



Crawford & Company

First Quarter 2019

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.crawco.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, 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.

Segment Gross Profit

Segment gross profit is defined as revenues, less direct costs, which exclude indirect centralized administrative support costs allocated to the business.

Non-GAAP Financial Information

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

Crawford & Company

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

Organized across global service lines:

- Crawford Claims Solutions (P&C adjusting solutions)
- Crawford TPA solutions (Broadspire)
- Crawford Specialty Solutions (Global Technical Services & Contractor Connection)



\$14 Billion

Claims payments annually



1.7 Million

Claims handled worldwide



9,000

Total employees



CRD A&B

Traded on NYSE



First Quarter 2019 Business Highlights

\$252.0 Million

Non-GAAP Revenue Before
Reimbursements¹

\$14.8 Million

Adjusted Operating Earnings¹

5.9%

Adjusted Operating
Margin¹

\$21.2 Million

Consolidated Adjusted EBITDA¹

8.4%

Adjusted EBITDA as % of revenue¹

Our Mission

Restoring and enhancing lives,
businesses and communities.

Our 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.

Crawford & Company
Loss resolution for carriers,
brokers and corporates

2019 Focus on Growth

- **Global Service Lines positioning Crawford to be a stronger partner to our clients**
- **Delivering on our growth commitment through the recruitment of experienced, solution based sales people to improve our capabilities**
- **We have announced the creation of a strategic account management approach for top clients**
- **Identifying global accounts of strategic importance which will have an executive sponsor and a global relationship leader**
- **Our goal is to ensure we deliver our full suite of industry leading solutions to our largest clients and deepen relationships at the most strategic levels**
- **This represents a very large, untapped market opportunity**

Focus on Execution

- Investing in new capabilities and solutions to open large market opportunities that we are uniquely positioned to capitalize on
- Targeting industries where we expect continued growth and higher loss frequencies
- Introducing industry verticals and integrated solutions which we have launched for the construction, hospitality and transportation industries
- Launching the industry's first smart water detection and mitigation solution to address escape of water claims - the largest non-weather peril for property insurers
- Solutions that provide Crawford a market leading position as well as critical differentiation where we can demonstrate our expertise and drive distinctive business value for our customers.
- Developing a complete outsourced claim solution for small and mid-sized carriers where we would serve as our clients internal claims department on an outsourced basis

Disciplined Capital Allocation

- Focused on improving cash generation and delivering value to our shareholders through disciplined capital allocation
- Free cash flows improved by \$21.7 million over the prior year period
- Repurchased 1.8 million shares of CRD-A and CRD-B during the first quarter at an average cost of \$9.13
- Our priorities for capital allocation are investments back into the business, dividends to shareholders, debt repayment, share repurchases and opportunistic M&A
- We will continue to remain disciplined in order to maintain our strong balance sheet which provides us a significant competitive advantage

A person in a light-colored suit is holding a tablet computer. The background shows a modern office interior with a yellow headboard, a white planter with green foliage, and a window with a view of a city skyline. A large blue circular graphic is overlaid on the left side of the image.

First Quarter 2019 Financial Review

FIRST QUARTER 2019 FINANCIAL SUMMARY

(\$ in millions, except per share amounts)	Quarter Ended		
	March 31, 2019	March 31, 2018	% Change
Revenues	\$247.1	\$273.1	(10)%
Non-GAAP Revenues excluding GCG business and foreign exchange impacts ⁽¹⁾	\$252.0	\$257.2	(2)%
Net Income Attributable to Shareholders of Crawford & Company	\$6.1	\$8.6	(29)%
Diluted Earnings per Share			
CRD-A	\$0.12	\$0.16	(25)%
CRD-B	\$0.10	\$0.14	(29)%
Non-GAAP Diluted Earnings per Share ⁽¹⁾			
CRD-A	\$0.12	\$0.17	(29)%
CRD-B	\$0.10	\$0.15	(33)%
Adjusted Operating Earnings ⁽¹⁾	\$14.8	\$19.1	(23)%
Adjusted Operating Margin ⁽¹⁾	5.9%	7.4%	(150)bps
Adjusted EBITDA ⁽¹⁾	\$21.2	\$29.0	(27)%
Adjusted EBITDA Margin ⁽¹⁾	8.4%	11.3%	(290)bps

⁽¹⁾ See appendix for non-GAAP explanation and reconciliation of non-GAAP measures.

RECONCILIATION OF NON-GAAP ITEMS

Three Months Ended March 31, 2019

Unaudited (\$ in thousands)	Revenues	Non-GAAP Operating Earnings	Pretax Earnings	Net Income Attributable to Crawford & Company	Diluted Earnings per CRD-A Share	Diluted Earnings per CRD-B Share
GAAP	\$ 247,058	\$ 14,701	\$ 8,702	\$ 6,109	\$ 0.12	\$ 0.10
Adjustments:						
Foreign exchange impacts	4,932	103	103	68	—	—
Non-GAAP Adjusted	<u>\$ 251,990</u>	<u>\$ 14,804</u>	<u>\$ 8,805</u>	<u>\$ 6,177</u>	<u>\$ 0.12</u>	<u>\$ 0.10</u>

Three Months Ended March 31, 2018

Unaudited (\$ in thousands)	Revenues	Non-GAAP Operating Earnings	Pretax Earnings	Net Income Attributable to Crawford & Company	Diluted Earnings per CRD-A Share	Diluted Earnings per CRD-B Share
GAAP	\$ 273,104	\$ 18,175	\$ 12,396	\$ 8,569	\$ 0.16	\$ 0.14
Adjustments:						
GCG business ⁽¹⁾	(15,953)	2,525	2,525	1,718	0.03	0.03
Retained corporate overhead ⁽²⁾	—	(1,646)	(1,646)	(1,120)	(0.02)	(0.02)
Non-GAAP Adjusted	<u>\$ 257,151</u>	<u>\$ 19,054</u>	<u>\$ 13,275</u>	<u>\$ 9,167</u>	<u>\$ 0.17</u>	<u>\$ 0.15</u>

(1) Removes the operating results for the 2018 periods of the GCG business disposed on June 15, 2018.

(2) Overhead allocated to the GCG business that would have been retained at the parent level.

CRAWFORD CLAIMS SOLUTIONS SEGMENT HIGHLIGHTS

Operating Results (1Q 2019 v. 1Q 2018)

- Revenues of \$83.3 million versus \$90.4 million
- Gross profit of \$17.1 million versus \$17.9 million
- Gross profit margin of 20.5% versus 19.8%
- Operating earnings of \$(0.3) million versus \$1.1 million
- Operating earnings margin of (0.4)% versus 1.3%

Highlights

- Revenues down from 2018 when we experienced \$7.1 million in additional revenues from the runoff of 2017 hurricane activity
- On a constant dollars basis, revenues of \$85.6 million
- Earnings reflect higher investments to drive incremental growth

	Three months ended		
	March 31, 2019	March 31, 2018	Variance
<i>(in thousands, except percentages)</i>			
Revenues	\$83,319	\$90,446	(7.9%)
Direct expenses	66,242	72,500	(8.6%)
Gross profit	17,077	17,946	(4.8%)
Indirect expenses	17,390	16,801	3.5%
Operating (loss) earnings	(\$313)	\$1,145	(127.3%)
Gross profit margin	20.5%	19.8%	0.7%
Operating margin	(0.4%)	1.3%	(1.7%)
Total cases received	119,182	126,669	(5.9%)
Full time equivalent employees	2,908	3,013	(3.5%)

CRAWFORD TPA SOLUTIONS: BROADSPIRE SEGMENT HIGHLIGHTS

Operating Results (1Q 2019 v. 1Q 2018)

- Revenues of \$97.8 million versus \$100.2 million
- Gross profit of \$25.5 million versus \$26.4 million
- Gross profit margin of 26.0% versus 26.3%
- Operating earnings of \$6.7 million versus \$7.8 million
- Operating earnings margin of 6.9% versus 7.8%

Highlights

- Decreases in revenues due to drop in cases received
- Revenues were negatively impacted by 1% or \$1.0 million from foreign currency changes
- Strong pipeline of opportunities being pursued

	Three months ended			
	<i>(in thousands, except percentages)</i>	March 31, 2019	March 31, 2018	Variance
Revenues		\$97,794	\$100,237	(2.4%)
Direct expenses		72,331	73,831	(2.0%)
Gross profit		25,463	26,406	(3.6%)
Indirect expenses		18,730	18,579	0.8%
Operating earnings		\$6,733	\$7,827	(14.0%)
Gross profit margin		26.0%	26.3%	(0.3%)
Operating margin		6.9%	7.8%	(0.9%)
Total cases received		201,694	210,233	(4.1%)
Full time equivalent employees		3,158	3,082	2.5%

CRAWFORD SPECIALTY SOLUTIONS SEGMENT HIGHLIGHTS

Operating Results (1Q 2019 v. 1Q 2018)

- Revenues of \$65.9 million versus \$82.4 million
- Gross profit of \$22.4 million versus \$26.9 million
- Gross profit margin of 34.0% versus 32.6%
- Operating earnings of \$12.2 million versus \$10.0 million
- Operating margin of 18.5% versus 12.2%

Highlights

- Garden City Group revenues of \$16.0 million in the 2018 quarter accounted for nearly all of the decline
- Absent foreign exchange decreases of \$1.6 million, revenues would have been \$67.5 million
- Growth in GTS service line

<i>(in thousands, except percentages)</i>	Three months ended		
	March 31, 2019	March 31, 2018	Variance
Revenues	\$65,945	\$82,421	(20.0%)
Direct expenses	43,504	55,563	(21.7%)
Gross profit	22,441	26,858	(16.4%)
Indirect expenses	10,246	16,834	(39.1%)
Operating earnings	\$12,195	\$10,024	21.7%
Gross profit margin	34.0%	32.6%	1.4%
Operating margin	18.5%	12.2%	6.3%
Total cases received	86,387	86,992	(0.7%)
Full time equivalent employees	1,496	1,725	(13.3%)
Non-GAAP Excluding GCG Business			
Revenues	\$65,945	\$66,468	(0.8%)
Direct expenses	43,504	43,239	0.6%
Gross profit	22,441	23,229	(3.4%)
Indirect expenses	10,246	10,680	(4.1%)
Operating earnings	\$12,195	\$12,549	(2.8%)
Gross profit margin	34.0%	34.9%	(0.9%)
Operating margin	18.5%	18.9%	(0.4%)

BALANCE SHEET HIGHLIGHTS

Unaudited (\$ in thousands)	March 31, 2019	December 31, 2018	Change
Cash and cash equivalents	\$ 49,674	\$ 53,119	\$ (3,445)
Accounts receivable, net	130,842	131,117	(275)
Unbilled revenues, net	118,271	108,291	9,980
Total receivables	249,113	239,408	9,705
Goodwill	97,585	96,890	695
Intangible assets arising from business acquisitions, net	82,983	85,023	(2,040)
Deferred revenues	54,417	52,674	1,743
Pension liabilities	73,105	74,323	(1,218)
Short-term borrowings and current portion of finance leases	31,599	23,284	8,315
Long-term debt, less current portion	178,508	167,126	11,382
Total debt	210,107	190,410	19,697
Total stockholders' equity attributable to Crawford & Company	162,413	171,288	(8,875)
Net debt ⁽¹⁾	160,433	137,291	23,142

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

OPERATING AND FREE CASH FLOW

For the three months ended March 31,

Unaudited (\$ in thousands)	<u>2019</u>	<u>2018</u>	Variance
Net Income Attributable to Shareholders of Crawford & Company	\$ 6,109	\$ 8,569	\$ (2,460)
Depreciation and Other Non-Cash Operating Items	9,037	12,866	(3,829)
Billed Receivables Change	1,571	2,848	(1,277)
Unbilled Receivables Change	(8,361)	(20,180)	11,819
Change in Accrued Compensation and 401K	(8,960)	(11,641)	2,681
Change in Accrued and Prepaid Income Taxes	1,922	4,839	(2,917)
Other Working Capital Changes	(602)	(6,544)	5,942
U.S. and U.K. Pension Contributions	(193)	(4,381)	4,188
Cash Flows from Operating Activities	523	(13,624)	14,147
Property & Equipment Purchases, net	(1,737)	(5,141)	3,404
Capitalized Software (internal and external costs)	(1,605)	(5,717)	4,112
Free Cash Flow⁽¹⁾	\$ (2,819)	\$ (24,482)	\$ 21,663

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

SHARE REPURCHASES

- **During the three months ended March 31, 2019, the Company repurchased 421,427 shares of CRD-A and 1,376,889 shares of CRD-B at an average cost of \$9.13**
- **At March 31, 2019, the Company had remaining authorization to repurchase 427,883 shares under the 2017 Repurchase Authorization**

2019 GUIDANCE

Crawford & Company is reaffirming its guidance for 2019 as follows:

YEAR ENDING DECEMBER 31, 2019	Low End	High End	
Consolidated revenues before reimbursements	\$1.05	\$1.10	billion
Net income attributable to shareholders of Crawford & Company	\$46.0	\$51.0	million
Diluted earnings per share--CRD-A	\$0.85	\$0.95	per share
Diluted earnings per share--CRD-B	\$0.78	\$0.88	per share
Consolidated operating earnings	\$90.0	\$100.0	million
Consolidated adjusted EBITDA	\$130.0	\$140.0	million

CONCLUSION

Looking forward Crawford has four primary objectives for 2019:

- **Growth:** Increasing the velocity of revenue growth through continuous innovation as we work to deliver our goal of achieving 5% revenue growth and 15% earnings growth annually
- **System Readiness:** Prioritizing IT investments across the globe to be at the forefront of innovation and disruption
- **People Readiness:** Attract, develop, engage and retain the caring and capable people who deliver the Company's mission. Continue to advance employee training and leadership development
- **Fiscal Responsibility:** Focusing on cash generation capabilities and improving the Company's free cash flow. Maintain prudent expense management and a conservative balance sheet while maximizing our return on capital investment and providing a return to shareholders

Crawford—Attractive Business Model

- Experienced Management Team Aligned with Shareholders
- Global Product and Geographic Diversification
- Recurring Fee For Service Revenue Model
- Strong Cash Flow Generation
- Technology Enabled BPO Platform
- Blue Chip Global Client Base with Long-Term Relationships
- Solid Balance Sheet and Low Debt Profile
- Healthy Dividend Yield

**Celebrated 50 Years
as a Public Company**

A background image showing a business meeting with people in suits looking at documents and a tablet. A large blue semi-circular overlay covers the left and center of the image.

Appendix: Non-GAAP Financial Information

Crawford

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.

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 and net income or loss attributable to noncontrolling interests.

APPENDIX: NON-GAAP FINANCIAL INFORMATION (continued)

Segment and Consolidated Gross Profit

Gross profit is defined as revenues less direct expenses which exclude indirect overhead expenses allocated to the business. Indirect expenses consist of centralized administrative support costs, regional and local shared services that are allocated to each segment based on usage.

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 and non-cash stock-based compensation expense and excluding the impacts of the GCG business and foreign exchange impact. 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.

Adjusted Revenue, Operating Earnings, Pretax Earnings, Net Income, Diluted Earnings per Share and EBITDA Excluding the GCG Business

Included in non-GAAP adjusted measurements as an add back or subtraction to GAAP measurements, are impacts of the disposed of the GCG business, 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.

RECONCILIATION OF NON-GAAP ITEMS

Revenues, Costs of Services Provided, and Operating Earnings

Unaudited (\$ in thousands)	Quarter Ended March 31, 2019	Quarter Ended March 31, 2018	Full Year Guidance 2019 *
Revenues Before Reimbursements			
Total Revenues	\$ 256,377	\$ 290,387	\$ 1,143,000
Reimbursements	(9,319)	(17,283)	(68,000)
Revenues Before Reimbursements	\$ 247,058	\$ 273,104	\$ 1,075,000
Costs of Services Provided, Before Reimbursements			
Total Costs of Services	\$ 187,207	\$ 214,902	
Reimbursements	(9,319)	(17,283)	
Costs of Services Provided, Before Reimbursements	\$ 177,888	\$ 197,619	
	Quarter Ended March 31, 2019	Quarter Ended March 31, 2018	Full Year Guidance 2019 *
Unaudited (\$ in thousands)			
Operating Earnings:			
Crawford Claims Solutions	\$ (313)	\$ 1,145	
Crawford TPA Solutions: Broadspire	6,733	7,827	
Crawford Specialty Solutions	12,195	10,024	
Unallocated corporate and shared costs and credits, net	(3,914)	(821)	
Consolidated Operating Earnings	14,701	18,175	\$ 95,000
Deduct:			
Net corporate interest expense	(2,716)	(2,564)	(10,800)
Stock option expense	(485)	(450)	(2,000)
Amortization expense	(2,798)	(2,765)	(11,200)
Income taxes	(2,933)	(3,966)	(21,600)
Net loss attributable to non-controlling interests and redeemable noncontrolling interests	340	139	(900)
Net Income Attributable to Shareholders of Crawford & Company	\$ 6,109	\$ 8,569	\$ 48,500

* Midpoints of Company's Guidance, issued May 6, 2019

RECONCILIATION OF NON-GAAP ITEMS (continued)

Adjusted EBITDA

Unaudited (\$ in thousands)	Quarter Ended		Full Year
	March 31, 2019	March 31, 2018	Guidance 2019 *
Net income attributable to shareholders of Crawford & Company	\$ 6,109	\$ 8,569	\$ 48,500
Add:			
Depreciation and amortization	9,624	11,440	45,700
Stock-based compensation	(247)	1,565	8,400
Net corporate interest expense	2,716	2,564	10,800
Income taxes	2,933	3,966	21,600
Foreign exchange impacts	103	—	—
Removal of the impact of the disposed GCG business	—	879	—
Adjusted EBITDA	\$ 21,238	\$ 28,983	\$ 135,000

* Midpoints of Company's Guidance, issued May 6, 2019

RECONCILIATION OF NON-GAAP ITEMS (continued)

Net Debt

Unaudited (\$ in thousands)	March 31, 2019	December 31, 2018
Net Debt		
Short-term borrowings	\$ 31,558	\$ 23,195
Current installments of capital leases	41	89
Long-term debt and capital leases, less current installments	178,508	167,126
Total debt	<u>210,107</u>	<u>190,410</u>
Less:		
Cash and cash equivalents	49,674	53,119
Net debt	<u>\$ 160,433</u>	<u>\$ 137,291</u>

RECONCILIATION OF NON-GAAP ITEMS (continued)

Segment Gross Profit

(in thousands)	Three months ended	
	March 31, 2019	March 31, 2018
Segment gross profit:		
Crawford TPA Solutions: Broadspire	\$ 25,463	\$ 26,406
Crawford Claims Solutions	17,077	17,946
Crawford Specialty Solutions	22,441	26,858
Segment gross profit	64,981	71,210
Segment indirect costs:		
Crawford TPA Solutions: Broadspire	(18,730)	(18,579)
Crawford Claims Solutions	(17,390)	(16,801)
Crawford Specialty Solutions	(10,246)	(16,834)
Unallocated corporate and shared costs, net	(3,914)	(821)
Consolidated operating earnings	14,701	18,175
Net corporate interest expense	(2,716)	(2,564)
Stock option expense	(485)	(450)
Amortization expense	(2,798)	(2,765)
Income taxes	(2,933)	(3,966)
Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	340	139
Net income attributable to shareholders of Crawford & Company	\$ 6,109	\$ 8,569

NON-GAAP RESULTS FOR CRAWFORD SPECIALTY SOLUTIONS SEGMENT EXCLUDING GCG BUSINESS

Three Months Ended March 31, 2019

Unaudited (\$ in thousands)	Revenues	Direct Expenses	Gross Profit	Indirect Expenses	Operating Earnings
Crawford Specialty Solutions	\$ 65,945	\$ 43,504	\$ 22,441	\$ 10,246	\$ 12,195
Adjustments:	—	—	—	—	—
Crawford Specialty Solutions excluding GCG	\$ 65,945	\$ 43,504	\$ 22,441	\$ 10,246	\$ 12,195

Three Months Ended March 31, 2018

Unaudited (\$ in thousands)	Revenues	Direct Expenses	Gross Profit	Indirect Expenses	Operating Earnings
Crawford Specialty Solutions	\$ 82,421	\$ 55,563	\$ 26,858	\$ 16,834	\$ 10,024
Adjustments:					
GCG business	(15,953)	(12,324)	(3,629)	(6,154)	2,525
Crawford Specialty Solutions excluding GCG	\$ 66,468	\$ 43,239	\$ 23,229	\$ 10,680	\$ 12,549

NON-GAAP RESULTS EXCLUDING GCG BUSINESS IN 2018 AND FOREIGN EXCHANGE IMPACTS IN 2019

Three Months Ended March 31, 2019

Unaudited (\$ in thousands)	Revenues	Non-GAAP Operating Earnings	Pretax Earnings	Net Income Attributable to Crawford & Company	Diluted Earnings per CRD-A Share	Diluted Earnings per CRD-B Share
GAAP	\$ 247,058	\$ 14,701	\$ 8,702	\$ 6,109	\$ 0.12	\$ 0.10
Adjustments:						
Foreign exchange impacts	4,932	103	103	68	—	—
Non-GAAP Adjusted	<u>\$ 251,990</u>	<u>\$ 14,804</u>	<u>\$ 8,805</u>	<u>\$ 6,177</u>	<u>\$ 0.12</u>	<u>\$ 0.10</u>

Three Months Ended March 31, 2018

Unaudited (\$ in thousands)	Revenues	Non-GAAP Operating Earnings	Pretax Earnings	Net Income Attributable to Crawford & Company	Diluted Earnings per CRD-A Share	Diluted Earnings per CRD-B Share
GAAP	\$ 273,104	\$ 18,175	\$ 12,396	\$ 8,569	\$ 0.16	\$ 0.14
Adjustments:						
GCG business ⁽¹⁾	(15,953)	2,525	2,525	1,718	0.03	0.03
Retained corporate overhead ⁽²⁾	—	(1,646)	(1,646)	(1,120)	(0.02)	(0.02)
Non-GAAP Adjusted	<u>\$ 257,151</u>	<u>\$ 19,054</u>	<u>\$ 13,275</u>	<u>\$ 9,167</u>	<u>\$ 0.17</u>	<u>\$ 0.15</u>

(1) Removes the operating results for the 2018 periods of the GCG business disposed on June 15, 2018.

(2) Overhead allocated to the GCG business that would have been retained at the parent level.