

Crawford & Company

FOURTH QUARTER AND FULL YEAR 2013
EARNINGS CONFERENCE CALL
February 26, 2014

FORWARD-LOOKING STATEMENTS AND ADDITIONAL INFORMATION

- **Forward-looking statements**

—This presentation contains forward-looking statements, including statements about the 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 United States 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 claims 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 four operating segments. Segment operating earnings exclude income taxes, interest expense, amortization of customer-relationship intangible assets, stock option expense, earnings or loss attributable to non-controlling interests, certain unallocated corporate and shared costs and credits, and special charges and credits. Consolidated operating earnings is the total of segment operating earnings and certain unallocated and shared costs and credits.

- **Earnings Per Share**

—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 the guidance in 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

EMEA-A/P

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

Broadspire

Serves large national accounts, carriers and self-insured entities

Americas

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

Legal Settlement

Administration

Provides administration for class action settlements and bankruptcy matters



Today's Agenda

Welcome and Opening Comments

Fourth Quarter and Full Year 2013 Financial Review

Fourth Quarter and Full Year 2013 Operational Review

Guidance and Strategic Initiatives

Consolidated Revenues and Operating Earnings

Unaudited (\$ in millions)

For the years ended December 31,

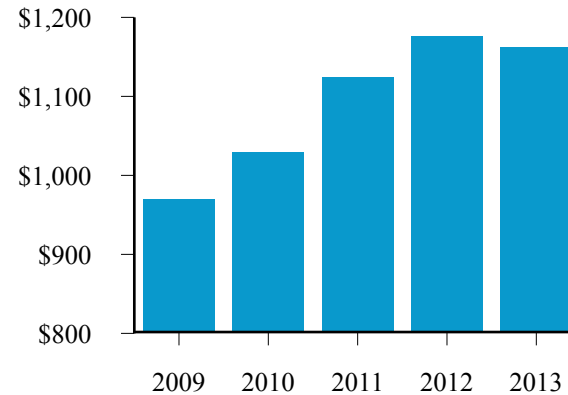
Revenues

- Compound annual growth rate of 3.7%
- Improved diversification of revenue streams
- Growth in Broadspire, Contractor Connection and Legal Settlement Administration

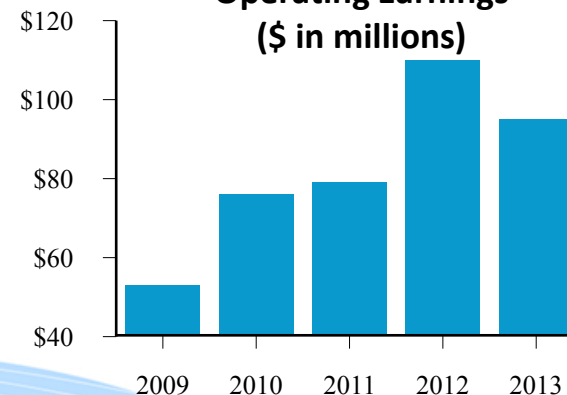
Operating Earnings

- Consolidated operating earnings increased 79% from 2009 to 2013
- Technology innovation drives operating earnings gains
- Turnaround in Broadspire
- Execution on global strategic plan should lead to sustainability

Revenues
(\$ in millions)

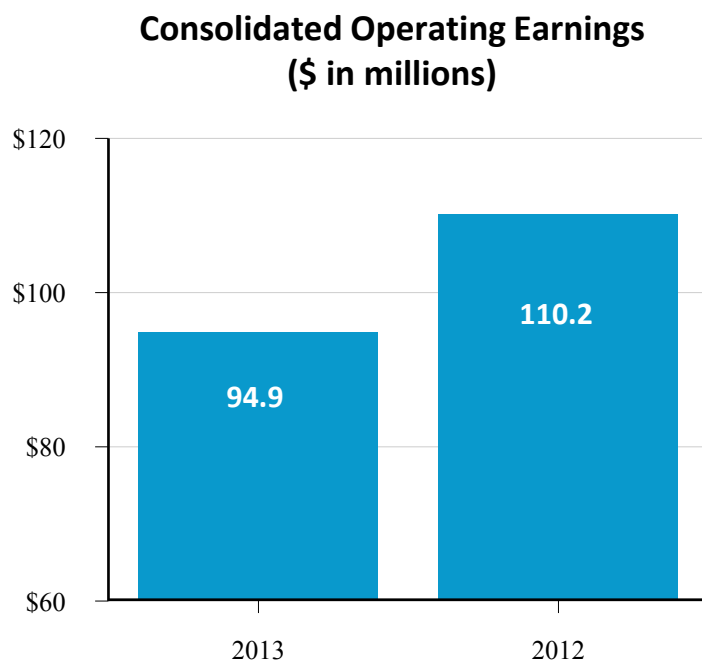
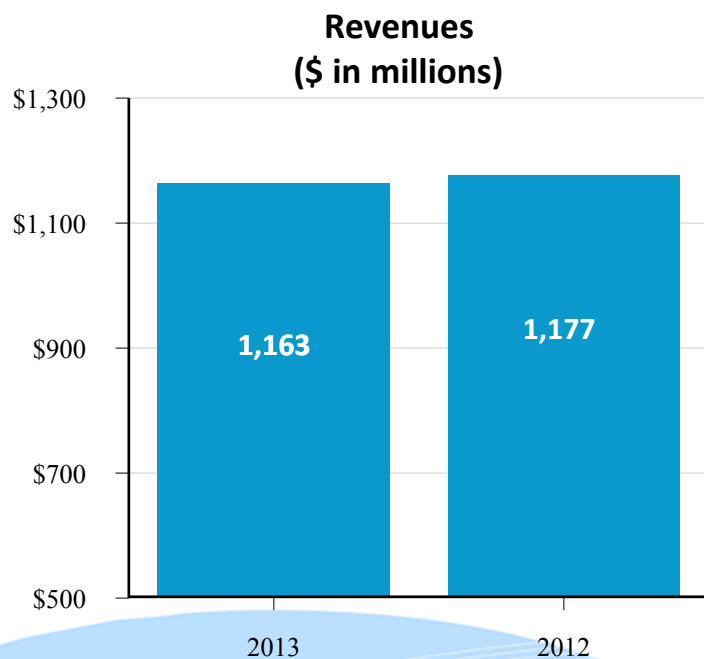


Consolidated
Operating Earnings
(\$ in millions)



Full Year 2013 Business Summary

- Revenues of \$1.163 billion
- Consolidated operating earnings of \$94.9 million
- Diluted earnings per share of \$0.93 for CRDA and \$0.90 for CRDB
- Operating cash flow of \$77.8 million
- Significant improvement in funded position of pension plans
- Strong return to shareholders



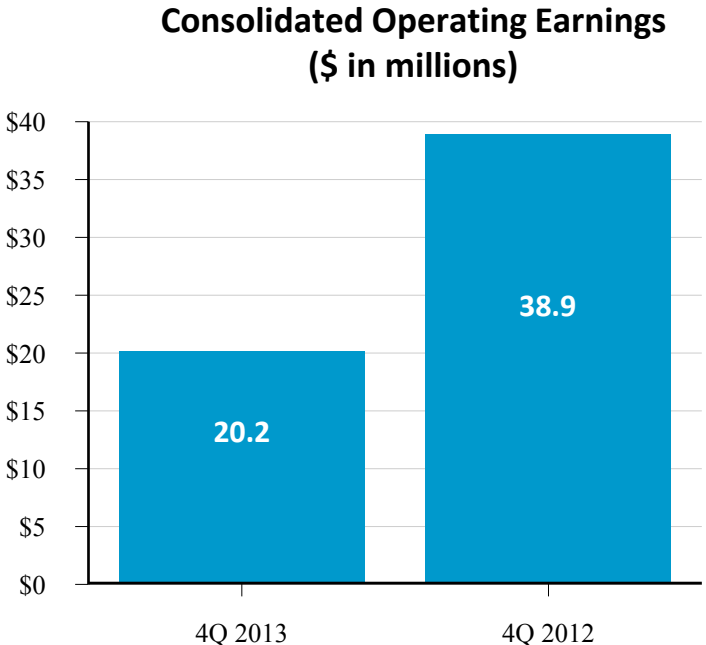
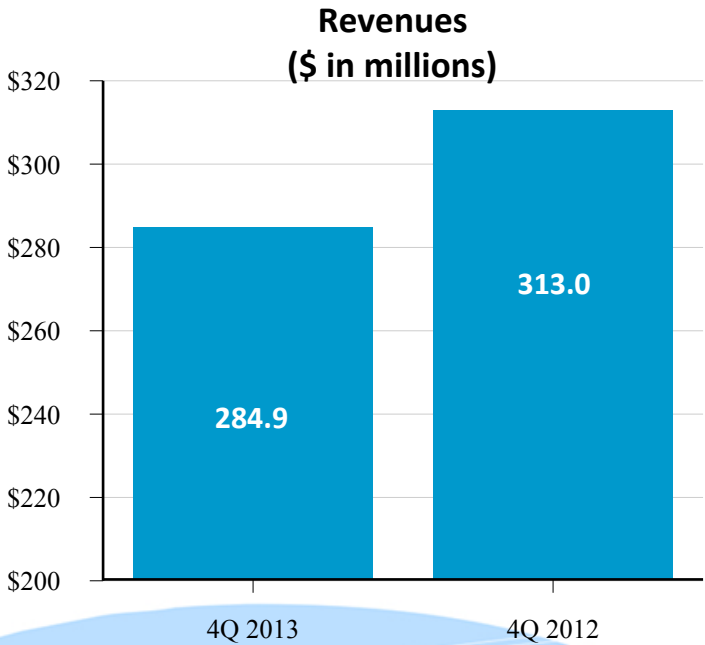
Fourth Quarter 2013 Business Summary

Significant improvement in Broadspire performance

Legal Settlement Administration involvement in Deepwater Horizon class action settlement project continues at reduced rate

Flood claims in Thailand completed

Absence of catastrophe claims impacts Americas



Fourth Quarter and Full Year 2013

Financial Review

Income Statement Highlights

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

Quarters Ended December 31,

	<u>2013</u>	<u>2012</u>	<u>% Change</u>
Revenues	\$284,879	\$312,981	(9)%
Costs of Services	208,393	221,637	(6)%
Selling, General, and Administrative Expense	58,230	54,444	7 %
Corporate Interest Expense, Net	1,661	1,822	(9)%
Special Charges	—	8,538	<i>nm</i>
Total Costs and Expenses	<u>268,284</u>	<u>286,441</u>	(6)%
Other Income	<u>29</u>	<u>238</u>	(88)%
Income Before Income Taxes	16,624	26,778	(38)%
Provision for Income Taxes	5,545	12,473	(56)%
Net Income	11,079	14,305	(23)%
Net Income Attributable to Noncontrolling Interests	253	122	107 %
Net Income Attributable to Shareholders of Crawford & Company	<u>\$10,826</u>	<u>\$14,183</u>	(24)%
Earnings Per Share - Diluted			
Class A Common Stock	<u>\$0.20</u>	<u>\$0.26</u>	(23)%
Class B Common Stock	<u>\$0.19</u>	<u>\$0.25</u>	(24)%
Cash Dividends per Share:			
Class A Common Stock	<u>\$0.05</u>	<u>\$0.10</u>	(50)%
Class B Common Stock	<u>\$0.04</u>	<u>\$0.09</u>	(56)%

nm=not meaningful

Fourth Quarter Financials

Americas

Unaudited (\$ in thousands)

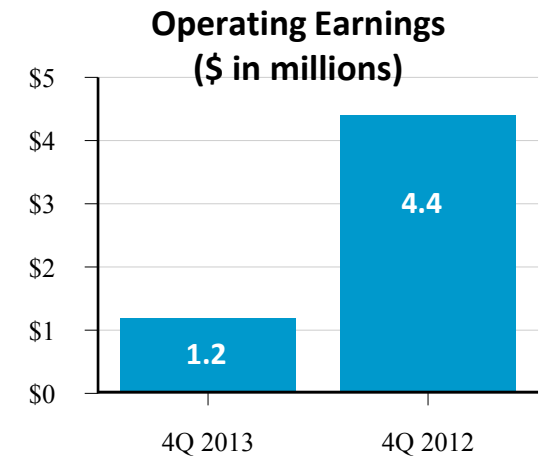
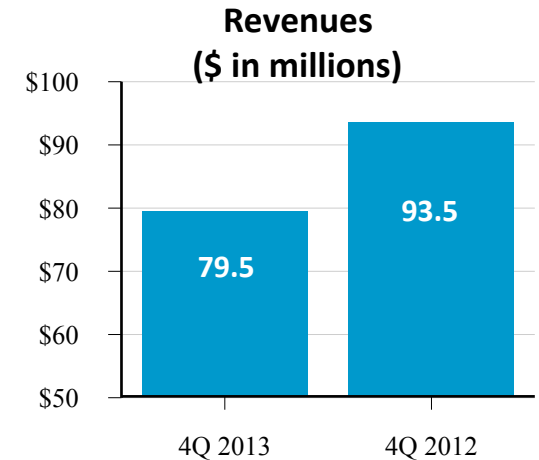
For the quarters ended December 31,

	<i>Pro Forma</i> 2013*	2013**	2012	2013/2012 % Change
Revenues	\$ 81,507	\$ 79,483	\$ 93,453	(14.9)%
Total Operating Expenses	79,817	78,306	89,004	(12.0)%
Operating Earnings	\$ 1,690	\$ 1,177	\$ 4,449	(73.5)%
Operating Margin	2.1%	1.5%	4.8%	

- Superstorm Sandy drove higher activity in 2012 period
- Exchange rate impact reduced revenues by \$2.0 million during the quarter

*At 2012 average FX rates

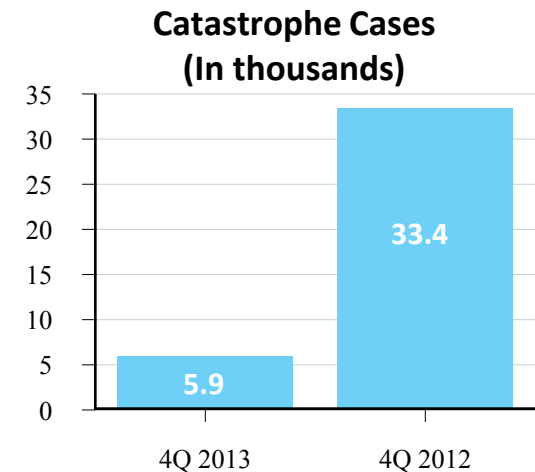
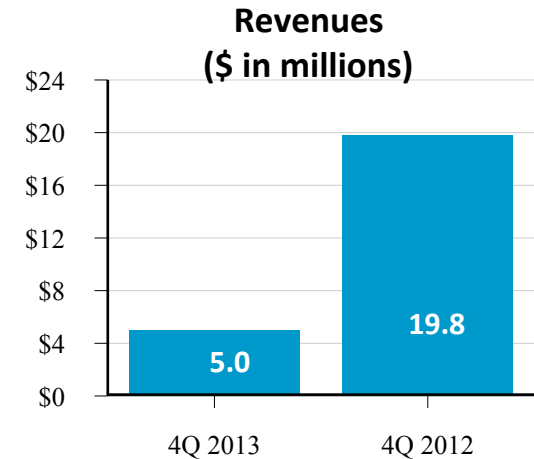
**At 2013 average FX rates



Fourth Quarter Financials

U.S. Catastrophe (CAT) Adjuster Activity

- Superstorm Sandy generated a large number of claims in the U.S. in the 2012 fourth quarter
- CAT adjuster revenues of \$5.0 million in fourth quarter of 2013 compared with \$19.8 million in 2012 period
- CAT cases numbered 5,900 in the fourth quarter of 2013 compared with 33,400 in the fourth quarter of 2012



Fourth Quarter Financials

EMEA/AP

Unaudited (\$ in thousands)

For the quarters ended December 31,

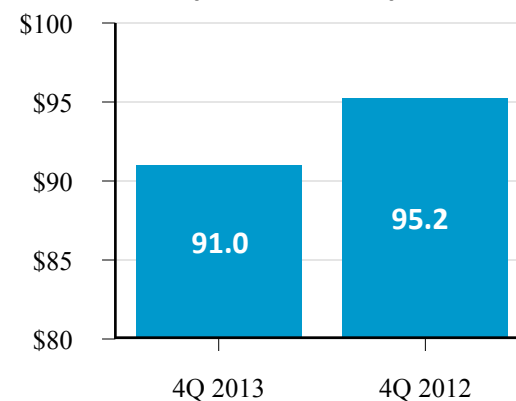
	<i>Pro Forma</i> 2013*	2013**	2012	2013/2012 % Change
Revenues	\$ 93,570	\$ 90,975	\$ 95,232	(4.5)%
Total Operating Expenses	80,813	78,303	77,018	1.7 %
Operating Earnings	\$ 12,757	\$ 12,672	\$ 18,214	(30.4)%
Operating Margin	13.6%	13.9%	19.1%	

- Revenues and operating earnings declined from 2012 largely due to finalization of catastrophe claims in Thailand
- Effects of exchange rates reduced revenues by \$2.6 million in the 2013 quarter

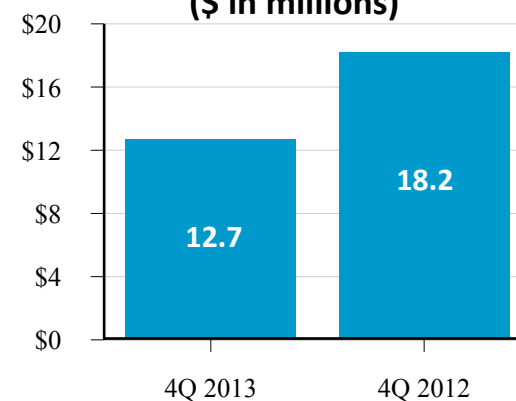
*At 2012 average FX rates

**At 2013 average FX rates

Revenues
(\$ in millions)



Operating Earnings
(\$ in millions)



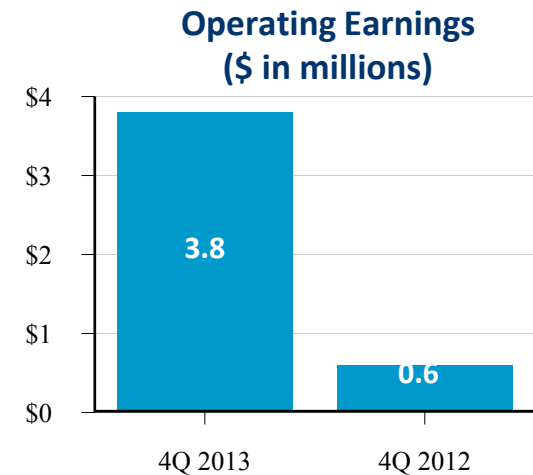
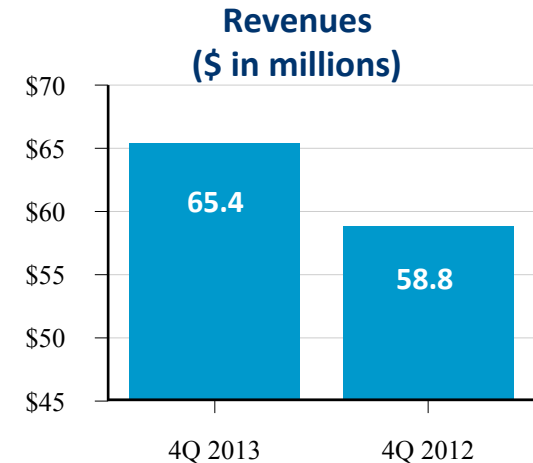
Fourth Quarter Financials

Broadspire

Unaudited (\$ in thousands)

For the quarters ended December 31,

	2013	2012	% Change
Revenues	\$ 65,354	\$ 58,848	11.1%
Total Operating Expenses	61,584	58,254	5.7%
Operating Earnings	<u>\$ 3,770</u>	<u>\$ 594</u>	534.7%
Operating Margin	5.8%	1.0%	



- Revenue reflects strong medical management contribution and positive workers' compensation claims trend
- Broadspire was a strong contributor in the quarter

Fourth Quarter Financials

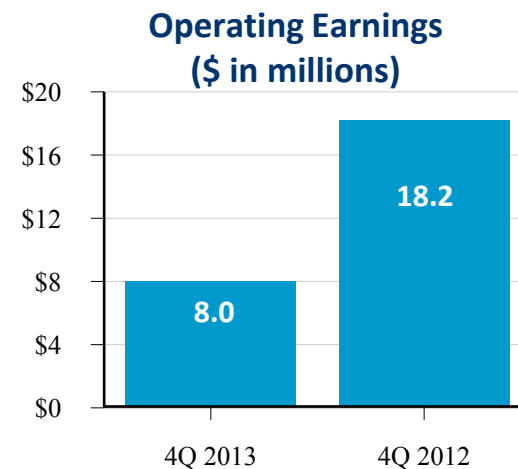
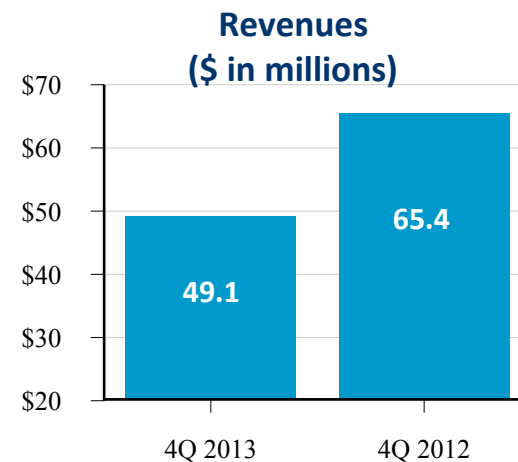
Legal Settlement Administration

Unaudited (\$ in thousands)

For the quarters ended December 31,

	2013	2012	% Change
Revenues	\$ 49,067	\$ 65,448	(25.0)%
Total Operating Expenses	41,029	47,278	(13.2)%
Operating Earnings	<u>\$ 8,038</u>	<u>\$ 18,170</u>	(55.8)%
Operating Margin	16.4%	27.8%	

- Revenues and operating earnings reflect declines from the Deepwater Horizon class action project
- Backlog at 2013 year end of \$108 million compared with \$152 million a year ago



Balance Sheet Highlights

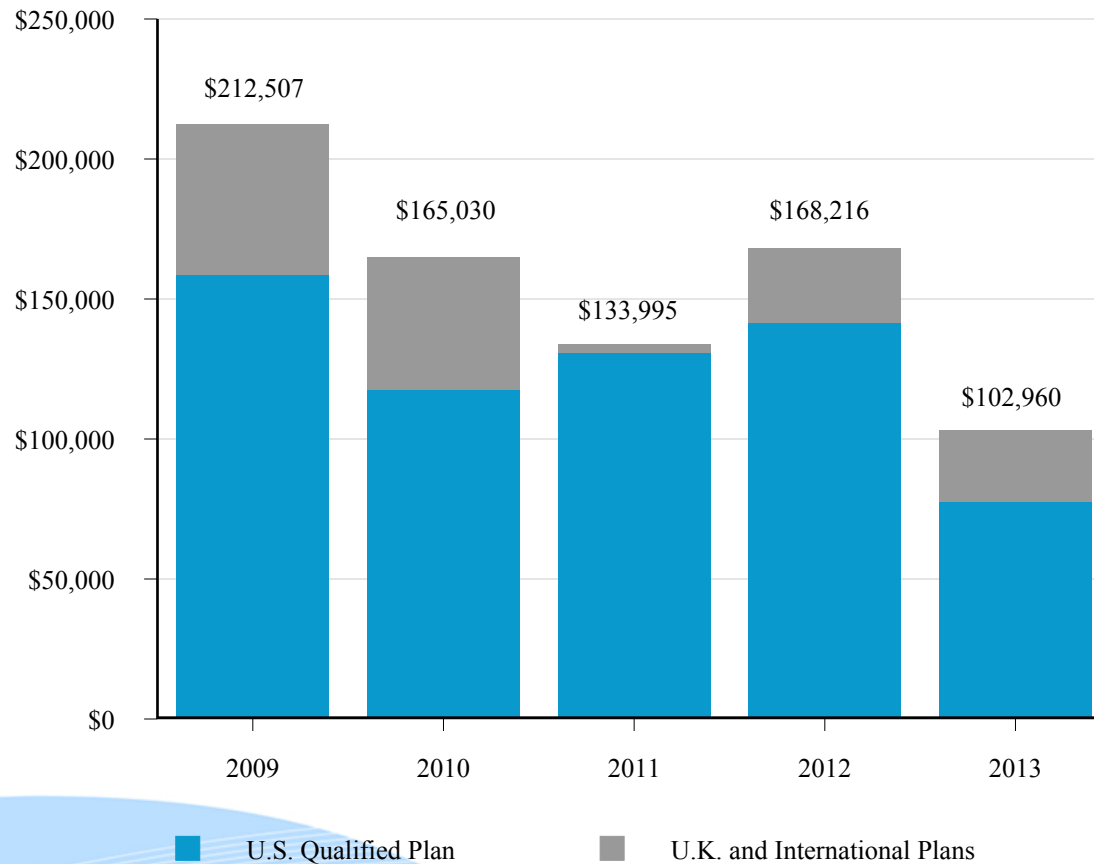
Unaudited (\$ in thousands)	December 31, 2013	December 31, 2012	Change
Cash and cash equivalents	\$75,953	\$71,157	\$4,796
Accounts receivable, net	160,350	164,708	(4,358)
Unbilled revenues, net	105,791	124,881	(19,090)
Total receivables	266,141	289,589	(23,448)
Goodwill	132,777	131,995	782
Deferred revenues	76,843	82,817	(5,974)
Pension liabilities	102,960	168,216	(65,256)
Current portion of long-term debt, capital leases and short-term borrowings	35,875	14,113	21,762
Long-term debt, less current portion	101,770	152,293	(50,523)
Total debt	137,645	166,406	(28,761)
Total stockholders' equity attributable to Crawford & Company	199,805	136,199	63,606
Net debt*	61,692	95,249	(33,557)
Total debt / capitalization	41%	55%	

*Net debt is defined by the Company as long-term debt, capital leases and short-term borrowings, net of cash and cash equivalents

Defined Benefit Pension Liabilities

Unaudited (\$ in thousands)

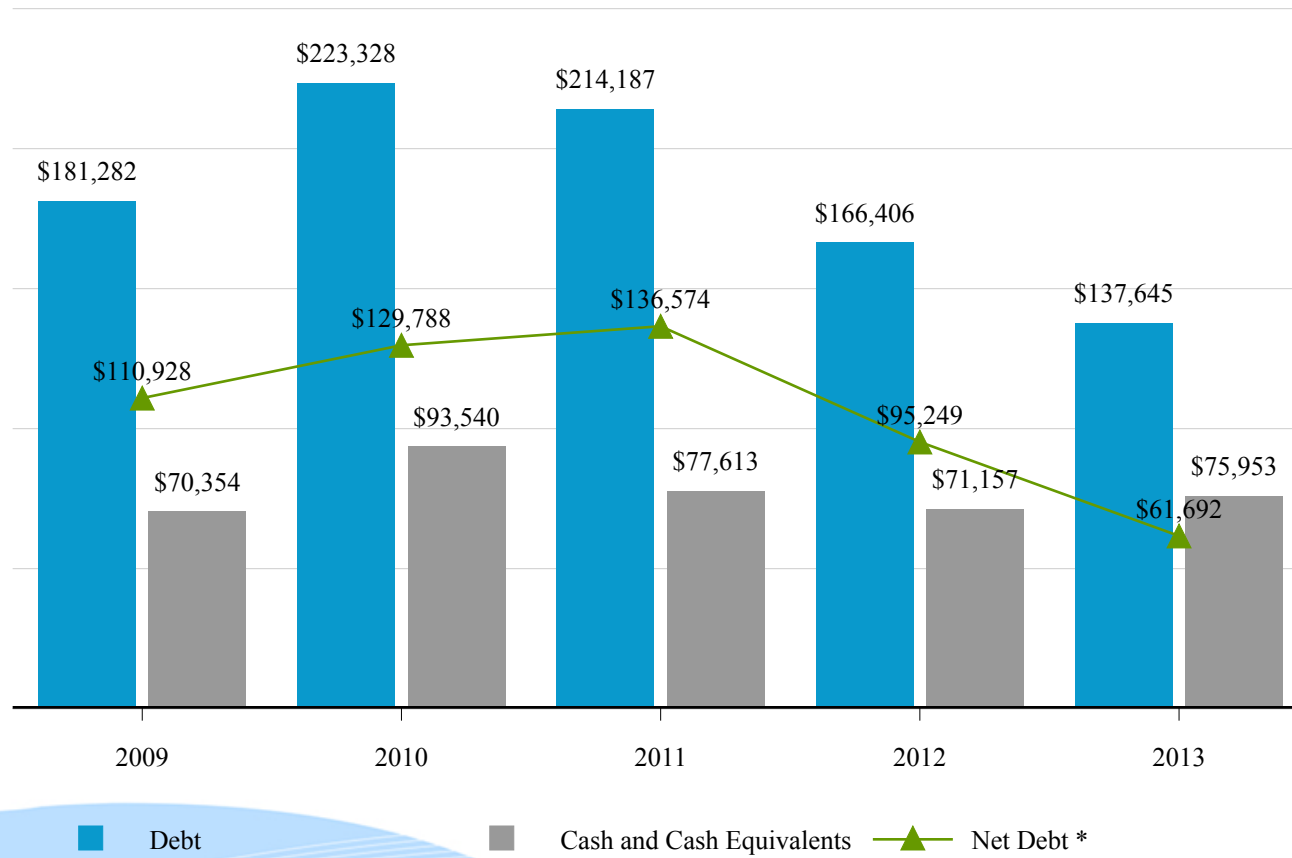
For the years ended December 31,



Consolidated Debt and Cash on Hand

Unaudited (\$ in thousands)

For the years ended December 31,



*Net debt is defined by the Company as long-term debt, capital leases and short-term borrowings, net of cash and cash equivalents

Operating and Free Cash Flow

Unaudited (\$ in thousands)

For the years ended December 31,

	2013	2012	Variance
Net Income Attributable to Shareholders of Crawford & Company	\$50,978	\$48,888	\$2,090
Depreciation and Other Non-Cash Operating Items	38,096	37,322	774
Unbilled and Billed Receivables Change	18,630	(22,922)	41,552
Working Capital Change	(11,910)	43,041	(54,951)
U.S. Pension Contributions	(17,950)	(13,476)	(4,474)
Operating Cash Flow	77,844	92,853	(15,009)
Property & Equipment Purchases, net	(14,037)	(15,375)	1,338
Capitalized Software (internal and external costs)	(16,976)	(17,801)	825
Free Cash Flow	\$46,831	\$59,677	(\$12,846)

Other Financial Highlights

Dividends:

- During the fourth quarter, Crawford paid a regular quarterly dividend of \$0.05 on CRDA and \$0.04 on CRDB
- For the year, Crawford paid dividends of \$0.18 per share on CRDA and \$0.14 per share on CRDB

Share Repurchase:

- During the fourth quarter, Crawford repurchased 229,086 shares of CRDA at an average cost of \$7.50 per share
- Through December 31, 2013, Crawford has repurchased 1,162,335 shares of CRDA at an average cost of \$5.55 per share and 7,000 shares of CRDB at an average cost of \$3.83 per share, under the 2.0 million share repurchase program authorized in May 2012

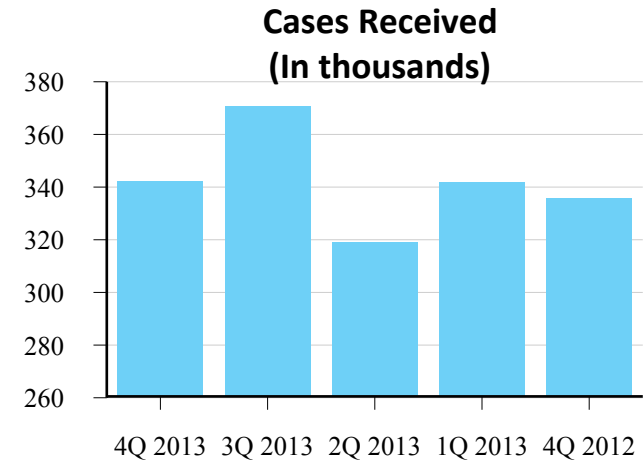
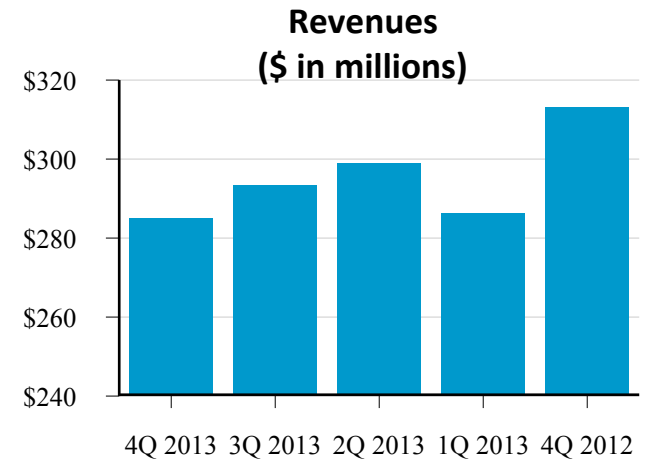
Fourth Quarter and Full Year 2013

Operational Review

Fourth Quarter Operational Review

Business Drivers

- **Strong quarter-over-quarter improvement in Broadspire revenues and operating earnings**
- **Deepwater Horizon class action settlement project revenues declined**
- **EMEA/AP reflects completion of Thailand flood losses**
- **Claims volume increases in Broadspire and EMEA/AP offset declines in the Americas**



Fourth Quarter Operational Review

Americas

U.S. Property and Casualty

- Superstorm Sandy drove prior year result
- Focus on expansion into specialty markets
- Continued growth of Contractor Connection network

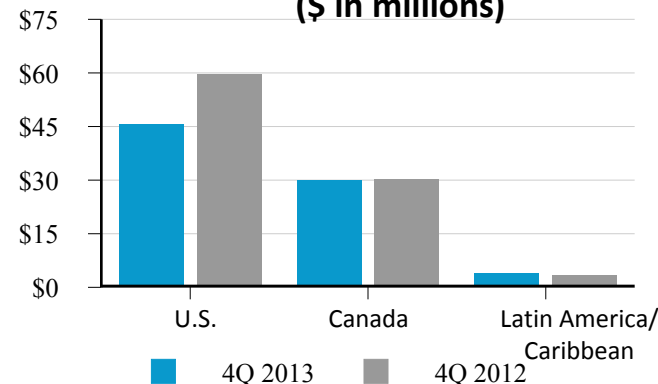
Canada

- Catastrophe claims were related to flooding
- Saw benefits from cost reductions

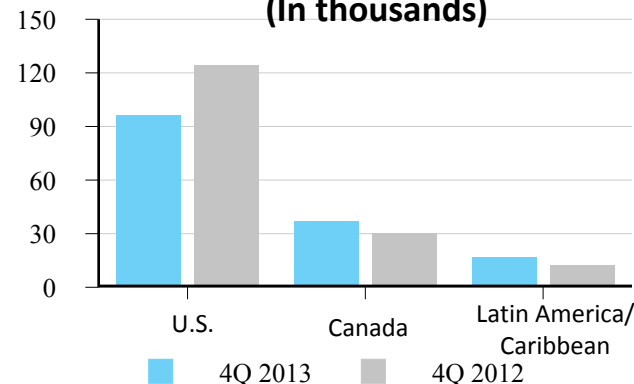
Latin America & Caribbean

- Case growth in Brazil

Revenues by Geographic Region
(\$ in millions)



Americas Cases Received
(In thousands)



Fourth Quarter Operational Review

EMEA/AP

U.K.

- U.K. claims declined due to benign weather
- Continued recruitment of Global Technical Services (GTS) adjusters
- U.K. transformation project providing cost savings

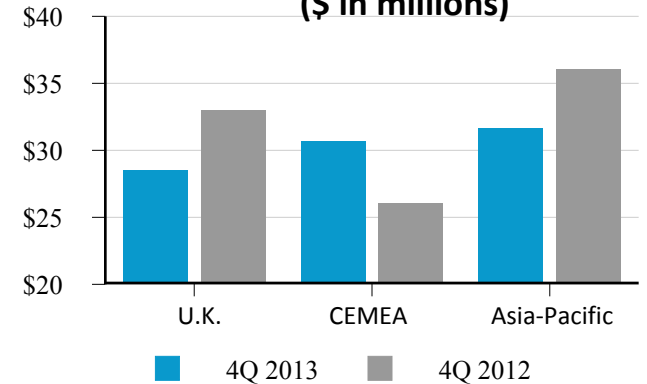
CEMEA

- Claims volume increased in fourth quarter
- Continued focus on improving operating performance

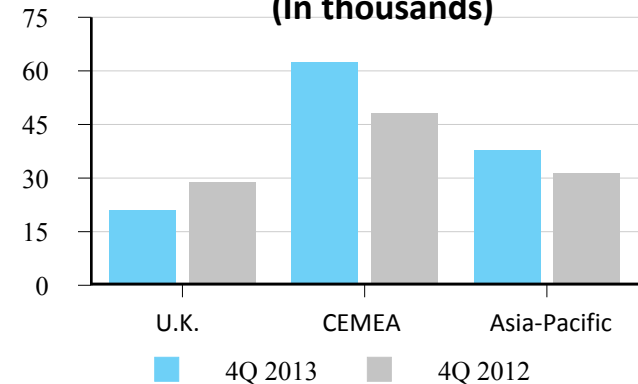
Asia-Pacific

- Lower catastrophe revenues in Thailand led to revenue decline
- Claims increased from recent weather events

Revenues by Geographic Region
(\$ in millions)



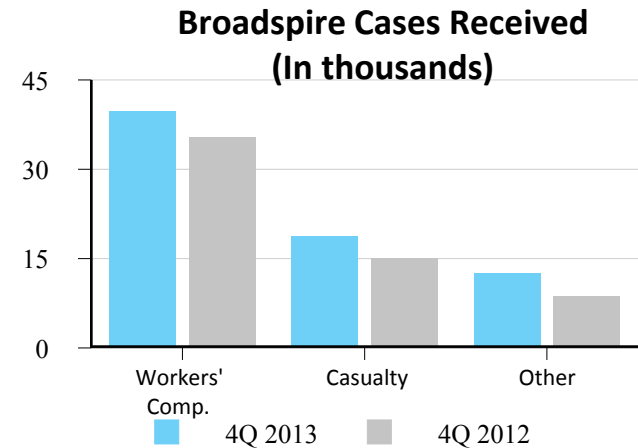
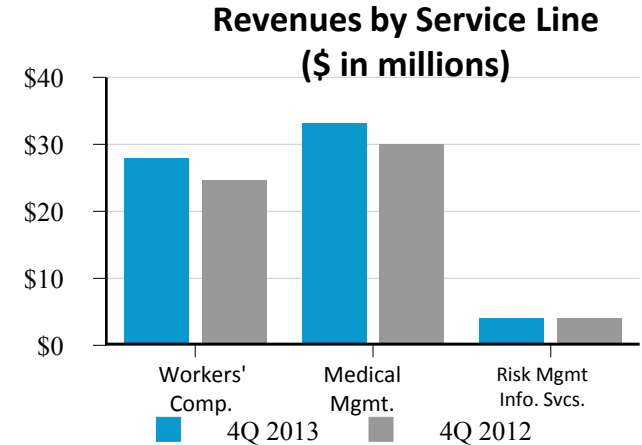
EMEA/AP Cases Received
(In thousands)



Fourth Quarter Operational Review

Broadspire

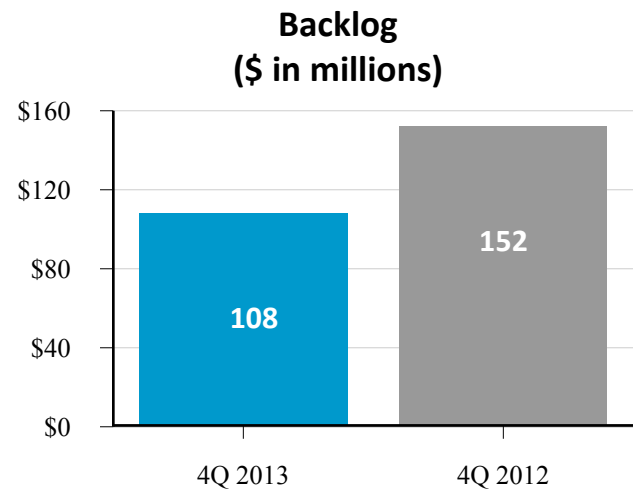
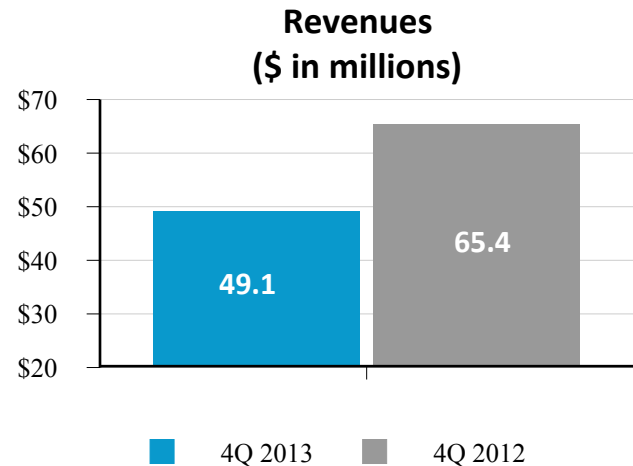
- Broadspire case volume increased 20% over prior year fourth quarter
- Medical management revenues increased from market share gains
- New client wins and retention remained strong
- Significant technology improvements implemented in quarter



Fourth Quarter Operational Review

Legal Settlement Administration

- Deepwater Horizon class action project continued to wind down
- New business wins continued in both class action and bankruptcy space
- Backlog at \$108 million



2014 Guidance

Crawford & Company is providing a guidance range for 2014 as follows:

Year ending December 31, 2014

	<u>Low End</u>	<u>High End</u>	
Consolidated revenues before reimbursements	\$1.10	\$1.13	billion
Consolidated operating earnings	\$95.0	\$103.0	million
Consolidated cash provided by operating activities	\$60.0	\$70.0	million
Consolidated net income attributable to shareholders of Crawford & Company	\$52.0	\$57.0	million
Diluted earnings per share--CRDA	\$0.94	\$1.04	per share
Diluted earnings per share--CRDB	\$0.90	\$1.00	per share

2014 - 2016 Strategic Initiatives

- **Grow business and increase revenues through broader market coverage, investment in future business platforms, and launch of new products**
- **Create a global GTS powerhouse by adding world-class adjusters and further expanding our industry-leading breadth of services**
- **Develop significant cost advantages by further increasing our operating efficiencies across the globe**
- **Enhance our data management and analytics capabilities by leveraging the Risk Sciences Group and developing our data analytics consulting business**
- **Remain a great place to work by continuing to attract, engage and retain the best talent and by improving their productivity with innovative technology solutions**
- **Further expand our environmental sustainability initiatives through eco-friendly purchasing policies and solutions**

Fourth Quarter and Full Year 2013

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 the GAAP-required gross up of our revenues and expenses for these pass-through reimbursed expenses. The amounts of reimbursed expenses and related revenues offset each other in our consolidated results of operations with no impact to our net income or operating earnings (loss). 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.

Segment and Consolidated Operating Earnings

Operating earnings is the primary financial performance measure used by our senior management and chief operating decision maker ("CODM") 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 (loss) 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 and credits, income taxes, and net income or loss attributable to noncontrolling interests.

Reconciliation of Non-GAAP Items

Quarterly Revenues, Costs of Services, and Operating Earnings

Unaudited (\$ in thousands)

Revenues Before Reimbursements

	Quarter Ended December 31, 2013	Quarter Ended December 31, 2012
Total Revenues	\$ 306,720	\$ 335,530
Reimbursements	(21,841)	(22,549)
	<u>\$ 284,879</u>	<u>\$ 312,981</u>

Costs of Services Before Reimbursements

Total Costs of Services	\$ 230,234	\$ 244,186
Reimbursements	(21,841)	(22,549)
	<u>\$ 208,393</u>	<u>\$ 221,637</u>

Unaudited (\$ in thousands)

Operating Earnings:

	Quarter Ended December 31, 2013	Quarter Ended December 31, 2012
Americas	\$ 1,177	\$ 4,449
EMEA/AP	12,672	18,214
Broadspire	3,770	594
Legal Settlement Administration	8,038	18,170
Unallocated corporate and shared costs and credits	(5,474)	(2,574)
Consolidated Operating Earnings	<u>20,183</u>	<u>38,853</u>

Deduct:

Net corporate interest expense	(1,661)	(1,822)
Stock option expense	(296)	(86)
Amortization expense	(1,602)	(1,629)
Special charges and credits	—	(8,538)
Income taxes	(5,545)	(12,473)
Net Income Attributable to Non-Controlling Interests	<u>(253)</u>	<u>(122)</u>
Net Income Attributable to Shareholders of Crawford & Company	<u>\$ 10,826</u>	<u>\$ 14,183</u>

Reconciliation of Non-GAAP Items (cont.)

Five Year Revenues and Operating Earnings

Unaudited (\$ in millions)

Revenues Before Reimbursements

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Revenues	\$ 1,048	\$ 1,111	\$ 1,211	\$ 1,266	\$ 1,253
Reimbursements	(78)	(81)	(86)	(89)	(90)
Revenues Before Reimbursements	<u>\$ 970</u>	<u>\$ 1,030</u>	<u>\$ 1,125</u>	<u>\$ 1,177</u>	<u>\$ 1,163</u>

Unaudited (\$ in thousands)

Operating Earnings:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Americas	\$ 29,394	\$ 20,748	\$ 20,007	\$ 11,878	\$ 18,532
EMEA/AP	23,401	24,828	28,096	48,481	32,158
Broadspire	(1,602)	(11,712)	(11,417)	21	8,245
Legal Settlement Administration	13,130	47,661	51,307	60,284	46,752
Unallocated corporate and shared costs and credits	<u>(10,996)</u>	<u>(5,841)</u>	<u>(9,403)</u>	<u>(10,504)</u>	<u>(10,829)</u>
Consolidated Operating Earnings	53,327	75,684	78,590	110,160	94,858
Deduct:					
Net corporate interest expense	(14,166)	(15,002)	(15,911)	(8,607)	(6,423)
Stock option expense	(914)	(761)	(450)	(408)	(948)
Amortization expense	(5,994)	(5,995)	(6,177)	(6,373)	(6,385)
Special charges and credits	(4,059)	(4,650)	2,379	(11,332)	—
Goodwill and intangible asset impairment charges	(140,945)	(10,788)	—	—	—
Income taxes	(2,618)	(9,712)	(12,739)	(33,686)	(29,766)
Net Income Attributable to Non-Controlling Interests	<u>(314)</u>	<u>(448)</u>	<u>(288)</u>	<u>(866)</u>	<u>(358)</u>
Net Income Attributable to Shareholders of Crawford & Company	<u>\$ (115,683)</u>	<u>\$ 28,328</u>	<u>\$ 45,404</u>	<u>\$ 48,888</u>	<u>\$ 50,978</u>

Reconciliation of Non-GAAP Items (cont.)

Quarterly Revenues and Net Debt

Unaudited (\$ in millions)

Revenues Before Reimbursements

	<u>4Q 2013</u>	<u>3Q 2013</u>	<u>2Q 2013</u>	<u>1Q 2013</u>	<u>4Q 2012</u>
Total Revenues	\$ 307	\$ 313	\$ 326	\$ 307	\$ 336
Reimbursements	(22)	(20)	(27)	(21)	(23)
Revenues Before Reimbursements	<u>\$ 285</u>	<u>\$ 293</u>	<u>\$ 299</u>	<u>\$ 286</u>	<u>\$ 313</u>

Unaudited (\$ in thousands)

Net Debt

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Short-term borrowings	\$ 32	\$ —	\$ 1,794	\$ 13,275	\$ 35,000
Current installments of long-term debt and capital leases	8,189	2,891	410	838	875
Long-term debt and capital leases, less current installments	173,061	220,437	211,983	152,293	101,770
Total debt	<u>181,282</u>	<u>223,328</u>	<u>214,187</u>	<u>166,406</u>	<u>137,645</u>
Less:					
Cash and cash equivalents	70,354	93,540	77,613	71,157	75,953
Net debt	<u>\$ 110,928</u>	<u>\$ 129,788</u>	<u>\$ 136,574</u>	<u>\$ 95,249</u>	<u>\$ 61,692</u>