Verisk Analytics, Inc (VRSK)

Updated September 4th, 2025 by Felix Martinez

Key Metrics

Current Price:	$270	**5 Year Annual Expected Total Return:**	-3.5%	**Market Cap:**	$37.5 B
Fair Value Price:	$140	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	09/15/25
% Fair Value:	193%	**5 Year Valuation Multiple Estimate:**	-12.3%	**Dividend Payment Date:**	09/30/25
Dividend Yield:	0.6%	**5 Year Price Target**	$215	**Years Of Dividend Growth:**	6
Dividend Risk Score:	B	**Sector:** Information Technology		**Rating:**	Hold

Overview & Current Events

Verisk Analytics, Inc. is an American multinational data analytics and risk assessment firm based in Jersey City, New Jersey, with customers in insurance, natural resources, financial services, government, and risk management sectors. The company uses proprietary data sets and industry expertise to provide predictive analytics and decision support consultations in areas including fraud prevention, actuarial science, insurance coverage, fire protection, catastrophe and weather risk, and data management. Through advanced data analytics, software, scientific research, and deep industry knowledge, Verisk empowers customers to strengthen operating efficiency, improve underwriting and claims outcomes, combat fraud, and make informed decisions about global issues, including climate change and extreme events, as well as political and ESG topics. The company has offices in more than thirty countries. Verisk has started and grown its dividend since 2019 and has a current market cap of $37.5 billion.

On May 7th, 2025, the company reported first quarter results for Fiscal Year (FY) 2025. The company delivered another strong second quarter of 2025, with revenue of $773 million, up 7.8% year-over-year and 7.9% on an organic constant currency basis, exceeding expectations by $4.3 million. Adjusted EBITDA rose 11.9% to $445 million, while adjusted EPS increased 8% to $1.88, beating estimates by $0.11. However, GAAP net income fell 17.7% to $253 million, and diluted GAAP EPS declined 15.8% to $1.81, largely due to gains recognized in the prior-year period that did not recur. Free cash flow strengthened 22.6% to $189 million, supported by higher operating profit and cash flow growth of 15.5%.

Both of Verisk's core insurance segments contributed to growth. Underwriting revenue rose 8.3%, driven by strong demand for forms, rules, loss cost services, and extreme event solutions, as well as continued momentum in specialty and life solutions. Claims revenue grew 6.6% on a reported basis and 8.3% on an organic constant currency basis, supported by strength in property estimating and anti-fraud solutions. Management emphasized that the company's focus on operational leverage and disciplined cost management helped drive margin expansion, with adjusted EBITDA margin climbing to 57.6% from 55.4% a year earlier.

Verisk also advanced its strategic transformation through acquisitions. The company closed its $163 million purchase of SuranceBay, expanding its life and annuity solutions, and announced a definitive agreement to acquire AccuLynx for $2.35 billion, a SaaS leader in residential property claims and restoration workflows. With these additions, management expects to deepen Verisk's role as an integrated technology network for the insurance industry. Reflecting Q2 momentum, the company raised full-year 2025 guidance for revenue to $3.09–$3.13 billion and adjusted EBITDA to $1.70–$1.74 billion, while reaffirming adjusted EPS of $6.80–$7.00. CEO Lee Shavel highlighted the company's evolution from an industry utility to a global analytics and technology leader, positioning Verisk for sustained growth.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$3.09	$3.11	$3.74	$4.11	$4.38	$5.04	$5.31	$5.76	$5.71	$6.64	***$7.00***	***$10.77***
DPS					$1.00	$1.08	$1.16	$1.24	$1.36	$1.56	***$1.80***	***$2.52***
Shares[1]	168.0	171.0	169.0	168.0	167.0	165.0	163.0	154.7	146.0	142.8	***140.0***	***137.0***

[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Verisk Analytics, Inc (VRSK)

Updated September 4th, 2025 by Felix Martinez

The company has been growing earnings at a high single-digit rate over the past ten years. Over the last ten years, earnings have grown by over 8.9% annually. However, earnings have been slowing down recently. For example, earnings have had a compound annual growth rate of 6.8% over the past five years. However, after 2025, we expect that the company will continue to grow its earnings at a 9% annual rate giving us earnings of $10.77 per share in 2030. The company started to pay its dividend in 2019 and has increased its yearly with an average growth rate of 10.8%. The company can continue this growth rate as earnings will grow and because of the low dividend payout ratio.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	24.9	26.1	25.7	26.3	34.0	41.2	43.1	30.6	41.8	41.4	***38.6***	***20.0***
Avg. Yld.					0.7%	0.5%	0.5%	0.7%	0.6%	0.6%	***0.7%***	***1.2%***

The company has a high valuation currently. The company has a current PE of 38.6x earnings with only an expected annual earnings growth of 9% for the next five years. Because of the lower earnings growth, a fair multiple would be 20x earnings. We would see a multiple compression of (12.3)% over the next five years at the current price.

Safety, Quality, Competitive Advantage, & Recession Resiliency

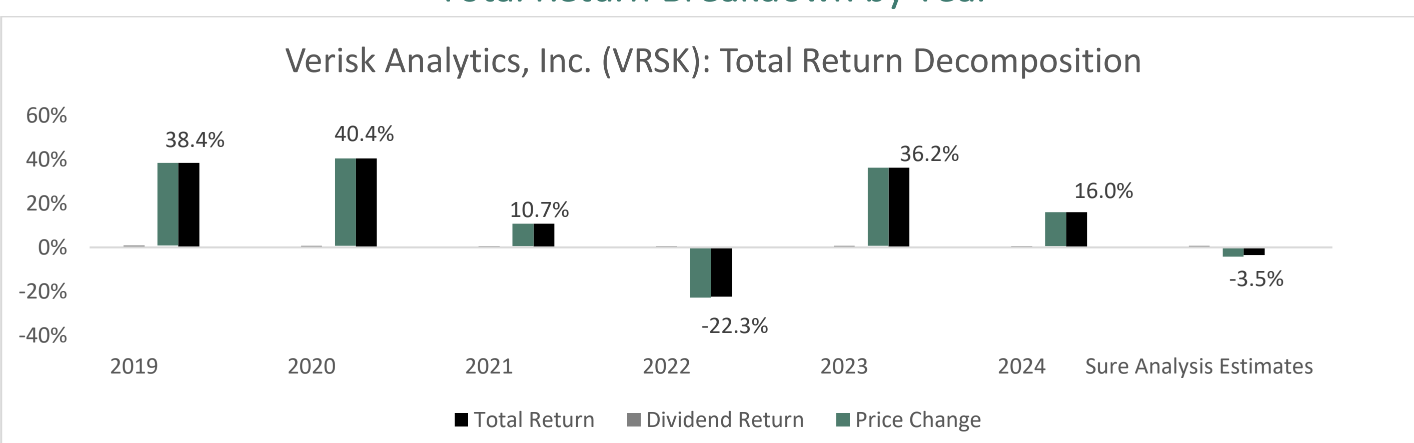
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout					23%	21%	22%	22%	24%	23%	***26%***	***23%***

The company's competitive advantage is its vast and diverse collection of proprietary data assets critical to its analytics and risk assessment solutions. These data assets are generated from various sources, including satellite imagery, insurance claims data, weather data, financial data, and more. The company's extensive data assets provide a significant competitive advantage as they allow Verisk Analytics to offer its customers unique insights and predictive analytics, enabling them to make informed decisions and manage risk effectively. The company's balance sheet is robust as it has a BBB credit rating by S&P. The company also has an interest coverage ratio of 9.5x, which is excellent. Verisk debt to equity ratio is 10.9.

Final Thoughts & Recommendation

The company has been growing earnings nicely over the past ten years. Over the long term, this growth will continue. However, at the current price, the stock is expensive. Over the next five years, we expect the company to provide a negative return of (3.5)%, primarily due to the current valuation. Thus, we rate the stock as a hold.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Verisk Analytics, Inc (VRSK)

Updated September 4th, 2025 by Felix Martinez

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,761	1,995	2,145	2,395	2,607	2,269	2,463	2,497	2681	2882
Gross Profit	1,149	1,281	1,361	1,509	1,630	1,478	1,609	1,672	1805	1981
Gross Margin	65.2%	64.2%	63.5%	63.0%	62.5%	65.1%	65.3%	67.0%	67.3%	68.7%
SG&A Exp.	278	302	323	379	604	308	313	382	392	409
D&A Exp.	215	225	237	296	324	358	384	340	281	306
Operating Profit	703	768	801	834	697	956	1,045	1,052	1132	1254
Operating Margin	40.0%	38.5%	37.3%	34.8%	26.7%	42.1%	42.5%	42.1%	42.2%	43.5%
Net Profit	508	591	555	599	450	713	666	954	614	958
Net Margin	28.8%	29.6%	25.9%	25.0%	17.3%	31.4%	27.1%	38.2%	22.9%	33.2%
Free Cash Flow	498	421	560	703	740	821	887	784	831	920
Income Tax	197	202	136	121	119	165	179	220	259	278

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	5,594	4,631	6,020	5,900	7,055	7,562	7,808	6,961	4366	4265
Cash & Equivalents	138	135	142	140	185	219	112	113	303	291
Accounts Receivable	216	216	291	300	373	381	268	274	317	421
Inventories										
Goodwill & Int. Ass.	3,998	3,589	4,714	4,589	5,263	5,493	2,530	2,181	2232	2119
Total Liabilities	4,222	3,299	4,095	3,830	4,794	4,864	4,966	5,193	4044	4160
Accounts Payable	93	74	69	75	80	99	92	129	158	86
Long-Term Debt	3,139	2,373	2,992	2,696	3,143	3,189	3,301	3,732	2832	3020
Shareholder's Equity	1,372	1,332	1,925	2,071	2,261	2,698	2,817	1,749	310	100
D/E Ratio	2.29	1.78	1.55	1.30	1.39	1.18	1.17	2.13	9.14	30.17

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	12.8%	11.6%	10.4%	10.0%	6.9%	9.8%	8.7%	12.9%	10.9%	22.2%
Return on Equity	64.1%	43.7%	34.1%	30.0%	20.8%	28.7%	24.2%	41.8%	58.8%	448%
ROIC	16.5%	14.4%	12.9%	12.4%	8.8%	12.6%	11.1%	16.4%	14.2%	30.5%
Shares Out.	168.0	171.0	169.0	168.0	167.0	165.0	163.0	154.7	147.3	142.8
Revenue/Share	10.45	11.66	12.72	14.23	15.65	13.73	15.08	15.71	18.20	20.17
FCF/Share	2.95	2.46	3.32	4.18	4.44	4.97	5.43	4.93	5.64	6.44

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.