Verisk Analytics
Eva Huston, CFO

Baird's 2017 Global Consumer, Technology & Services Conference

verisk Analytics

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Forward Looking Statements, Safe Harbor & 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. 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 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.

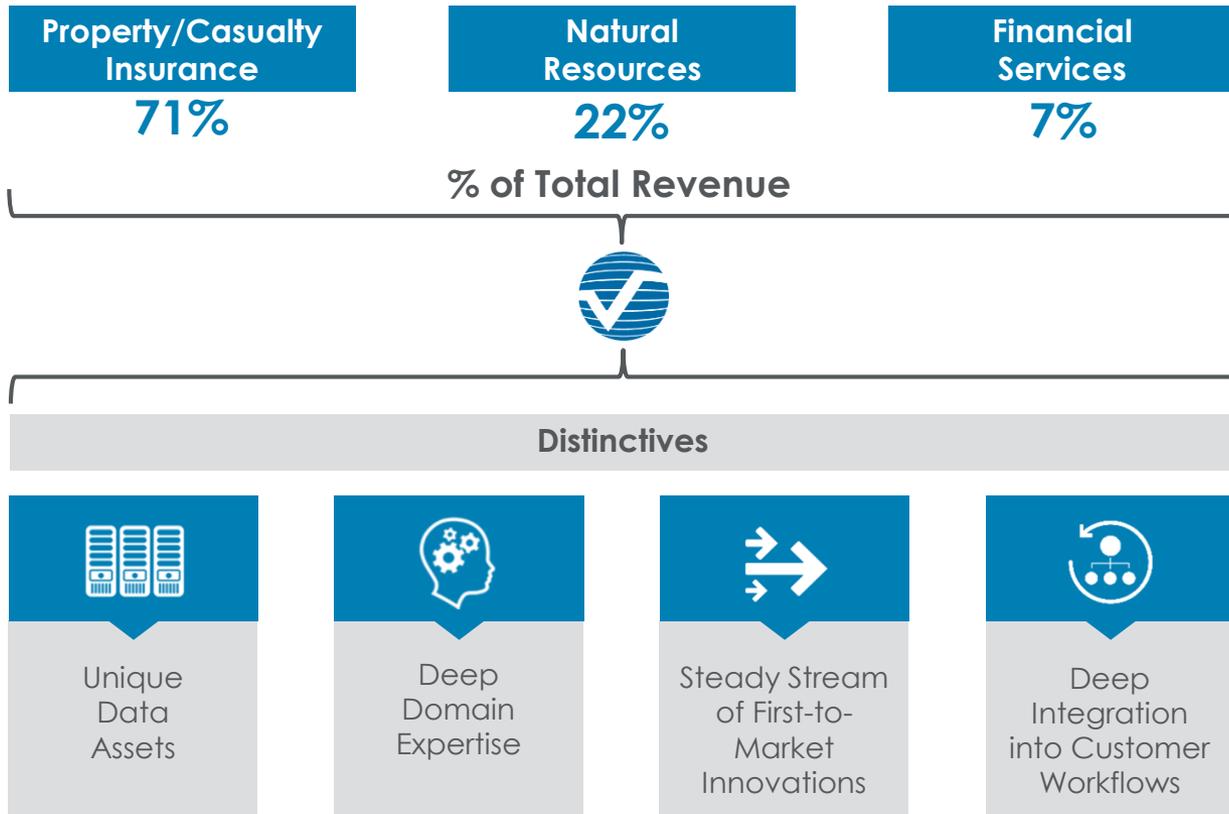**Notes Regarding the Use of Non-GAAP Financial Measures**

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.

Who We Are

The world's most effective and responsible data analytics company in pursuit of our customers' most strategic opportunities…

…providing predictive analytics and decision support solutions to customers in specific vertical markets

Property/Casualty Insurance	Natural Resources	Financial Services
71%	**22%**	**7%**

% of Total Revenue

Distinctives

Unique Data Assets	Deep Domain Expertise	Steady Stream of First-to-Market Innovations	Deep Integration into Customer Workflows

$14 Billion
market cap

14 Petabytes
unique proprietary content in our data stores

The Verisk Formula

Steadily Growing Businesses Powered by Innovation, with Expanding Margins and Low Capital Intensity

Increasing Financial Capacity

Newly Acquired Businesses at Reasonable Prices with Similar Characteristics

Stronger and Larger Company
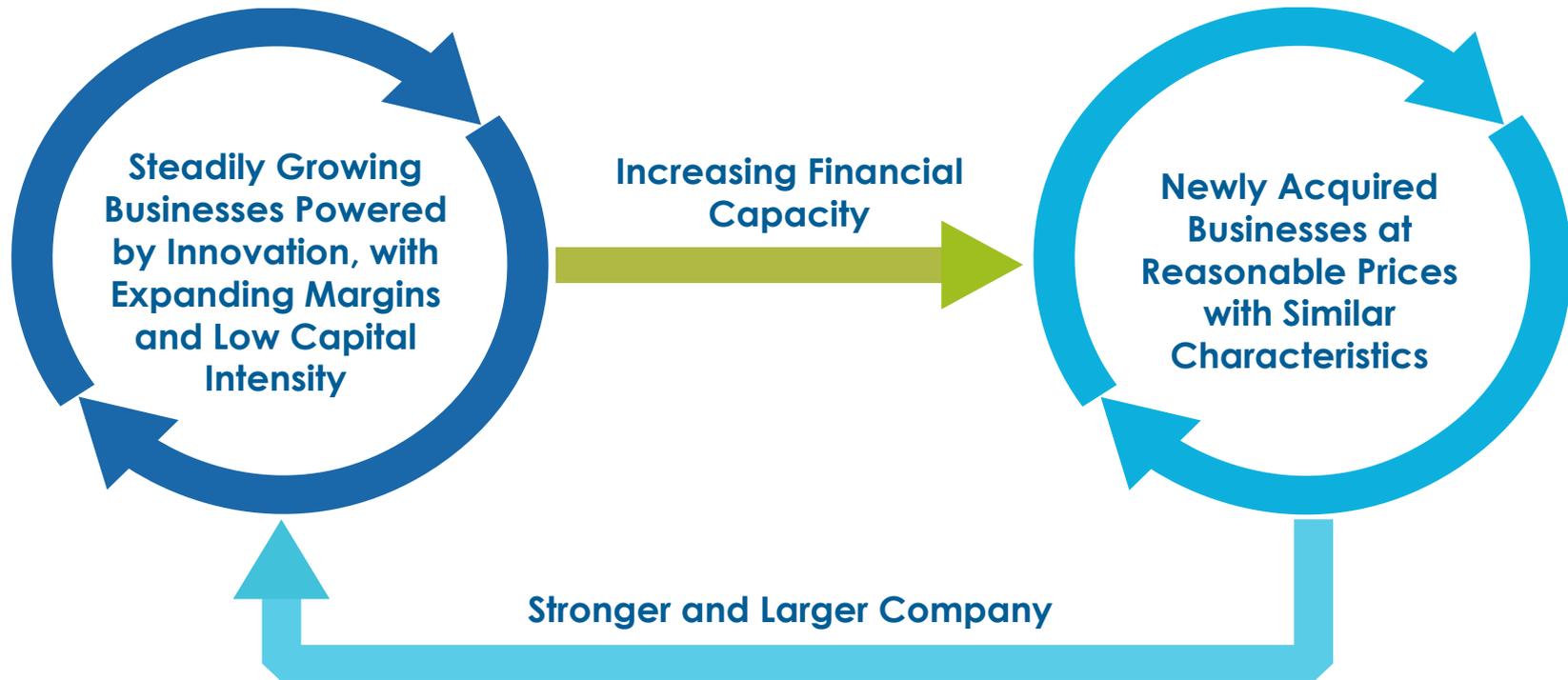
We can continue to drive leading organic growth

Strong capital structure

Balanced expectations for M&A spend

Return capital to shareholders

Financial Highlights

▶ Track record of strong growth and cash flow generation

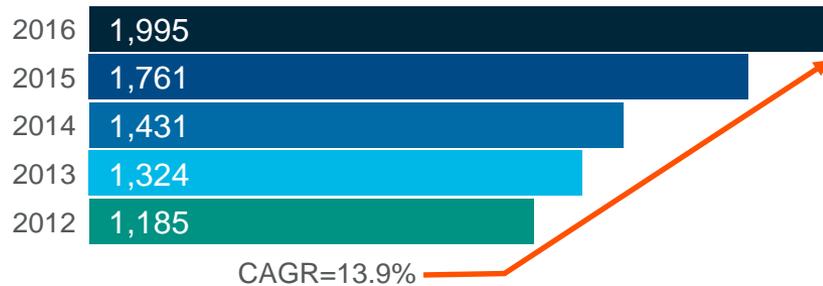▶ 80%+ subscription revenue in 2016

▶ Investment-grade debt ratings
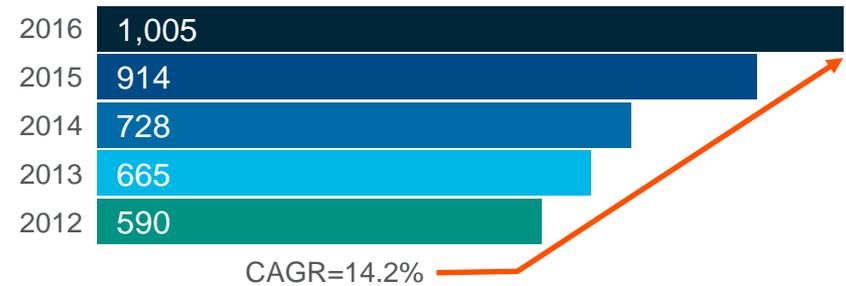- Moody's: Baa3
- S&P: BBB-
- Fitch: BBB+

Revenues[2]

$ Millions

Year	Value
2016	1,995
2015	1,761
2014	1,431
2013	1,324
2012	1,185

CAGR=13.9%

Adjusted EBITDA[2,3]

$ Millions

Year	Value
2016	1,005
2015	914
2014	728
2013	665
2012	590

CAGR=14.2%

1. As of April 1, 2017.
2. Excludes divested mortgage services and healthcare businesses.
3. Adjusted EBITDA is defined as net income from continuing operations before interest expense, provision for income taxes, depreciation and amortization expense, nonrecurring severance charges, and gain on sale of equity investments. Adjusted EBITDA excludes second-quarter 2015 nonrecurring items related to the Wood Mackenzie acquisition and a fourth-quarter 2016 nonrecurring ESOP payment.

Disciplined Capital Allocation

■ Acquisitions and earn-outs   ■ Share Repurchase
($ millions)

	2012	2013	2014	2015 [1]	2016	1Q2017
Share Repurchase	163	279	778	20	327	104
Acquisitions and earn-outs	808	1	35	2,856	74	76
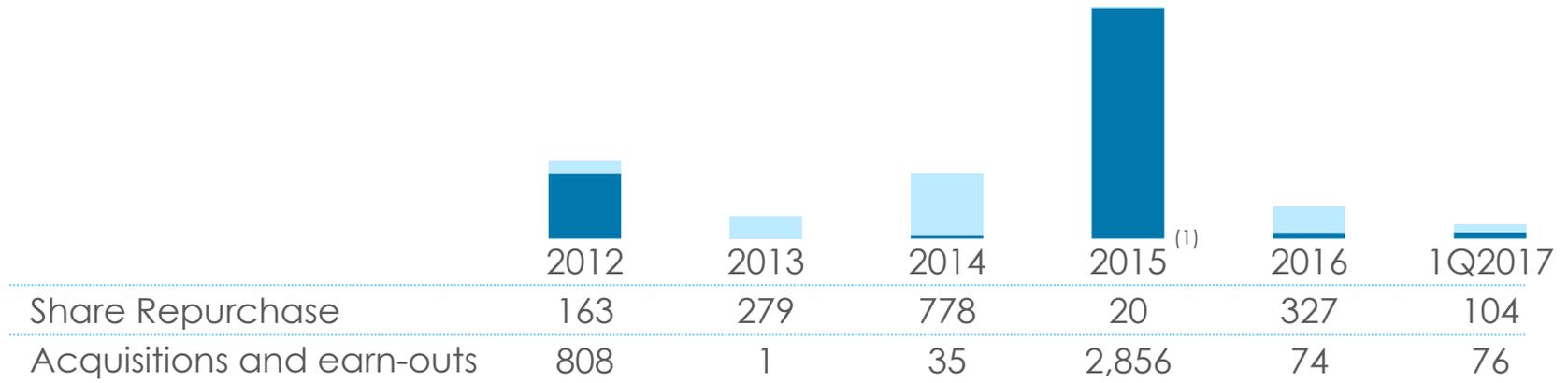
Cumulative Capital Allocation, $ billions [2]

$1.7B, 30%

$3.9B, 70%
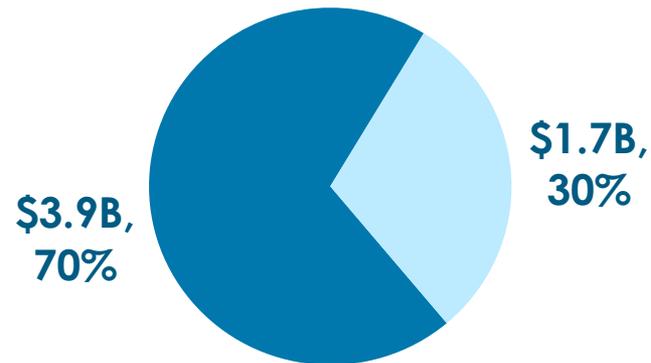
1. 2015 acquisition amount is net of currency hedges.
2. January 01, 2012 through March 31, 2017.

6

Conclusion

On average, outlook over time:

- **Organic revenue growth consistent with historical performance**

- **Measured margin expansion**

- **Drive free cash-flow growth to increase shareholder value**

- **Long-term compounding of growth**

"It's more on [our] racquet than on anyone else's"

Additional Information

History of Growth and Innovation

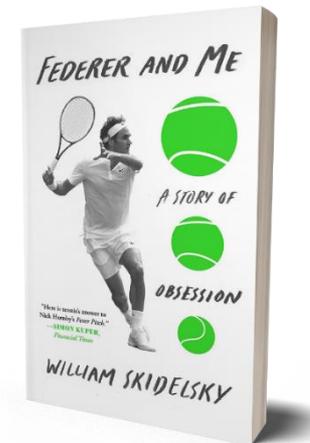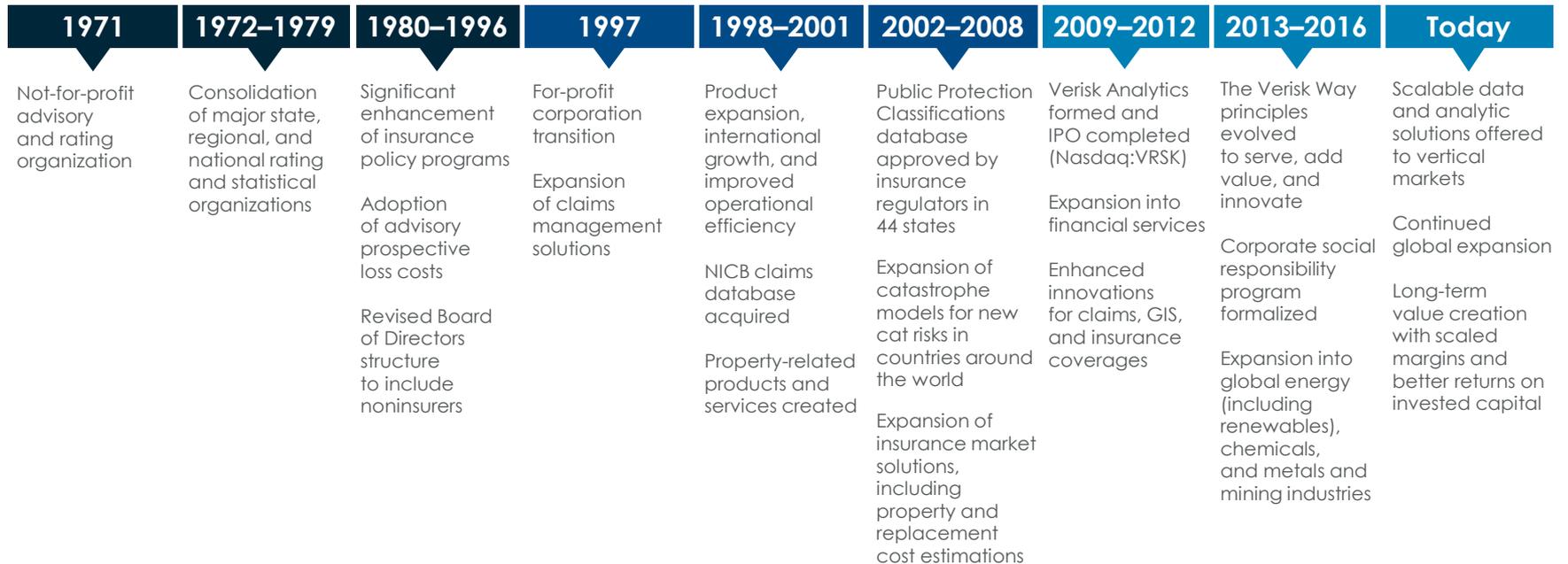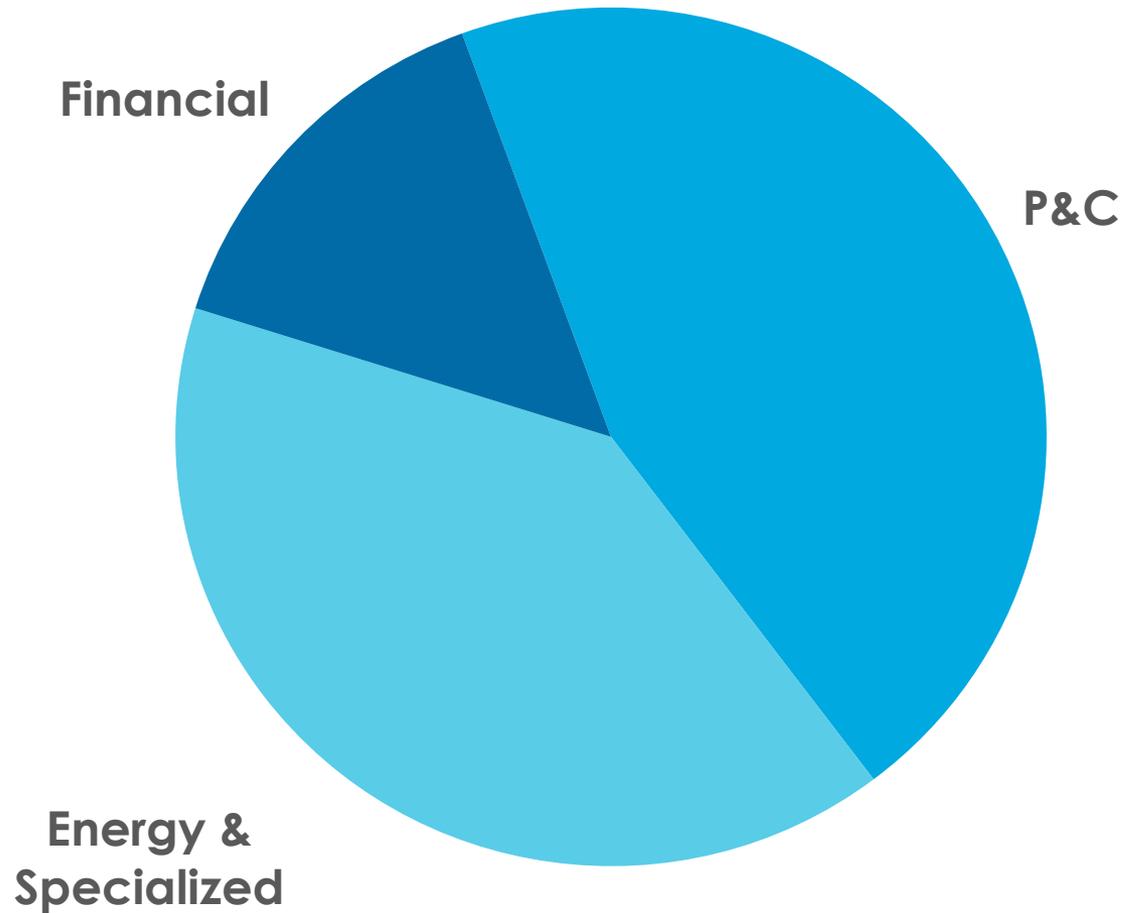| 1971	1972–1979	1980–1996	1997	1998–2001	2002–2008	2009–2012	2013–2016	Today
Not-for-profit advisory and rating organization	Consolidation of major state, regional, and national rating and statistical organizations	Significant enhancement of insurance policy programs Adoption of advisory prospective loss costs Revised Board of Directors structure to include noninsurers	For-profit corporation transition Expansion of claims management solutions	Product expansion, international growth, and improved operational efficiency NICB claims database acquired Property-related products and services created	Public Protection Classifications database approved by insurance regulators in 44 states Expansion of catastrophe models for new cat risks in countries around the world Expansion of insurance market solutions, including property and replacement cost estimations	Verisk Analytics formed and IPO completed (Nasdaq:VRSK) Expansion into financial services Enhanced innovations for claims, GIS, and insurance coverages	The Verisk Way principles evolved to serve, add value, and innovate Corporate social responsibility program formalized Expansion into global energy (including renewables), chemicals, and metals and mining industries	Scalable data and analytic solutions offered to vertical markets Continued global expansion Long-term value creation with scaled margins and better returns on invested capital

Not-for-Profit   **Privately Held**   **Publicly Held**

Differentiated Financial Model

Strong, Stable Revenue Growth…
($ millions),(organic revenue growth)

2014	2015	2016
1,431	1,761	1,995
8.0%	7.7%	5.8% constant FX

and Leading Margins Power EPS [1,2]
(% EBITDA/Revenue),($ Earnings per Share)

2014	2015	2016
50.9%	51.0%	50.4%
$2.20	$2.87	$3.11

Low Capital Intensity…
(CapEx as a % of Revenue)

2014	2015	2016
8.4% [3]	7.9%	7.3%

enables Strong Free Cash Flow
(Cash from OPs less CapEx $ millions)

2014	2015	2016
343 [3]	412	479

1. 2015 EBITDA/Adj. EPS exclude 2Q2015 one-time items related to the WoodMac acquisition.
2. 2016 EBITDA/Adj. EPS exclude severance, gain on equity investment, and ESOP charge. 2015 EBITDA excludes gain on sale of warrants.
3. Not presented on a continuing operations basis.

Verisk Addressable Market: $16 billion

Pie chart with segments labeled: Financial, P&C, Energy & Specialized

Innovation Opportunities

Price (i) Innovation

**"Small i" innovation may be
bundled into existing offerings**

- 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

Our People

Specialists in:

Predictive Analytics	Economics	Data Science	Engineering	Actuarial Science	Meteorology	Chemistry and Physics	GIS Mapping

High performers characterized by:

Respect for the Individual	Confidence/ Humility	Integrity	Excellence	Passion	Teamwork	Persistence

6,500+ employees holding more than **2,000** advanced degrees and professional certifications

Core Capabilities

Predictive Analytics

Visualization of Data and Analytics

Large-Scale Data Integration

Multitier, Multispectral Data Capture

Insurance: Industry-Leading Analytics Solutions

Risk Assessment

	Competitive Advantage	Primary Competitors
Industry-Standard Insurance Programs	**Extensive time-series data and coverage language in >200M policies**	**Internal**
Property Information	**Comprehensive database of 3.7M commercial buildings & ratings on ~46,000 fire protection areas**	**Internal**
Underwriting Solutions	**Comprehensive industry-standard information**	CoreLogic Insurance Solutions / MSB REED ELSEVIER

Decision Analytics

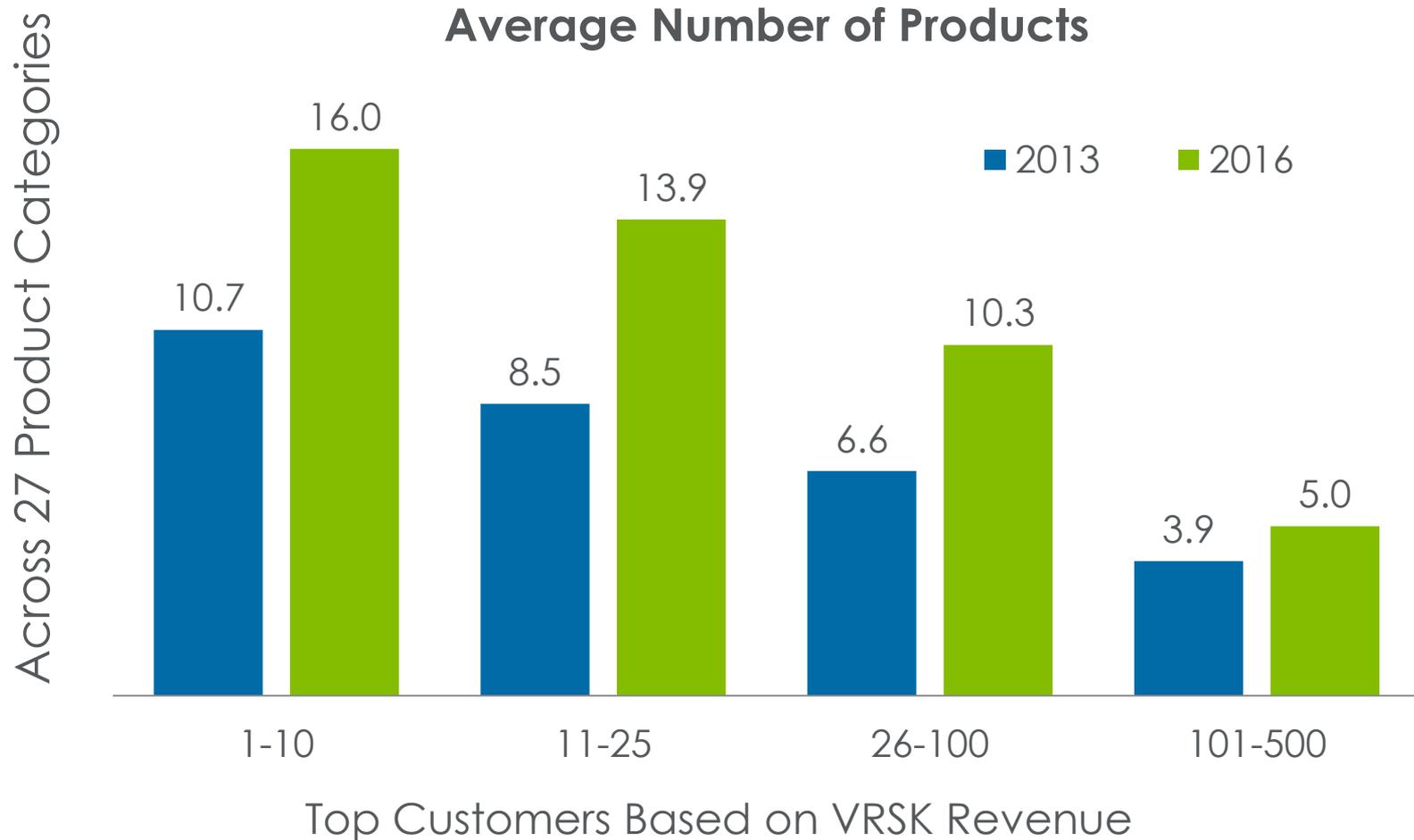|		
Claims Adjudication and Fraud Detection Solutions	**Industry database totaling 1 billion claims**	**Internal**
Property Damage Claims Estimating	**100M structural estimation price points and integrated network**	**Various**
Catastrophe Modeling	**Advanced science, advanced software platform covering 100 countries**	R M S CoreLogic EQECAT

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

Insurance: Growth Opportunities
Cross-Sell 2013 - 2016

Average Number of Products

Across 27 Product Categories

- 2013
- 2016

16.0

13.9

10.7

10.3

8.5

6.6

5.0

3.9

1-10 11-25 26-100 101-500

Top Customers Based on VRSK Revenue

Insurance: Building on Our Unique Heritage

📊 Growth Opportunities

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

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
AIR	Xactware					verisk Insurance Solutions

Energy: Large Addressable Market

Existing Wood Mackenzie Markets, Emerging Verticals and Adjacent Categories

Sector Vertical

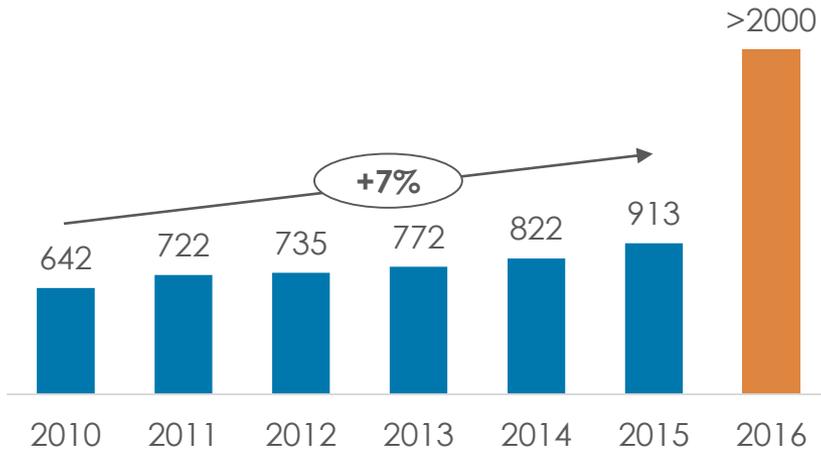| Oil | Gas | Coal | Utilities | Industrial Markets | Chems | Renewables |

Product Category

Energy & Commodities Information

Commercial
- De-carb
- Upstream Costs
- Oil Price Tool
- Market Size: c.$0.8 – $1B
- Market Size: c.$0.3B
- Market Size: c.$0.2B
- Chems
- Sub-surface

Technical
- Market Size: c.$4B
- Addressing commercial requirements in the technical arena has the largest scale

RT Data — Real Time Data
- Market Size: c.$0.9B

Wood Mackenzie Heartland

Nascent Category

Potential Future Category

Energy: Simple Business Model Focused on Clients

Integrated Model

Insight & information

Data & expertise

Expert network

Research

Sales & Marketing

Client

Consulting

Access & feedback

Demonstration of value

Long-term relationships

Bespoke solutions

Strategic dialogue

New business ideas

Energy: Diverse Subscription Customer Set

Growing No. of Customers [1]

>2000

+7%

2010	2011	2012	2013	2014	2015	2016
642	722	735	772	822	913	

End User Mix [2]

Other, 20%

E&P and Integrated 36%

Financials, 27%

NOCs, Govts & NGO, 17%
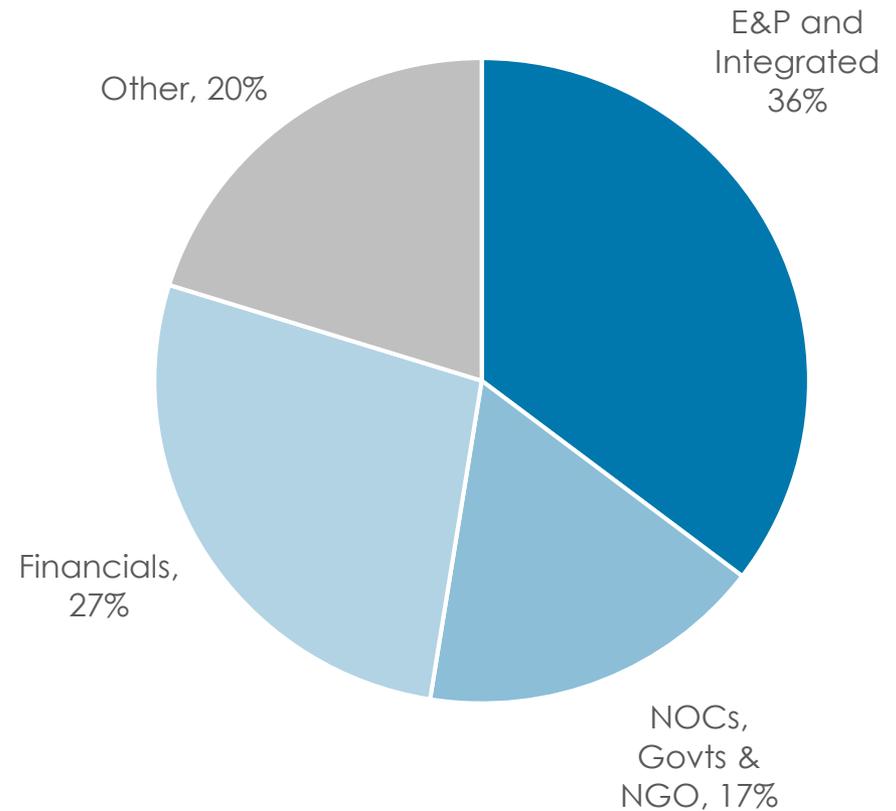
Low Customer Concentration [1]

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.

Financial: 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

Financial: Unique Data Enabling Valuable & Differentiated Solutions

	Description	Argus-Verisk [1]	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

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

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
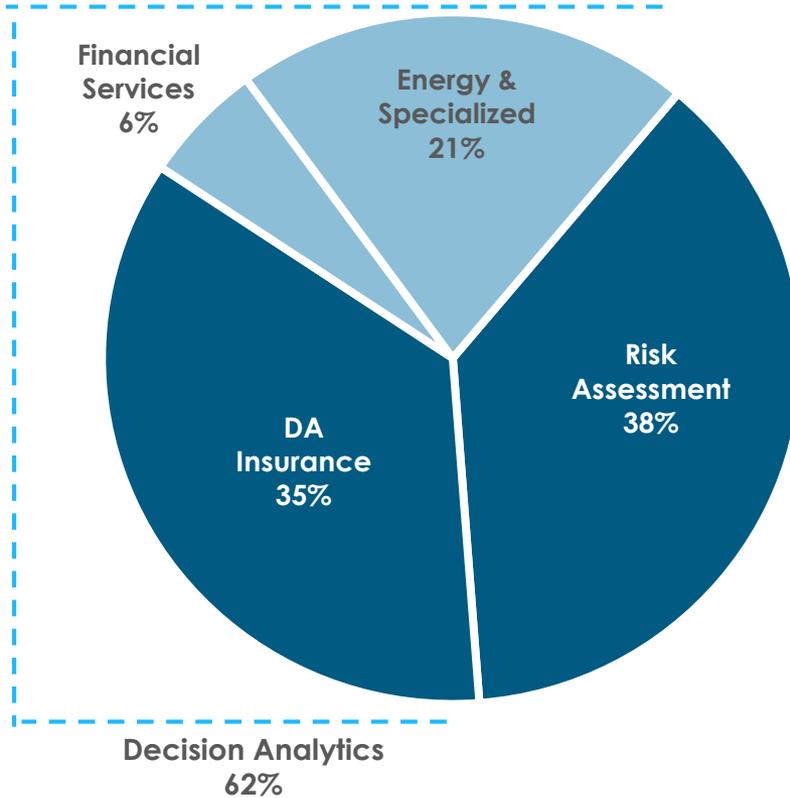
Balanced strategy creates flexibility
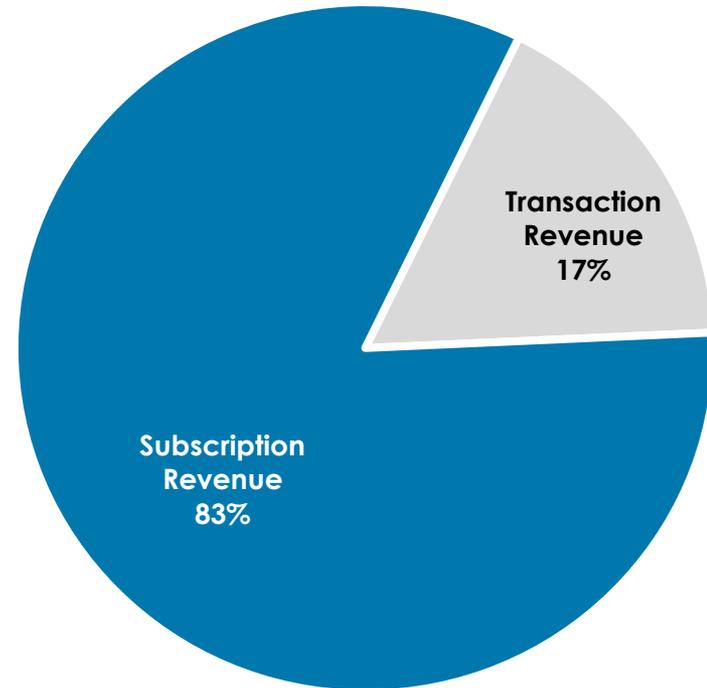
Appendix

Supplemental Slides and Non-GAAP Reconciliations

verisk
Analytics

Diverse, Highly Recurring Revenue Sources

1Q2017 Revenue Distribution

Financial Services 6%

Energy & Specialized 21%

Risk Assessment 38%

DA Insurance 35%

Decision Analytics 62%

1Q2017 Subscription Base

Transaction Revenue 17%

Subscription Revenue 83%

Strong Capital Structure to Support Growth

as of 3/31/2017

($ millions)

Bonds	$2,300
Revolver Drawn	0
Total Debt	**$2,300**

Debt / EBITDA [1]	2.2x
Covenant level	3.5x

Investment Grade Ratings

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

1,500 Revolver due May 2022

900

450

350

250

350

2015 2016 2017 2018 2019 2020 2021 2022 2025 2045

■ **Public Bonds**   ■ **Revolver Drawn**   ⌐⌐ **Undrawn Revolver**
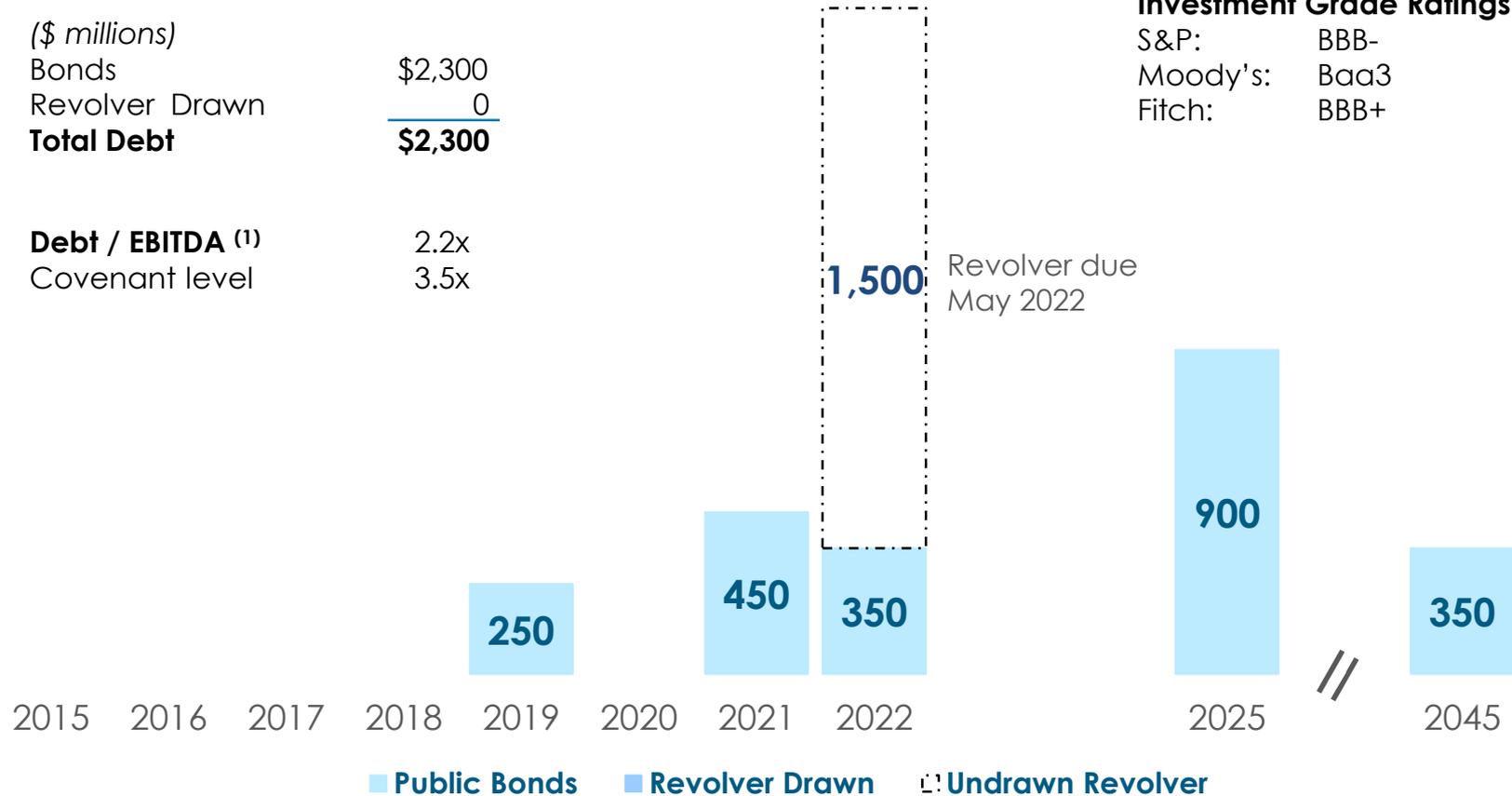
1. Per bank covenant.

Property/Casualty Insurance
Industry-leading data analytics and insights

Solutions

Industry-Standard Insurance Programs

Property and Business Information

Underwriting

Extreme Event Modeling

Claims Adjudication and Fraud Detection

Property Damage Claims Estimating

Advantages

5PB time-series data and coverage language in **200M+** policies

3.9M+ commercial buildings and details on licensing, violations, sales volume, and employee count for **26M** businesses; **~47K** fire protection area gradings

7B trip miles of analyzed driving data and **90M+** residential properties with building information and risk data

100+ countries covered across property, casualty, life and health, and marine lines in an advanced software platform

1B+ claims in the industry's leading database

100M structural estimation price points and integrated network

27

Natural Resources
Data analytics and commercial intelligence

Solutions

Advantages

Solutions	Advantages
Subscription Services	**500+** research professionals directly accessible around the world
Research Reports	**14,000+** reports and forecasts at the asset, company, and market level for online purchase through e-commerce service
Consulting	**100+** professional industry consultants providing innovative advice and bespoke solutions
Country Risk Data	**200+** monitored risks, including terrorism, conflict, civil unrest, corruption, human rights violations, and natural hazards
Assessing and Evaluating Opportunities and Risks	**55M+** data points describing global upstream oil and gas assets

Financial Services
Information, analytics, and data management

Solutions

Advantages

Solution	Advantage
Syndicated Benchmarking Studies	**1.5B** account-level records for consumer credit, debit, and savings accounts covering **10+ years**, with studies in **7 countries**
Predictive Algorithms, Business Intelligence, and Analytical Tools	**100+** models of consumer behavior across the customer life cycle for prospecting, acquisition, and customer management
Advisory Services	**100+** worldwide clients given unique views into a customer's actual wallet that enhance relevance and wallet share
Risk and Regulatory Practice	**$5T** in assets analyzed for loss forecasting, capital modeling, and regulatory submissions for global banks across **30+ countries**
Media Effectiveness	**125M** consumers targeted with custom digital solutions covering **$2.0T** of annualized spend
Spend Analytics	**$6.7T** total consumer spend tracked each year on **140B** unique transactions, along with innovative delivery mechanisms to inform retail partners and merchants

2016 Acquisitions

	MARKETSTANCE	The GeoInformation Group	Analyze Re	Quest Offshore	greentechmedia:	Risk Intelligence
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

2017 Acquisitions

	MAKE	FINTELLIX	eni emergent network intelligence	healix	ARIUM
Date	May 2017	Mar 2017	Feb 2017	Feb 2017	Jan 2017
Description	Provides intelligence for the renewable energy industry – specializing in onshore and offshore wind.	Provides analytics, risk, and compliance solutions for the banking sector enabling agility in risk and regulatory reporting practices.	Provides U.K. domestic insurers with technological innovations that enable them to process claims more efficiently and to detect fraud.	Provides automated medical risk assessment for travel insurance industry allowing insurers to identify and assess risks at point of sale.	Provides liability risk modeling and decision support, primarily for the reinsurance industry, using a unique methodology based on dependency theory.
Vertical	Natural Resources	Financial	Insurance	Insurance	Insurance
Location	Aarhus, Denmark	Bangalore, India	Newcastle, United Kingdom	Surrey, United Kingdom	London, United Kingdom

Non-GAAP Reconciliations

Constant currency revenue growth

Our operating results reported in U.S. dollars are affected by foreign currency exchange rate fluctuations because the underlying foreign currencies in which we transact change in value over time compared to the U.S. dollar; accordingly, we present certain constant currency financial information to provide a framework to assess how our businesses performed excluding the impact of foreign currency exchange rate fluctuations. We use the term "constant currency" to present results that have been adjusted to exclude foreign currency impact. Foreign currency impact represents the difference in results that are attributable to fluctuations in the currency exchange rates used to convert the results for businesses where the functional currency is not the U.S. dollar. This impact is calculated by translating comparable prior period year results at the currency exchange rates used in the current period, rather than the exchange rates in effect during the prior period.

Non-GAAP Reconciliations

Adjusted EBITDA [1]
($ millions)

	2016	2015	2014	2013	2012
Income from continuing operations	451.5	487.5	354.0	318.9	288.7
Interest expense	120.0	121.4	70.0	76.1	72.5
Provision for income taxes	202.2	196.6	208.5	184.8	162.7
Depreciation and amortization of fixed assets and intangible assets	211.6	167.0	95.5	85.3	65.8
Less: Nonrecurring items related to the Wood Mackenzie acquisition	--	(58.6)	--	--	--
Plus: Nonrecurring severance charges	2.1	--	--	--	--
Plus: Nonrecurring ESOP charge	18.8	--	--	--	--
Less: Gain on sale of equity investments	(1.5)	--	--	--	--
Adjusted EBITDA from continuing operations	1,004.7	913.9	728.0	665.2	589.7

1. Figures may not sum due to rounding.

Non-GAAP Reconciliations

Adjusted EPS [1]
($ millions, except shares and per share amounts)

	2016	2015	2014
Income from continuing operations	451.5	487.5	354.0
Plus: Amortization of intangibles	92.5	70.4	30.1
Less: Income tax effect on amortization of intangibles	(24.1)	(19.2)	(11.4)
Plus: Nonrecurring items related to the Wood Mackenzie acquisition	--	-45.2	--
Plus: Nonrecurring ESOP charges	18.8	--	--
Less: Income tax effect on one-time items related to the Wood Mackenzie acquisition	--	-10.7	--
Less: Income tax effect on nonrecurring ESOP charge	(7.2)	--	--
Adjusted net income from continuing operations	531.5	482.8	372.7
Basic adjusted EPS from continuing operations	$3.16	$2.92	$2.25
Diluted adjusted EPS from continuing operations	$3.11	$2.87	$2.20
Weighted average shares outstanding (in millions)			
Basic	168.2	165.1	165.8
Diluted	171.2	168.5	169.1

1. Figures may not sum due to rounding.

Non-GAAP Reconciliations

Free Cash Flow [1]
($ millions)

	2016	2015	2014
Net cash provided by operating activities	546.1	623.7	489.4
less: Net cash provided by operating activities from discontinued operations	(21.4)	(73.2)	--
Capital expenditures	(156.5)	(166.1)	(146.8)
less: Capital expenditures from discontinued operations	10.6	27.4	--
plus: taxes paid related to the sale of the healthcare business	100	--	--
Free Cash Flow	478.8	411.8	342.6

1. Figures may not sum due to rounding.