



Crawford

August 3, 2015

Crawford & Company
Second Quarter 2015
Earnings Conference Call

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.

—In recent periods the Company has derived a material portion of its revenues and operating earnings from a limited number of client engagements and special projects within its Legal Settlement Administration segment, specifically its work on the gulf-related class action settlement. These projects continue to wind down, and related revenues and operating earnings have been and are expected to continue to be at a reduced rate in future periods as compared to 2014. No assurances of timing of the project end dates and, therefore, continued revenues or operating earnings, can be provided.

- **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 four operating segments. Segment operating earnings exclude income taxes, interest expense, amortization of customer-relationship intangible assets, special charges, stock option expense, earnings or loss attributable to non-controlling interests, and certain unallocated corporate and shared costs and credits. Consolidated operating earnings is the total of segment operating earnings and certain unallocated and shared costs and credits.

- **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 (CRDA) than on the voting Class B Common Stock (CRDB), subject to certain limitations. In addition, with respect to mergers or similar transactions, holders of CRDA must receive the same type and amount of consideration as holders of CRDB, unless different consideration is approved by the holders of 75% of CRDA, voting as a class.

—In certain periods, the Company has paid a higher dividend on CRDA than on CRDB. 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.

GLOBAL BUSINESS SERVICES LEADER

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

- Multiple globally recognized brand names: Crawford, Broadspire, GCG

- Clients include multinational insurance carriers, brokers and local insurance firms as well as 200 of the Fortune 500

1
EMEA-A/P

Serves the U.K., European, Middle Eastern, African and Asia Pacific markets

3
BROADSPIRE

Serves large national accounts, carriers and self-insured entities

2
AMERICAS

Serves the U.S., Canadian and Latin American markets

4
LEGAL SETTLEMENT ADMINISTRATION

Provides administration for class action settlements and bankruptcy matters

TODAY'S AGENDA

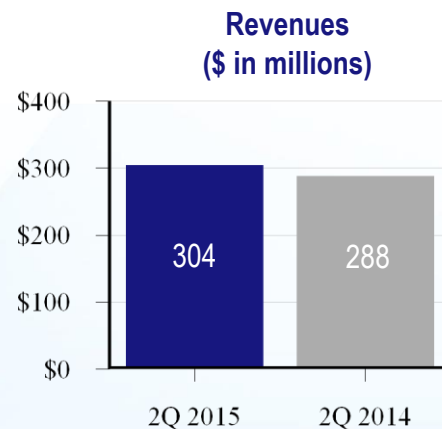
- Welcome and Opening Comments
- Second Quarter 2015 Financial Review
- Updated Guidance



SECOND QUARTER 2015 BUSINESS SUMMARY

- Revenues of \$304.4 million
- Consolidated operating earnings of \$17.7 million
- Diluted earnings per share of \$0.08 for CRDA and \$0.06 for CRDB
- Diluted earnings per share on a non-GAAP basis ⁽¹⁾ of \$0.14 for CRDA and \$0.12 for CRDB, before the impact of \$4.2 million in special charges in second quarter 2015
- Strategic cost reduction program underway for Americas and EMEA/AP, costs and savings to continue through 2015
- Americas segment achieved 10% operating margin target during quarter
- Broadspire revenues up 10% and operating earnings more than double
- Runoff of large projects in Legal Settlement Administration
- Global Business Services Center initiative continues with Broadspire already showing benefits

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



SECOND QUARTER 2015

Financial Review



INCOME STATEMENT HIGHLIGHTS

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

<u>Three Months Ended June 30,</u>	<u>2015</u>	<u>2014</u>	<u>% Change</u>
Revenues Before Reimbursements	\$304,398	\$288,216	6%
Costs of Services Before Reimbursements	232,108	208,249	11%
Selling, General, and Administrative Expenses	57,221	60,902	(6)%
Corporate Interest Expense, Net	2,042	1,551	32%
Special Charges	4,242	—	nm
Total Costs and Expenses Before Reimbursements	<u>295,613</u>	<u>270,702</u>	9%
Other Income	<u>102</u>	<u>42</u>	143%
Income Before Income Taxes	8,887	17,556	(49)%
Provision for Income Taxes	4,709	6,962	(32)%
Net Income	4,178	10,594	(61)%
Net Income Attributable to Noncontrolling Interests	(124)	(130)	nm
Net Income Attributable to Shareholders of Crawford & Company	<u>\$4,054</u>	<u>\$10,464</u>	(61)%
Earnings Per Share - Diluted:			
Class A Common Stock	<u>\$0.08</u>	<u>\$0.19</u>	(58)%
Class B Common Stock	<u>\$0.06</u>	<u>\$0.18</u>	(67)%
Cash Dividends per Share:			
Class A Common Stock	<u>\$0.07</u>	<u>\$0.05</u>	40%
Class B Common Stock	<u>\$0.05</u>	<u>\$0.04</u>	25%

AMERICAS SEGMENT HIGHLIGHTS

Operating Results (2Q 2015 v. 2Q 2014)

- Revenues of \$99.2 million versus \$93.6 million
- Exchange rates reduced revenues by 4.9%
- Operating earnings of \$9.9 million versus \$8.1 million
- Operating earnings margins of 10.0% versus 8.7%
- Cases received of 155,532 versus 169,983; 2014 period included 8,100 affinity cases, now handled by the Broadspire segment

U.S. Property and Casualty

- Long-term outsourcing project to assist major U.S. insurer offset decline in weather-related cases
- Cost reduction initiatives will continue through 2015

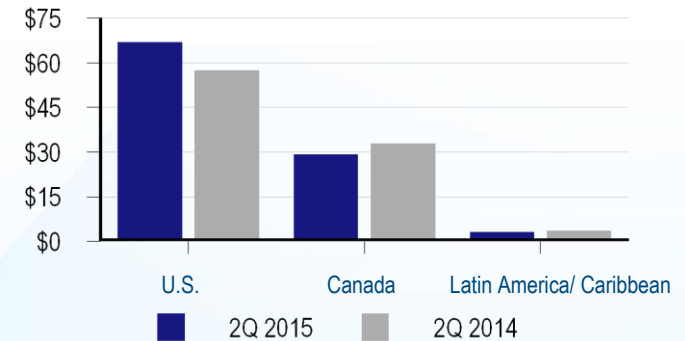
Canada

- Revenues increased on constant dollar basis, but declined slightly due to negative exchange rate impact
- Canadian Contractor Connection network expansion continued

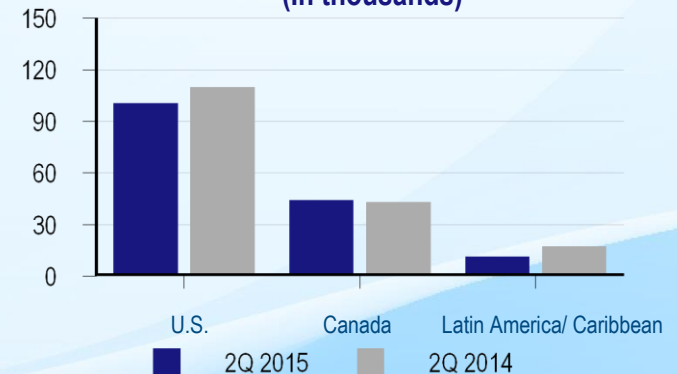
Latin America & Caribbean

- Cost reduction initiatives will continue through 2015

Revenues by Geographic Region
(\$ in millions)



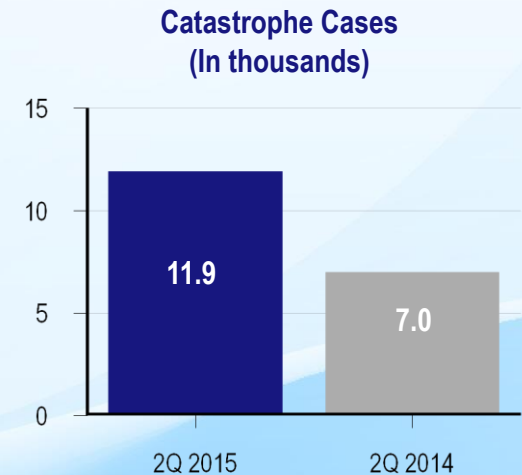
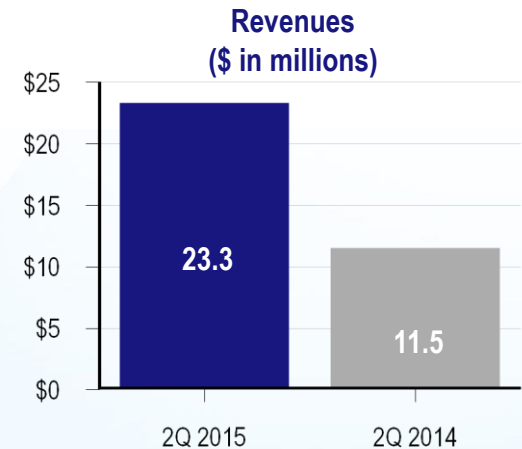
Americas Cases Received
(In thousands)



AMERICAS SEGMENT HIGHLIGHTS (cont.)

U.S. Catastrophe (CAT) Adjuster Activity

- CAT revenues in the 2015 period included \$13.6 million under an outsourcing arrangement with a major U.S. insurer where the Company supplies adjusters to the client's location without corresponding case referrals.
- Revenues from this arrangement in the 2014 period were \$3.0 million.



EMEA/AP SEGMENT HIGHLIGHTS

Operating Results (2Q 2015 v. 2Q 2014)

- Revenues of \$97.2 million versus \$87.2 million
- Exchange rates reduced revenues by 13.4%
- Operating earnings of \$1.1 million versus \$4.3 million
- Operating earnings margins of 1.1% versus 4.9%
- Cases received of 139,667 versus 126,727

U.K.

- U.K. acquisition of GAB Robins drove revenue and case growth
- Acquisition integration underway with cost takeouts expected to benefit second half of year

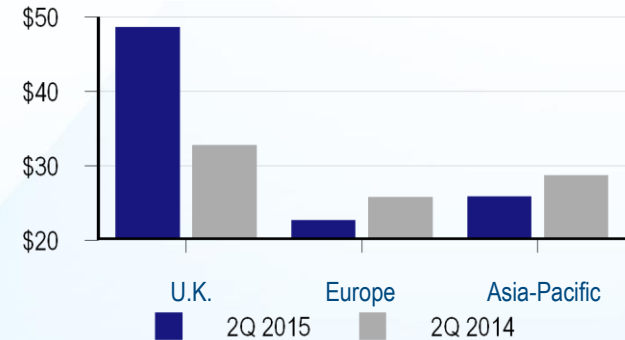
Europe

- Claims volume increased in second quarter from high frequency claims
- Continued focus on improving operating performance

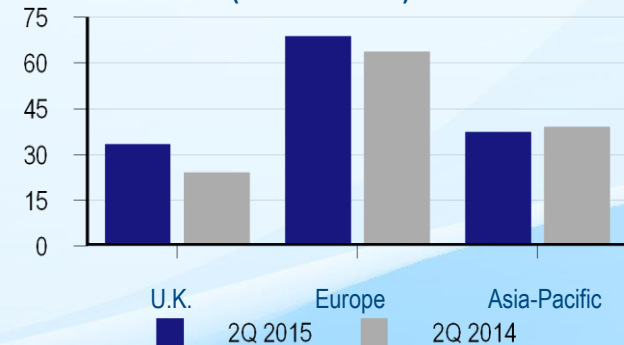
Asia-Pacific

- Benign weather during 2015

Revenues by Geographic Region
(\$ in millions)



EMEA/AP Cases Received
(In thousands)



BROADSPIRE SEGMENT HIGHLIGHTS

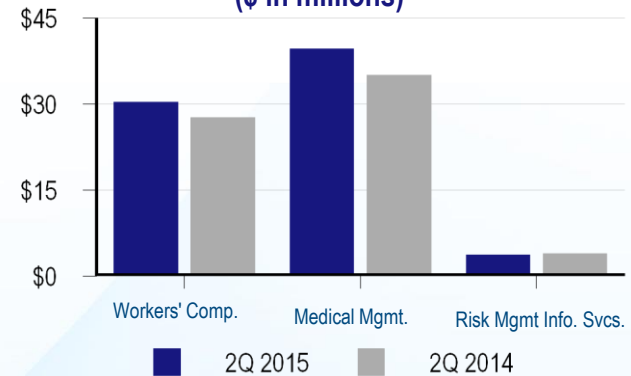
Operating Results (2Q 2015 v. 2Q 2014)

- Revenues of \$73.7 million versus \$66.7 million
- Operating earnings of \$6.0 million versus \$2.7 million
- Operating earnings margins of 8.2% versus 4.1%
- Cases received of 107,940 versus 89,997, including 15,500 accident & health cases in the 2015 period, previously handled by the Americas segment

Broadspire

- Strong growth in casualty claims
- Medical management revenues increased from greater utilization
- Disability and absence management services products gaining traction in the market
- Continuing to engage and develop employees

Revenues by Service Line
(\$ in millions)



Broadspire Cases Received
(In thousands)



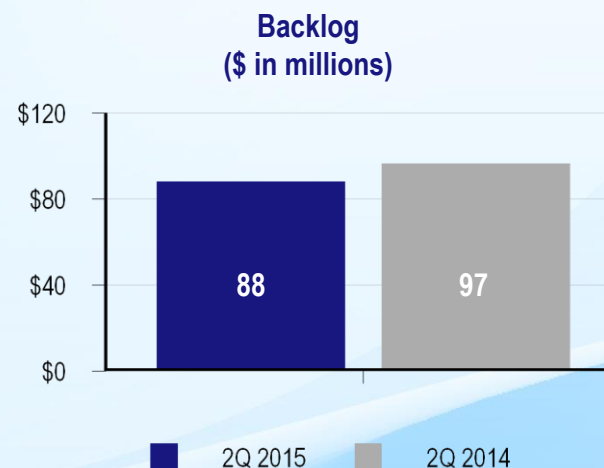
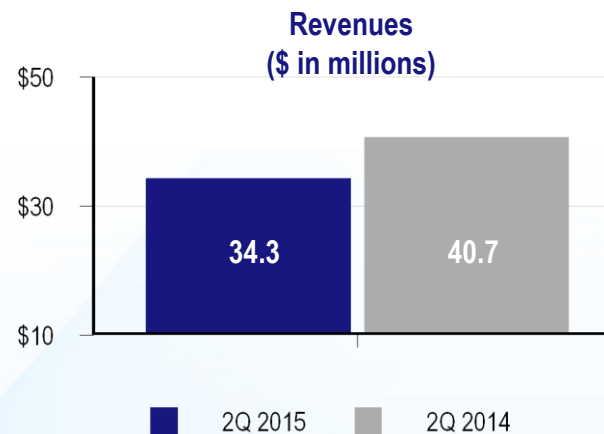
LEGAL SETTLEMENT ADMINISTRATION SEGMENT HIGHLIGHTS

Operating Results (2Q 2015 v. 2Q 2014)

- Revenues of \$34.3 million versus \$40.7 million
- Operating earnings of \$3.7 million versus \$5.7 million
- Operating earnings margins of 10.8% versus 14.0%
- Backlog at \$88 million versus \$97 million

Legal Settlement Administration

- Deepwater Horizon class action settlement project continues to wind down
- Remain focused on operating margin improvement as industry continues to experience price compression
- Maintain new business pipeline with activities and events



BALANCE SHEET HIGHLIGHTS

Unaudited (\$ in thousands)	June 30, 2015	December 31, 2014	Change
Cash and cash equivalents	\$62,454	\$52,456	\$9,998
Accounts receivable, net	181,387	180,096	1,291
Unbilled revenues, net	117,169	103,163	14,006
Total receivables	298,556	283,259	15,297
Goodwill and intangible assets arising from business acquisitions	252,716	207,780	44,936
Deferred revenues	72,423	71,760	663
Pension liabilities	126,929	142,343	(15,414)
Current portion of long-term debt, capital leases and short-term borrowings	5,205	2,765	2,440
Long-term debt, less current portion	249,447	154,046	95,401
Total debt	254,652	156,811	97,841
Total stockholders' equity attributable to Crawford & Company	169,077	172,937	(3,860)
Net debt ⁽¹⁾	192,198	104,355	87,843
Total debt / capitalization	60%	48%	

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

OPERATING AND FREE CASH FLOW

For the six months ended June 30,

Unaudited (\$ in thousands)	<u>2015</u>	<u>2014</u>	<u>Variance</u>
Net Income Attributable to Shareholders of Crawford & Company	\$ 7,040	\$ 17,116	\$ (10,076)
Depreciation and Other Non-Cash Operating Items	23,139	19,381	3,758
Unbilled and Billed Receivables Change	1,831	(39,930)	41,761
Working Capital Change	(12,487)	(40,804)	28,317
U.S. and U.K. Pension Contributions	<u>(9,303)</u>	<u>(15,382)</u>	<u>6,079</u>
Cash Flows from Operating Activities	10,220	(59,619)	69,839
Property & Equipment Purchases, net	(5,333)	(5,691)	358
Capitalized Software (internal and external costs)	<u>(10,871)</u>	<u>(7,930)</u>	<u>(2,941)</u>
Free Cash Flow ⁽¹⁾	\$ (5,984)	\$ (73,240)	\$ 67,256

⁽¹⁾ See Appendix for non-GAAP explanation

2015 GUIDANCE

Crawford & Company is revising its guidance for 2015 as follows:

YEAR ENDING DECEMBER 31, 2015	Low End	High End	
Consolidated revenues before reimbursements	\$1.16	\$1.18	billion
Consolidated operating earnings	\$70.0	\$80.0	million
Consolidated cash provided by operating activities	\$30.0	\$40.0	million
After special charges, net income attributable to shareholders of Crawford & Company	\$20.0	\$25.0	million
Diluted earnings per share--CRDA	\$0.37	\$0.47	per share
Diluted earnings per share--CRDB	\$0.30	\$0.40	per share
Before special charges, net income attributable to shareholders of Crawford & Company	\$34.5	\$39.5	million
Diluted earnings per share--CRDA	\$0.63	\$0.73	per share
Diluted earnings per share--CRDB	\$0.56	\$0.66	per share

The Company expects to incur pretax special charges in 2015, currently estimated at approximately \$7.0 million for the integration of GAB Robins and \$9.0 million related to the establishment of a Global Business Services Center in Manila, Philippines. In addition, the Company expects to incur an additional special charge in 2015, currently estimated at \$4.0 million, related to restructuring activities in the EMEA/AP and Americas segments.

SECOND QUARTER 2015

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 (loss). As a result, unless noted in this presentation, revenue and expense amounts exclude reimbursements for out-of-pocket expenses. The GAAP-required gross up of our revenues including these pass-through reimbursed expenses is self-evident in the accompanying reconciliation.

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, special charges, income taxes, and net income or loss attributable to noncontrolling interests.

Non-GAAP Adjusted Net Income and Diluted Earnings per Share

Included in net income and earnings per share are special charges, 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 others to exclude these charges when comparing net income and diluted earnings per share across periods, as these charges are not from ordinary

RECONCILIATION OF NON-GAAP ITEMS

Revenues, Costs of Services, and Operating Earnings

	Quarter Ended June 30, 2015	Quarter Ended June 30, 2014	Full Year Guidance 2015 *
Unaudited (\$ in thousands)			
Revenues Before Reimbursements			
Total Revenues	\$ 324,416	\$ 307,053	\$ 1,250,000
Reimbursements	(20,018)	(18,837)	(80,000)
Revenues Before Reimbursements	<u>\$ 304,398</u>	<u>\$ 288,216</u>	<u>\$ 1,170,000</u>
Costs of Services Before Reimbursements			
Total Costs of Services	\$ 252,126	\$ 227,086	
Reimbursements	(20,018)	(18,837)	
Costs of Services Before Reimbursements	<u>\$ 232,108</u>	<u>\$ 208,249</u>	
	Quarter Ended June 30, 2015	Quarter Ended June 30, 2014	Full Year Guidance 2015 *
Unaudited (\$ in thousands)			
Operating Earnings:			
Americas	\$ 9,896	\$ 8,142	
EMEA/AP	1,106	4,310	
Broadspire	6,006	2,715	
Legal Settlement Administration	3,721	5,700	
Unallocated corporate and shared costs and credits	(3,046)	53	
Consolidated Operating Earnings	<u>17,683</u>	<u>20,920</u>	<u>75,000</u>
Deduct:			
Net corporate interest expense	(2,042)	(1,551)	(7,400)
Stock option expense	(178)	(202)	(500)
Amortization expense	(2,334)	(1,611)	(8,500)
Special charges and credits	(4,242)	—	(20,000)
Income taxes	(4,709)	(6,962)	(16,000)
Net income attributable to non-controlling interests	(124)	(130)	(100)
Net Income Attributable to Shareholders of Crawford & Company	<u>\$ 4,054</u>	<u>\$ 10,464</u>	<u>\$ 22,500</u>



* Midpoints of Company's August 3, 2015 Guidance

RECONCILIATION OF NON-GAAP ITEMS (cont.)

Net Debt

Unaudited (\$ in thousands)	June 30, 2015	December 31, 2014
Net Debt		
Short-term borrowings	\$ 3,320	\$ 2,002
Current installments of long-term debt and capital leases	1,885	763
Long-term debt and capital leases, less current installments	249,447	154,046
Total debt	<u>254,652</u>	<u>156,811</u>
Less:		
Cash and cash equivalents	62,454	52,456
Net debt	<u>\$ 192,198</u>	<u>\$ 104,355</u>

RECONCILIATION OF NON-GAAP ITEMS (cont.)

Non-GAAP Adjusted Net Income and Diluted Earnings Per Share

Three Months Ended June 30, 2015

Unaudited (\$ in thousands)	Income Before Taxes	Tax Expense	Net Income	Net Income Attributable to Crawford & Company	Diluted Earnings per Share (CRDA)	Diluted Earnings per Share (CRDB)
GAAP	\$ 8,887	\$ 4,709	\$ 4,178	\$ 4,054	\$ 0.08	\$ 0.06
Add back:						
Special charges	4,242	1,145	3,097	3,097	0.06	0.06
Non-GAAP Adjusted	\$ 13,129	\$ 5,854	\$ 7,275	\$ 7,151	\$ 0.14	\$ 0.12

Full Year Guidance for 2015 *

Unaudited (\$ in thousands)	Income Before Taxes	Tax Expense	Net Income	Net Income Attributable to Crawford & Company	Diluted Earnings per Share (CRDA)	Diluted Earnings per Share (CRDB)
GAAP	\$ 38,600	\$ 16,000	\$ 22,600	\$ 22,500	\$ 0.42	\$ 0.35
Add back:						
Special charges	20,000	5,500	14,500	14,500	0.26	0.26
Non-GAAP Adjusted	\$ 58,600	\$ 21,500	\$ 37,100	\$ 37,000	\$ 0.68	\$ 0.61



* Midpoints of Company's August 3, 2015 Guidance