



Third Quarter 2017 Earnings Conference Call

November 6, 2017



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 four 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, 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.

GLOBAL BUSINESS SERVICES LEADER

- The world's largest publicly listed 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



TODAY'S AGENDA



- Welcome and Opening Comments
- Third Quarter 2017 Financial Review
- 2017 Updated Guidance and Strategic Initiatives

THIRD QUARTER 2017 BUSINESS SUMMARY

(\$ in millions, except per share amounts)	Quarter Ended		\$ Change	% Change
	September 30, 2017	September 30, 2016		
Revenues	\$270.6	\$277.3	(\$6.7)	(2)%
Net Income Attributable to Shareholders of Crawford & Company	\$11.8	\$10.9	\$0.9	8%
Diluted Earnings per Share				
CRD-A	\$0.22	\$0.20	\$0.02	10%
CRD-B	\$0.20	\$0.18	\$0.02	11%
Non-GAAP Diluted Earnings per Share before restructuring and special charges				
CRD-A	\$0.23	\$0.22	\$0.01	5%
CRD-B	\$0.22	\$0.20	\$0.02	10%
Operating Earnings ⁽¹⁾	\$24.1	\$26.3	(\$2.2)	(8)%
Operating Margin	8.9%	9.5%		(60) bps
Adjusted EBITDA ⁽¹⁾	\$32.5	\$34.7	(\$2.2)	(6)%
Adjusted EBITDA Margin	12.0%	12.5%		(50) bps

THIRD QUARTER 2017 BUSINESS HIGHLIGHTS

- **Consolidated revenues decreased by \$6.7 million or 2.4% for the quarter. After adjusting for the impact of foreign exchange and changes in accounting for our U.K. contractor repair business, revenues were flat in the quarter**
- **Increased revenues in our U.S. Services segment of 11.5% as a result of increased hurricane related activity**
- **U.S. Services margins decreased due to start-up costs to mobilize staff in hurricane affected areas - a strategic investment to support our clients, build the Crawford brand, and ultimately grow market share over time**
- **International revenues decreased in the U.K. region primarily due to changes in the contractor repair business model**
- **Broadspire delivered consistent revenues and margins**
- **Garden City Group continued to face a challenging market environment with fewer larger, high value cases**
- **Ken Fraser appointed to Chief Client Officer, a new position at Crawford, to exploit the many cross sell opportunities that exist across the Company's global platform**

THIRD QUARTER 2017



Financial Review

STATEMENT OF OPERATIONS HIGHLIGHTS

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

<u>Three Months Ended September 30,</u>	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues Before Reimbursements	\$ 270,551	\$ 277,286	\$ (6,735)	(2)%
Costs of Services Provided, Before Reimbursements	191,977	193,453	(1,476)	(1)%
Selling, General, and Administrative Expenses	57,859	60,325	(2,466)	(4)%
Corporate Interest Expense, Net	2,524	2,262	262	12%
Restructuring and Special Charges	1,431	1,488	(57)	(4)%
Total Costs and Expenses Before Reimbursements	<u>253,791</u>	<u>257,528</u>	<u>(3,737)</u>	<u>(1)%</u>
Other Income	<u>132</u>	<u>197</u>	<u>(65)</u>	<u>(33)%</u>
Income Before Income Taxes	16,892	19,955	(3,063)	(15)%
Provision for Income Taxes	4,922	8,606	(3,684)	(43)%
Net Income	<u>11,970</u>	<u>11,349</u>	<u>621</u>	<u>5%</u>
Net Income Attributable to Noncontrolling Interests and Redeemable Noncontrolling Interests	<u>(157)</u>	<u>(404)</u>	<u>247</u>	<u>(61)%</u>
Net Income Attributable to Shareholders of Crawford & Company	<u>\$ 11,813</u>	<u>\$ 10,945</u>	<u>\$ 868</u>	<u>8%</u>
Earnings Per Share - Diluted:				
Class A Common Stock	<u>\$ 0.22</u>	<u>\$ 0.20</u>	<u>\$ 0.02</u>	<u>10%</u>
Class B Common Stock	<u>\$ 0.20</u>	<u>\$ 0.18</u>	<u>\$ 0.02</u>	<u>11%</u>
Non-GAAP Adjusted Earnings Per Share - Diluted: ⁽¹⁾				
Class A Common Stock	<u>\$ 0.23</u>	<u>\$ 0.22</u>	<u>\$ 0.01</u>	<u>5%</u>
Class B Common Stock	<u>\$ 0.22</u>	<u>\$ 0.20</u>	<u>\$ 0.02</u>	<u>10%</u>
Cash Dividends per Share:				
Class A Common Stock	<u>\$ 0.07</u>	<u>\$ 0.07</u>	<u>\$ —</u>	<u>—%</u>
Class B Common Stock	<u>\$ 0.05</u>	<u>\$ 0.05</u>	<u>\$ —</u>	<u>—%</u>



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

U.S. SERVICES SEGMENT HIGHLIGHTS

Operating Results (3Q 2017 v. 3Q 2016)

- Revenues of \$63.1 million versus \$56.5 million
- Operating earnings of \$9.5 million versus \$9.4 million
- Operating earnings margin of 15.1% versus 16.5%
- Cases received of 149,110 versus 99,276, due to high-frequency, low-complexity WeGoLook cases and hurricane related cases in our Catastrophe Services line

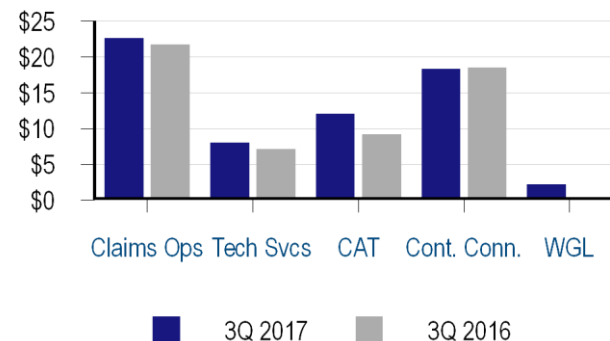
Highlights

- Increased revenues in both our Catastrophe Services and Claims Field Operations service lines as a result of hurricanes Harvey and Irma
- Significant investment to support our clients and grow our business given the severe weather activity led to decreased margins in the third quarter

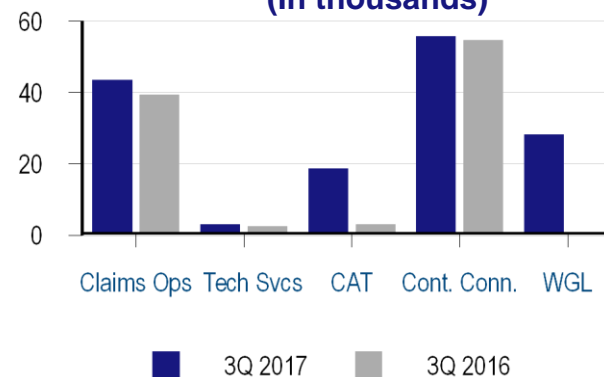
U.S. Catastrophe (CAT) Adjuster Activity

- CAT revenues of \$12.0 million versus \$9.2 million
- Average CAT adjusters deployed of 344 in 2017 versus 344 in 2016

Revenues by Service Line
(\$ in millions)



Cases Received by Service Line
(In thousands)



INTERNATIONAL SEGMENT HIGHLIGHTS

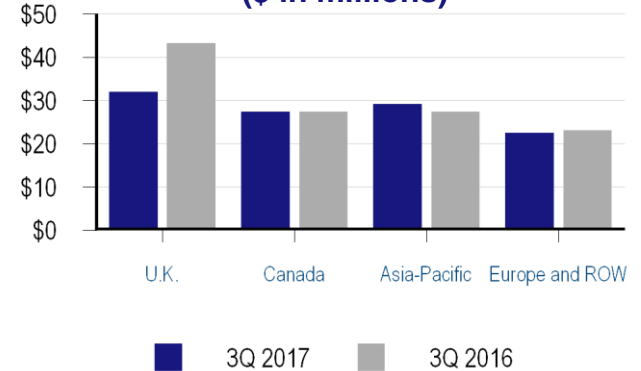
Operating Results (3Q 2017 v. 3Q 2016)

- Revenues of \$110.8 million versus \$121.0 million
- Exchange rates reduced revenues by 1%, or \$1.0 million
- Change in contractor repair operating model decreased revenues by \$5.9 million
- Operating earnings of \$10.2 million versus \$13.5 million
- Operating earnings margin of 9.2% versus 11.1%
- Cases received of 159,215 versus 174,209

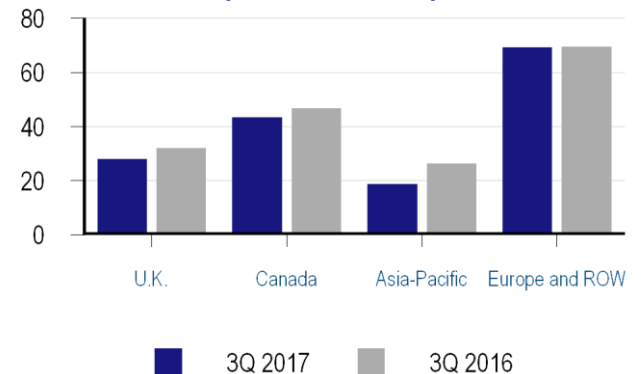
Regional Highlights

- Operating earnings decreased in the segment due to lower revenues and associated earnings from weather related cases in the UK and Canada
- Revenues decreased from the change in the contractor repair business model
- Case volumes decreased due to reduction in high-frequency, low-complexity cases in Asia and reduction in weather related cases in UK and Canada

Revenues by Geographic Region (\$ in millions)



Cases Received (In thousands)



BROADSPIRE SEGMENT HIGHLIGHTS



Operating Results (3Q 2017 v. 3Q 2016)

- Revenues of \$76.7 million in both periods
- Operating earnings of \$8.2 million versus \$8.3 million
- Operating earnings margin of 10.7% versus 10.8%
- Cases received of 124,226 versus 112,544

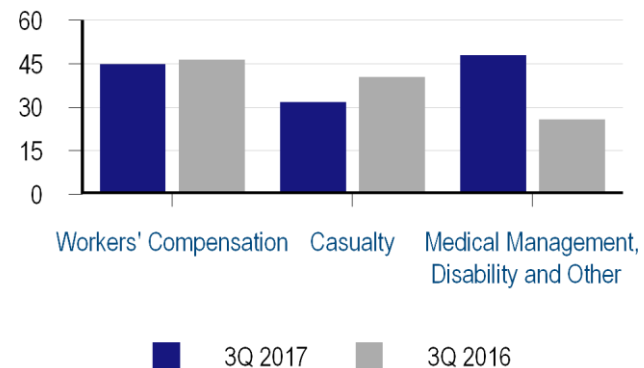
Highlights

- Operating earnings and margins remained relatively consistent
- Growth in medical management and disability service lines
- Strong pipeline of future sales opportunities being pursued

Revenues by Service Line
(\$ in millions)



Broadspire Cases Received
(In thousands)



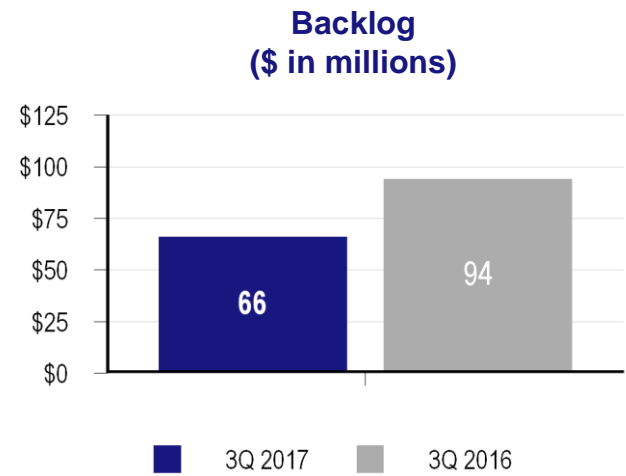
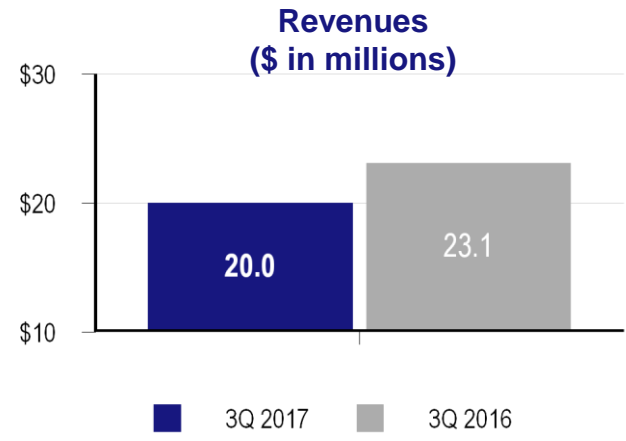
GARDEN CITY GROUP SEGMENT HIGHLIGHTS

Operating Results (3Q 2017 v. 3Q 2016)

- Revenues of \$20.0 million versus \$23.1 million
- Operating earnings of \$0.2 million versus \$2.2 million
- Operating margin of 0.9% versus 9.3%
- Backlog of \$66 million versus \$94 million

Highlights

- Low project volume and relative values during the 2017 quarter
- Deepwater Horizon class action settlement project continues to wind down
- Expense review ongoing in response to market trends



BALANCE SHEET HIGHLIGHTS

Unaudited (\$ in thousands)	September 30, 2017	December 31, 2016	Change
Cash and cash equivalents	\$ 73,289	\$ 81,569	\$ (8,280)
Accounts receivable, net	164,660	153,566	11,094
Unbilled revenues, net	123,783	101,809	21,974
Total receivables	288,443	255,375	33,068
Goodwill	117,362	91,750	25,612
Intangible assets arising from business acquisitions, net	99,682	86,931	12,751
Goodwill and intangible assets arising from business acquisitions	217,044	178,681	38,363
Deferred revenues	61,430	63,340	(1,910)
Pension liabilities	91,265	105,175	(13,910)
Short-term borrowings and current portion of capital leases	3,999	1,012	2,987
Long-term debt, less current portion	246,083	187,002	59,081
Total debt	250,082	188,014	62,068
Total stockholders' equity attributable to Crawford & Company	187,920	153,883	34,037
Net debt ⁽¹⁾	176,793	106,445	70,348
Redeemable noncontrolling interests	7,085	—	7,085

OPERATING AND FREE CASH FLOW

For the year-to-date period ended
September 30,

Unaudited (\$ in thousands)	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Net Income Attributable to Shareholders of Crawford & Company	\$ 29,678	\$ 28,202	\$ 1,476
Depreciation and Other Non-Cash Operating Items	35,809	34,826	983
Unbilled and Billed Receivables Change	(23,177)	(23,746)	569
Working Capital Change	(15,388)	24,365	(39,753)
U.S. and U.K. Pension Contributions	(13,038)	(13,564)	526
Cash Flows from Operating Activities	13,884	50,083	(36,199)
Property & Equipment Purchases, net	(10,465)	(5,782)	(4,683)
Capitalized Software (internal and external costs)	(19,906)	(13,653)	(6,253)
Free Cash Flow ⁽¹⁾	(\$16,487)	\$30,648	(\$47,135)

⁽¹⁾ See Appendix for non-GAAP explanation

2017 SHARE REPURCHASES

- During the third quarter 2017, Crawford repurchased 193,527 shares of CRD-A for an average price of \$7.77 per share, and 127,100 shares of CRD-B for an average price of \$8.87 per share
- The Company's share repurchase authorization, approved in August 2014, the ("2014 Repurchase Authorization"), was terminated at the close of business July 28, 2017
- Effective July 29, 2017, the Company's Board of Directors authorized the repurchase of up to 2,000,000 shares of CRD-A or CRD-B (or both) through July 2020 ("2017 Repurchase Authorization")
- As of September 30, 2017 the Company had remaining authorization to repurchase 1,829,263 under the 2017 Repurchase Authorization

2017 GUIDANCE

Crawford & Company is updating and raising certain aspects of its guidance for 2017 as follows:

YEAR ENDING DECEMBER 31, 2017	Low End	High End	
Consolidated revenues before reimbursements	\$1.09	\$1.11	billion
Net income attributable to shareholders of Crawford & Company	\$37.0	\$40.0	million
Diluted earnings per share--CRD-A	\$0.69	\$0.74	per share
Diluted earnings per share--CRD-B	\$0.62	\$0.67	per share
Consolidated operating earnings	\$92.5	\$97.5	million
Consolidated adjusted EBITDA	\$127.5	\$132.5	million
Before expected restructuring and special charges, net income attributable to shareholders of Crawford & Company on a non-GAAP basis	\$46.0	\$49.0	million
Diluted earnings per share--CRD-A	\$0.85	\$0.90	per share
Diluted earnings per share--CRD-B	\$0.78	\$0.83	per share

The Company expects to incur restructuring and special charges in 2017 totaling approximately \$13.0 million pretax, or \$0.16 per share. This is expected to be comprised of \$3.0 million related to the Company's Global Business Services Center in Manila, Philippines and Global Technology Services Center in Pune, India and \$10.0 million related to other restructuring activities.

The Company's guidance includes a one-time tax benefit of \$3.0 million, or \$0.05 per share, in the 2017 fourth quarter as a result of international tax planning activities completed during the quarter.



2017 STRATEGIC INITIATIVES

- **Having a strong financial foundation**
 - **Implement cost reduction initiatives to drive margin expansion**
- **Building an entrepreneurial culture**
 - **Identify attractive markets for expansion**
- **Enhancing global capabilities**
 - **Explore strategic M&A opportunities**
- **Delivering excellence in execution**
 - **Increase speed of doing business enterprise wide**
- **Being a sales and service driven organization**
 - **Form a robust sales funnel and capitalize on cross-selling**
- **Providing new products and services that matter**
 - **Deliver customized value propositions to clients**

THIRD QUARTER 2017



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, 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, 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, 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 September 30, 2017	Quarter Ended September 30, 2016	Full Year Guidance 2017 *
Revenues Before Reimbursements			
Total Revenues	\$ 286,666	\$ 295,387	\$ 1,168,000
Reimbursements	(16,115)	(18,101)	(68,000)
Revenues Before Reimbursements	<u>\$ 270,551</u>	<u>\$ 277,286</u>	<u>\$ 1,100,000</u>
Costs of Services Provided, Before Reimbursements			
Total Costs of Services	\$ 208,092	\$ 211,554	
Reimbursements	(16,115)	(18,101)	
Costs of Services Provided, Before Reimbursements	<u>\$ 191,977</u>	<u>\$ 193,453</u>	
Unaudited (\$ in thousands)	Quarter Ended September 30, 2017	Quarter Ended September 30, 2016	Full Year Guidance 2017 *
Operating Earnings:			
U.S. Services	\$ 9,537	\$ 9,354	
International	10,165	13,460	
Broadspire	8,240	8,263	
Garden City Group	188	2,152	
Unallocated corporate and shared (costs) and credits, net	(4,078)	(6,947)	
Consolidated Operating Earnings	<u>24,052</u>	<u>26,282</u>	<u>\$ 95,000</u>
Deduct:			
Net corporate interest expense	(2,524)	(2,262)	(11,000)
Stock option expense	(468)	(176)	(1,575)
Amortization expense	(2,737)	(2,401)	(11,700)
Restructuring and special charges	(1,431)	(1,488)	(13,165)
Income taxes	(4,922)	(8,606)	(18,960)
Net income attributable to non-controlling interests and redeemable noncontrolling interests	(157)	(404)	(100)
Net Income Attributable to Shareholders of Crawford & Company	<u>\$ 11,813</u>	<u>\$ 10,945</u>	<u>\$ 38,500</u>

RECONCILIATION OF NON-GAAP ITEMS (continued)

Adjusted EBITDA

Unaudited (\$ in thousands)	Quarter Ended		Full Year Guidance 2017 *
	September 30, 2017	September 30, 2016	
Net income attributable to shareholders of Crawford & Company	\$ 11,813	\$ 10,945	\$ 38,500
Add:			
Depreciation and amortization	10,290	10,085	41,500
Stock-based compensation	1,568	1,289	6,875
Net corporate interest expense	2,524	2,262	11,000
Restructuring and special charges	1,431	1,488	13,165
Income taxes	4,922	8,606	18,960
Adjusted EBITDA	\$ 32,548	\$ 34,675	\$ 130,000

* Midpoints of Company's Guidance, updated November 6, 2017

RECONCILIATION OF NON-GAAP ITEMS (continued)

Net Debt

Unaudited (\$ in thousands)	September 30, 2017	December 31, 2016
Net Debt		
Short-term borrowings	\$ 3,627	\$ 30
Current installments of capital leases	372	982
Long-term debt and capital leases, less current installments	246,083	187,002
Total debt	<u>250,082</u>	<u>188,014</u>
Less:		
Cash and cash equivalents	73,289	81,569
Net debt	<u>\$ 176,793</u>	<u>\$ 106,445</u>

RECONCILIATION OF NON-GAAP ITEMS (continued)

Non-GAAP Adjusted Net Income and Diluted Earnings Per Share

Three Months Ended September 30, 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	\$ 16,892	\$ (4,922)	\$ 11,970	\$ 11,813	\$ 0.22	\$ 0.20
Add back:						
Restructuring and special charges	1,431	(468)	963	963	0.01	0.02
Non-GAAP Adjusted	\$ 18,323	\$ (5,390)	\$ 12,933	\$ 12,776	\$ 0.23	\$ 0.22

Three Months Ended September 30, 2016

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	\$ 19,955	\$ (8,606)	\$ 11,349	\$ 10,945	\$ 0.20	\$ 0.18
Add back:						
Restructuring and special charges	1,488	(486)	1,002	1,002	0.02	0.02
Non-GAAP Adjusted	\$ 21,443	\$ (9,092)	\$ 12,351	\$ 11,947	\$ 0.22	\$ 0.20

RECONCILIATION OF NON-GAAP ITEMS (continued)

Non-GAAP Adjusted Net Income and Diluted Earnings Per Share

*Full Year Guidance 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	\$ 57,560	\$ (18,960)	\$ 38,600	\$ 38,500	\$ 0.71	\$ 0.64
Add back:						
Restructuring and special charges	13,165	(4,344)	8,821	8,821	0.16	0.16
Non-GAAP Adjusted	\$ 70,725	\$ (23,304)	\$ 47,421	\$ 47,321	\$ 0.87	\$ 0.80

* Midpoints of Company's Guidance, updated November 6, 2017