

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 06, 2023

CCC Intelligent Solutions Holdings Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-39447
(Commission File Number)

98-1546280
(IRS Employer
Identification No.)

167 N. Green Street, 9th Floor
Chicago, Illinois
(Address of Principal Executive Offices)

60607
(Zip Code)

Registrant's Telephone Number, Including Area Code: (800) 621-8070

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|----------------------|---|
| Common stock, par value \$0.0001 per share | CCCS | The Nasdaq Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

Attached hereto as Exhibit 99.1 and incorporated by reference into this Item 2.02 is a copy of the press release, date November 6, 2023, announcing the financial results of CCC Intelligent Solutions Holdings Inc. for the quarter ended September 30, 2023, including, among other things, unaudited financial results for that period.

The information in this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section and shall not be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise expressly stated in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit Number</u> | <u>Description</u> |
|------------------------------|---|
| 99.1 | Press release, dated November 6, 2023 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CCC INTELLIGENT SOLUTIONS HOLDINGS INC.

Date: November 6, 2023

By: /s/ Brian Herb
Name: Brian Herb
Title: Executive Vice President, Chief Financial and Administrative Officer

CCC Intelligent Solutions Holdings Inc. Announces Third Quarter 2023 Financial Results

November 6, 2023 - CCC Intelligent Solutions Holdings Inc. (“CCC” or the “Company”) (NASDAQ: CCCS), a leading SaaS platform for the P&C insurance economy, today announced its financial results for the three months ended September 30, 2023.

“CCC delivered strong third quarter results, highlighted by 11% year-over-year revenue growth, 19% year-over-year adjusted EBITDA growth, and an adjusted EBITDA margin of 42%. Our solid performance reflects positive momentum across our business from continuing to deliver new, high-ROI solutions that improve the operating efficiency and consumer experience of our customers’ mission-critical workflows,” said Githesh Ramamurthy, Chairman & CEO of CCC.

“Our goal at CCC is the digitization of the entire automobile accident supply chain – from first notice of loss through subrogation – by seamlessly integrating artificial intelligence, connected networks, and digital engagement,” continued Ramamurthy. “Our strong innovation velocity and balanced growth algorithm reinforce our confidence in our long-term growth outlook.”

Third Quarter 2023 Financial Highlights

Revenue

- Total revenue was \$221.1 million for the third quarter of 2023, an increase of 11% from \$198.7 million for the third quarter of 2022.

Profitability

- GAAP gross profit was \$163.1 million, representing a gross margin of 74%, for the third quarter of 2023, compared with \$145.6 million, representing a gross margin of 73%, for the third quarter of 2022. Adjusted gross profit was \$172.1 million, representing an adjusted gross profit margin of 78%, for the third quarter of 2023, compared with \$154.1 million, representing an adjusted gross profit margin of 78%, for the third quarter of 2022.
- GAAP operating income was \$16.6 million for the third quarter of 2023, compared with GAAP operating income of \$17.1 million for the third quarter of 2022. Adjusted operating income was \$82.7 million for the third quarter of 2023, compared with adjusted operating income of \$71.1 million for the third quarter of 2022.
- GAAP net loss was \$21.2 million for the third quarter of 2023, compared with GAAP net income of \$9.8 million for the third quarter of 2022. Adjusted net income was \$57.2 million for the third quarter of 2023, compared with adjusted net income of \$46.6 million for the third quarter of 2022.
- Adjusted EBITDA was \$92.9 million for the third quarter of 2023, compared with adjusted EBITDA of \$78.1 million for the third quarter of 2022. Adjusted EBITDA grew 19% in the third quarter of 2023 compared with the third quarter of 2022.

Liquidity

- CCC had \$448.7 million in cash and cash equivalents and \$786.0 million of total debt on September 30, 2023. The Company generated \$60.5 million in cash from operating activities and had free cash flow of \$46.4 million during the third quarter of 2023, compared with \$30.8 million generated in cash from operating activities and \$17.4 million in free cash flow in the third quarter of 2022.

The information presented above includes non-GAAP financial measures such as “adjusted EBITDA,” “adjusted net income,” “adjusted operating income,” “adjusted gross profit,” “adjusted gross profit margin,” and “free cash flow.” Refer to “Non-GAAP Financial Measures” for a discussion of these measures and reconciliations of each non-GAAP financial measure to the most directly comparable GAAP financial measure.

3rd Quarter and Recent Business Highlights

- CCC recently introduced Repair Cost Predictor and Mobile Jumpstart, AI-driven solutions that help address the tight labor challenges facing repair facilities in writing estimates for damaged vehicles. Repair Cost Predictor is a new AI-powered feature within Engage that allows consumers who are shopping for a repair to upload photos of their damaged vehicle and receive a predicted range for the cost of repair in seconds. The consumer can then book an appointment for an estimate or directly schedule a repair, giving repair facilities the capability to efficiently capture and convert digital leads, even after hours. The photos and predictions are seamlessly integrated into CCC ONE®, further enhancing the repair facilities’ ability to service their customers. Mobile Jumpstart is a new feature within our CCC ONE® Estimating-IQ solution that helps estimators significantly reduce the time it takes to prepare estimates by leveraging their mobile phones. In early usage, Mobile Jumpstart is reducing the average time to complete an initial estimate from about half an hour to a few minutes or less.

- CCC recently took two steps to help collision repair facilities improve their digital engagement with consumers. The first was the integration of CCC® Engage into Google Business Profiles, Search, and Maps to facilitate direct consumer scheduling of repair appointments with collision repairers. The second was a new solution, named CCC® Amplify, that enables repair facilities to quickly and easily set up a modern, professional-looking website with deep integration to CCC® ONE.
- CCC is a leader in the Casualty solutions market and recently launched CCC® Impact Dynamics, a new computer vision AI technology for Casualty claims that can predict potential physical injuries to the occupants of a vehicle involved in an accident based on photos of the damaged vehicles. A top-5 auto insurer and long-time customer of CCC's Automobile Physical Damage solutions has contracted for Impact Dynamics, the insurer's first Casualty solution from CCC.

Business Outlook

Based on information as of today, November 6, 2023, the Company is issuing the following financial guidance:

| | <u>Fourth Quarter Fiscal 2023</u> | <u>Full Year Fiscal 2023</u> |
|-----------------|------------------------------------|--------------------------------|
| Revenue | \$221.5 million to \$223.5 million | \$859 million to \$861 million |
| Adjusted EBITDA | \$92 million to \$94 million | \$345 million to \$347 million |

Conference Call Information

CCC will host a conference call today, November 6, 2023, at 5:00 p.m. (Eastern Time) to discuss the Company's financial results and financial guidance. A live webcast of this conference call will be available on the "Investor Relations" page of the Company's website at <https://ir.cccis.com>, and a replay will be archived on the website as well.

About CCC Intelligent Solutions

CCC Intelligent Solutions Inc., a subsidiary of CCC Intelligent Solutions Holdings Inc. (NASDAQ: CCCS), is a leading SaaS platform for the multi-trillion-dollar P&C insurance economy powering operations for insurers, repairers, automakers, part suppliers, lenders, and more. CCC cloud technology connects more than 35,000 businesses digitizing mission-critical workflows, commerce, and customer experiences. A trusted leader in AI, IoT, customer experience, network and workflow management, CCC delivers innovations that keep people's lives moving forward when it matters most. Learn more about CCC at www.cccis.com.

Forward Looking Statements

This press release contains forward-looking statements that are based on beliefs and assumptions and on information currently available. In some cases, you can identify forward-looking statements by the following words: "may," "will," "could," "would," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue," "ongoing" or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. These statements involve risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Forward-looking statements in this press release include, but are not limited to, future events, goals, plans and projections regarding the Company's financial position, results of operations, market position, product development and business strategy. Such differences may be material. We cannot assure you that the forward-looking statements in this press release will prove to be accurate. These forward looking statements are subject to a number of risks and uncertainties, including, among others, our revenues, the concentration of our customers and the ability to retain our current customers; our ability to negotiate with our customers on favorable terms; our ability to maintain and grow our brand and reputation cost-effectively; the execution of our growth strategy; our projected financial information, growth rate and market opportunity; the health of our industry, claim volumes, and market conditions; changes in the insurance and automotive collision industries, including the adoption of new technologies; global economic conditions and geopolitical events; competition in our market and our ability to retain and grow market share; our ability to develop, introduce and market new enhanced versions of our solutions and products; our sales and implementation cycles; the ability of our research and development efforts to create significant new revenue streams; changes in applicable laws or regulations; changes in international economic, political, social and governmental conditions and policies, including corruption risks in China and other countries; currency fluctuations; our reliance on third-party data, technology and intellectual property; our ability to protect our intellectual property; our ability to keep our data and information systems secure from data security breaches; our ability to acquire or invest in companies or pursue business partnerships; our ability to raise financing in the future and improve our capital structure; our success in retaining or recruiting, or changes required in, our officers, key employees or directors; our estimates regarding expenses, future revenue, capital requirements and needs for additional financing; our ability to expand or maintain our existing customer base; our ability to service our indebtedness; and other risks and uncertainties, including those included under the header "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 filed with the Securities and Exchange Commission ("SEC"), which can be obtained, without charge, at the SEC's website (www.sec.gov), and in our other filings with the SEC. The forward-looking statements in this press release represent our views as of the date of this press release. We anticipate that subsequent events and developments will cause our views to

change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this press release.

Non-GAAP Financial Measures

This press release includes certain financial measures not presented in accordance with generally accepted accounting principles in the U.S. (“GAAP”), including, but not limited to, “adjusted EBITDA,” “adjusted net income,” “adjusted operating income,” “adjusted gross profit,” “adjusted gross profit margin,” “adjusted operating expenses,” and “free cash flow” in each case presented on a non-GAAP basis, and certain ratios and other metrics derived therefrom. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company’s financial results. Therefore, these measures should not be considered in isolation or as an alternative to other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company’s calculation of these non-GAAP measures may not be comparable to similarly-titled measures used by other companies.

The Company believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company’s financial condition and results of operations. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing the Company’s financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Please refer to the reconciliations of these measures below to what the Company believes are the most directly comparable measures evaluated in accordance with GAAP.

This press release also includes certain projections of non-GAAP financial measures. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these projected measures, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable effort. Consequently, no disclosure of estimated comparable GAAP measures is included and no reconciliation of the forward-looking non-GAAP financial measures is included for these projections.

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CCC INTELLIGENT SOLUTIONS HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

| | September 30, 2023 (Unaudited) | December 31, 2022 |
|---|--------------------------------------|----------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 448,733 | \$ 323,788 |
| Accounts receivable—Net of allowances of \$5,052 and \$5,339 as of September 30, 2023 and December 31, 2022, respectively | 117,799 | 98,353 |
| Income taxes receivable | 407 | 4,015 |
| Deferred contract costs | 16,994 | 16,556 |
| Other current assets | 29,814 | 36,358 |
| Total current assets | 613,747 | 479,070 |
| SOFTWARE, EQUIPMENT, AND PROPERTY—Net | 158,189 | 146,443 |
| OPERATING LEASE ASSETS | 31,061 | 32,874 |
| INTANGIBLE ASSETS—Net | 1,039,555 | 1,118,819 |
| GOODWILL | 1,417,724 | 1,495,129 |
| DEFERRED FINANCING FEES, REVOLVER—Net | 1,825 | 2,286 |
| DEFERRED CONTRACT COSTS | 19,579 | 20,161 |
| EQUITY METHOD INVESTMENT | 10,228 | 10,228 |
| OTHER ASSETS | 49,875 | 45,911 |
| TOTAL | \$ 3,341,783 | \$ 3,350,921 |
| LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 18,235 | \$ 27,599 |
| Accrued expenses | 61,005 | 71,445 |
| Income taxes payable | 9,537 | 922 |
| Current portion of long-term debt | 8,000 | 8,000 |
| Current portion of long-term licensing agreement—Net | 3,013 | 2,876 |
| Operating lease liabilities | 6,879 | 5,484 |
| Deferred revenues | 41,885 | 35,239 |
| Total current liabilities | 148,554 | 151,565 |
| LONG-TERM DEBT—Net | 769,136 | 774,132 |
| DEFERRED INCOME TAXES—Net | 200,913 | 241,698 |
| LONG-TERM LICENSING AGREEMENT—Net | 28,475 | 30,752 |
| OPERATING LEASE LIABILITIES | 51,669 | 54,245 |
| WARRANT LIABILITIES | 81,808 | 36,405 |
| OTHER LIABILITIES | 2,246 | 2,658 |
| Total liabilities | 1,282,801 | 1,291,455 |
| COMMITMENTS AND CONTINGENCIES (Notes 19 and 20) | | |
| MEZZANINE EQUITY: | | |
| Redeemable non-controlling interest | 15,504 | 14,179 |
| STOCKHOLDERS' EQUITY: | | |
| Preferred stock—\$0.0001 par; 100,000,000 shares authorized; no shares issued or outstanding | — | — |
| Common stock—\$0.0001 par; 5,000,000,000 shares authorized; 634,633,179 and 622,072,905 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively | 63 | 62 |
| Additional paid-in capital | 2,868,881 | 2,754,055 |
| Accumulated deficit | (824,308) | (707,946) |
| Accumulated other comprehensive loss | (1,158) | (884) |
| Total stockholders' equity | 2,043,478 | 2,045,287 |
| TOTAL | \$ 3,341,783 | \$ 3,350,921 |

CCC INTELLIGENT SOLUTIONS HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(In thousands, except share and per share data)
(Unaudited)

| | For the Three Months Ended | | For the Nine Months Ended | |
|--|----------------------------|-------------|---------------------------|-------------|
| | September 30, | | September 30, | |
| | 2023 | 2022 | 2023 | 2022 |
| REVENUES | \$ 221,147 | \$ 198,734 | \$ 637,777 | \$ 578,342 |
| COST OF REVENUES | | | | |
| Cost of revenues, exclusive of amortization and impairment of acquired technologies | 51,459 | 46,379 | 153,954 | 135,174 |
| Amortization of acquired technologies | 6,567 | 6,748 | 19,897 | 20,193 |
| Impairment of acquired technologies | — | — | 431 | — |
| Total cost of revenues | 58,026 | 53,127 | 174,282 | 155,367 |
| GROSS PROFIT | 163,121 | 145,607 | 463,495 | 422,975 |
| OPERATING EXPENSES: | | | | |
| Research and development | 43,532 | 40,273 | 127,891 | 114,711 |
| Selling and marketing | 35,605 | 30,838 | 105,072 | 88,731 |
| General and administrative | 49,471 | 39,376 | 137,477 | 123,093 |
| Amortization of intangible assets | 17,942 | 18,066 | 54,030 | 54,212 |
| Impairment of goodwill | — | — | 77,405 | — |
| Impairment of intangible assets | — | — | 4,906 | — |
| Total operating expenses | 146,550 | 128,553 | 506,781 | 380,747 |
| OPERATING INCOME (LOSS) | 16,571 | 17,054 | (43,286) | 42,228 |
| INTEREST EXPENSE | (14,633) | (10,501) | (42,480) | (25,786) |
| INTEREST INCOME | 5,165 | — | 12,447 | — |
| CHANGE IN FAIR VALUE OF DERIVATIVE INSTRUMENTS | (446) | 5,991 | 563 | 5,991 |
| CHANGE IN FAIR VALUE OF WARRANT LIABILITIES | (26,223) | 312 | (45,403) | 23,452 |
| GAIN ON SALE OF COST METHOD INVESTMENT | — | 9 | — | 3,587 |
| OTHER INCOME—Net | 182 | 382 | 551 | 576 |
| PRETAX (LOSS) INCOME | (19,384) | 13,247 | (117,608) | 50,048 |
| INCOME TAX (PROVISION) BENEFIT | (1,818) | (3,452) | 1,246 | (12,714) |
| NET (LOSS) INCOME INCLUDING NON-CONTROLLING INTEREST | (21,202) | 9,795 | (116,362) | 37,334 |
| LESS: ACCRETION OF REDEEMABLE NON-CONTROLLING INTEREST | (1,010) | — | (1,325) | — |
| NET (LOSS) INCOME ATTRIBUTABLE TO CCC INTELLIGENT SOLUTIONS HOLDINGS INC. COMMON STOCKHOLDERS | \$ (22,212) | \$ 9,795 | \$ (117,687) | \$ 37,334 |
| Net (loss) income per share attributable to common stockholders: | | | | |
| Basic | \$ (0.04) | \$ 0.02 | \$ (0.19) | \$ 0.06 |
| Diluted | \$ (0.04) | \$ 0.02 | \$ (0.19) | \$ 0.06 |
| Weighted-average shares used in computing net (loss) income per share attributable to common stockholders: | | | | |
| Basic | 624,976,557 | 609,421,073 | 620,841,922 | 606,181,316 |
| Diluted | 624,976,557 | 643,582,922 | 620,841,922 | 642,208,622 |
| COMPREHENSIVE (LOSS) INCOME: | | | | |
| Net (loss) income including non-controlling interest | (21,202) | 9,795 | (116,362) | 37,334 |
| Other comprehensive (loss) income—Foreign currency translation adjustment | (23) | (510) | (274) | (804) |
| COMPREHENSIVE (LOSS) INCOME INCLUDING NON-CONTROLLING INTEREST | (21,225) | 9,285 | (116,636) | 36,530 |
| Less: accretion of redeemable non-controlling interest | (1,010) | — | (1,325) | — |
| COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO CCC INTELLIGENT SOLUTIONS HOLDINGS INC. COMMON STOCKHOLDERS | \$ (22,235) | \$ 9,285 | \$ (117,961) | \$ 36,530 |

CCC INTELLIGENT SOLUTIONS HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

| | For the Nine Months Ended September 30, | |
|--|--|-------------------|
| | 2023 | 2022 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net (loss) income | \$ (116,362) | \$ 37,334 |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: | | |
| Depreciation and amortization of software, equipment, and property | 28,025 | 20,155 |
| Amortization of intangible assets | 73,927 | 74,405 |
| Impairment of goodwill and intangible assets | 82,742 | — |
| Deferred income taxes | (40,785) | (53,061) |
| Stock-based compensation | 104,471 | 80,769 |
| Amortization of deferred financing fees | 1,295 | 1,424 |
| Amortization of discount on debt | 170 | 196 |
| Change in fair value of derivative instruments | (563) | (5,991) |
| Change in fair value of warrant liabilities | 45,403 | (23,452) |
| Non-cash lease expense | 1,232 | 3,076 |
| Loss on disposal of software, equipment and property | — | 795 |
| Gain on sale of cost method investment | — | (3,587) |
| Other | 171 | 101 |
| Changes in: | | |
| Accounts receivable—Net | (19,340) | (19,532) |
| Deferred contract costs | (438) | (719) |
| Other current assets | 6,727 | 12,321 |
| Deferred contract costs—Non-current | 582 | 3,299 |
| Other assets | (3,572) | (18,227) |
| Operating lease assets | 581 | 1,623 |
| Income taxes | 12,223 | 10,029 |
| Accounts payable | (9,368) | 2,466 |
| Accrued expenses | (9,335) | (2,664) |
| Operating lease liabilities | (1,181) | (4,687) |
| Deferred revenues | 6,646 | 2,557 |
| Other liabilities | (113) | (192) |
| Net cash provided by operating activities | <u>163,138</u> | <u>118,438</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of software, equipment, and property | (43,187) | (38,844) |
| Acquisition of Safekeep, Inc., net of cash acquired | — | (32,242) |
| Proceeds from sale of cost method investment | — | 3,901 |
| Net cash used in investing activities | <u>(43,187)</u> | <u>(67,185)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from exercise of stock options | 23,051 | 22,814 |
| Proceeds from employee stock purchase plan | 4,761 | 3,197 |
| Payments for employee taxes withheld upon vesting of equity awards | (16,429) | (5,005) |
| Principal payments on long-term debt | (6,000) | (6,000) |
| Net cash provided by financing activities | <u>5,383</u> | <u>15,006</u> |
| NET EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | (389) | (650) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | <u>124,945</u> | <u>65,609</u> |
| CASH AND CASH EQUIVALENTS: | | |
| Beginning of period | 323,788 | 182,544 |
| End of period | <u>\$ 448,733</u> | <u>\$ 248,153</u> |
| NONCASH INVESTING AND FINANCING ACTIVITIES: | | |
| Noncash purchases of software, equipment, and property | \$ 1,923 | \$ — |
| Contingent consideration related to business acquisition | \$ — | \$ 200 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash paid for interest | \$ 40,983 | \$ 24,150 |
| Cash paid for income taxes—Net | <u>\$ 27,316</u> | <u>\$ 55,526</u> |

CCC INTELLIGENT SOLUTIONS HOLDINGS INC. AND SUBSIDIARIES
RECONCILIATION OF GROSS PROFIT TO ADJUSTED GROSS PROFIT
(In thousands, except profit margin percentage data)
(Unaudited)

| (amounts in thousands, except percentages) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|-------------|--|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Gross Profit | \$ 163,121 | \$ 145,607 | \$ 463,495 | \$ 422,975 |
| Amortization of acquired technologies | 6,567 | 6,748 | 19,897 | 20,193 |
| Stock-based compensation and related employer payroll tax | 2,432 | 1,765 | 6,906 | 4,378 |
| Impairment of acquired technologies | — | — | 431 | — |
| Adjusted Gross Profit | \$ 172,120 | \$ 154,120 | \$ 490,729 | \$ 447,546 |
| Gross Profit Margin | 74 % | 73 % | 73 % | 73 % |
| Adjusted Gross Profit Margin | 78 % | 78 % | 77 % | 77 % |

CCC INTELLIGENT SOLUTIONS HOLDINGS INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP OPERATING EXPENSES TO ADJUSTED OPERATING EXPENSES
(In thousands)
(Unaudited)

| (dollar amounts in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|-------------|--|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Operating expenses | \$ 146,550 | \$ 128,553 | \$ 506,781 | \$ 380,747 |
| Amortization of intangible assets | (17,942) | (18,066) | (54,030) | (54,212) |
| Impairment of goodwill | — | — | (77,405) | — |
| Impairment of intangible assets | — | — | (4,906) | — |
| Stock-based compensation expense and related employer payroll tax | (37,778) | (27,800) | (100,577) | (78,496) |
| Plaintiff litigation costs | (1,396) | — | (3,918) | — |
| M&A and integration costs | — | (6) | — | (1,761) |
| Lease overlap costs | — | — | — | (1,222) |
| Lease abandonment | — | — | — | (1,338) |
| Business Combination transaction and related costs | — | (101) | — | (1,156) |
| Income related to divestiture, net | — | 471 | — | 418 |
| Adjusted operating expenses | \$ 89,434 | \$ 83,051 | \$ 265,945 | \$ 242,980 |

CCC INTELLIGENT SOLUTIONS HOLDINGS INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP OPERATING INCOME (LOSS) TO ADJUSTED OPERATING INCOME
(In thousands)
(Unaudited)

| (dollar amounts in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|-------------|--|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Operating income (loss) | \$ 16,571 | \$ 17,054 | \$ (43,286) | \$ 42,228 |
| Amortization of intangible assets | 17,942 | 18,066 | 54,030 | 54,212 |
| Amortization of acquired technologies—Cost of revenue | 6,567 | 6,748 | 19,897 | 20,193 |
| Impairment of acquired technologies—Cost of revenue | — | — | 431 | — |
| Impairment of goodwill | — | — | 77,405 | — |
| Impairment of intangible assets | — | — | 4,906 | — |
| Stock-based compensation expense and related employer payroll tax | 40,210 | 29,565 | 107,483 | 82,874 |
| Plaintiff litigation costs | 1,396 | — | 3,918 | — |
| M&A and integration costs | — | 6 | — | 1,761 |
| Lease overlap costs | — | — | — | 1,222 |
| Lease abandonment | — | — | — | 1,338 |
| Business Combination transaction and related costs | — | 101 | — | 1,156 |
| Income related to divestiture, net | — | (471) | — | (418) |
| Adjusted operating income | \$ 82,686 | \$ 71,069 | \$ 224,784 | \$ 204,566 |

CCC INTELLIGENT SOLUTIONS HOLDINGS INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP NET (LOSS) INCOME TO ADJUSTED EBITDA
(In thousands, except for EBITDA margin percentage data)
(Unaudited)

| (dollar amounts in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------------|------------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net (loss) income | \$ (21,202) | \$ 9,795 | \$ (116,362) | \$ 37,334 |
| Interest expense | 14,633 | 10,501 | 42,480 | 25,786 |
| Interest income | (5,165) | — | (12,447) | — |
| Income tax (benefit) provision | 1,818 | 3,452 | (1,246) | 12,714 |
| Amortization of intangible assets | 17,942 | 18,066 | 54,030 | 54,212 |
| Amortization of acquired technologies—Cost of revenue | 6,567 | 6,748 | 19,897 | 20,193 |
| Depreciation and amortization of software, equipment and property | 2,117 | 2,427 | 6,531 | 7,834 |
| Depreciation and amortization of software, equipment and property —Cost of revenue | 7,942 | 4,238 | 21,494 | 12,321 |
| EBITDA | 24,652 | 55,227 | 14,377 | 170,394 |
| Stock-based compensation expense and related employer payroll tax | 40,210 | 29,565 | 107,483 | 82,874 |
| Impairment of acquired technologies—Cost of revenue | — | — | 431 | — |
| Impairment of goodwill | — | — | 77,405 | — |
| Impairment of intangible assets | — | — | 4,906 | — |
| Change in fair value of derivative instruments | 446 | (5,991) | (563) | (5,991) |
| Plaintiff litigation costs | 1,396 | — | 3,918 | — |
| Change in fair value of warrant liabilities | 26,223 | (312) | 45,403 | (23,452) |
| M&A and integration costs | — | 6 | — | 1,761 |
| Lease overlap costs | — | — | — | 1,222 |
| Lease abandonment | — | — | — | 1,338 |
| Business Combination transaction and related costs | — | 101 | — | 1,156 |
| Income related to divestiture, net | — | (471) | — | (418) |
| Gain on sale of cost method investment | — | (9) | — | (3,587) |
| Adjusted EBITDA | \$ 92,927 | \$ 78,116 | \$ 253,360 | \$ 225,297 |
| Adjusted EBITDA Margin | 42 % | 39 % | 40 % | 39 % |

CCC INTELLIGENT SOLUTIONS HOLDINGS INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP NET (LOSS) INCOME TO ADJUSTED NET INCOME
(In thousands, except share and per share data)
(Unaudited)

| (dollar amounts in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|-------------|------------------------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net (loss) income | \$ (21,202) | \$ 9,795 | \$ (116,362) | \$ 37,334 |
| Amortization of intangible assets | 17,942 | 18,066 | 54,030 | 54,212 |
| Amortization of acquired technologies—Cost of revenue | 6,567 | 6,748 | 19,897 | 20,193 |
| Impairment of acquired technologies—Cost of revenue | — | — | 431 | — |
| Impairment of goodwill | — | — | 77,405 | — |
| Impairment of intangible assets | — | — | 4,906 | — |
| Stock-based compensation expense and related employer payroll tax | 40,210 | 29,565 | 107,483 | 82,874 |
| Change in fair value of derivative instruments | 446 | (5,991) | (563) | (5,991) |
| Plaintiff litigation costs | 1,396 | — | 3,918 | — |
| Change in fair value of warrant liabilities | 26,223 | (312) | 45,403 | (23,452) |
| M&A and integration costs | — | 6 | — | 1,761 |
| Lease overlap costs | — | — | — | 1,222 |
| Lease abandonment | — | — | — | 1,338 |
| Business Combination transaction and related costs | — | 101 | — | 1,156 |
| Income related to divestiture, net | — | (471) | — | (418) |
| Gain on sale of cost method investment | — | (9) | — | (3,587) |
| Tax effect of adjustments | (14,421) | (10,894) | (45,054) | (34,193) |
| Adjusted net income | \$ 57,161 | \$ 46,604 | \$ 151,494 | \$ 132,449 |
| Adjusted net income per share attributable to common stockholders: | | | | |
| Basic | \$ 0.09 | \$ 0.08 | \$ 0.24 | \$ 0.22 |
| Diluted | \$ 0.09 | \$ 0.07 | \$ 0.23 | \$ 0.21 |
| Weighted average shares outstanding: | | | | |
| Basic | 624,976,557 | 609,421,073 | 620,841,922 | 606,181,316 |
| Diluted | 657,570,205 | 643,582,922 | 652,296,866 | 642,208,622 |

CCC INTELLIGENT SOLUTIONS HOLDINGS INC. AND SUBSIDIARIES
RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO FREE CASH FLOW
(In thousands)
(Unaudited)

| (dollar amounts in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|---|-------------|--|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net cash provided by operating activities | \$ 60,506 | \$ 30,753 | \$ 163,138 | \$ 118,438 |
| Less: Purchases of software, equipment, and property | (14,103) | (13,375) | (43,187) | (38,844) |
| Free Cash Flow | \$ 46,403 | \$ 17,378 | \$ 119,951 | \$ 79,594 |

