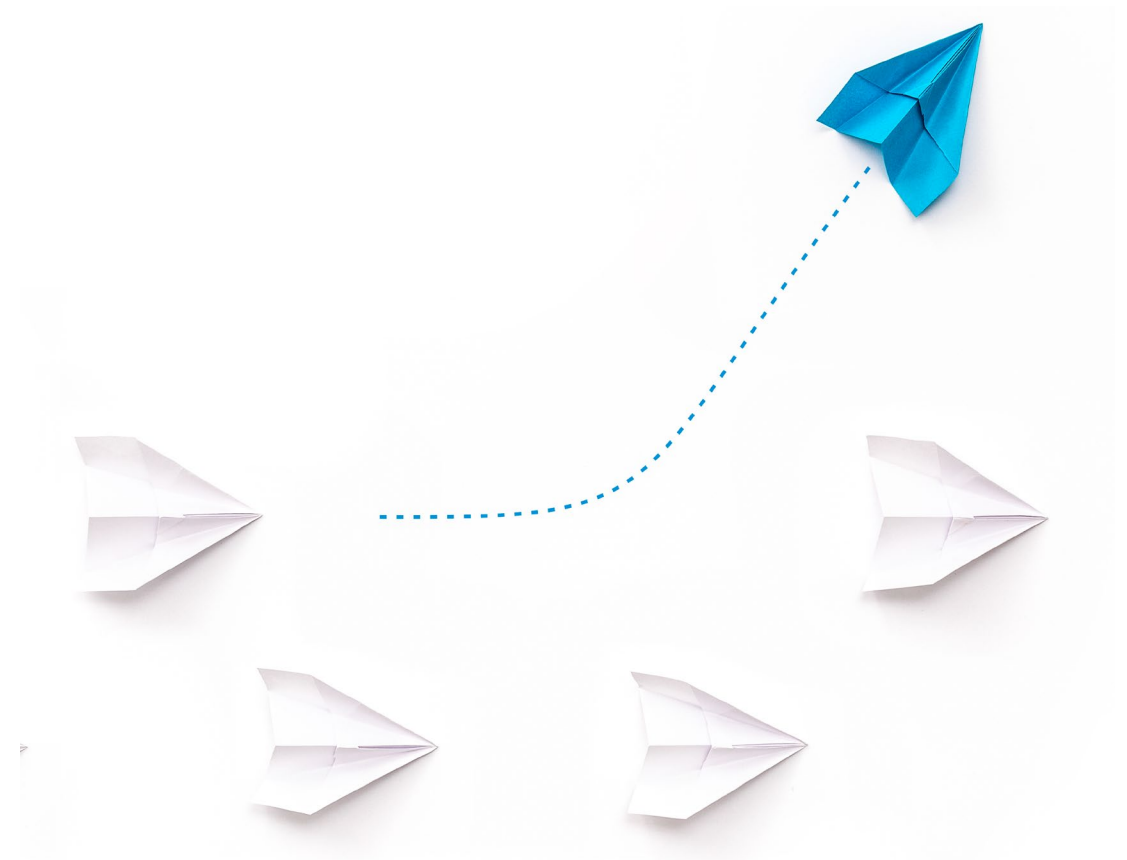
Note: Our guidance reflects the divestiture of AER which contributed \$17M in revenue in 2024.


We are not able to provide a reconciliation of projected Adjusted EBITDA and Adjusted EBITDA margin to the most directly comparable expected GAAP results because of the unreasonable effort and high unpredictability of estimating certain items that are excluded from non-GAAP Adjusted EBITDA and Adjusted EBITDA margin, including, for example, tax consequences, acquisition-related costs, gain/loss from dispositions and other non-recurring expenses, the effect of which may be significant.

# Capital Management Philosophy

## Focused on value creation and delivering 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.



The background features a large, solid blue wave shape on the left side. To the right of this wave is a white area containing a pattern of small, teal-colored dots arranged in a grid that follows the contours of the blue wave, creating a 3D effect.

# Appendix:

## Supplemental Slides and/or Non-GAAP Reconciliations

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

### **Adjusted Net Income and Diluted Adjusted EPS**

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

### **Free Cash Flow**

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

### **Organic**

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

### **Organic Constant Currency (OCC) Growth Rate**

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.



# Non-GAAP Reconciliations

## Segment Results and EBITDA | Current and Prior-Year Period

Segment Results Summary and Adjusted EBITDA Reconciliation	4Q24	4Q23
Revenues	\$735.6M	\$677.2M
Revenues from acquisitions and dispositions	(3.7)	(4.4)
<b>Organic revenues</b>	<b>731.9</b>	<b>672.8</b>
EBITDA	386.0	356.9
Acquisition-related adjustments (earn-outs)	1.1	2.0
Impairment of cost-based investment	0.7	—
Net gain upon settlement of investment in non-public companies	(2.3)	—
Litigation reserve, net of recovery	—	19.0
Loss (gain) directly related to dispositions from continuing operations	12.1	(15.9)
<b>Adjusted EBITDA</b>	<b>397.6</b>	<b>362.0</b>
Adjusted EBITDA from acquisitions and dispositions	1.0	0.7
<b>Organic adjusted EBITDA</b>	<b>398.6</b>	<b>362.7</b>

# Non-GAAP Reconciliations

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

	4Q24	4Q23
<b>Adjusted Net Income and EPS</b>		
Net income	\$210.3M	\$173.8M
less: (Income) loss from discontinued operations	(6.8)	8.5
Income from continuing operations	203.5	182.3
plus: Amortization of intangibles	17.3	18.5
less: Income tax effect on amortization of intangibles	(4.5)	(4.7)
plus: Impairment of cost-based investments	0.7	—
less: Income tax effect on impairment of cost-based investments	(0.2)	—
plus: Litigation reserve, net of recovery	—	19.0
less: Income tax effect on litigation reserve	—	(0.5)
less: Net gain upon settlement of investment in non-public companies	(2.3)	—
less: Income tax effect on net gain upon settlement of investment in non-public companies	0.6	—
less: Acquisition-related adjustments (earn-outs)	1.1	2.0
less: Income tax effect on acquisition-related adjustments (earn-outs)	—	(0.5)
plus: Loss (gain) directly related to dispositions from continuing operations	12.1	(15.9)
less: Income tax effect on loss (gain) directly related to dispositions from continuing operations	(0.8)	3.7
<b>Adjusted net income</b>	<b>227.5</b>	<b>203.9</b>
<b>Diluted EPS attributable to Verisk</b>	<b>\$1.44</b>	<b>\$1.25</b>
<b>Diluted adjusted EPS</b>	<b>\$1.61</b>	<b>\$1.40</b>
Weighted-average diluted shares outstanding	141.6M	145.4M
<b>Free Cash Flow</b>	<b>4Q24</b>	<b>4Q23</b>
Net cash provided by operating activities	\$255.4M	\$252.4M
Capital expenditures	(55.4)	(56.3)
<b>Free cash flow</b>	<b>200.0</b>	<b>196.1</b>

# Non-GAAP Reconciliations

## Segment Results and EBITDA

Segment Results Summary and Adjusted EBITDA Reconciliation	FY24	FY23
Revenues	\$2,881.7M	\$2,681.4M
Revenues from acquisitions and dispositions	(16.5)	(9.1)
<b>Organic revenues</b>	<b>2,865.2</b>	<b>2,672.3</b>
EBITDA	1,659.1	1,424.1
Acquisition-related costs (earn-outs)	1.1	(19.4)
Impairment of cost-based investments	1.7	6.5
Net gain upon settlement of investment in non-public companies	(100.6)	—
Nonoperational foreign currency loss on internal loan transaction	4.2	—
Litigation reserve, net of recovery	(4.7)	38.2
Net gain on early extinguishment of debt	(3.6)	—
Leasehold impairment, net of lease modification gain	6.7	—
Loss (gain) directly related to dispositions from continuing operations	12.1	(15.9)
<b>Adjusted EBITDA</b>	<b>1,576.0</b>	<b>1,433.5</b>
Adjusted EBITDA from acquisitions and dispositions	(0.9)	1.0
<b>Organic adjusted EBITDA</b>	<b>1,575.1</b>	<b>1,434.5</b>

# Non-GAAP Reconciliations

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

		FY24	FY23
<b>Adjusted Net Income and EPS</b>			
Net income		\$957.5M	\$614.4M
less: (Income) loss from discontinued operations		(6.8)	154.0
Income from continuing operations		950.7	768.4
plus: Amortization of intangibles		72.3	74.6
less: Income tax effect on amortization of intangibles		(18.8)	(18.7)
plus: Impairment of cost-based investments		1.7	6.5
less: Income tax effect on impairment of cost-based investments		(0.4)	(0.4)
plus: Nonoperational foreign currency loss on internal loan transaction		4.2	—
less: Income tax effect on nonoperational foreign currency loss on internal loan transaction		(1.0)	—
plus: Litigation reserve		(4.7)	38.2
plus: Income tax effect on litigation reserve, net of recovery		1.7	(0.5)
less: Net gain upon settlement of investment in non-public companies		(100.6)	—
less: Income tax effect on net gain upon settlement of investment in non-public companies		29.1	—
less: Net gain on early extinguishment of debt		(3.6)	—
less: Income tax effect on net gain on early extinguishment of debt		0.9	—
plus: Leasehold impairment, net of lease modification gain		6.7	—
less: Income tax effect on leasehold impairment, net of lease modification gain		(1.7)	—
plus: Acquisition-related adjustments (earn-outs)		1.1	(19.4)
less: Income tax effect on acquisition-related adjustments (earn-outs)		—	4.9
plus: Loss (gain) directly related to dispositions from continuing operations		12.1	(15.9)
less: Income tax effect on loss (gain) directly related to dispositions from continuing operations		(0.8)	3.7
<b>Adjusted net income</b>		<b>948.9</b>	<b>841.4</b>
<b>Diluted EPS attributable to Verisk</b>		<b>\$6.66</b>	<b>\$5.22</b>
<b>Diluted adjusted EPS</b>		<b>\$6.64</b>	<b>\$5.71</b>
Weighted-average diluted shares outstanding		142.8M	147.3M
<b>Free Cash Flow</b>		<b>FY23</b>	<b>FY23</b>
Net cash provided by operating activities <sup>1</sup>		\$1,144.0M	\$1,060.7M
Capital expenditures		(223.9)	(230.0)
<b>Free cash flow</b>		<b>920.1</b>	<b>830.7</b>

1. Cash flow measures follow GAAP view and includes the impact from recent dispositions, including discontinued operations.



