



# Crawford 101

July 2021



# Forward-Looking Statements and Additional Information

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## 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](http://www.sec.gov) or in the Investor Relations section of Crawford & Company's website at [www.crawco.com](http://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, goodwill impairment, restructuring costs, gain on disposition of business, arbitration and claim settlements, 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. Indirect expenses consist of centralized administrative support costs, regional and local shared services that are allocated to each segment based on usage.

## Non-GAAP Financial Information

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

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# Introduction to Crawford & Company


# Who We Are

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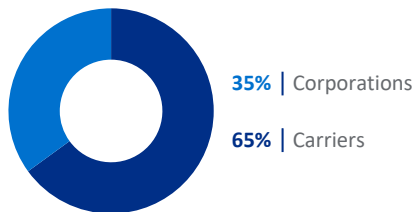
The world's largest publicly listed independent provider of global claims management and outsourcing solutions.

 **\$18 BILLION+**  
Claims managed annually

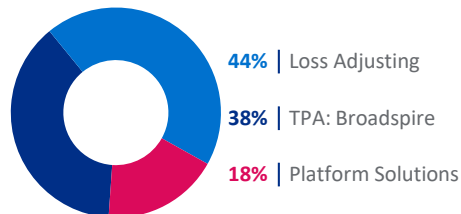
 **1.6 MILLION**  
Claims handled

 **9,000**  
Total employees

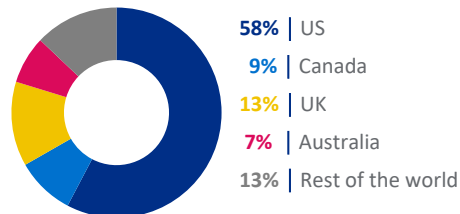
## BY MARKET<sup>1</sup>



## BY GLOBAL SERVICE LINES



## BY GEOGRAPHY



(1) Reflects 2020; figures are approximate

  
**Crawford**

**Broadspire**  
A CRAWFORD COMPANY

**CONTRACTOR  
CONNECTION**  
A CRAWFORD COMPANY

 **WeGoLook**  
A CRAWFORD COMPANY



## OUR PURPOSE:

To restore and enhance lives, businesses and communities



## OUR VALUES: **RESTORE**

Respect, Empowerment, Sustainability, Training, One Crawford, Recognition, Entrepreneurial Spirit

# Our History

TIMELINE



**1941** - Jim Crawford founds Crawford & Company in Georgia



**1946** - Established Crawford Educational Services training program



**1957** - Crawford opens office in London, begins international expansion



**1967** - 25th anniversary; offices in Canada, Puerto Rico, England, and U.S.



**1968** - Crawford becomes publicly traded on the OTC



**1989** - Crawford becomes publicly traded on the NYSE



**1990s** - Crawford acquires Graham Miller, Brocklehurst & Thomas Howell



**1998** - Crawford adds Adjusters Canada



**1999** - Crawford acquires Contractor Connection; adds managed repair



**2002** - Crawford adds Robertsons in Australia



**2006** - Crawford acquires Broadspire; largest acquisition to date



**2014** - Crawford acquires GAB Robins UK; 2nd largest acquisition to date



**2017** - Crawford acquires majority stake in WeGoLook



**2020** - Crawford acquires HBA Group and Crawford Carvallo



**2021** - Crawford celebrates 80<sup>th</sup> anniversary



## Our Purpose

Restoring and enhancing lives, businesses and communities.

## Our Values

Our mission is embedded in our values – to **RESTORE** is part of everything we do.



# What We Do

Crawford delivers services to its clients through a global service line reporting structure consisting of three operating segments:



## LOSS ADJUSTING

- Loss Adjusting (Property / Auto / Liability)
- Vehicle & Heavy Equipment Inspections
- Casualty Large & Complex
- Property Large & Complex
- Specialty Loss Adjusting



## PLATFORM SOLUTIONS

- Managed Repair
- Catastrophe Response
- Temporary Staffing
- On-Demand Services
- SaaS Platform



## TPA: BROADSPIRE

- Workers Compensation
- Disability & Leave Management
- Auto / Motor
- General Liability
- Accident & Health
- Affinity / Warranty
- Legal Services / Recoveries

## BY GLOBAL SERVICE LINES



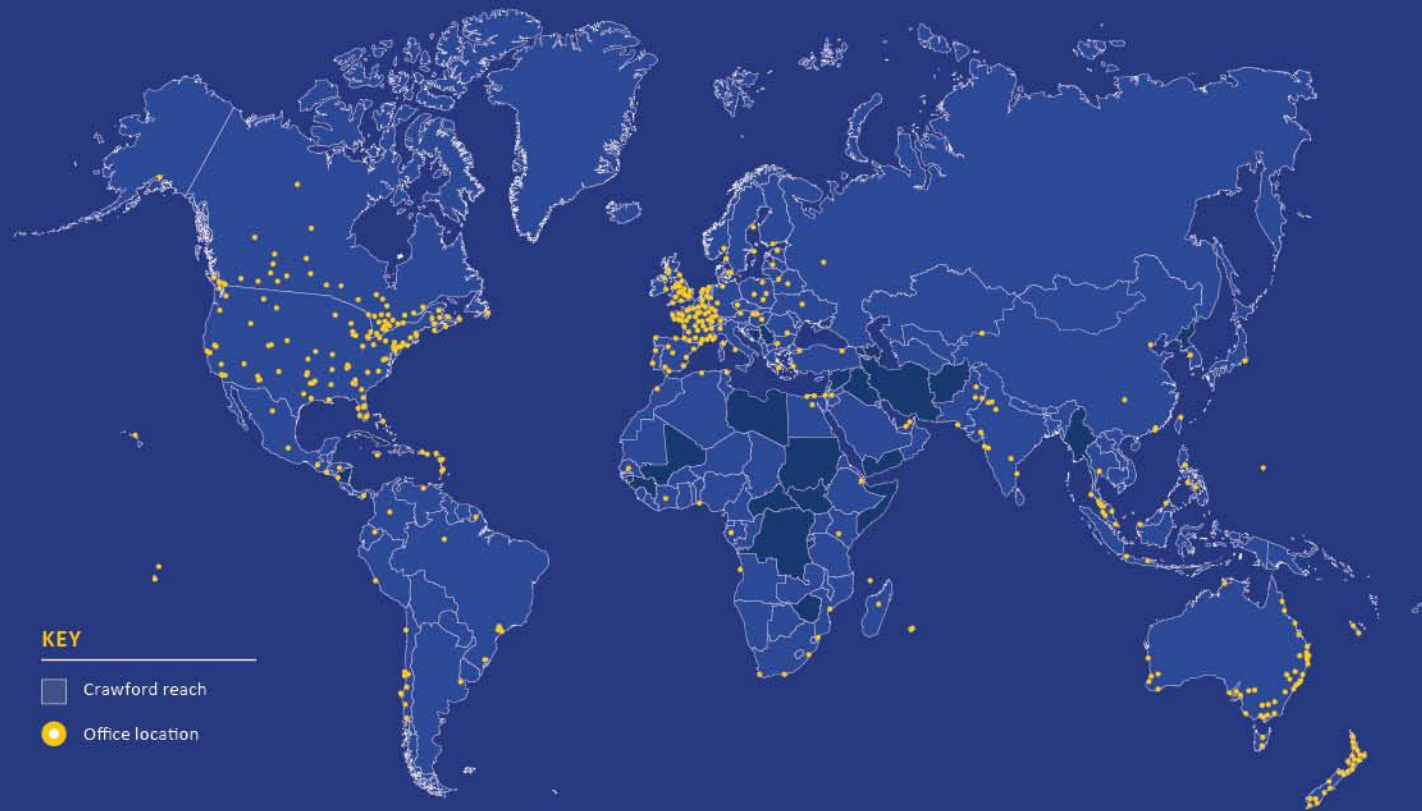
44% | Loss Adjusting

38% | TPA: Broadspire

18% | Platform Solutions

We bring together thoughtful experts from around the world to offer comprehensive, intelligent solutions to our customers.

# Global coverage that goes beyond borders.



**70**

countries

**9K**

Employees worldwide

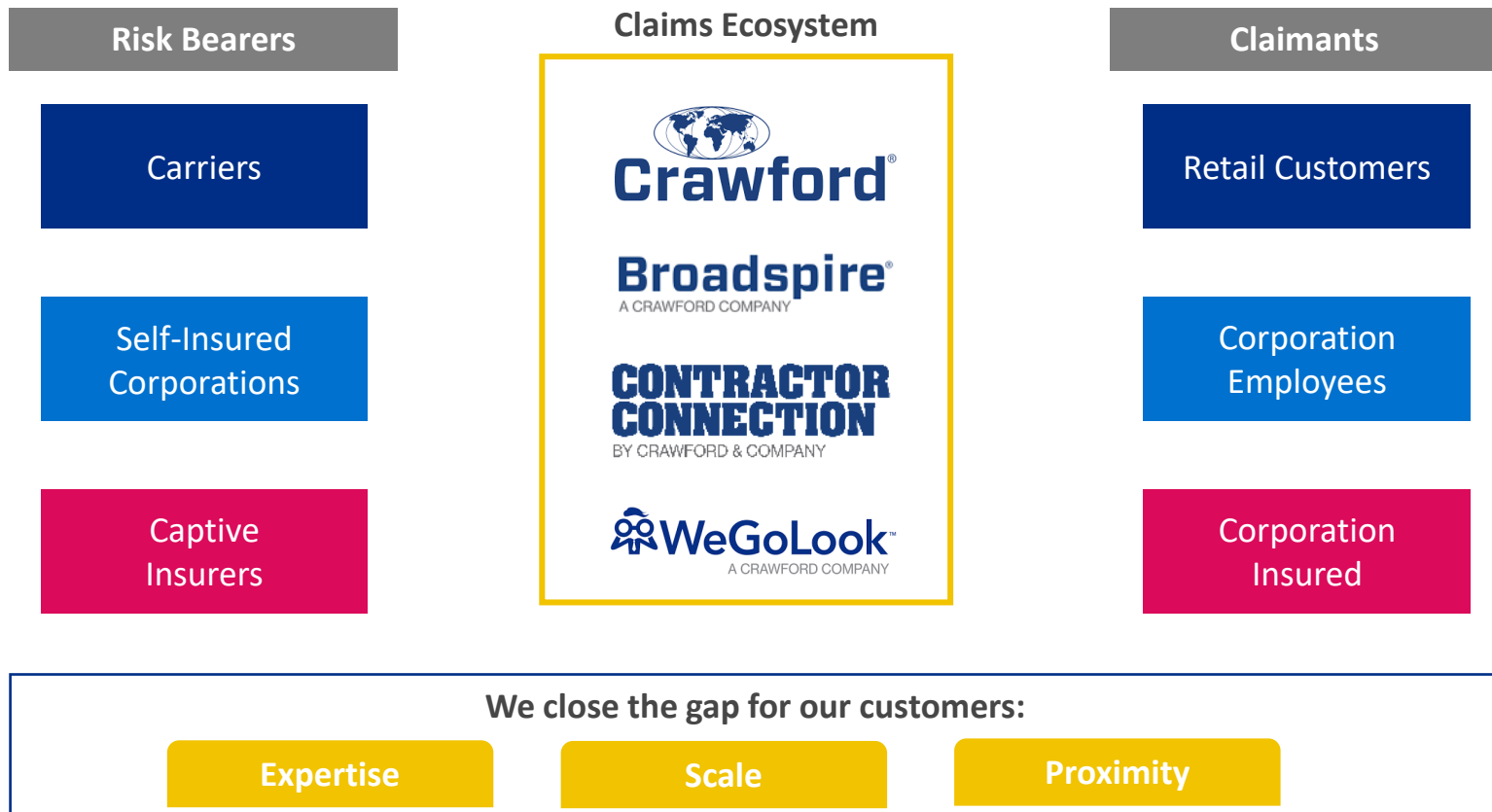
**50K**

field resources

**6K**

network contractors

# Crawford Bridges the Gap Between Risk Bearers and Claimants



# Why is Crawford Needed?

## Carriers

### Expertise

- Large loss claims in particular require technical subject matter expertise like forensics, engineering, energy which may not always be available in-house at a carrier or self-insured corporate

### Capacity

- Independent adjustors (“IA”) provide flexible capacity during unforeseen events (e.g. CAT)
- Helps carriers convert fixed costs into variable costs to manage weather driven volatility

### Cost

- IA help carriers and self-insured corporations manage their loss cost and loss adjustment expenses through more accurate claim settlements

### Scale and Proximity

- Large adjustment firms like Crawford have nationwide and global reach which smaller and regional carriers may lack

## Self Insured Corporations

## Captive Insurers

# Why is Crawford Needed?

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## CARRIERS

### Accuracy, Quality and Expertise

- Claims experience is an extension of a carrier's brand
- War on talent and increasing claims complexity has amplified need to hire more expertise
- GTS offers global expertise in construction, engineering, forensic accounting, cyber and building consultancy

### Timeliness and Capacity

- We have the capacity and scale to be there when needed
- Independent adjusters provide flexible capacity during unforeseen events (e.g. CAT)
- New innovative platform/network solutions providing alternative to traditional methods of inspection

### Cost Reduction

- Intelligent triage – on demand inspection services, virtual inspection, on site adjuster, contractor managed repair
- Helps carriers convert fixed costs into variable costs to manage weather driven volatility

### Scale and Proximity

- Crawford has a nationwide and global reach that smaller and regional carriers may lack
- Crawford's suite of services provides enhanced offerings and ability to better leverage expertise resources

# Why is Crawford Needed?

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## CORPORATES

### Accuracy, Quality and Expertise

- Bonus program for adjusters based on systematic and manual quality reviews
- Cross-functional service team with strategic Account Exec driving vision and action plans
- Biopsychosocial approach to understand injured worker and capture unique data points

### Timeliness and Capacity

- 24/7 nurse triage program helps injured worker with self-care options and seamless transfers to intake
- Corporation costs rise the longer the claim is open
- Analytics platform allows real time professional caseload tracking to find resolutions sooner

### Cost Reduction

- High-impact claim and clinical solutions help improve return-to-work rates and reduce average paid per claim, resulting in 15% savings on average
- Data studies with Virtual Peer benchmarking to level set on program performance, find true opportunities, and drive action

### Scale and Proximity

- Capability to Hub and Centralize claim handling based on desired program design
- Strategic program design focused our customers' goals and objectives

# Financial Snapshot

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

## Overview



### CRD-A & CRD-B

NYSE Ticker



### ~\$500 MILLION

Market capitalization<sup>1</sup>



### \$0.06

Per share quarterly dividends  
for CRD-A & CRD-B

## FY 2020 GAAP



### \$982.5 MILLION

Revenues before reimbursements



### \$28.3 MILLION

Net income

## FY 2020 NON-GAAP<sup>2</sup>



### \$104.8 MILLION

Adjusted EBITDA



### \$71.8 MILLION

Operating Earnings



### \$55.8 MILLION

Free Cash Flow



### \$0.86    \$0.84

EPS CRD-A    EPS CRD-B

# Revenue Model



Fee for service



Time and expense



No underwriting risk



95%+ retention rate



Capital light business (CAPEX = 3% of sales)



Diverse client base



3-5 year contracts

# Key Customers

Crawford's customer base includes the largest global insurance carriers as well as Fortune 1000 companies



# Evolving Crawford's Strategy for Long-term Growth



## LOSS ADJUSTING

Description	Customers	Strategy
<ul style="list-style-type: none"> <li>Adjust individual claims</li> <li>Claim sizes vary from \$500 to \$5+ billion</li> <li>Two units:               <ol style="list-style-type: none"> <li>Major and complex claims (GTS)</li> <li>Volume claims</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>Carriers of all sizes</li> <li>MGAs</li> <li>Lloyds</li> </ul>	<ul style="list-style-type: none"> <li>Benchmark in quality and expertise</li> <li>Digitally enabled for efficiency</li> <li>Broadest global reach</li> <li>Major and complex: Grow by investing in expertise</li> <li>Volume claims: Improve margin through efficiency</li> </ul>



## PLATFORMS

Description	Customers	Strategy
<ul style="list-style-type: none"> <li>Alternative channel to loss adjusting services</li> <li>Marketplace for existing and new disruptive services</li> <li>Two units:               <ol style="list-style-type: none"> <li>Managed Repair (Contractor Connection)</li> <li>Network businesses (E.g., CAT, WGL, Crawford Inspection Services)</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>Carriers of all sizes</li> <li>MGAs</li> <li>Lloyds</li> </ul>	<ul style="list-style-type: none"> <li>Most comprehensive alternatives in industry to traditional loss adjusting approaches</li> <li>New markets and capabilities enabled by tech, built on years of claims experience</li> <li>Drive growth through scaling businesses with compelling transactional economics</li> </ul>



## TPA

Description	Customers	Strategy
<ul style="list-style-type: none"> <li>Third party administration across workers compensation, liability, accident and health, disability and medical management claims</li> <li>Legal services such as recovery, fraud and litigation</li> </ul>	<ul style="list-style-type: none"> <li>Corporations, municipalities</li> <li>MGAs, captives</li> <li>Small- to mid-size carriers</li> </ul>	<ul style="list-style-type: none"> <li>Industry leading data and analytics for improved claims outcomes</li> <li>Intense digitization to improve adjuster and customer experience</li> <li>Margin enhancement through digitization and scaling</li> </ul>

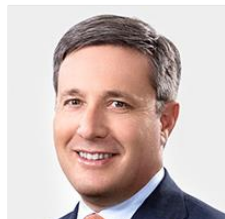
**Strategic evolution to reimagine claims ecosystem**

# Experienced Leadership Team

With an average of 30+ years of experience, Crawford's strong and seasoned leadership team leverages its extensive knowledge and industry experience to drive our business



**Rohit Verma**  
Chief Executive Officer



**Joseph Blanco**  
President



**Andrew Bart**  
President, Loss  
Adjusting International



**Benedict Burke**  
Chief Client Officer,  
Global Client Development



**Mike Hoberman**  
President, TPA Solutions:  
Broadspire North America



**Mike Jones**  
President, TPA Solutions:  
Broadspire International



**Michelle Montgomery**  
Chief Marketing Officer



**Bonnie Sawdey**  
Chief People Officer



**Tami Stevenson**  
General Counsel



**Bruce Swain**  
Chief Financial Officer



**Larry Thomas**  
Global President,  
Platform Solutions



**Pat Van Bakel**  
President, Canada & Loss  
Adjusting North America

# Why Invest in Crawford?

Crawford's leading market position in an evolving landscape provides a compelling investment narrative



Experienced leadership team averaging 30 years of experience in our field



Secular tailwinds provided from continued growth in large loss claims



Investing in digitization as a point of differentiation and driver of growth



Well-positioned to benefit from a fragmented and consolidating market



Long-term commitment to generating shareholder value



Balance sheet strength and stability provides strategic optionality



Committed to the integration of ESG best practices across our operations

A photograph of two business people shaking hands, with a large blue circular overlay on the left side. The person on the left is wearing a blue suit jacket, and the person on the right is wearing a white shirt. The background is blurred, showing an office setting.

# Industry Overview

# Competitive Landscape

01

## UNIVERSAL

Competes with us across all elements of our business globally



02

## GLOBAL

Compete in segments of our business globally



03

## REGIONAL

Competitors that only serve a specific region/geography



04

## NICHE

Competitors in specific geographies that vary by size



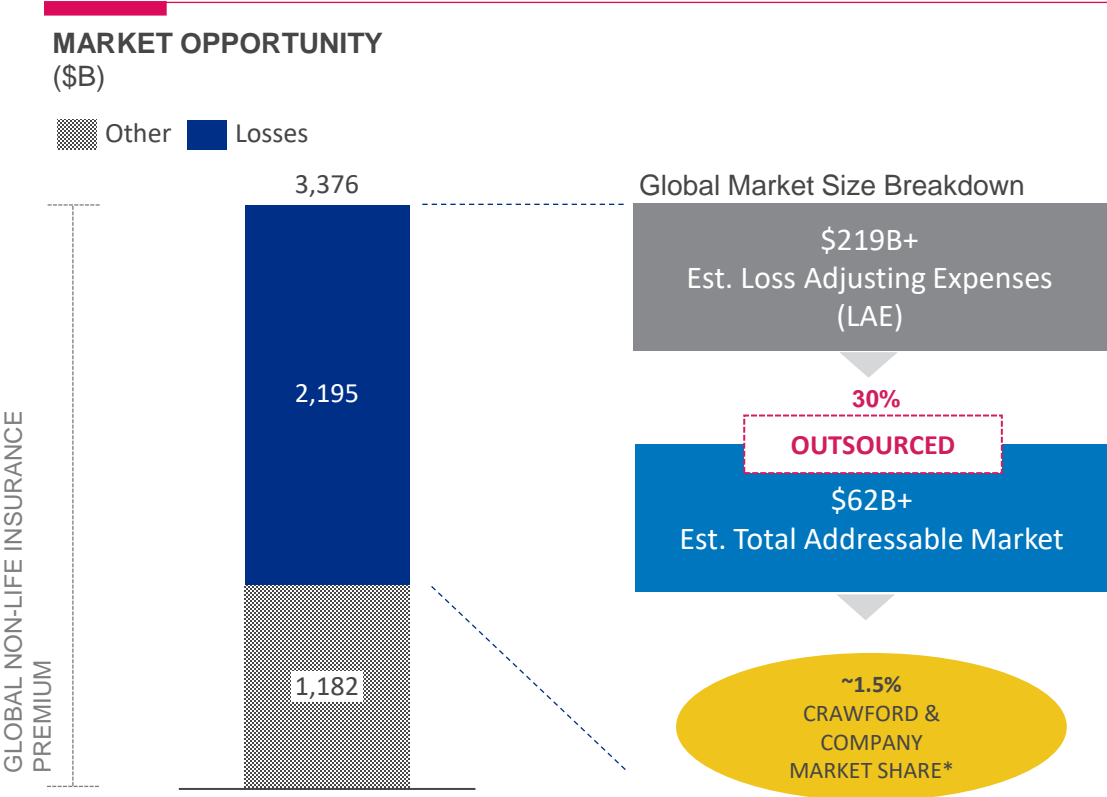
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## EMERGING

Recently entered the insurance industry and are disrupting the landscape

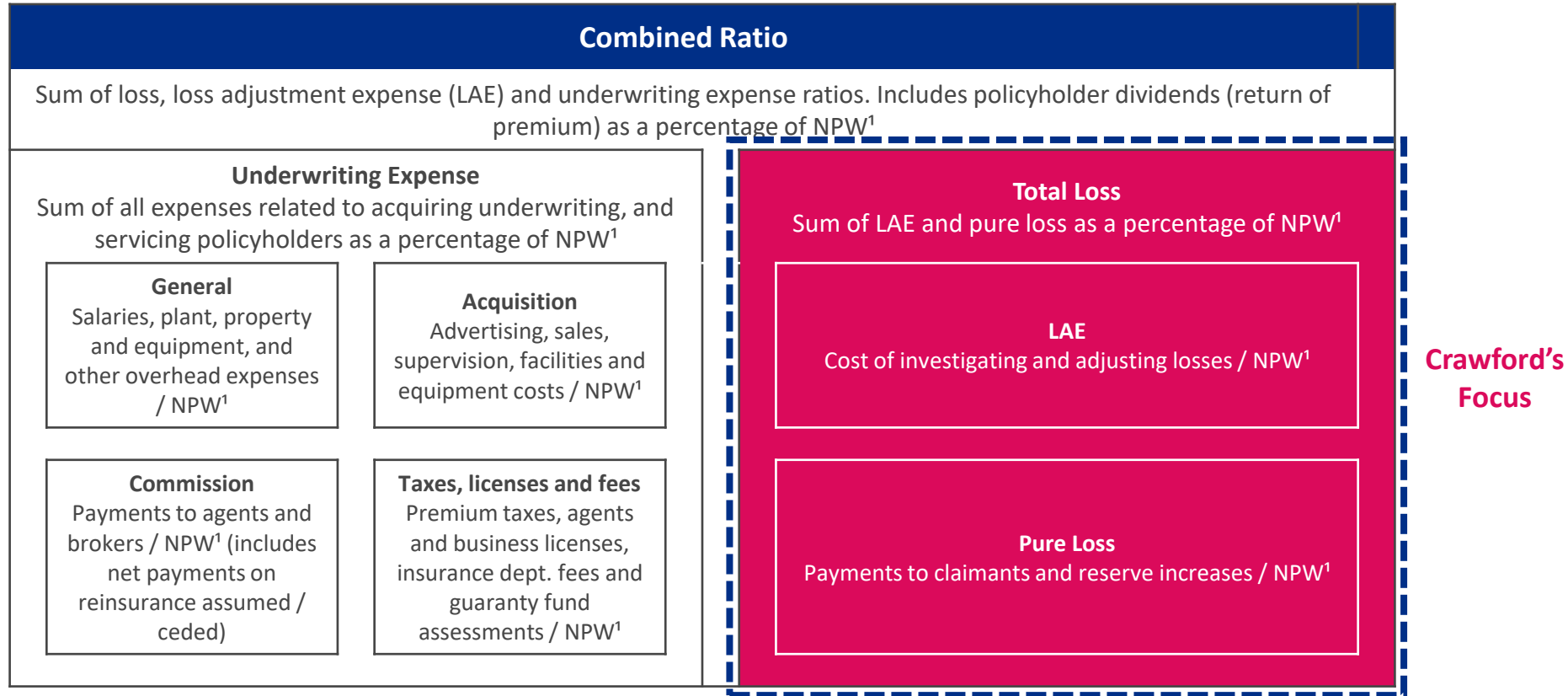


# Global Non-Life Insurance Market Size



# Adjusters Focus on Optimizing Loss Expenses for Carriers

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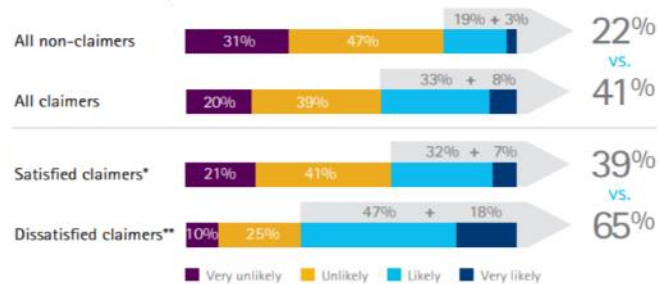
# Loss Adjuster is a Brand Extension of the Carrier

23

## Claims Experience is Insurance Carrier's "Moment of Truth"

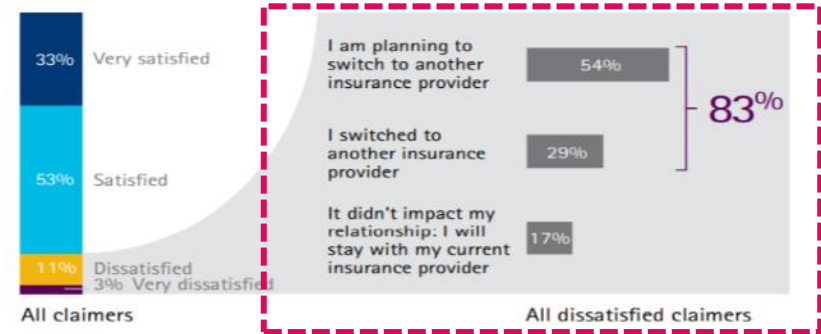
### Likelihood of switching providers, by claims satisfaction<sup>1</sup>

Q: How likely are you to stop doing business with one of your insurance providers and switch to another provider in the next 12 months?



### Customer satisfaction with the claims experience, and response to dissatisfaction<sup>1</sup>

Q: How satisfied are you with the way in which your insurance provider handled and settled your claim?



# Changes Leading to Increased Claims Outsourcing

1

Claims outsourcing is highly dependent on the overall P&C market and continues to benefit from pressure on carriers to streamline cost structures and leverage third parties with specific expertise

2

Downside reputational risk due to social and other media encourages carriers to seek outsourced solutions that enable quick and authoritative responses to major CAT events

3

Increasing concentration of insured assets in risk-prone areas

4

Frequency of catastrophic events has been increasing, particularly major loss events

5

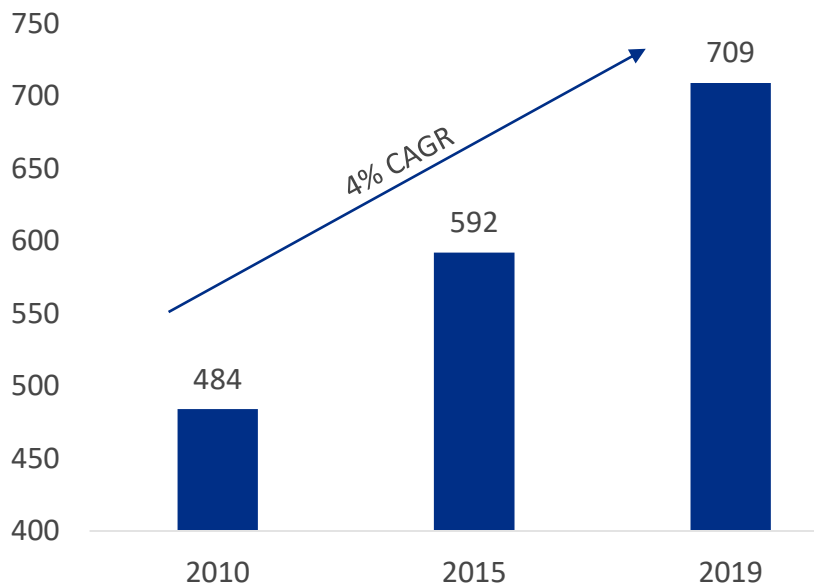
Technology requirements are increasing, including increased scrutiny of data security

6

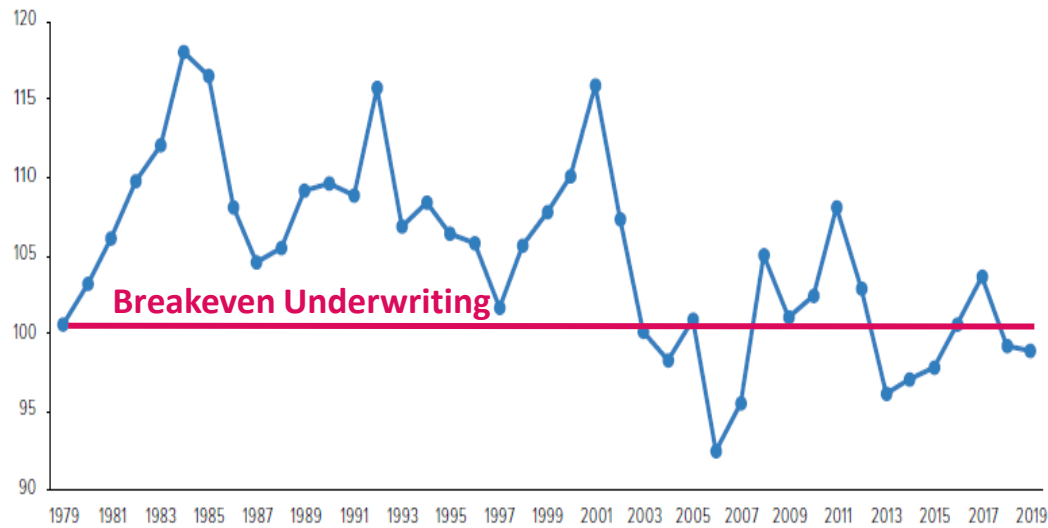
Recent COVID environment has accelerated adoption of alternative loss adjusting models

# P&C Carrier Premiums Growing Steadily but Margins Under<sup>25</sup> Pressure

P&C Direct Written Premiums  
US\$ bn



Property/Casualty Insurance Combined Ratio, 1979-2019<sup>1</sup>

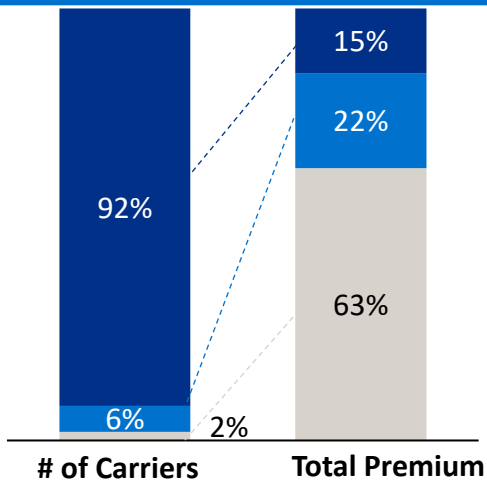


<sup>1</sup>Excludes state funds and other residual insurers.

Source: ISO®, a Verisk Analytics® business.

# Most Small Carriers are Under Pressure

~98% of carriers are small to medium sized

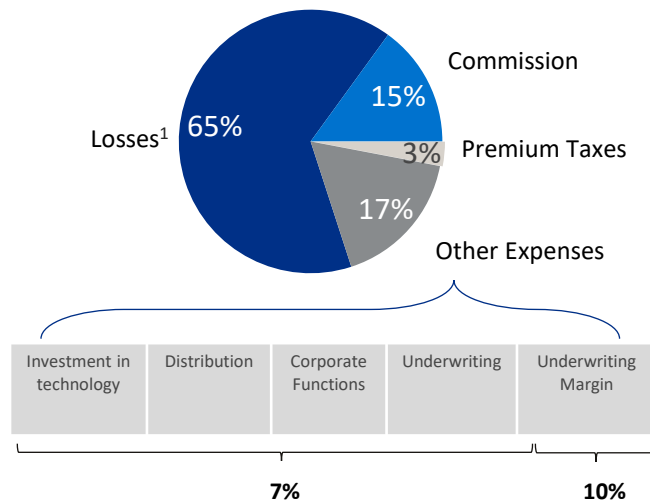


■ Small: Less than \$1B ■ Medium: \$1B - \$5B ■ Large: Greater than \$5B

- Lack of geographic spread means more dependence on outsourced capabilities
- Inability to drive technology innovation
- Severe talent and expertise gap

They have limited financial capacity

Carriers with less than \$1B have limited capacity and scale to invest in innovation

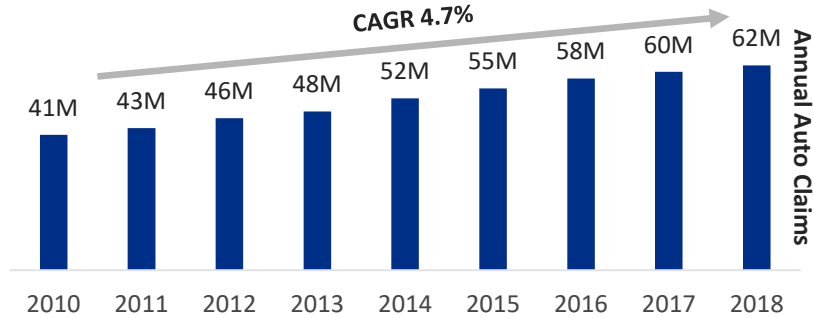


- Insurance carriers currently operate with a large operating expense base, which is unsustainable long term
- Technology would play a key role in reducing this expense base

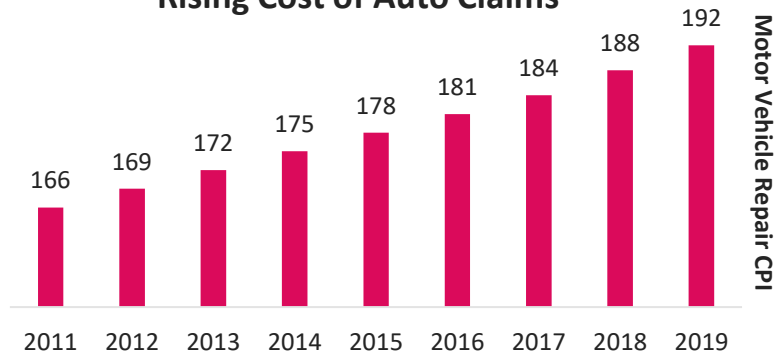
# Auto Claims Frequency and CAT-Driven Losses Rising

27

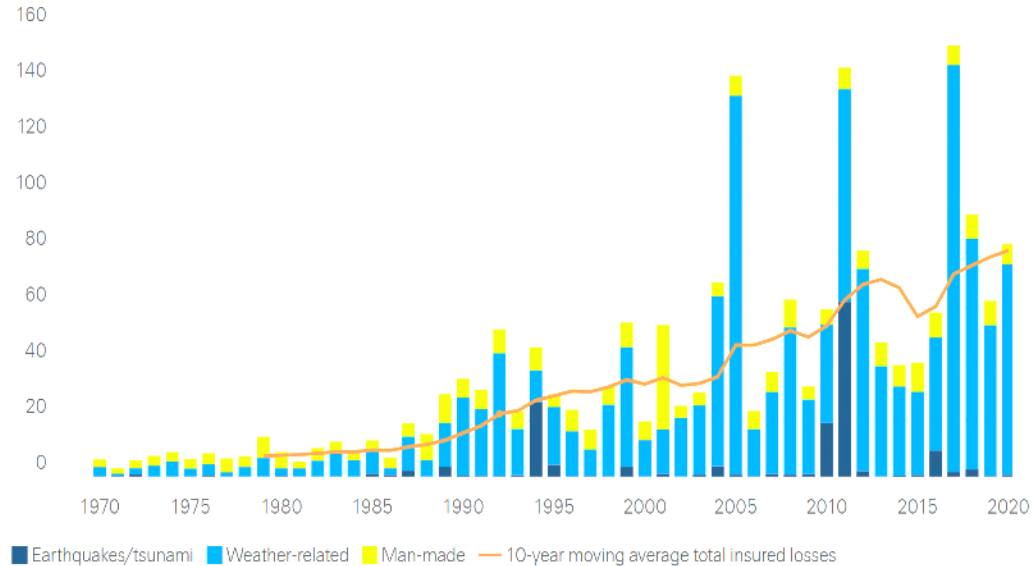
## U.S. Auto Claims Frequency<sup>1</sup>



## Rising Cost of Auto Claims



## Catastrophe-related insured losses (1970-2020)<sup>2</sup>

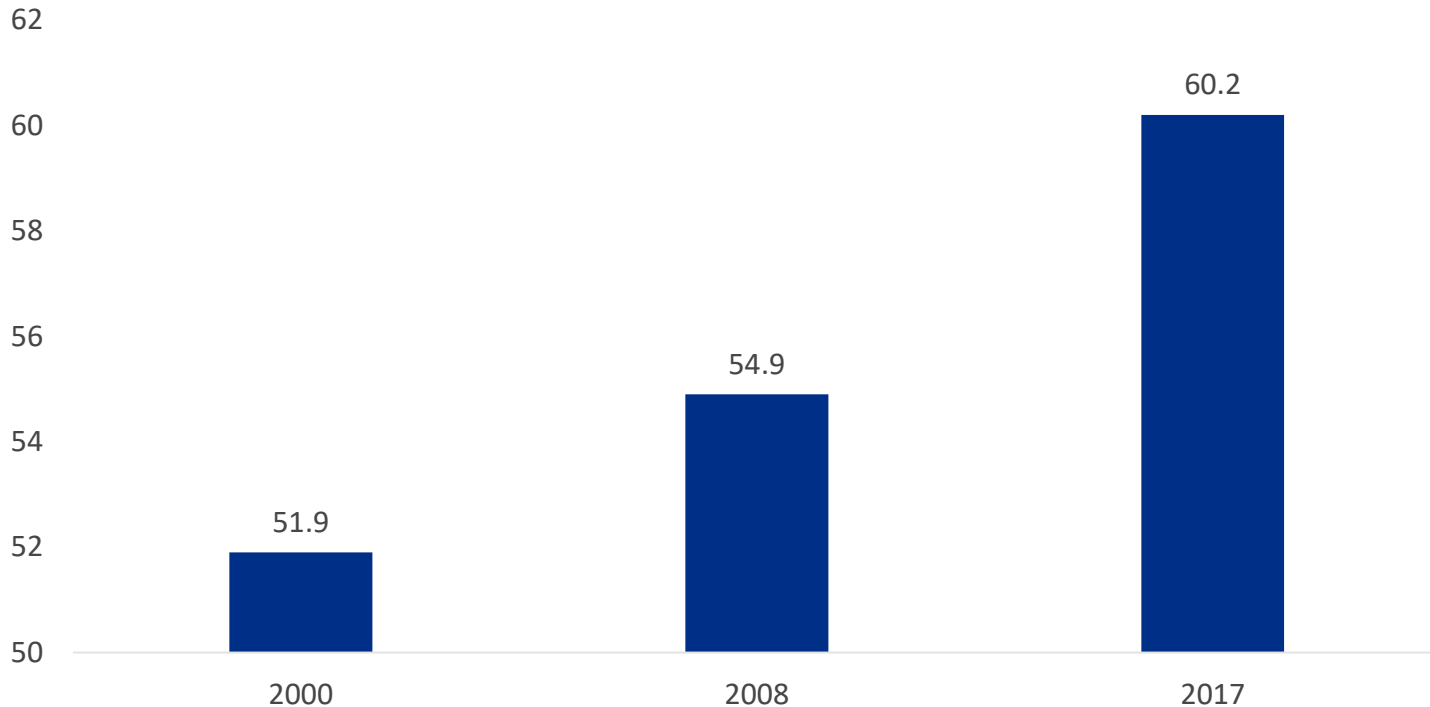


Trends leading to increased outsourcing

# Coastline Population Steadily Growing

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Atlantic And Gulf of Mexico Coastline County Population, 2000-2017  
(Millions)





# Investing in Innovation

# Crawford is Partnering with Leading Insurtechs



Property Measurement and  
3-D Modeling



Automate and Expedite  
Claim Handling via Mobile



Digital Desk for Interior  
Property Claims



Smart Water  
Meters



Enables Digitalization of  
Estimate Review Process



Enables Digitalization of  
Estimate Review Process



Homeowners Insurance



One-stop Information  
Portal for Adjusters









































Intelligent Communication  
Platform



Immersive 3D Technology

# Investing to Drive Innovation and Accelerate Growth

Enabling Technology <sup>1</sup>		Key Benefits			
	<b>Robotic Process Automation</b> Automates workflows and repetitive tasks throughout claims process				
	<b>API Integrations</b> Integrates internal and external data sources to support automation of workflows and enhanced data & analytics				
	<b>Machine Learning</b> Automates workflows with rule-based logic and algorithms				
	<b>Data Visualization Tools</b> Creates visual representations of large amounts of data for easy ingestion and decision making				
	<b>Portals</b> Intuitive, scalable and customizable portals for data exchange				
	<b>Asservio</b> Automated estimate review software				
	<b>3D Virtual Reality</b> Supports virtual claims adjusting and digital reporting				 
	<b>IoT Sensors / Telematics / Alexa Integration</b> Supports omni-channel FNOL <sup>2</sup> via Internet of Things				

## Key Benefits Legend



Reduced Time Cycle



Process Efficiency



Enhanced Data / Analytics



Improved Quality



Increased Transparency

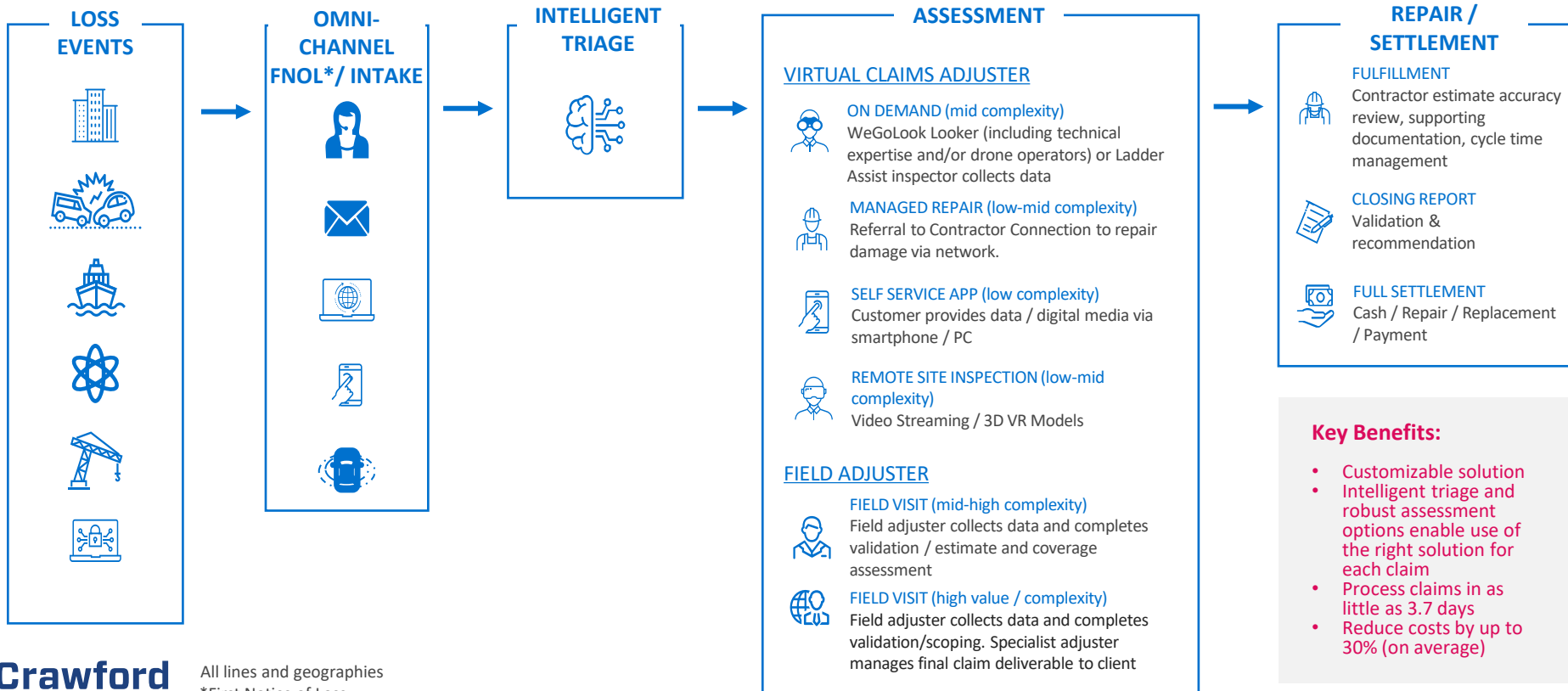


Cost Savings

Crawford improves the claims journey via workflow automation, enhanced data and analytics, reduced cycle times and superior quality

# Improve Expense, Accuracy and Speed of Delivery

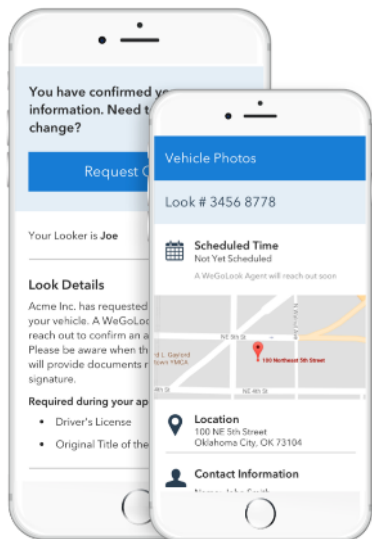
Powered by digitization, best-in-class quality and industry-leading claims expertise, Crawford's customer-centric claims solutions deliver rapid, accurate claim resolution to reduce costs and improve your customer's experience



# Delivering Customer Satisfaction Through Speed and Technology



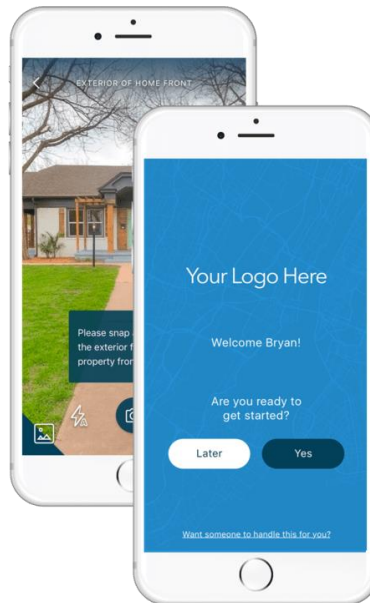
OnSite contact web app



Looker app



YouGoLook self-service app



# Crawford Digital Assist

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Order Crawford services and solutions in the US quickly and easily on the web



## POLICYHOLDER SELF SERVICE

Policyholders submit images & information via self-service apps.

- Self-service inspection
- 3D property scan



## ON-DEMAND SERVICES

Instantly connect with resources to gather images & information from the field.

- Ladder assist
- Roof inspection
- 3D property scan



## CONTRACTOR SERVICES

Take claims all the way to finished repair through Contractor Connection.

- Emergency services
- Managed repair



## ADJUSTER SERVICES

Tap into our vast network of licensed adjusters & other agents.

- Appraisal (Property/Auto)
- Adjustment
- Contents



## EXPERT SERVICES

For specialized support, Crawford has you covered.

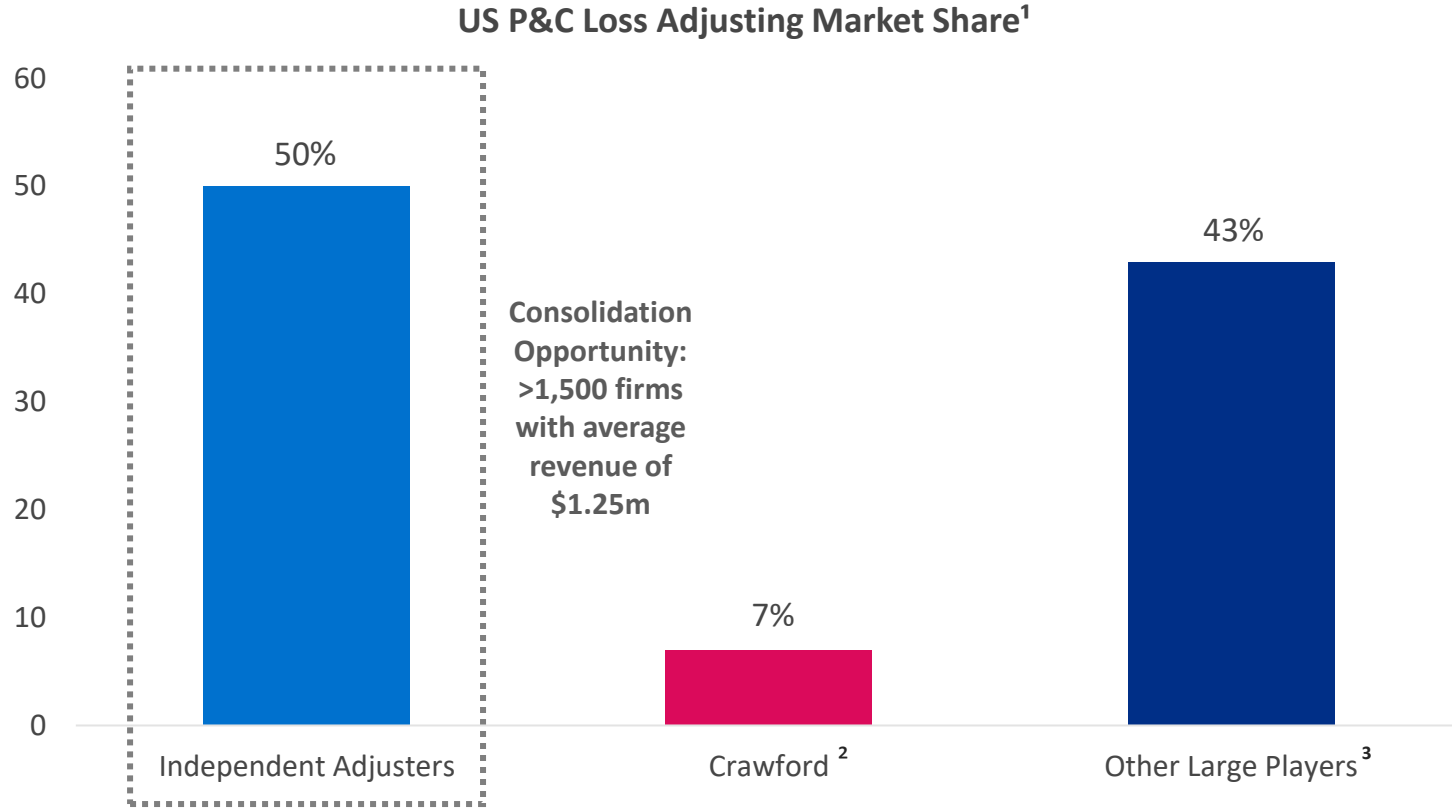
- Building consultancy
- Forensic accounting

A photograph of two hands shaking in a firm grip, symbolizing a business deal or agreement. The image is partially covered by a large, semi-circular blue overlay on the left side. The background is blurred, showing what appears to be an office or business setting with warm lighting.

# Growth Strategy

# Fragmented Market Presents Consolidation Opportunities

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(1) Based on \$4 billion TAM Estimate, Stoneridge, IBIS World: Crawford Internal Estimates; Figures are approximate

(2) U.S. revenues of Loss Adjusting and Networks

(3) >\$100mn in revenues

# M&A Strategy

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Quality



Expertise



Digital

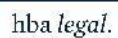
Acquire ancillary services to bolster presence in property claim ecosystem

Bolster technical capabilities by attracting top-tier technical adjusting talent globally

Consolidate fragmented independent loss adjusting market in the U.S.

Increase presence in rapidly growing P&C insurance markets with strong outsourced claims processing tailwinds

# M&A Timeline



<b>Contractor Connection</b>	Acquisition	1999	Created the industry leader in managed repair solutions
<b>Broadspire</b>	Acquisition	2006	Supported our mission of becoming the leading third-party administrator in all segments of the market for casualty claims program administration
<b>GAB Robins UK</b>	Acquisition	2014	Expanded our claims management offering in the UK and bolstered our specialty lines claims services globally
<b>WeGoLook</b>	Acquisition	2017	Propelled us to the forefront of the industry and transformed the way we conduct business while accelerating our alternative platform to traditional loss adjusting services
<b>Garden City Group</b>	Divestiture	2018	Sale further concentrated our attention and resources on our high-growth business segments while enhancing the overall predictability and quality of earnings
<b>Lloyd Warwick International (LWI)</b>	Divestiture	2020	Sale allowed Crawford to simplify its loss adjusting brand structure
<b>HBA Group</b>	Acquisition	2020	Expanded Crawford's legal service capabilities in Australia
<b>Crawford Carvallo</b>	Acquisition	2020	Expanded Crawford's footprint in Latin America

# Strategic M&A Supports Growth

## Reinvigorated M&A Pipeline

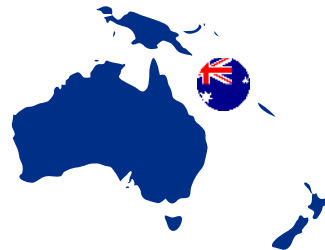
### Crawford Carvallo

- Acquired Crawford Carvallo in October 2020, recognized as the market leader in loss adjusting, claims management solutions and legal services in Chile
- Identified synergies and regional business development opportunities which will further enhance Crawford's client offerings and increase our technical expertise in Latin America
- Crawford is now the largest loss adjusting company in Latin America



### HBA Group

- Acquired HBA Group in November 2020, a legal services provider which will complement the Crawford TPA Solutions segment in Australia and the larger Asian region
- The acquisition is anticipated to serve as a legal services growth platform
- Positioned Crawford Legal Services to become a local leading legal services partner to clients across Australia



Further extending our global footprint through a disciplined M&A strategy

# “Acquihire” Case Study: Penta

**Investment Thesis:** To enhance the service scope and market position in an important Tier II country by ‘acqui-hiring’ credible and experienced GTS adjuster talent

## Penetrate GTS Market in Belgium

- Solidify position in the competitor landscape comprised of three big players (Crawford, Sedgwick, DP Service) in a fragmented market

## Onboard GTS Talent

- With ten experienced GTS adjusters, Crawford will create an entry point into the GTS segment

## Provide Comprehensive Service Offering

- Allows Crawford to provide a comprehensive service offering to carriers and corporations for their large and complex losses

## Adding Global Service Line

- Adding GTS services will diversify the TPA: Broadspire only offering in Belgium

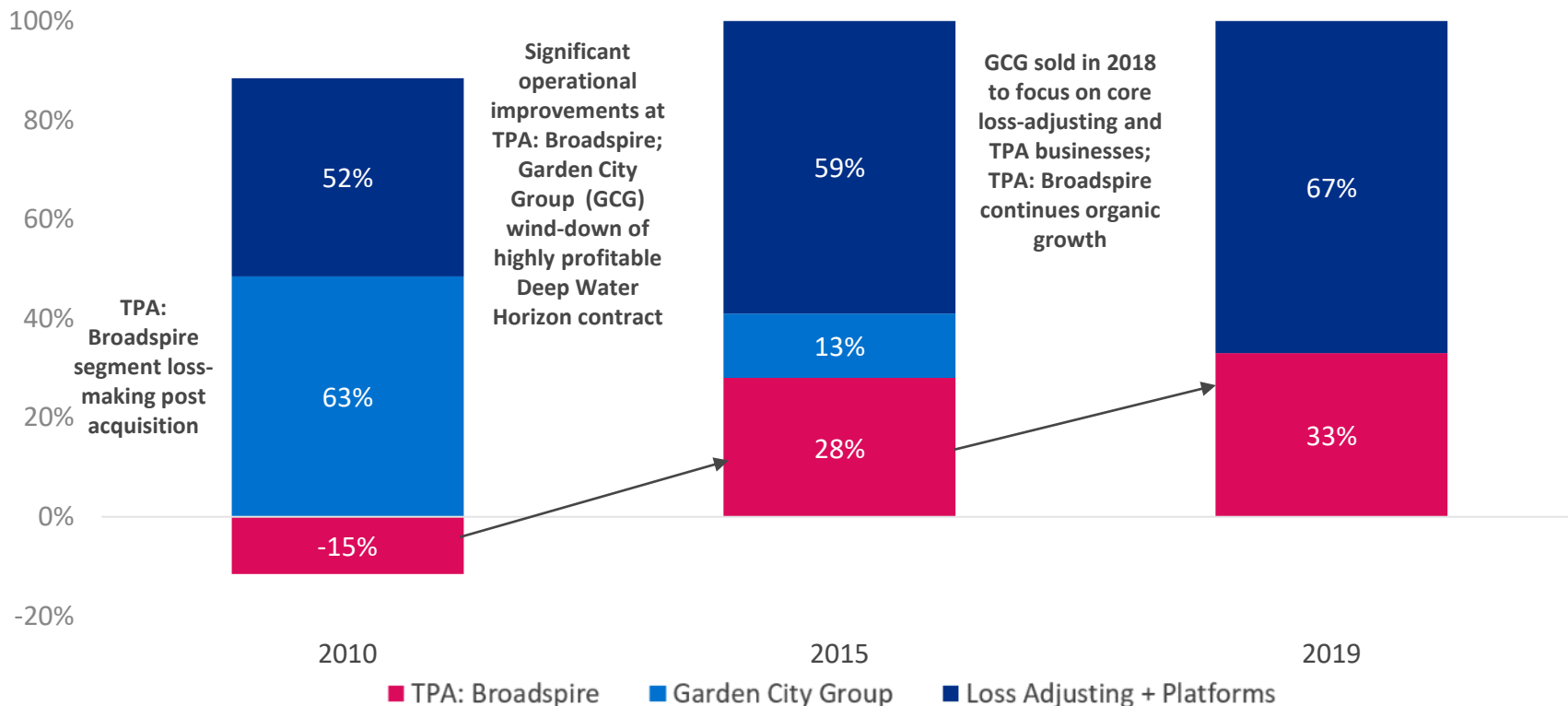


The background of the slide is a complex, layered image representing financial markets. It features a dark blue color scheme with various financial data elements. In the foreground, there are several overlapping charts: a candlestick chart on the right side, a line graph with multiple white lines showing trends, and a bar chart at the bottom right. The background is filled with numerous numerical values in white and light blue, some of which are partially obscured by the charts. These numbers include large integers like 17,104,000, 2,610,399, and 1,131,200, as well as smaller values like 0.98, 0.00, and 0.43. The overall effect is one of a busy, data-driven financial environment.

# Financial Overview

# Improvement in Quality of Earnings and Business Mix

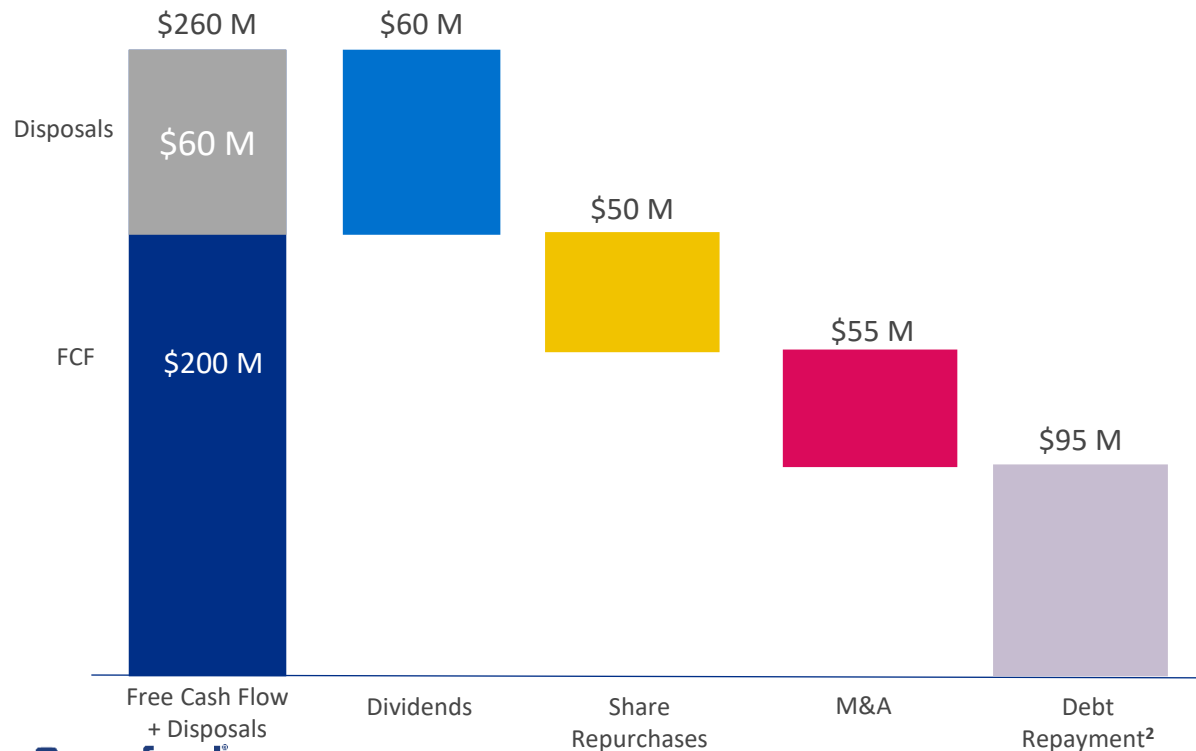
Crawford Operating Earnings Business Mix\*  
(2010-2019)



# Disciplined Capital Allocation

Focused on driving long-term value through our capital allocation strategy

## Capital Allocation 2016 – 2020<sup>1</sup>

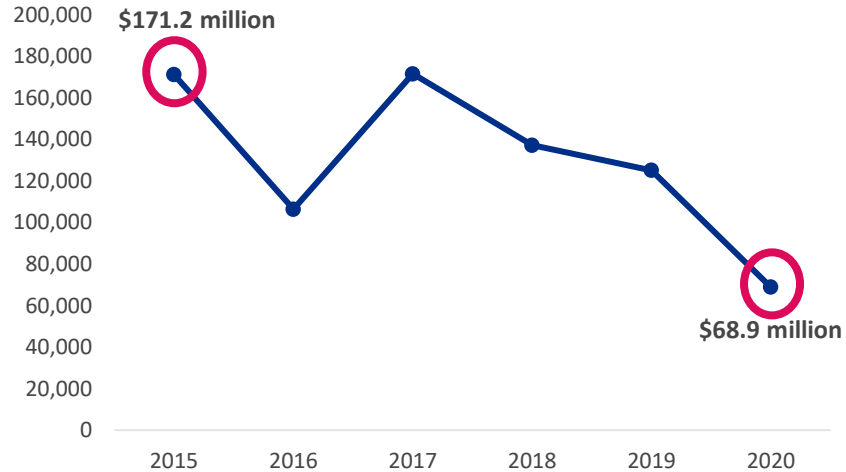


## Capital Allocation Highlights

- Built strong cash generation
- Continued to deliver value to shareholders in the form of dividends
- Bought back about \$50 million of CRD-A and CRD-B shares combined
- Reduced leverage meaningfully
- Reinvigorated our M&A pipeline

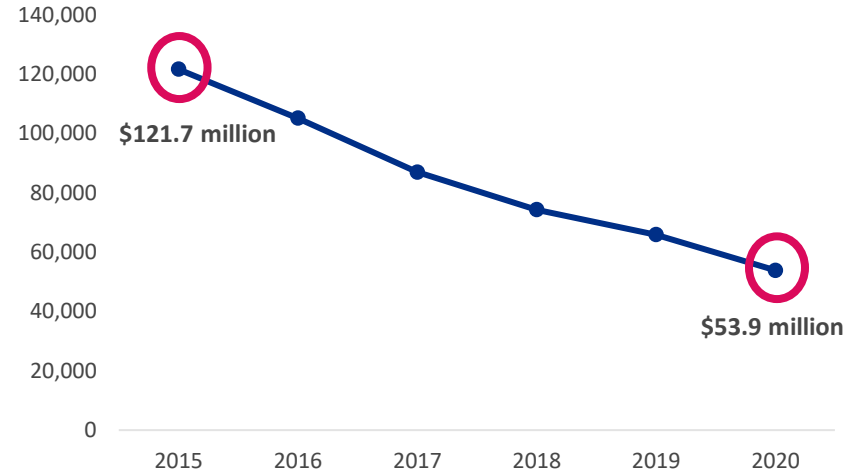
# Net Debt and Pension Liability

## Net Debt<sup>1</sup>



**Net debt at \$68.9 million,  
the lowest level since 2013**

## Pension Liability<sup>1</sup>



**Pension liability at \$53.9 million,  
the lowest level since before the Financial Crisis**

# Environmental, Social and Governance



# Environmental, Social and Governance

Crawford is committed to addressing those ESG factors most material to our operations

Data Privacy &  
Security



Human Capital  
Management &  
Diversity



Professional Integrity  
& Corporate  
Governance



Environmental  
Stewardship



**Continuing to look for opportunities across our enterprise to become more socially responsible and are increasingly integrating ESG best practices into our operations**

# Environmental, Social and Governance

Crawford believes in giving back to the communities we serve and responsibly stewarding our resources



## **Inclusion and Diversity**

Established Employee Resource Groups and an Employee Advisory Council aligned with our purpose to foster a safe and inclusive working environment, where employees can bring their authentic selves to work and offer unique experiences and perspectives



## **Human Capital Development**

Promote an environment where employees are empowered to grow, emboldened to act, and inspired to innovate through internal programs and initiatives



## **Environment**

Ensure processes are efficient and sustainable, and incorporate sustainability criteria into purchasing policies



## **Community Involvement**

Give back to the communities we serve and responsibly steward our resources through donations to causes aligned with our purpose



## **Corporate Governance**

Committed to good corporate governance and maintaining the trust of our investors and other stakeholders, including our employees, clients and vendors



# Inclusion and Diversity



## Employee Advisory Council

This council aligns with our mission to foster a safe and inclusive working environment where employees can bring their authentic selves to work and offer unique experiences and perspectives.



## Unconscious bias awareness

We are committed to eliminating bias and enabling change within our workplace through a three-step approach to educate, empathise and engage. We have launched unconscious bias webinars for all managers and employees in the U.S. and U.K., as well as virtual training in Australia, and are planning for roll out in other regions.



## Membership in the Business Insurance Diversity and Inclusion Institute

The organisation is dedicated to promoting and advancing diversity and inclusion in every facet of the commercial insurance industry.



## I&D in our communities

To address our local geographies and communities, we have formed a Global Inclusion & Diversity Council by seeking nominations for representatives across our organisation to ensure I&D efforts are instituted.

Crawford employees across the globe receive benefit programs that support financial, physical and mental wellness. These programs may include:



Free Membership to Headspace (<https://www.headspace.com/>) which provides life changing skills of meditation and mindfulness through simple exercises and expert guidance.



Compensation and incentive plans that recognise performance excellence.



Employee Stock Purchase Plan (ESPP) for full time employees across the U.S., Canada, U.K. and Australia.



Flexible working arrangements to support working parents and to help employees maintain a healthy work-life balance.



In addition, the Crawford Cares, Inc. foundation lends support to Crawford employees affected by catastrophes or unexpected events or losses. Crawford has provided financial assistance to hundreds of employees affected by hurricanes and wildfires, suffering from catastrophic illnesses or injuries, coping with the loss of loved ones, and more. Using these funds, employees are able to offset many unexpected costs including property repair, food, clothing, temporary housing, and funeral expenses.

# Training and Engagement

## Training and Education

From its inception, Crawford has led the industry in state-of-the-art training programs that continue to this day through Crawford Educational Services (CES). Crawford offers over 300 hours of courses through its online learning management platform, KMC OnDemand, in addition to in-person seminars, workshops, and even an annual leadership intensive through Emory University. Additionally, Crawford provides tuition reimbursement for those currently enrolled or planning to continue higher education.

## Employee Engagement

To monitor employee satisfaction and engagement, Crawford conducts employee PULSE surveys twice (2x) per year. Out of the over 70% of employees who complete these surveys on average, the feedback received remains positive, further demonstrating our commitment to preserving the morale of our global workforce.

### 300 hours

of online courses



in-person seminars  
and workshops



an annual  
leadership intensive



tuition reimbursement

A photograph of a flooded urban street. In the foreground, several large white sandbags are piled up on a curb. In the background, a flooded road reflects the sky and surrounding trees. Two workers in orange safety gear are visible in the distance, wading through the water. The image is partially covered by a blue semi-transparent overlay on the left side.

# Global Service Lines: Loss Adjusting

# Crawford Loss Adjusting

For clients seeking to increase policyholder satisfaction across the full spectrum of loss adjusting needs, Crawford is the one-stop-shop delivering efficiency and savings through unmatched experience, specialized expertise and digitally-enabled solutions.



Clients	Scope & Scale	Strategy
<ul style="list-style-type: none"> <li>• Carriers of all sizes</li> <li>• MGAs</li> <li>• Lloyds</li> <li>• Brokers</li> <li>• Corporations</li> </ul>	<ul style="list-style-type: none"> <li>• Claims sizes vary from \$500 - \$5B+</li> <li>• ~315K Claims managed annually, \$10B+ indemnity dollars</li> <li>• Nearly 2,500 claims professionals</li> <li>• 700+ executive general adjusters with an average of 25 years of experience</li> </ul>	<p>Gain market share through digital simplification, setting quality benchmarks and investing in expertise</p>

# Complex Claims Loss Adjusting

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**Expertise Focused**

**Time & Expense Billing  
Model**

**World's Largest Technical  
Adjuster Network**

**Recession-Resistant**

## **Product Areas**

---

Complex Property

---

Forensic Accounting CFAS

---

Construction

---

Marine

---

Engineering

---

Casualty

---

Cyber & Technology

---

Aviation

---

Oil & Energy

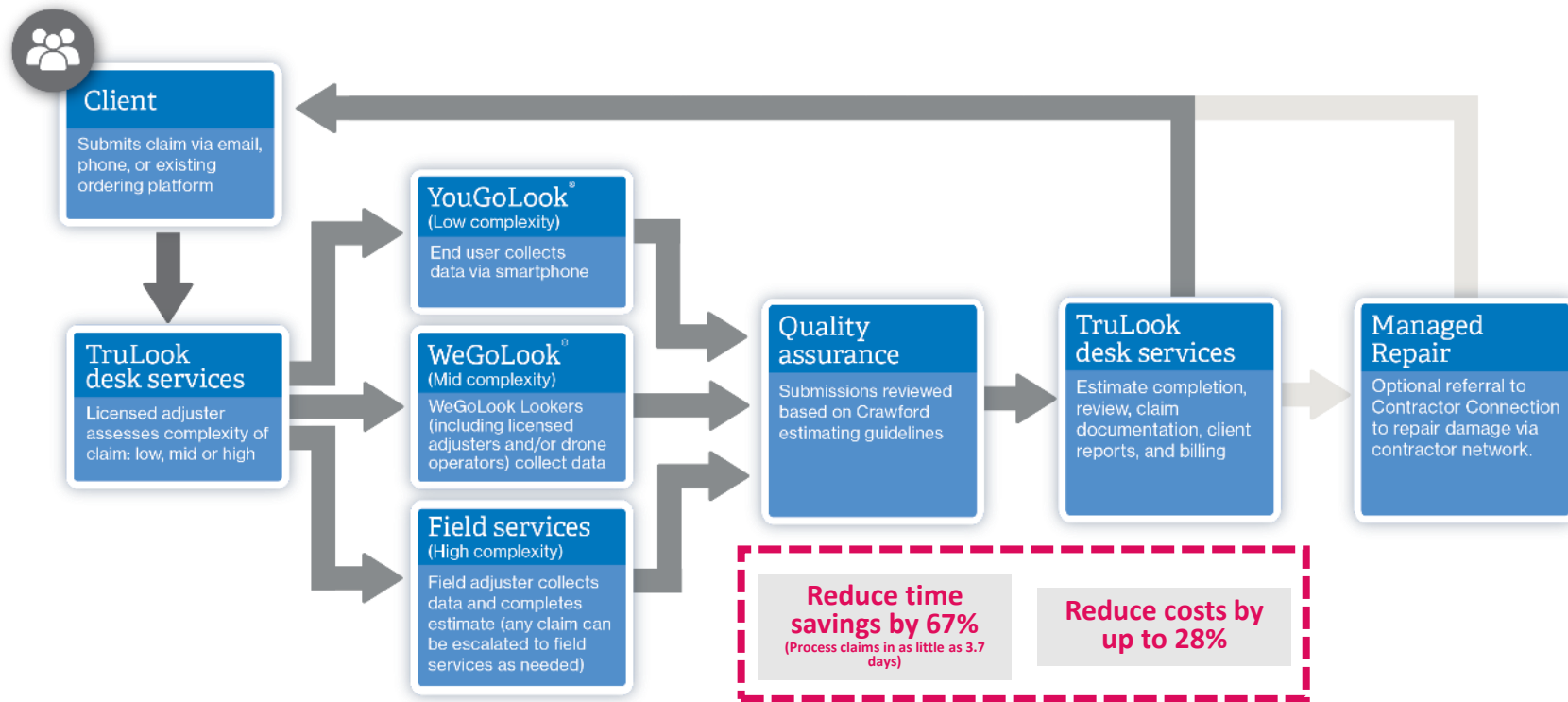
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Agriculture

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# Triage Model Reduces Adjusting Time and Costs

Reduce cost and accelerate time in process with end-to-end handling of self-service, on-demand, and field adjusting needs



# Outsourced Claims Advantage

## Case Study: A Vineyard impacted by the California wildfires

### Background

- The 2017 California wildfires approached an unprecedented \$12 billion of insured losses
- A historic number of fires burned over 500,000 acres causing damage to almost 30 wineries in Napa, Sonoma and Mendocino

### The Value of Utilizing Crawford's Methodology

- In this case, a California vineyard initially claimed 60 acres as a total loss
- While vineyards may appear damaged beyond salvageability, it takes time to determine whether grapes can grow from scorched vines
- An expert from Crawford's global network, a sought-after vineyard and soil science consultant, assisted with vine assessment and the determination of the vineyard's damages
- Through Crawford's assistance, it was established that 69% of the vineyard was salvageable, with normal production and growth expected

### Savings for the Insurer

- The average cost for this region to replant a vineyard acre is between \$50,000 and \$60,000
- With the initial assessment, the potential payout stood to be as high as \$1.3 million
- Crawford's expert testing methodology unveiled a loss of only 31% of the initial claim—a payout of approximately \$300,000, representing an approximate \$1 million in savings



# Belmond (UK) Limited

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## Leveraging Crawford's integrated solutions

### Background

- Belmond La Samanna and Belmond Cap Juluca were left devastated by the powerful hurricanes of 2017
- Strong winds and sea surges caused significant property damage and interrupted business
- As major employers in the local community, the resorts needed to be restored as soon as possible

### Identifying and Implementing a Solution

- With a deep expertise in helping the hospitality industry and handling large-scale complex claims following weather-related catastrophes, Crawford Global Technical Services™ introduced the specialist skills of Crawford Forensic Accounting Services and WeGoLook
- During a time when communication was difficult, the drone capabilities of WeGoLook captured footage of the resort properties the day after they were struck by the hurricanes
- Crawford's findings made Belmond immediately aware of the scale of the losses and the resources needed to restore the properties

### Return to Business

- Crawford's Global Technical Services adjuster managed all the parties involved to provide support and guidance throughout the claim
- With Crawford's support, Belmond received a swift settlement of insurance claims
- Both luxury resorts were able to re-open in 2018



A background image showing a business meeting. Two people are shaking hands over a table. On the table are documents, a tablet, and a pen. In the background, there is a potted plant and a yellow chair. A large blue semi-circle is overlaid on the left side of the image.

# Global Service Lines: Platform Solutions

# Crawford Platform Solutions

For clients looking for speed, cost savings, customer satisfaction and quality through end-to-end digitized solutions, Crawford Platform Solutions is reimagining claims management by uniquely architecting networks, technology and Insurtech innovations.



Managed Repair



Adjuster Referral



Emergency Services



Direct to Consumer



Affinity



Catastrophe Response



Notary Service &  
Document  
Retrieval



Desk  
Operations



Roof Inspections  
& Ladder Assist



Drone  
Inspections



Technology  
Innovations



Digital  
FNOL\*



On-Demand  
Services



Temporary  
Staffing

Clients	Scope & Scale	Value Proposition
<ul style="list-style-type: none"> <li>Carriers</li> <li>Corporates</li> <li>Risk Managers and Brokers</li> </ul>	<ul style="list-style-type: none"> <li>5,500 General/Specialty Contractors</li> <li>\$3B total managed repair project costs</li> <li>45,000 on demand resources</li> <li>7,000+ licensed and trained catastrophe resources</li> <li>175,000+ claim calls handled</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing the customer experience and optimizing claim expense through digitally enabled solutions providing end to end claims processing that set the benchmarks for quality and expertise</li> </ul>

# Crawford Platform Solutions

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From FNOL to finished repair, our commitment is to provide digitized claim platforms that reimagine and simplify the claims process resulting in elevated customer experience outcomes



Digital X



IoT



RPA



Escape of Water



Alexa



Job Track



Asservio



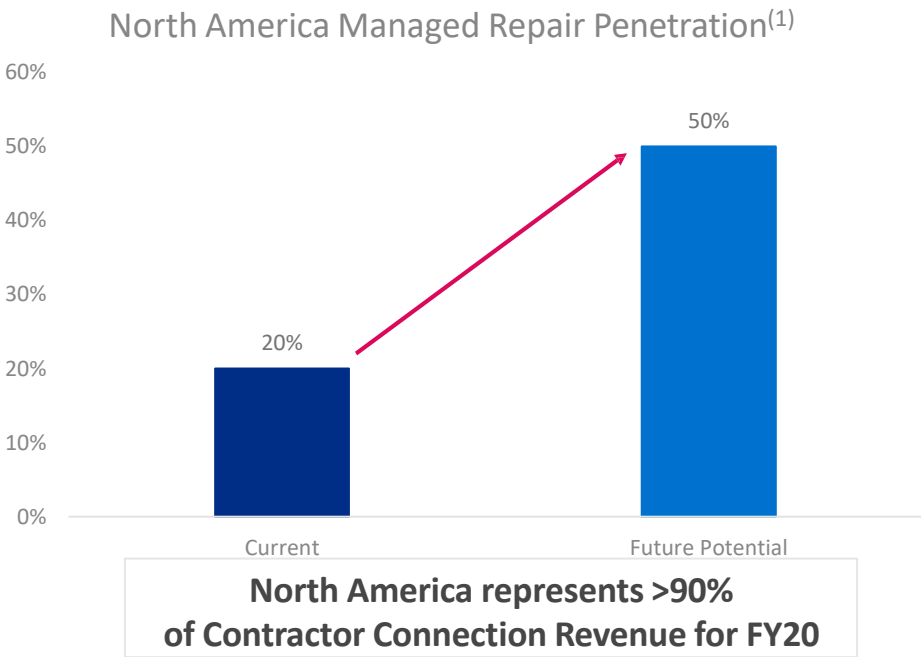
Renovo

Digital FNOL	Digital Assist	Digital Desk*	Asservio
<ul style="list-style-type: none"> <li>Digital claim intake process</li> <li>Increased scale &amp; efficiency in claim capture</li> <li>Omni-Channel approach: Web, SMS, Alexa, IoT sensors</li> </ul>	<ul style="list-style-type: none"> <li>Assisted self-service (YouGoLook)*</li> <li>On-demand field inspection services (ladder assist / interior)</li> <li>Drone capture</li> <li>Traditional Loss Adjusting Services</li> <li>Building Consultancy/Forensic Accounting Expertise</li> </ul>	<ul style="list-style-type: none"> <li>End to end digital desk claims management</li> <li>Smart triage claim segmentation</li> <li>Empower claim segmentation and channeling</li> <li>Crawford internal Digital Desk solution</li> <li>Client Virtual Desk option – SaaS model*</li> </ul>	<ul style="list-style-type: none"> <li>Digital automated estimate review</li> <li>Integrated with leading estimating platform</li> <li>Embedded in Crawford Loss Adjusting and Contractor Managed Repair</li> <li>Available for carrier licensing**</li> </ul>

# Contractor Connection: Total Addressable Market

Market and Competitive Dynamics
Carrier use of Managed Repair Program in North America could rise to above 50% in 10 years
Increased interest in contractor managed repair for large, mid and small-sized carriers
Success of Managed Repair Program attracting investment in network solutions
Managed repair favorably addresses carrier loss ratio
Rising customer experience expectations
Demand for transparency and data analytics

## Managed Repair Has Significant Growth Headroom



# Competitive Landscape



# Contractor Connection Customer Experiences

Improving the claims experience and delighting customers

- Reduce time-in-process through innovative on-demand services and new technologies
- Delight customers with an intuitive self-service experience with personal assistance when needed
- Improve speed and efficiency through connected ordering platforms
- Support customers all the way to finished repair
- Improve transparency and job accountability

- Deep engagement with JD Powers to continually innovate and improve customer satisfaction
- Annual review of JD Powers claim study with entire business to evaluate areas for growth



Contractor Connection has been recognized by J.D. Power by providing "An Outstanding Customer Service Experience" for Phone support.



# Global Service Lines: TPA: Broadspire

# Crawford TPA: Broadspire

For companies looking to enhance the claims experience and drive quantifiable savings, TPA: Broadspire is the third party administrator that delivers client-centric integrated outsourced solutions powered by innovation and data science.



Workers  
Compensation



Auto/  
Motor



General  
Liability



Medical  
Management



Legal Services/  
Recoveries



Disability  
& Leave



Product  
Liability &  
Recall



Accident  
& Health



Employers  
Liability



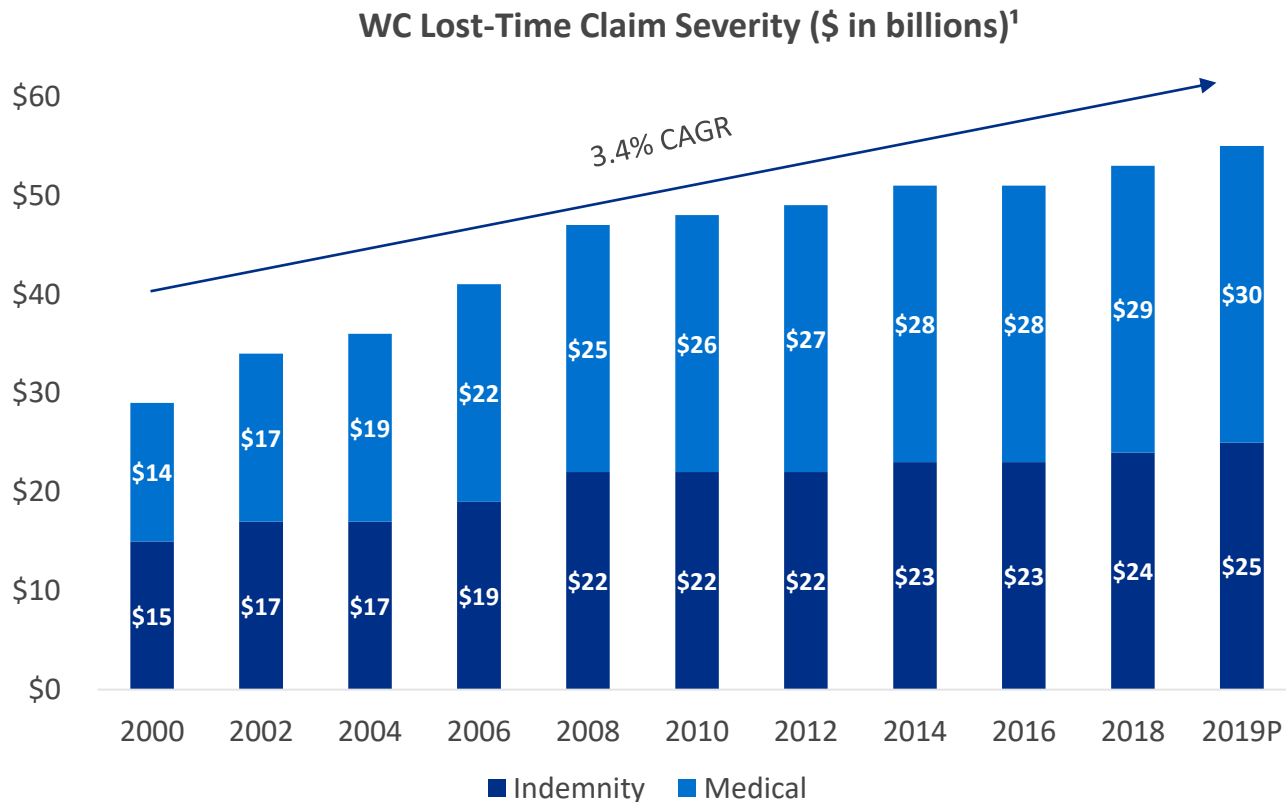
Affinity/  
Warranty



Technology  
Solutions

Clients	Scope & Scale	Strategy
<ul style="list-style-type: none"> <li>Corporations, municipalities</li> <li>MGAs, Program Managers, Captives</li> <li>Carriers of all sizes</li> </ul>	<ul style="list-style-type: none"> <li>50%+ U.S. Fortune 250 corporations served</li> <li>\$1.0B Managed medical spend</li> <li>\$3.3B Claims Paid</li> <li>813,000 Claims Managed</li> </ul>	<p>Strengthen differentiation through product innovation, digitization and scaling</p>

# Workers Comp Claim Severity Rising



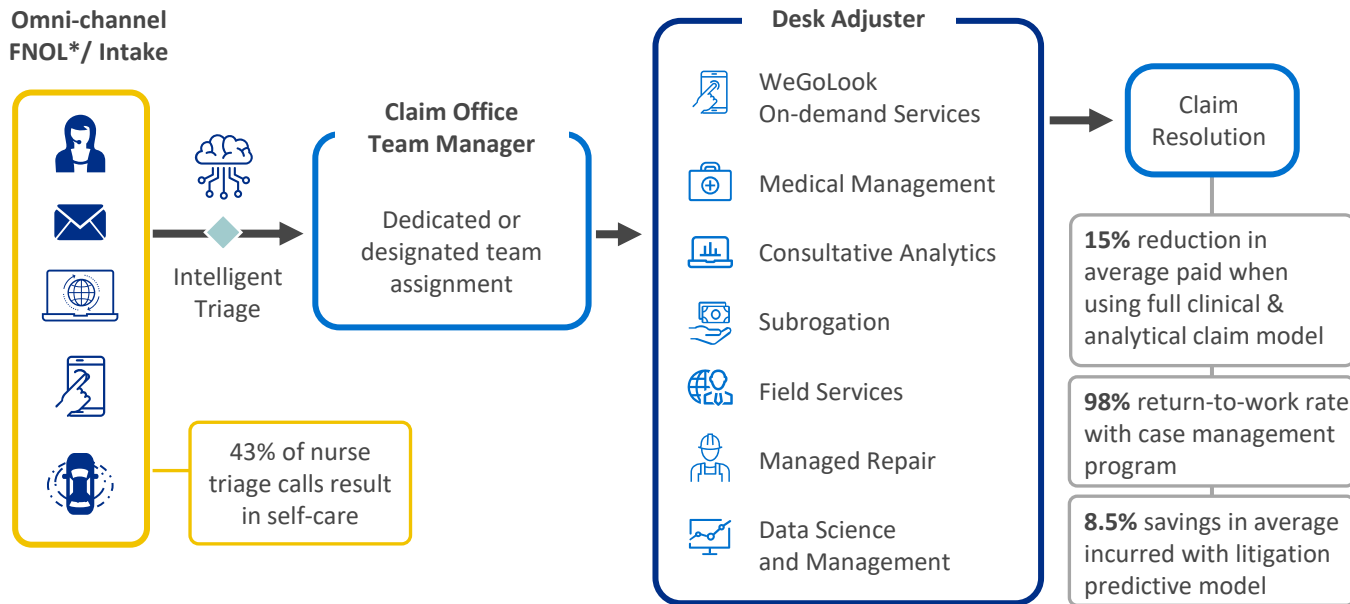
## Strong Customer Relationships

A recent study by Hynes Associates found that **95% of TPAs report client retention rates in excess of five years.**

Approximately 50% of those surveyed indicated the client tenure was five to nine years with the remainder of those ranging from 10 to 20 years.

# Streamlined Approach to Casualty Claim Solutions

From Intake, claims are routed to the appropriate claim office by line of business and jurisdiction



Integrated analytics: Predictive modeling | Consolidated Stewardship Reporting  
Account Manager Oversight | Performance Management Processes | Executive Accountability

# 99 Cents Only Stores

## Background

- 99 Cents Only Stores is a deep-discount retailer with more than 350 stores in four states
- As a retailer with over 17,000 employees, 99 Cents Only Stores struggled to manage the large number of employee injuries caused by overexertion, repetitive strain, slips and falls, and cuts or breaks

## Utilizing Real World Experience Backed by Data and Analytics

- Crawford's TPA: Broadspire brand partnered with broker Beecher Carlson, implementing a series of programs that helped:
  - Mitigate the frequency and severity of claims
  - Reduce claim duration
  - Lower costs
- 99 Cents Only Stores not only leveraged TPA: Broadspire's retail claims expertise, but their capabilities in medical management, enabling them to treat many of the injuries before they became open claims

## Improved Efficiency and Cost Reduction

- TPA: Broadspire partnered with broker Beecher Carlson to revamp and enhance the retailer's safety and workers compensation programs resulting in:
  - Total cost reduction of over \$18 million
  - A reduction of 52% in lost time days and 44% drop in total incurred since 2016
  - 46% drop in the number of open claims
  - 42% drop in outstanding reserves



A photograph of two people shaking hands, with a large blue semi-circular overlay on the left side of the image. The handshake is the central focus, with one person wearing a blue suit and the other a white shirt. The background is blurred, showing an office or business setting.

# Conclusion

# Why Invest in Crawford?

Crawford's leading market position in an evolving landscape provides a compelling investment narrative



Experienced leadership team averaging 30 years of experience in our field



Secular tailwinds provided from continued growth in large loss claims



Investing in digitization as a point of differentiation and driver of growth



Well-positioned to benefit from a fragmented and consolidating market



Long-term commitment to generating shareholder value



Balance sheet strength and stability provides strategic optionality



Committed to the integration of ESG best practices across our operations

## Employee Health & Safety

Protect our workforce first and foremost



## Customer Excellence

Provide best-in-class service to our clients regardless of the global environment



## Brands, Relationships & Differentiation

Maintain industry leadership through our innovations and market leading solutions



## Future Growth

Deliver superior results for our shareholders



A photograph of a person in a dark shirt pointing at a computer monitor. The monitor displays a line graph with multiple data series. In the foreground, another person's hand is visible, resting on a desk. The desk also has a keyboard, a coffee cup, and some papers. A large blue semi-circular graphic is overlaid on the left side of the image, containing the text.

# Appendix A:

## Full Year 2020 Consolidated Financial Results

# Full Year 2020 Financial Summary

(\$ in millions, except per share amounts)	Year Ended		% Change
	December 31, 2020	December 31, 2019	
Revenues	<b>\$982.5</b>	\$1,005.8	(2%)
Net Income Attributable to Shareholders of Crawford & Company	<b>\$28.3</b>	\$12.5	127%
Diluted Earnings per Share			
CRD-A	<b>\$0.54</b>	\$0.26	108%
CRD-B	<b>\$0.52</b>	\$0.19	174%
Non-GAAP Diluted Earnings per Share <sup>1</sup>			
CRD-A	<b>\$0.86</b>	\$0.87	(1%)
CRD-B	<b>\$0.84</b>	\$0.79	6%
Adjusted Operating Earnings <sup>1</sup>	<b>\$71.8</b>	\$77.6	(7%)
Adjusted Operating Margin <sup>1</sup>	<b>7.3%</b>	7.7%	(40bps)
Adjusted EBITDA <sup>1</sup>	<b>\$104.8</b>	\$112.0	(6%)
Adjusted EBITDA Margin <sup>1</sup>	<b>10.7%</b>	11.1%	(40bps)

# Balance Sheet Highlights

Unaudited (\$ in thousands)	December 31, 2020	December 31, 2019	Change
Cash and cash equivalents	\$ 44,656	\$ 51,802	\$ (7,146)
Accounts receivable, net	123,060	128,217	(5,157)
Unbilled revenues, net	103,528	103,894	(366)
Total receivables	226,588	232,111	(5,523)
Goodwill	66,537	80,642	(14,105)
Intangible assets arising from business acquisitions, net	71,176	75,083	(3,907)
Deferred revenues	51,369	52,368	(999)
Pension liabilities	53,886	65,909	(12,023)
Short-term borrowings and current portion of finance leases	1,837	28,546	(26,709)
Long-term debt, less current portion	111,758	148,408	(36,650)
Total debt	113,595	176,954	(63,359)
Total stockholders' equity attributable to Crawford & Company	186,939	159,317	27,622
Net debt <sup>1</sup>	68,939	125,152	(56,213)

# Operating and Free Cash Flow

For the year to date periods ended December 31,

Unaudited (\$ in thousands)	<u>2020</u>	<u>2019</u>	<u>Change</u>
Net Income Attributable to Shareholders of Crawford & Company	\$ 28,296	\$ 12,485	\$ 15,811
Goodwill Impairment	17,674	17,484	190
Gain on Disposition of Businesses, Net	(13,763)	—	(13,763)
Depreciation and Other Non-Cash Operating Items	34,269	44,703	(10,434)
Billed Receivables Change	5,063	5,922	(859)
Unbilled Receivables Change	(3,762)	5,302	(9,064)
Change in Accrued Compensation, 401K, and Other Payroll	8,295	1,656	6,639
Change in Accrued and Prepaid Income Taxes	9,311	(5,985)	15,296
Other Working Capital Changes	17,250	(5,627)	22,877
U.S. and U.K. Pension Contributions	(9,455)	(724)	(8,731)
Cash Flows from Operating Activities	93,178	75,216	17,962
Property & Equipment Purchases, net	(14,226)	(8,688)	(5,538)
Capitalized Software (internal and external costs)	(23,154)	(12,436)	(10,718)
Free Cash Flow <sup>1</sup>	\$ 55,798	\$ 54,092	\$ 1,706

# Appendix B:

## Global Service Lines



# Crawford Loss Adjusting

<i>(in thousands, except percentages)</i>	Year ended		
	December 31, 2020	December 31, 2019	Variance
Revenues	\$438,491	\$457,484	(4.2%)
Direct expenses	319,638	340,657	(6.2%)
Gross profit	118,853	116,827	1.7%
Indirect expenses	77,749	86,702	(10.3%)
Operating earnings	\$41,104	\$30,125	36.4%
Gross profit margin	27.1%	25.5%	1.6%
Operating margin	9.4%	6.6%	2.8%
Total cases received	337,937	354,852	(4.8%)
Full time equivalent employees	3,327	3,429	(3.0%)

## Highlights

- Launched new digital solutions across all our operations
- Focused on expanding through recruitment of teams and M&A in GTS
- Solid margin expansion during 2020

## Operating Results

### (FY 2020 v. FY 2019)

- Revenues of \$438.5 million versus \$457.5 million
- Gross profit of \$118.9 million versus 116.8 million
- Gross profit margin of 27.1% versus 25.5%
- Operating earnings of \$41.1 million versus \$30.1 million
- Operating margin of 9.4% versus 6.6%

<i>(in thousands, except percentages)</i>	Year ended		
	December 31, 2020	December 31, 2019	Variance
Revenues	\$172,609	\$150,692	14.5%
Direct expenses	128,990	108,748	18.6%
Gross profit	43,619	41,944	4.0%
Indirect expenses	15,969	15,267	4.6%
Operating earnings	\$27,650	\$26,677	3.6%
Gross profit margin	25.3%	27.8%	(2.5%)
Operating margin	16.0%	17.7%	(1.7%)
Total cases received	444,633	422,233	5.3%
Full time equivalent employees	1,086	1,114	(2.5%)

## Highlights

- Launched cutting-edge estimate review platform in Contractor Connection
- Traction with new carrier clients in the US delivered the strongest second half in recent history for Contractor Connection
- Highest ever look volume in 2020 for WeGoLook, driven by improved client uptake
- Strong growth in the Networks business driven by weather activity and increased revenue from two of the top five U.S. insurance carriers

## Operating Results

### (FY 2020 v. FY 2019)

- Revenues of \$172.6 million versus \$150.7 million
- Gross profit of \$43.6 million versus \$41.9 million
- Gross profit margin of 25.3% versus 27.8%
- Operating earnings of \$27.7 million versus \$26.7 million
- Operating margin of 16.0% versus 17.7%

# Crawford TPA: Broadspire

<i>(in thousands, except percentages)</i>	Year ended		
	December 31, 2020	December 31, 2019	Variance
Revenues	<b>\$371,392</b>	\$397,626	(6.6%)
Direct expenses	<b>294,727</b>	308,350	(4.4%)
Gross profit	<b>76,665</b>	89,276	(14.1%)
Indirect expenses	<b>56,158</b>	60,770	(7.6%)
Operating earnings	<b>\$20,507</b>	\$28,506	(28.1%)
Gross profit margin	<b>20.6%</b>	22.5%	(1.9%)
Operating margin	<b>5.5%</b>	7.2%	(1.7%)
Total cases received	<b>779,123</b>	822,691	(5.3%)
Full time equivalent employees	<b>3,128</b>	3,156	(0.9%)

## Highlights

- Ongoing investment in new technologies and client service capabilities
- US client retention for 2020 was 96%
- Focused on digitization and developing integrated solutions for our global clients

## Operating Results

### (FY 2020 v. FY 2019)

- Revenues of \$371.4 million versus \$397.6 million
- Gross profit of \$76.7 million versus \$89.3 million
- Gross profit margin of 20.6% versus 22.5%
- Operating earnings of \$20.5 million versus \$28.5 million
- Operating margin of 5.5% versus 7.2%

# Appendix C:

## Non-GAAP Financial Information



# 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, goodwill impairment, certain tax valuation allowances, restructuring and other costs, arbitration and claim settlements, gain on disposition of businesses, income taxes and net income or loss attributable to noncontrolling interests.

# Appendix: Non-GAAP Financial Information (cont.)

## **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 attributable to shareholders of the Company with recurring adjustments for depreciation and amortization, net corporate interest expense, income taxes, stock-based compensation expense and foreign exchange fluctuations. Additionally, adjustments for non-recurring expenses for goodwill impairment, certain tax valuation allowances, restructuring and other costs, gain on disposition of businesses, and arbitration and claim settlements have been included in the calculation of adjusted EBITDA. 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**

Included in non-GAAP adjusted measurements as an add back or subtraction to GAAP measurements, are impacts of the goodwill impairment, restructuring and other costs, gain on disposition of businesses, arbitration and claim settlements, and foreign exchange impacts, 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.

# Total Revenues Before Reimbursements by Major Currency

The following table illustrates revenue as a percentage of total revenue in the major currencies of the geographic areas in which Crawford does business:

<i>(in thousands)</i> Geographic Area      Currency		Twelve Months Ended			
		December 31, 2020			December 31, 2019
		USD equivalent	% of total		USD equivalent    % of total
U.S.	USD	\$ 570,822	58.1%		\$ 569,205    56.6%
U.K.	GBP	128,545	13.1%		126,337    12.6%
Canada	CAD	89,163	9.1%		114,438    11.4%
Australia	AUD	73,081	7.4%		70,569    7.0%
Europe	EUR	54,122	5.5%		54,136    5.4%
Rest of World	Various	66,759	6.8%		71,117    7.0%
Total Revenues, before reimbursements		\$ 982,492	100.0%		\$ 1,005,802    100.0%

# Reconciliation of Non-GAAP Items

## Revenues, Costs of Services Provided, and Operating Earnings

### Unaudited (\$ in thousands)

#### Revenues Before Reimbursements

Total Revenues

Reimbursements

Revenues Before Reimbursements

#### Costs of Services Provided, Before Reimbursements

Total Costs of Services

Reimbursements

Costs of Services Provided, Before Reimbursements

### Unaudited (\$ in thousands)

#### Operating Earnings:

Crawford Loss Adjusting

Crawford Platform Solutions

Crawford TPA Solutions

Unallocated corporate and shared costs and credits, net

#### Consolidated Operating Earnings

(Deduct) Add:

Net corporate interest expense

Stock option expense

Amortization expense

Restructuring and other costs

Goodwill impairment

Gain/(Loss) on disposal of businesses, net

Arbitration and claim settlement

Income tax provision

Net (income) loss attributable to noncontrolling interests and redeemable noncontrolling interests

**Net Income Attributable to Shareholders of Crawford & Company**

Year Ended December 31, 2020	Year Ended December 31, 2019
\$ 1,016,195	\$ 1,047,627
(33,703)	(41,825)
<b>982,492</b>	<b>1,005,802</b>
737,320	752,773
(33,703)	(41,825)
<b>\$ 703,617</b>	<b>\$ 710,948</b>
Year Ended December 31, 2020	Year Ended December 31, 2019
\$ 41,104	\$ 30,125
27,650	26,677
20,507	28,506
(17,431)	(7,699)
<b>71,830</b>	<b>77,609</b>
(7,923)	(10,774)
(1,122)	(1,885)
(11,653)	(11,277)
(8,133)	—
(17,674)	(17,484)
13,763	—
—	(12,552)
(12,013)	(14,111)
1,221	2,959
<b>\$ 28,296</b>	<b>\$ 12,485</b>

# Reconciliation of Non-GAAP Items (cont.)

## Adjusted EBITDA

Unaudited (\$ in thousands)	Year Ended	
	December 31, 2020	December 31, 2019
<b>Net income (loss) attributable to shareholders of Crawford &amp; Company</b>	<b>\$ 28,296</b>	<b>\$ 12,485</b>
Add:		
Depreciation and amortization	40,111	40,513
Stock-based compensation	4,384	14,109
Net corporate interest expense	7,923	10,774
Restructuring and other costs	8,133	—
Goodwill impairment	17,674	17,484
Arbitration and claim settlements	—	12,552
Gain on disposition of businesses, net	(13,763)	—
Tax valuation allowances	—	1,991
Income tax provision	12,013	12,120
<b>Adjusted EBITDA</b>	<b>\$ 104,771</b>	<b>\$ 112,028</b>

# Reconciliation of Non-GAAP Items (cont.)

## Net Debt

Unaudited (\$ in thousands)

### Net Debt

Short-term borrowings

Current installments of finance leases and other obligations

Long-term debt and finance leases, less current installments

Total debt

Less:

Cash and cash equivalents

Net debt

	December 31, 2020	December 31, 2019
\$	1,570	\$ 28,531
	267	15
	111,758	148,408
	113,595	176,954
	44,656	51,802
\$	68,939	\$ 125,152

# Reconciliation of Non-GAAP Items (cont.)

## Segment Gross Profit

(\$ in thousands)

Segment gross profit:

Crawford Loss Adjusting  
Crawford Platform Solutions  
Crawford TPA Solutions

Segment gross profit

Segment indirect costs:

Crawford Loss Adjusting  
Crawford Platform Solutions  
Crawford TPA Solutions  
Unallocated corporate and shared costs, net

Consolidated operating earnings

Net corporate interest expense  
Stock option expense  
Amortization expense  
Restructuring and other costs  
Goodwill impairment  
Arbitration and claim settlements  
Gain on disposition of businesses, net  
Income tax provision  
Net (income) loss attributable to noncontrolling interests and redeemable noncontrolling interests

Net income attributable to shareholders of Crawford & Company

	Year ended	
	December 31, 2020	December 31, 2019
\$		
	118,853	\$ 116,827
	43,619	41,944
	76,665	89,276
	<b>239,137</b>	<b>248,047</b>
	(77,749)	(86,702)
	(15,969)	(15,267)
	(56,158)	(60,770)
	(17,431)	(7,699)
	<b>71,830</b>	<b>77,609</b>
	(7,923)	(10,774)
	(1,122)	(1,885)
	(11,653)	(11,277)
	(8,133)	—
	(17,674)	(17,484)
	—	(12,552)
	13,763	—
	(12,013)	(14,111)
	1,221	2,959
\$	<b>28,296</b>	<b>\$ 12,485</b>

# Reconciliation of Full Year Non-GAAP Results

## Year Ended December 31, 2020

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	\$ 982,492	\$ 71,830	\$ 39,088	\$ 28,296	\$ 0.54	\$ 0.52
Adjustments:						
Amortization of Intangible Assets	—	—	11,653	8,740	0.16	0.16
Goodwill impairment	—	—	17,674	14,209	0.27	0.27
Restructuring and other costs, net	—	—	8,133	4,927	0.09	0.09
Gain on disposition of businesses, net	—	—	(13,763)	(10,807)	(0.20)	(0.20)
Non-GAAP Adjusted	<u>\$ 982,492</u>	<u>\$ 71,830</u>	<u>\$ 62,785</u>	<u>\$ 45,365</u>	<u>\$ 0.86</u>	<u>\$ 0.84</u>

## Year Ended December 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	\$ 1,005,802	\$ 77,609	\$ 23,637	\$ 12,485	\$ 0.26	\$ 0.19
Adjustments:						
Amortization of Intangible Assets	—	—	11,277	8,459	0.16	0.15
Goodwill impairment	—	—	17,484	13,057	0.24	0.24
Arbitration and claim settlements	—	—	12,552	9,276	0.17	0.17
Tax valuation allowances	—	—	—	1,991	0.04	0.04
Non-GAAP Adjusted	<u>\$ 1,005,802</u>	<u>\$ 77,609</u>	<u>\$ 64,950</u>	<u>\$ 45,268</u>	<u>\$ 0.87</u>	<u>\$ 0.79</u>

# Appendix D:

## Additional Case Studies

# Quantifiable Impact on Savings & Policyholder Experience

Case Study: Florida Carrier Claim Operations Takeover

## Carrier Requirements



3,500 hurricane claims taken over



Florida, North Carolina & South Carolina  
90% Claim Volume



Reduced cycle time



Reduced claim costs (LAE)

## Impact Drivers



Self-Service



On-Demand



Managed Repair

## Results

**27%**

Reduction in  
Cycle Time

**23%**

Reduction in LAE

**8%**

Estimate Accuracy  
Improvement

**10**

Approximate Days to  
Stand Up Solution

# Dedicated team eliminates quality concerns facing carrier

## Results

**4K+**

claims processed three months after implementation

**90%**

of Hurricane Florence claims closed within 60 days

## Challenge

A large insurance carrier, facing strong regional competition, seeks to address quality issues prompted by depleted resources and disparate pricing.

## Solution

Crawford established a remote office in proximity of the carrier, staffed by a dedicated workforce of adjusters and claims managers. This centralized team enhanced operating procedures, including implementing a central intake and communication channel, which ensured consistent work quality.

# Expediting return-to-work with predictive analytics

## Results

**6%**

reduction in loss pick

**22%**

reduction in open inventory

## Challenge

A national staffing firm was experiencing long claim durations and high numbers of older, open claims. TPA: Broadspire and the client established goals including a 6% reduction in loss pick and a 15% reduction in open inventory.

## Solution

TPA: Broadspire's claims director worked with internal teams to implement predictive modeling as a way to identify claims for faster closure. As a result, the client saw earlier referrals to case management and even surpassed their original, aggressive goals.

# Nurses heal financial burden

## Results

**46%**

reduction in open claims

**50%**

reduction in lost time days

**\$30M**

in savings since partnering  
with Crawford

## Challenge

A national discount retailer was experiencing an unusually high rate of workers compensation claims. If not addressed immediately, the company would suffer significant financial losses putting the business at risk.

## Solution

Crawford leveraged its TPA division, Broadspire, to implement our senior nurse review program to help direct effective medical management relief at key inflection points and identify similar patterns to avoid future injuries.

# High-value quality and efficiency

## Results

**\$1M**

Total cost of repairs

**1 Hour**

On-site emergency response time

**1 day**

Estimate upload time

## Challenge

An electrical fire caused more than \$1M in damage to the home of a high-profile celebrity property owner. There was significant structural and smoke damage throughout the home, and high-value cars and auto lifts were destroyed. The insurance carrier needed a trusted partner to deliver speed, accuracy and world-class customer service from first-notice-of-loss to finished repair.

## Solution

An emergency services contractor completed a site inspection and began work within one hour of receiving the claim. The services included air purification and pack-out of salvageable contents. The extensive cleaning process was completed in a month.

Once cleaning was complete, a credentialed, trusted general contractor was assigned to complete repairs and restore the home to its original condition. A site inspection and estimate was completed the same day the assignment was received, and work to restore the property began within several days.

# Building a superior claims management program

## Results

**\$500K+**

in savings based on new subrogation program

**\$25K+**

in savings from fees associated with claim processing

## Challenge

A large real estate developer, with over 11,000 high-end apartment properties, looks to Crawford to refine their current claims protocols with industry-leading services.

## Solution

Under the guidance of Crawford's Global Technical Services, Crawford quickly identified areas of opportunity by assigning properties with either desk or onsite inspections based on loss parameters. Crawford established a new subrogation process that leveraged a seasoned subrogation law firm to review all potential recovery aspects on property claims reducing the liability risk for the developer. Crawford continues to act as the primary account adjuster for our client.