



First Quarter 2018
Earnings Conference Call



May 11, 2018

FORWARD-LOOKING STATEMENTS AND ADDITIONAL INFORMATION

- **Forward-Looking Statements**

—This presentation contains forward-looking statements, including statements about the expected future financial condition, results of operations and earnings outlook of Crawford & Company. Statements, both qualitative and quantitative, that are not statements of historical fact may be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 and other securities laws. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from historical experience or Crawford & Company's present expectations. Accordingly, no one should place undue reliance on forward-looking statements, which speak only as of the date on which they are made. Crawford & Company does not undertake to update forward-looking statements to reflect the impact of circumstances or events that may arise or not arise after the date the forward-looking statements are made. Results for any interim period presented herein are not necessarily indicative of results to be expected for the full year or for any other future period. For further information regarding Crawford & Company, and the risks and uncertainties involved in forward-looking statements, please read Crawford & Company's reports filed with the Securities and Exchange Commission and available at www.sec.gov or in the Investor Relations section of Crawford & Company's website at www.crawfordandcompany.com.

—Crawford's business is dependent, to a significant extent, on case volumes. The Company cannot predict the future trend of case volumes for a number of reasons, including the fact that the frequency and severity of weather-related claims and the occurrence of natural and man-made disasters, which are a significant source of cases and revenue for the Company, are generally not subject to accurate forecasting.

- **Revenues Before Reimbursements ("Revenues")**

—Revenues Before Reimbursements are referred to as "Revenues" in both consolidated and segment charts, bullets and tables throughout this presentation.

- **Segment and Consolidated Operating Earnings**

—Under the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 280, "Segment Reporting," the Company has defined segment operating earnings as the primary measure used by the Company to evaluate the results of each of its three operating segments. Segment operating earnings represent segment earnings, including the direct and indirect costs of certain administrative functions required to operate our business, but excludes unallocated corporate and shared costs and credits, net corporate interest expense, stock option expense, amortization of customer-relationship intangible assets, goodwill impairment charges, restructuring and special charges, income taxes, and net income or loss attributable to noncontrolling interests and redeemable noncontrolling interests.

- **Earnings Per Share**

—The Company's two classes of stock are substantially identical, except with respect to voting rights and the Company's ability to pay greater cash dividends on the non-voting Class A Common Stock than on the voting Class B Common Stock, subject to certain limitations. In addition, with respect to mergers or similar transactions, holders of Class A Common Stock must receive the same type and amount of consideration as holders of Class B Common Stock, unless different consideration is approved by the holders of 75% of the Class A Common Stock, voting as a class.

—In certain periods, the Company has paid a higher dividend on CRD-A than on CRD-B. This may result in a different earnings per share ("EPS") for each class of stock due to the two-class method of computing EPS as required by ASC Topic 260 - "Earnings Per Share". The two-class method is an earnings allocation method under which EPS is calculated for each class of common stock considering both dividends declared and participation rights in undistributed earnings as if all such earnings had been distributed during the period.

- **Non-GAAP Financial Information**

—For additional information about certain non-GAAP financial information presented herein, see the Appendix following this presentation.

CRAWFORD AND COMPANY AT A GLANCE

The world's largest publicly listed independent provider of global claims management solutions

Organized across three operating segments:

1. P&C Adjusting Solutions
 - Crawford Claims Solutions
2. TPA Solutions
 - Broadspire
3. Specialty Solutions
 - Large or complex claims (Global Technical Services)
 - Managed repair services (Contractor Connection)
 - Legal administrative services (GCG)

1Q18 Revenue: \$273.1 Million



1.7 Million

Claims Handled Worldwide



\$14 Billion

Claims Payments Annually



8,800+

Total Employees

Exchange / Ticker(s)	➔	NYSE / "CRD-A" & "CRD-B"
Market Capitalization ¹	➔	\$448.6mm (Both Share Classes)
Annual Dividend	➔	\$0.28 (CRD-A), \$0.20 (CRD-B)
Current Dividend Yield	➔	3.6% (CRD-A), 2.4% (CRD-B)
2018 P/E Ratio ¹	➔	9.0x (CRD-A), 10.5x (CRD-B)

⁽¹⁾ As of May 7, 2018



FIRST QUARTER 2018 BUSINESS HIGHLIGHTS

Mission

To restore and enhance lives, businesses and communities

Vision

To be the leading provider and most trusted source for expert assistance, serving those who insure and self insure the risks of businesses and communities anywhere in the world

\$273.1 Million

Revenue Before Reimbursements

\$18.2 Million

Operating Earnings

6.7%

Operating Margin¹

\$28.1 Million

Consolidated Adjusted EBITDA¹

10.3%

EBITDA as % of revenue



⁽¹⁾ See Appendix for non-GAAP explanation and reconciliation

IMPROVING TOP LINE REVENUE GROWTH

Four Core Areas of Focus:

- 1 Implement **carrier / broker / corporate** (CBC) go-to-market strategy
- 2 Accentuate and accelerate **One Crawford**
- 3 Create activity for **all sizes** of prospects
- 4 Increase **activity and conversion** rates



ONE CRAWFORD – SOLUTIONS CURRENTLY AVAILABLE IN THE MARKETPLACE

TruLook

- Triage claims to determine appropriate resource based on level of claim complexity
 - Contractor Connection
 - WeGoLook
 - Claims Field Operations
- Reduces claim expense and time in process
- Piloting A.I.-based approach with a major carrier

Wins/Proposals: 6 open opportunities & 5 recent wins

Product Recall

- Provides a comprehensive solution from activation through notification to settlement
 - Modular to enable customization
 - Integrated with WGL to provide product retrieval
 - Foods, children’s goods, small electronics

Soft Launch completed at RIMS in April 2018



Total Property Solution

- Customized solutions based on claim complexity
 - Handle \$200-\$20B claims
 - Bundle WGL site reports with GTS
 - Run full stack from WGL on low complexity to GTS on high complexity claims
 - Supported by Contractor Connection for resolution

Wins/Proposals: 4 open opportunities

Total Construction

- Provide a full spectrum of services
 - Construction account management
 - Builders risk
 - Jurisdiction specific workers compensation
 - Forensic accounting

Wins/Proposals: 7 recent wins

Several new solutions are in development for market launch in coming quarters

FIRST QUARTER 2018



Financial Review

FIRST QUARTER 2018 FINANCIAL SUMMARY

	Quarter Ended		
	March 31, 2018	March 31, 2017	% Change
(\$ in millions, except per share amounts)			
Revenues	\$273.1	\$267.3	2%
Net Income Attributable to Shareholders of Crawford & Company	\$8.6	\$7.7	12%
Diluted Earnings per Share			
CRD-A	\$0.16	\$0.14	14%
CRD-B	\$0.14	\$0.12	17%
Non-GAAP Diluted Earnings per Share ⁽¹⁾			
CRD-A	\$0.16	\$0.15	7%
CRD-B	\$0.14	\$0.13	8%
Operating Earnings ⁽¹⁾	\$18.2	\$18.3	(1)%
Operating Margin	6.7%	6.8%	(1)%
Adjusted EBITDA ⁽¹⁾	\$28.1	\$26.6	6%
Adjusted EBITDA Margin	10.3%	10.0%	3%

⁽¹⁾ See appendix for non-GAAP explanation and reconciliation of non-GAAP Earnings per Share.

2018 REALIGNMENT TO GLOBAL SERVICE LINES

Effective in 2018, we have realigned our operating segments by moving to a global service line reporting structure. Our revised operating segments are as follows:

Crawford Claims Solutions

- Traditional field adjusting services for property, casualty and auto
- Catastrophe response
- Crowd-sourced field services provided by WeGoLook®
- Temporary staffing to full claims outsourcing solutions

Crawford TPA Solutions: Broadspire

- Workers compensation, disability and leave management
- TPA services for auto, general liability, product liability
- Accident and health, employers' liability
- Affinity and warranty services
- Medical management

Crawford Specialty Solutions

- Managed repair services delivered by Contractor Connection
- Legal administrative services provided by GCG
- Large or complex claims solutions delivered by GTS

CRAWFORD CLAIMS SOLUTIONS SEGMENT HIGHLIGHTS

Operating Results (1Q 2018 v. 1Q 2017)

- Revenues of \$90.4 million versus \$83.1 million
- Operating earnings of \$0.7 million versus \$2.4 million
- Operating earnings margin of 0.8% versus 2.9%
- Cases received of 128,945 versus 125,882, due to increased weather related cases

Highlights

- Increased revenues across all geographic regions
- Absent foreign exchange increases of \$3.2 million, revenues would have been \$87.2 million
- Increased revenue in the U.S. and Canadian regions as a result of increased weather related cases
- Earnings decline resulting from increased operating costs related to U.S. weather-related claims and higher administrative costs

<i>(in thousands, except percentages)</i>	Three months ended		
	March 31, 2018	March 31, 2017	Variance
Revenues	\$90,442	\$83,148	8.8%
Direct compensation, benefits, and non-employee labor	60,948	55,468	9.9%
Other expenses	28,779	25,246	14.0%
Operating earnings	\$715	\$2,434	(70.6%)
Operating margin	0.8%	2.9%	(2.1%)
Total cases received	128,945	125,882	2.4%
Full time equivalent employees	3,028	3,050	(0.7%)

CRAWFORD TPA SOLUTIONS: BROADSPIRE SEGMENT HIGHLIGHTS

Operating Results (1Q 2018 v. 1Q 2017)

- Revenues of \$100.2 million versus \$96.3 million
- Operating earnings of \$7.8 million versus \$8.0 million
- Operating earnings margin of 7.8% versus 8.3%
- Cases received of 204,069 versus 216,191

Highlights

- Increases in revenue due to new claims management clients augmenting growth in the U.S. and Canada
- Absent foreign exchange increases of \$1.4 million, revenues would have been \$98.8 million
- Significant pipeline of future sales opportunities being pursued

<i>(in thousands, except percentages)</i>	Three months ended		
	March 31, 2018	March 31, 2017	Variance
Revenues	\$100,237	\$96,326	4.1%
Direct compensation, benefits, and non-employee labor	58,718	55,590	5.6%
Other expenses	33,695	32,768	2.8%
Operating earnings	\$7,824	\$7,968	(1.8%)
Operating margin	7.8%	8.3%	(0.5%)
Total cases received	204,069	216,191	(5.6%)
Full time equivalent employees	3,083	2,894	6.5%

CRAWFORD SPECIALTY SOLUTIONS SEGMENT HIGHLIGHTS

Operating Results (1Q 2018 v. 1Q 2017)

- Revenues of \$82.4 million versus \$87.8 million
- Operating earnings of \$10.5 million versus \$8.4 million
- Operating margin of 12.7% versus 9.5%
- Cases received consistent between periods

Highlights

- Change in U.K. contractor repair business operating model reduced revenues by \$6.0 million as compared to 2017. This change had no impact on operating earnings
- Absent foreign exchange increases of \$2.4 million, revenues would have been \$80.0 million
- Deepwater Horizon class action settlement project continues to wind down at GCG
- Reduced advertising costs in Contractor Connection during 2018

<i>(in thousands, except percentages)</i>	Three months ended		
	March 31, 2018	March 31, 2017	Variance
Revenues	\$82,425	\$87,793	(6.1%)
Direct compensation, benefits, and non-employee labor	43,386	41,521	4.5%
Other expenses	28,588	37,920	(24.6%)
Operating earnings	\$10,451	<u>\$8,352</u>	25.1%
Operating margin	12.7%	9.5%	3.2%
Total cases received	86,992	86,736	0.3%
Full time equivalent employees	1,717	1,763	(2.6%)

BALANCE SHEET HIGHLIGHTS

Unaudited (\$ in thousands)	March 31, 2018	December 31, 2017	Change
Cash and cash equivalents	\$ 63,956	\$ 54,011	\$ 9,945
Accounts receivable, net	173,554	174,172	(618)
Unbilled revenues, net	132,915	108,745	24,170
Total receivables	306,469	282,917	23,552
Goodwill	98,462	96,916	1,546
Intangible assets arising from business acquisitions, net	96,224	97,147	(923)
Goodwill and intangible assets arising from business acquisitions	194,686	194,063	623
Deferred revenues	61,265	60,309	956
Pension liabilities	81,550	87,035	(5,485)
Short-term borrowings and current portion of capital leases	25,103	25,212	(109)
Long-term debt, less current portion	242,202	200,460	41,742
Total debt	267,305	225,672	41,633
Total stockholders' equity attributable to Crawford & Company	189,769	182,320	7,449
Net debt ⁽¹⁾	203,349	171,661	31,688
Redeemable noncontrolling interests	6,447	6,775	(328)

OPERATING AND FREE CASH FLOW

For the three months ended March 31,

Unaudited (\$ in thousands)	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Net Income Attributable to Shareholders of Crawford & Company	\$ 8,569	\$ 7,664	\$ 905
Depreciation and Other Non-Cash Operating Items	12,866	11,517	1,349
Billed Receivables Change	2,848	(9,296)	12,144
Unbilled Receivables Change	(20,180)	(5,729)	(14,451)
Change in Accrued 401k	(4,427)	(5,196)	769
Change in Accrued Compensation	(11,294)	(15,001)	3,707
Working Capital Change	2,375	(191)	2,566
U.S. and U.K. Pension Contributions	(4,381)	(4,283)	(98)
Cash Flows from Operating Activities	(13,624)	(20,515)	6,891
Property & Equipment Purchases, net	(5,141)	(695)	(4,446)
Capitalized Software (internal and external costs)	(5,717)	(5,432)	(285)
Free Cash Flow ⁽¹⁾	\$ (24,482)	\$ (26,642)	\$ 2,160

⁽¹⁾ See Appendix for non-GAAP explanation and reconciliation

2018 SHARE REPURCHASES

- During the first quarter 2018, Crawford repurchased 1,011,958 shares of CRD-A for an average price of \$8.28 per share, and 53,888 shares of CRD-B for an average price of \$8.96 per share
- As of March 31, 2018 the Company had remaining authorization to repurchase 600,825 shares under the 2017 Repurchase Authorization

2018 GUIDANCE

Crawford & Company is reaffirming its guidance for 2018 as follows:

YEAR ENDING DECEMBER 31, 2018	Low End	High End	
Consolidated revenues before reimbursements	\$1.12	\$1.14	billion
Net income attributable to shareholders of Crawford & Company	\$43.0	\$48.0	million
Diluted earnings per share--CRD-A	\$0.78	\$0.88	per share
Diluted earnings per share--CRD-B	\$0.71	\$0.81	per share
Consolidated operating earnings	\$85.0	\$95.0	million
Consolidated adjusted EBITDA	\$127.0	\$137.0	million

CONCLUSION

Looking forward Crawford has six primary objectives for 2018:

- **Increasing the velocity of our revenue growth**
- **Launching new products and services to position Crawford as an innovator in the industry**
- **Maximizing our go to market strategy with carriers, corporations and intermediaries**
- **Prioritizing IT investments on improved capabilities across the globe**
- **Focusing on our cash generation capabilities and driving free cash flow**
- **Advancing our employee training and leadership development programs**

All of which, will position the Company to achieve our longer-term target of 5% revenue growth and 15% earnings growth, annually.

FIRST QUARTER 2018



Appendix

APPENDIX: NON-GAAP FINANCIAL INFORMATION

Measurements of financial performance not calculated in accordance with GAAP should be considered as supplements to, and not substitutes for, performance measurements calculated or derived in accordance with GAAP. Any such measures are not necessarily comparable to other similarly-titled measurements employed by other companies.

Reimbursements for Out-of-Pocket Expenses

In the normal course of our business, our operating segments incur certain out-of-pocket expenses that are thereafter reimbursed by our clients. Under GAAP, these out-of-pocket expenses and associated reimbursements are required to be included when reporting expenses and revenues, respectively, in our consolidated results of operations. In this presentation, we do not believe it is informative to include in reported revenues the amounts of reimbursed expenses and related revenues, as they offset each other in our consolidated results of operations with no impact to our net income or operating earnings. As a result, unless noted in this presentation, revenue and expense amounts exclude reimbursements for out-of-pocket expenses.

Net Debt

Net debt is computed as the sum of long-term debt, capital leases and short-term borrowings less cash and cash equivalents. Management believes that net debt is useful because it provides investors with an estimate of what the Company's debt would be if all available cash was used to pay down the debt of the Company. The measure is not meant to imply that management plans to use all available cash to pay down debt.

Free Cash Flow

Management believes free cash flow is useful to investors as it presents the amount of cash the Company has generated that can be used for other purposes, including additional contributions to the Company's defined benefit pension plans, discretionary prepayments of outstanding borrowings under our credit agreement, and return of capital to shareholders, among other purposes. It does not represent the residual cash flow of the Company available for discretionary expenditures. The reconciliation from Cash Flows from Operating Activities is provided on slide 14.

Segment and Consolidated Operating Earnings

Operating earnings is the primary financial performance measure used by our senior management and chief operating decision maker to evaluate the financial performance of our Company and operating segments, and make resource allocation and certain compensation decisions. Management believes operating earnings is useful to others in that it allows them to evaluate segment and consolidated operating performance using the same criteria our management and chief operating decision maker use. Consolidated operating earnings represent segment earnings including certain unallocated corporate and shared costs and credits, but before net corporate interest expense, stock option expense, amortization of customer-relationship intangible assets, goodwill impairment charges, restructuring and special charges, income taxes, and net income or loss attributable to noncontrolling interests.

APPENDIX: NON-GAAP FINANCIAL INFORMATION (continued)

Adjusted EBITDA

Adjusted EBITDA is used by management to evaluate, assess and benchmark our operational results and the Company believes that adjusted EBITDA is relevant and useful information widely used by analysts, investors and other interested parties. Adjusted EBITDA is defined as net income with adjustments for depreciation and amortization, interest expense-net, income tax provision, restructuring and special charges, goodwill impairment charges and non-cash stock-based compensation expense. Adjusted EBITDA is not a term defined by GAAP and as a result our measure of adjusted EBITDA might not be comparable to similarly titled measures used by other companies.

Non-GAAP Adjusted Net Income and Diluted Earnings per Share

Included in non-GAAP adjusted net income as an add back to GAAP net income and diluted earnings per share, are restructuring and special charges net of tax, goodwill impairment charges, and the impact of U.S. tax reform, which arise from non-core items not directly related to our normal business or operations, or our future performance. Management believes it is useful to exclude these charges when comparing net income and diluted earnings per share across periods, as these charges are not from ordinary operations.

STATEMENT OF OPERATIONS HIGHLIGHTS

Unaudited (\$ in thousands, except per share amounts)

Three Months Ended March 31,

	2018	2017	\$ Change	% Change
Revenues Before Reimbursements	\$ 273,104	\$ 267,267	\$ 5,837	2%
Costs of Services Provided, Before Reimbursements	197,619	192,737	4,882	3%
Selling, General, and Administrative Expenses	61,660	59,992	1,668	3%
Corporate Interest Expense, Net	2,564	2,036	528	26%
Restructuring and Special Charges	—	605	(605)	(100)%
Total Costs and Expenses Before Reimbursements	261,843	255,370	6,473	3%
Other Income	1,135	561	574	102%
Income Before Income Taxes	12,396	12,458	(62)	—%
Provision for Income Taxes	3,966	4,835	(869)	(18)%
Net Income	8,430	7,623	807	11%
Net Loss Attributable to Noncontrolling Interests and Redeemable Noncontrolling Interests	139	41	98	239%
Net Income Attributable to Shareholders of Crawford & Company	\$ 8,569	\$ 7,664	\$ 905	12%
Earnings Per Share - Diluted:				
Class A Common Stock	\$ 0.16	\$ 0.14	\$ 0.02	14%
Class B Common Stock	\$ 0.14	\$ 0.12	\$ 0.02	17%
Non-GAAP Adjusted Earnings Per Share - Diluted: ⁽¹⁾				
Class A Common Stock	\$ 0.16	\$ 0.15	\$ 0.01	7%
Class B Common Stock	\$ 0.14	\$ 0.13	\$ 0.01	8%
Cash Dividends per Share:				
Class A Common Stock	\$ 0.07	\$ 0.07	\$ —	—%
Class B Common Stock	\$ 0.05	\$ 0.05	\$ —	—%



⁽¹⁾ See Appendix for non-GAAP explanation and reconciliation

RECONCILIATION OF NON-GAAP ITEMS

Revenues, Costs of Services Provided, and Operating Earnings

Unaudited (\$ in thousands)	Quarter Ended March 31, 2018	Quarter Ended March 31, 2017	Full Year Guidance 2018 *
Revenues Before Reimbursements			
Total Revenues	\$ 290,387	\$ 279,530	\$ 1,198,000
Reimbursements	(17,283)	(12,263)	(68,000)
Revenues Before Reimbursements	<u>\$ 273,104</u>	<u>\$ 267,267</u>	<u>\$ 1,130,000</u>
Costs of Services Provided, Before Reimbursements			
Total Costs of Services	\$ 214,902	\$ 205,000	
Reimbursements	(17,283)	(12,263)	
Costs of Services Provided, Before Reimbursements	<u>\$ 197,619</u>	<u>\$ 192,737</u>	
Unaudited (\$ in thousands)	Quarter Ended March 31, 2018	Quarter Ended March 31, 2017	Full Year Guidance 2018 *
Operating Earnings:			
Crawford Claims Solutions	\$ 715	\$ 2,434	
Crawford TPA Solutions: Broadspire	7,824	7,968	
Crawford Specialty Solutions	10,451	8,352	
Unallocated corporate and shared costs, net	(815)	(461)	
Consolidated Operating Earnings	<u>18,175</u>	<u>18,293</u>	<u>\$ 90,000</u>
Deduct:			
Net corporate interest expense	(2,564)	(2,036)	(10,000)
Stock option expense	(450)	(417)	(1,800)
Amortization expense	(2,765)	(2,777)	(11,000)
Restructuring and special charges	—	(605)	—
Income taxes	(3,966)	(4,835)	(21,000)
Net loss attributable to non-controlling interests and redeemable noncontrolling interests	139	41	(700)
Net Income Attributable to Shareholders of Crawford & Company	<u>\$ 8,569</u>	<u>\$ 7,664</u>	<u>\$ 45,500</u>

RECONCILIATION OF NON-GAAP ITEMS (continued)

Adjusted EBITDA

Unaudited (\$ in thousands)	Quarter Ended		Full Year Guidance 2018 *
	March 31, 2018	March 31, 2017	
Net income attributable to shareholders of Crawford & Company	\$ 8,569	\$ 7,664	\$ 45,500
Add:			
Depreciation and amortization	11,440	10,180	48,300
Stock-based compensation	1,565	1,296	7,200
Net corporate interest expense	2,564	2,036	10,000
Restructuring and special charges	—	605	—
Income taxes	3,966	4,835	21,000
Adjusted EBITDA	\$ 28,104	\$ 26,616	\$ 132,000

* Midpoints of Company's Guidance, updated May 10, 2018

RECONCILIATION OF NON-GAAP ITEMS (continued)

Net Debt

Unaudited (\$ in thousands)	March 31, 2018	December 31, 2017
Net Debt		
Short-term borrowings	\$ 24,546	\$ 24,641
Current installments of capital leases	557	571
Long-term debt and capital leases, less current installments	242,202	200,460
Total debt	<u>267,305</u>	<u>225,672</u>
Less:		
Cash and cash equivalents	63,956	54,011
Net debt	<u>\$ 203,349</u>	<u>\$ 171,661</u>

RECONCILIATION OF NON-GAAP ITEMS (continued)

Non-GAAP Adjusted Net Income and Diluted Earnings Per Share

Three Months Ended March 31, 2017

Unaudited (\$ in thousands)	Income Before Taxes	Income Taxes	Net Income	Net Income Attributable to Crawford & Company	Diluted Earnings per CRD-A Share	Diluted Earnings per CRD-B Share
GAAP	\$ 12,458	\$ (4,835)	\$ 7,623	\$ 7,664	\$ 0.14	\$ 0.12
Add back:						
Restructuring and special charges	605	(198)	407	407	0.01	0.01
Non-GAAP Adjusted	\$ 13,063	\$ (5,033)	\$ 8,030	\$ 8,071	\$ 0.15	\$ 0.13