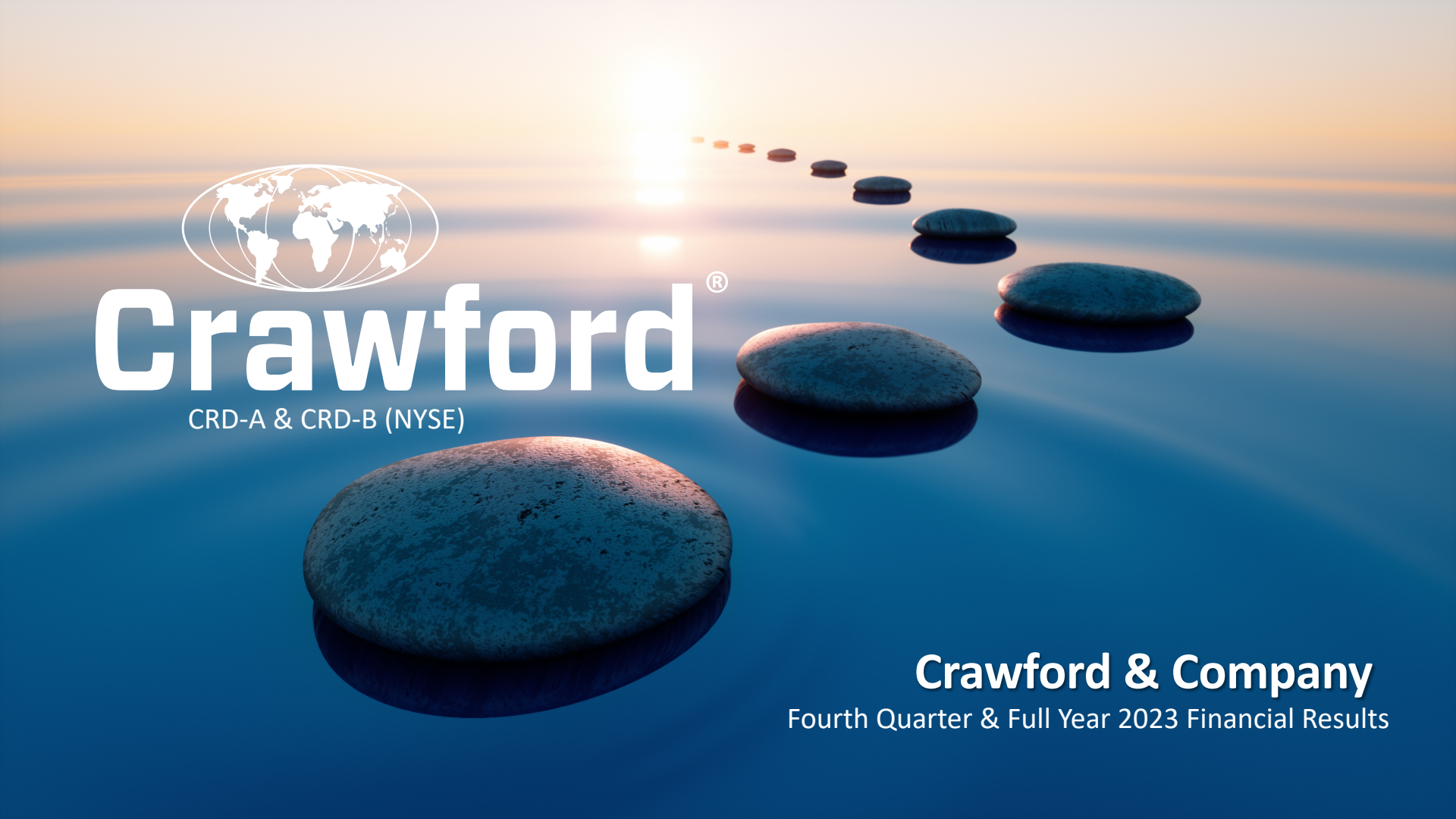

Crawford®
CRD-A & CRD-B (NYSE)
Crawford & Company
Fourth Quarter & Full Year 2023 Financial Results

Forward-Looking Statements & 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 portion of Crawford & Company's website at https://ir.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 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, contingent earnout adjustments, non-service pension costs and credits, goodwill impairment, reserves on certain income tax assets, income taxes and net income or loss attributable to noncontrolling interests.

Earnings Per Share
The Company's two classes of stock are substantially identical, except with respect to voting rights for the Class B Common Stock (CRD-B) and protections for the non-voting Class A Common Stock (CRD-A). More information available on the Company's website.

The two-class method is an earnings allocation method under which earnings per share ("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. As a result, the Company may report different EPS for each class of stock due to the two-class method of computing EPS as required by ASC Topic 260 - "Earnings Per Share".

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.

STRATEGIC UPDATE

Rohit Verma
President & Chief Executive Officer



Global Reach; Trusted Partner

70
Countries

$18B+
Claims Managed Annually

10,000
Employees

50,000
Field Resources



Multiple Growth Drivers Benefitting Crawford



Climate change continues to drive global demand in weather-related claims



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



Gaining market share within **fragmented U.S. independent loss adjusting market**



Growing and strengthening strategic partnerships across business segments

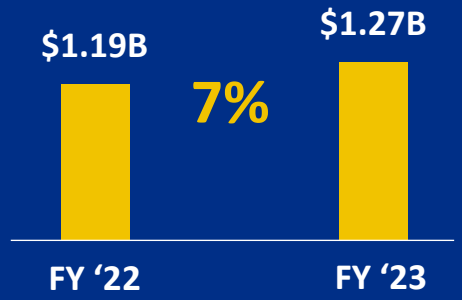


Industry-leading Insurtech capabilities creating significant growth in Platform Solutions segment

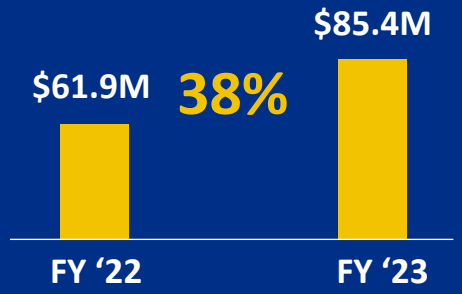
Full Year 2023 Highlights

- Record FY revenue; third consecutive year of both revenue growth and the addition of **more than $100 million in new and enhanced business**
- Operating earnings **up 38%**
- **Margin expansion and improved profitability** in three of our segments
- **Operating cash flow of $100M+** for the year
- **Reduced leverage ratio to 1.6x EBITDA in 2023** from 2.1x EBITDA in 2022
- **Raised quarterly dividend** to $0.07 per share in 3Q23
- **NPS increase** of +8 points to 52

YoY Revenue Growth



YoY Adjusted Operating Earnings Growth*



* See Appendix for non-GAAP explanation and reconciliation

Margin Improvement Strategy Driving Results

1. Align pricing with the value we deliver
2. Aggressively address low productivity pockets
3. Optimize cost structure to current market dynamics
4. Roll out new systems and improved processes for efficiency gains

Full Year 2023 Operating Margin Improved Across Three of Four Business Segments

North America Loss Adjusting	International Operations	Broadspire	Platform Solutions
7.6%	2.9%	11.8%	12.7%
+68 bps	+655 bps	+316 bps	-201 bps

Our Capital Allocation Strategy

Committed to Industry Leading Financial Strength and Employing a Disciplined Approach to Capital Allocation



Investing in long-term growth through Cap Ex and M&A



Net debt reduced by $42M in 2023 Significantly reducing leverage to 1.60x EBITDA



Raised quarterly dividend to $0.07 per share in 3Q23 for CRD-A and CRD-B

Full Year 2023 Revenue Contribution

North America Loss Adjusting
24%

Comprised of the Following North American Service Lines:

- US GTS
- US Field Ops
- Canada Loss Adjusting
- Canada TPA
- Canada Contractor Connection
- edjuster

International Operations
30%

Comprised of All Reported Service Lines Outside of North America:

- UK
- Europe
- Australia
- Asia
- Latin America
- Legal Services

Broadspire (US-only)
28%

Third Party Administration for:

- Workers' Compensation
- Auto and Liability
- Claims
- Medical Management
- Disability
- RMIS
- Accident and Health

Platform Solutions (US-only)
18%

Service Lines Include:

- Contractor Connection
- Networks
  - Catastrophe
  - WeGoLook
- Subrogation (Praxis)

North America Loss Adjusting
Full Year 2023 Results

$303.6M
Revenues

$23.2M
Operating Earnings

- **Revenue growth of 11%** driven by improved utilization and expert additions in GTS and new account wins in Field Operations
- Operating margin expanded **68 bps**
- Continue to be an **attractive employer for large and complex adjusting talent**



International Operations
Full Year 2023 Results

$382.4M
Revenues

$11.2M
Operating Earnings

- **Revenue growth of 7%** and **10%** when measured in constant currency
- **Operating earnings increased 186%** resulting in **operating margin expansion of 655bps**
- **Strength across all geographies** with the exception of Australia which saw a tough comparison from record catastrophe activity in 2022
- **Segment recovery** driven by strategy to improve pricing and productivity



Broadspire
Full Year 2023 Results

$355.7M
Revenues

$41.9M
Operating Earnings

- **Record year for Broadspire:**
  - Revenues increased 13%
  - Operating earnings increased 55%
  - Operating margin expanded 316 bps
- **Results driven** by client wins and pricing improvements
- **Medical Management revenue grew 13%**
- **Retained 94.7%** of Broadspire business

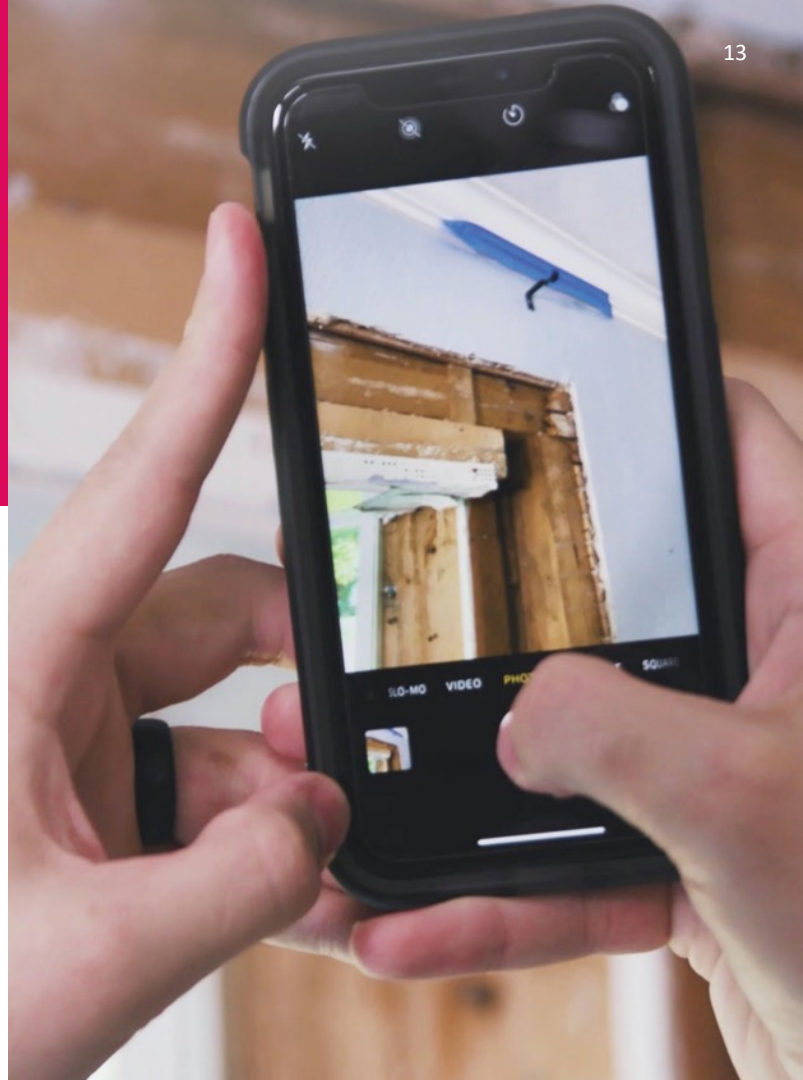


Platform Solutions
Full Year 2023 Results

$225.5M
Revenues

$28.5M
Operating Earnings

- **Revenue decreased by 7.5%**
  - 2022 results included revenue from Hurricane Ian and severe convective storm activity
- Networks decrease driven by reduced deployment in CAT
- **Contractor Connection revenues increased 13%** driven by pricing momentum and increase in higher-severity assignments
- **Subrogation revenues increased 27%** driven by focus on special projects and outsourcing work



FINANCIAL UPDATE

Bruce Swain, Chief Financial Officer



Q4 2023 Financial Summary

($ in millions, except per share amounts)	Quarter Ended December 31, 2023	December 31, 2022	% Change
Revenues	**$296.1**	$322.2	(8)%
Non-GAAP Revenues excluding foreign exchange fluctuations[1]	**$292.7**	$322.2	(9)%
Net Loss Attributable to Shareholders of Crawford & Company	**$(0.8)**	$(14.1)	94%
Diluted Loss per Share			
CRD-A	**$(0.02)**	$(0.29)	93%
CRD-B	**$(0.02)**	$(0.29)	93%
Non-GAAP Diluted Earnings per Share [1]			
CRD-A	**$0.06**	$0.23	(74)%
CRD-B	**$0.07**	$0.23	(70)%
Adjusted Operating Earnings [1]	**$7.8**	$23.4	(67)%
Adjusted Operating Margin [1]	**2.6%**	7.3%	(470) bps
Adjusted EBITDA [1]	**$15.7**	$30.8	(49)%
Adjusted EBITDA Margin [1]	**5.3%**	9.6%	(430) bps

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

North America Loss Adjusting

(in thousands, except percentages)	Three months ended December 31, 2023	December 31, 2022	Variance
Revenues	**$69,684**	$77,720	(10.3)%
Direct expenses	**57,968**	60,941	(4.9)%
Gross profit	**11,716**	16,779	(30.2)%
Indirect expenses	**10,964**	8,204	33.6%
Operating earnings	**$752**	$8,575	(91.2)%
Gross profit margin	**16.8%**	21.6%	(4.8)%
Operating margin	**1.1%**	11.0%	(9.9)%
Total cases received	**52,091**	69,473	(25.0)%
Full time equivalent employees	**2,044**	2,099	(2.6)%

International Operations

(in thousands, except percentages)	Three months ended December 31, 2023	December 31, 2022	Variance
Revenues	**$97,152**	$88,404	9.9%
Direct expenses	**83,992**	79,769	5.3%
Gross profit	**13,160**	8,635	52.4%
Indirect expenses	**10,953**	13,933	(21.4)%
Operating earnings (loss)	**$2,207**	$(5,298)	141.7%
Gross profit margin	**13.5%**	9.8%	3.7%
Operating margin	**2.3%**	(6.0)%	8.3%
Total cases received	**124,607**	128,449	(3.0)%
Full time equivalent employees	**3,611**	3,754	(3.8)%

Broadspire

	Three months ended		
(in thousands, except percentages)	**December 31, 2023**	December 31, 2022	Variance
Revenues	**$92,123**	$78,615	17.2%
Direct expenses	**67,998**	60,726	12.0%
Gross profit	**24,125**	17,889	34.9%
Indirect expenses	**11,859**	11,167	6.2%
Operating earnings	**$12,266**	$6,722	82.5%
Gross profit margin	**26.2%**	22.8%	3.4%
Operating margin	**13.3%**	8.6%	4.7%
Total cases received	**127,489**	126,390	0.9%
Full time equivalent employees	**2,636**	2,594	1.6%

Platform Solutions

(in thousands, except percentages)	Three months ended December 31, 2023	December 31, 2022	Variance
Revenues	**$37,162**	$77,449	(52.0)%
Direct expenses	**29,101**	59,141	(50.8)%
Gross profit	**8,061**	18,308	(56.0)%
Indirect expenses	**6,115**	5,276	15.9%
Operating earnings	**$1,946**	$13,032	(85.1)%
Gross profit margin	**21.7%**	23.6%	(1.9)%
Operating margin	**5.2%**	16.8%	(11.6)%
Total cases received	**101,716**	101,547	0.2%
Full time equivalent employees	**1,007**	1,569	(35.8)%

Additional Financial Matters

Unallocated Corporate and Shared Costs and Credits	• Unallocated corporate costs of $9.4 million in Q4 ‘23 compared to corporate credits of $0.3 million in Q4 ‘22 • Variance was primarily due to increases in self-insurance costs, professional fees, compensation and other support costs
Non-service Pension Costs	• During Q4 ‘23 non-service pension costs were $2.2 million compared to $0.1 million in Q4 ’22 • These costs are not a component of operating earnings and are added back for non-GAAP earnings and EPS
Contingent Earnout Adjustment	• Recognized pre-tax contingent earnout expense totaling $0.9 million in Q4 ‘23, compared to a credit of $0.3 million in Q4 ‘22 • These costs are not a component of operating earnings and are added back for non-GAAP earnings and EPS
Quarterly Dividend	• In Q4 ‘23 Crawford paid a $0.07 dividend per share for CRD-A and CRD-B
Share Repurchases	• In Q4, Crawford repurchased 230,849 shares of CRD-B bringing the 2023 repurchase total to 293,952 • Approximately 1.5 million shares are eligible to be repurchased under our 2021 Share Repurchase Authorization

Presentation Revision of 2023 Quarters

- Revenues before reimbursements for the 2023 fourth quarter includes income earned which offsets the costs of managing the funds maintained to administer claims for certain Company customers. These amounts were previously presented as reductions to selling, general, and administrative expenses during the first, second, and third quarter of 2023.
- The revision will be reflected in future presentations containing 2023 results as revenues for the Company's North America Loss Adjusting and Broadspire segments with a corresponding increase to expenses as follows:

	Three months ended			
Segment	March 31, 2023	June 30, 2023	September 30, 2023	**Total**
($ in thousands)				
North America Loss Adjusting	$ 472	$ 533	$ 597	$ 1,602
Broadspire	2,871	3,357	3,930	10,158
Total	$ 3,343	$ 3,890	$ 4,527	$ 11,760

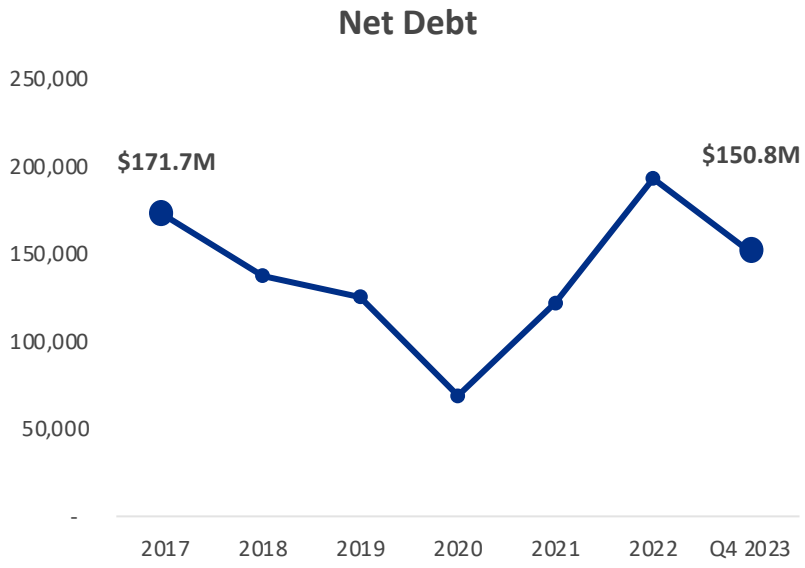
- These revisions had no impact to previously reported earnings for any period in 2023
- There were no revisions in 2022 as the amounts were immaterial

Balance Sheet Highlights

Unaudited ($ in thousands)	Dec 31, 2023	Dec 31, 2022	Change
Cash and cash equivalents	**$ 58,363**	$ 46,007	$ 12,356
Accounts receivable, net	**131,362**	141,106	(9,744)
Unbilled revenues, net	**116,611**	126,274	(9,663)
Total receivables	**247,973**	267,380	(19,407)
Goodwill	**76,724**	76,622	102
Intangible assets arising from business acquisitions, net	**81,786**	88,039	(6,253)
Deferred revenues	**60,411**	54,019	6,392
Pension liabilities	**24,006**	25,914	(1,908)
Short-term borrowings and current portion of finance leases	**14,813**	27,048	(12,235)
Long-term debt, less current portion	**194,335**	211,810	(17,475)
Total debt	**209,148**	238,858	(29,710)
Total stockholders' equity attributable to Crawford & Company	**141,618**	124,543	17,075
Net debt [(1)]	**150,785**	192,851	(42,066)

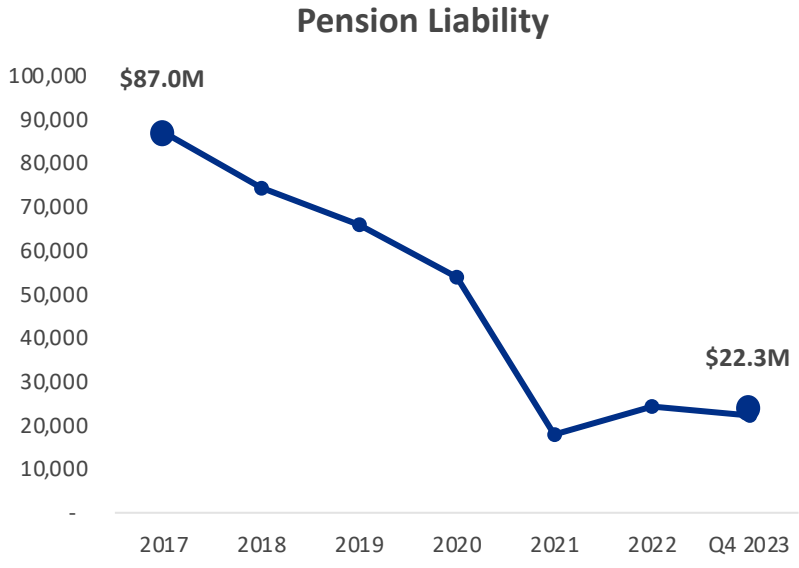
(1) See Appendix for non-GAAP explanation and reconciliation

Net Debt and Pension Liability



Net debt at $150.8 million

Leverage Ratio of 1.60x EBITDA at end of Q4 2023



Pension liability at $22.3 million

Funded Ratio of US pension plan is 92.1% at end of Q4 2023

Operating and Free Cash Flow

Unaudited ($ in thousands)	2023	2022	Change
Net Income (Loss) Attributable to Shareholders of Crawford & Company	**$ 30,609**	$ (18,305)	$ 48,914
Depreciation and Other Non-Cash Operating Items	**40,996**	40,794	202
Goodwill Impairment	**-**	36,808	(36,808)
Deferred Income Taxes	**(12,279)**	7,397	(19,676)
Loss (Gain) on Disposals of Property and Equipment, net	**646**	(1,490)	2,136
Contingent Earnout Adjustments	**4,025**	2,921	1,104
Billed Receivables Change	**11,663**	(15,537)	27,200
Unbilled Receivables Change	**11,879**	(19,319)	31,198
Change in Accrued Compensation, 401K, and Other Payroll	**17,690**	(3,950)	21,640
Other Working Capital Changes	**(1,439)**	(1,685)	246
Cash Flows from Operating Activities	**103,790**	27,634	76,156
Property & Equipment Purchases, net	**(4,890)**	(6,838)	1,948
Capitalized Software (internal and external costs)	**(31,706)**	(27,761)	(3,945)
Free Cash Flow[1]	**$ 67,194**	$ (6,965)	$ 74,159

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

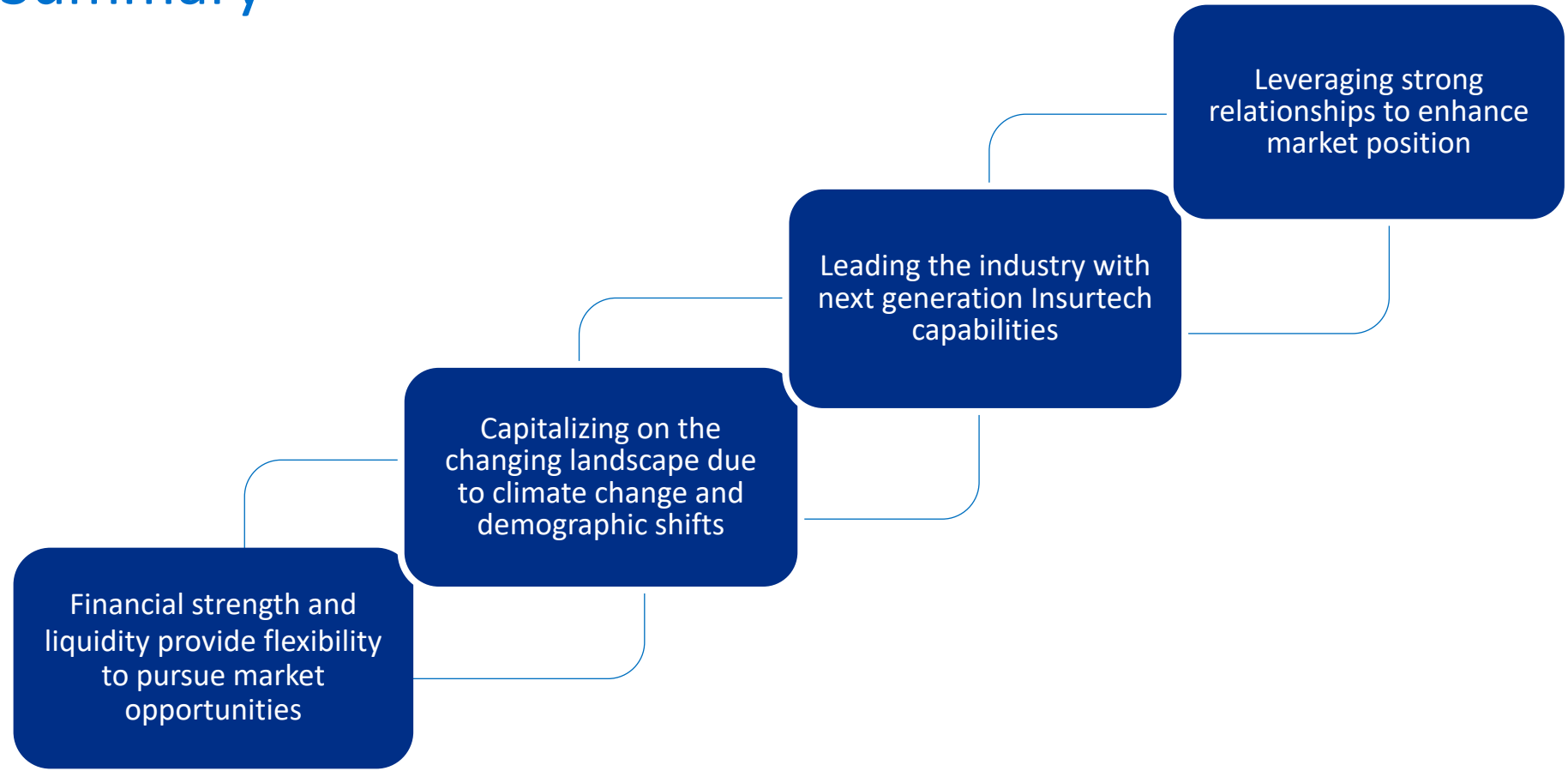
Weather-Related Revenue Pressure Continuing Through Q1 2024



1 – Prevention Web, September 2023

- Benign weather patterns observed in the back half of 2023 have continued and are **expected to impact Q1 ’24**
- **NALA and Platform Solutions face a tough comparison in Q1 ’24** due to significant weather-related contributions in Q1 ’23
- **$25M-$30M revenue and $6M-$10M earnings** will likely not be repeated in Q1 ‘24
- Non-weather-related business expected to see **continued momentum with growth anticipated through 2024**

Summary


Financial strength and liquidity provide flexibility to pursue market opportunities
Capitalizing on the changing landscape due to climate change and demographic shifts
Leading the industry with next generation Insurtech capabilities
Leveraging strong relationships to enhance market position

Appendix: Non-GAAP Financial Information



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.

Non-GAAP Financial Information (cont.)

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, contingent earnout adjustments, non-service pension costs and credits, goodwill impairment, reserves on certain income tax assets, income taxes and net income or loss attributable to noncontrolling interests.

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, contingent earnout adjustments, non-service pension costs and credits, goodwill impairment, reserves on certain income tax assets, income taxes and 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.

Adjusted Pretax Earnings, Net Income, and Diluted Earnings per Share

Included in non-GAAP adjusted measurements as an add back or subtraction to GAAP measurements, are impacts of amortization of customer-relationship intangible assets, contingent earnout adjustments, non-service pension costs and credits, goodwill impairment, and reserves on certain income tax assets 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 Revenue 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:

(in thousands)		Three Months Ended			
		December 31, 2023		December 31, 2022	
Geographic Area	Currency	**USD equivalent**	**% of total**	USD equivalent	% of total
U.S.	USD	**$ 176,087**	**59.5%**	$ 210,615	65.4%
U.K.	GBP	**37,214**	**12.6%**	28,977	9.0%
Canada	CAD	**22,882**	**7.7%**	23,169	7.2%
Australia	AUD	**20,692**	**7.0%**	24,898	7.7%
Europe	EUR	**14,545**	**4.9%**	12,474	3.9%
Rest of World	Various	**24,701**	**8.3%**	22,055	6.8%
Total Revenues, before reimbursements		**$ 296,121**	**100.0%**	$ 322,188	100.0%

Reconciliation of Non-GAAP Items

Revenues and Costs of Services Provided

Unaudited ($ in thousands)	Quarter Ended December 31, 2023	Quarter Ended December 31, 2022
Revenues Before Reimbursements		
Total Revenues	**$ 309,165**	$ 333,369
Reimbursements	**(13,044)**	(11,181)
Revenues Before Reimbursements	**296,121**	322,188
Costs of Services Provided, Before Reimbursements		
Total Costs of Services	**230,025**	249,361
Reimbursements	**(13,044)**	(11,181)
Costs of Services Provided, Before Reimbursements	**$ 216,981**	$ 238,180

Reconciliation of Non-GAAP Items (cont.)

Operating Earnings

Unaudited ($ in thousands)	Quarter Ended December 31, 2023	Quarter Ended December 31,2022
North America Loss Adjusting	**$ 752**	$ 8,575
International Operations	**2,207**	(5,298)
Broadspire	**12,266**	6,722
Platform Solutions	**1,946**	13,032
Unallocated corporate and shared costs and credits, net	**(9,421)**	328
Consolidated Operating Earnings	**7,750**	23,359
(Deduct) Add:		
Net corporate interest expense	**(3,772)**	(4,110)
Stock option expense	**(112)**	(70)
Amortization expense	**(1,926)**	(2,052)
Non-service pension costs and credits	**(2,165)**	(55)
Contingent earnout adjustments	**(925)**	325
Reserves on certain income tax assets	**—**	(11,767)
Income tax benefit (provision)	**161**	(19,903)
Net loss attributable to noncontrolling interests	**171**	186
Net Loss Attributable to Shareholders of Crawford & Company	**$ (818)**	$ (14,087)

Reconciliation of Non-GAAP Items (cont.)

Operating Earnings

Unaudited ($ in thousands)	Year Ended December 31, 2023	Year Ended December 31,2022
North America Loss Adjusting	$ 23,185	$ 19,108
International Operations	11,181	(12,946)
Broadspire	41,873	27,021
Platform Solutions	28,541	35,746
Unallocated corporate and shared costs and credits, net	(19,419)	(7,050)
Consolidated Operating Earnings	85,361	61,879
(Deduct) Add:		
Net corporate interest expense	(17,036)	(10,311)
Stock option expense	(552)	(548)
Amortization expense	(7,790)	(7,836)
Non-service pension costs and credits	(8,601)	1,591
Goodwill impairment	—	(36,808)
Contingent earnout adjustments	(4,025)	(2,921)
Reserves on certain income tax assets	—	(11,767)
Income tax provision	(17,097)	(11,811)
Net loss attributable to noncontrolling interests	349	227
Net Income (Loss) Attributable to Shareholders of Crawford & Company	$ 30,609	$ (18,305)

Reconciliation of Non-GAAP items (cont.)

Adjusted EBITDA

Unaudited ($ in thousands)	Quarter Ended December 31, 2023	Quarter Ended December 31, 2022
Net loss attributable to shareholders of Crawford & Company	**$ (818)**	$ (14,087)
Add (Deduct):		
Depreciation and amortization	**8,386**	8,719
Stock-based compensation	**1,420**	705
Net corporate interest expense	**3,772**	4,110
Non-service pension costs and credits	**2,165**	55
Contingent earnout adjustments	**925**	(325)
Reserves on certain income tax assets	**—**	11,767
Income tax (benefit) provision	**(161)**	19,903
Adjusted EBITDA	**$ 15,689**	$ 30,847

Non-GAAP Financial Information (cont.)

Net Debt

Unaudited ($ in thousands)	December 31, 2023	December 31, 2022
Short-term borrowings	**$ 14,762**	$ 26,966
Current installments of finance leases and other obligations	**51**	82
Long-term debt and finance leases, less current installments	**194,335**	211,810
Total debt	**209,148**	238,858
Less:		
Cash and cash equivalents	**58,363**	46,007
Net debt	**$ 150,785**	$ 192,851

Non-GAAP Financial Information (cont.)

Segment Gross Profit

($ in thousands)

	Three months ended December 31, 2023	December 31, 2022
North America Loss Adjusting	$ **11,716**	$ 16,779
International Operations	**13,160**	8,635
Broadspire	**24,125**	17,889
Platform Solutions	**8,061**	18,308
Segment gross profit	**57,062**	61,611
Segment indirect costs:		
North America Loss Adjusting	**(10,964)**	(8,204)
International Operations	**(10,953)**	(13,933)
Broadspire	**(11,859)**	(11,167)
Platform Solutions	**(6,115)**	(5,276)
Unallocated corporate and shared costs, net	**(9,421)**	328
Consolidated operating earnings	**7,750**	23,359
Net corporate interest expense	**(3,772)**	(4,110)
Stock option expense	**(112)**	(70)
Amortization expense	**(1,926)**	(2,052)
Non-service pension costs and credits	**(2,165)**	(55)
Contingent earnout adjustments	**(925)**	325
Reserves on certain income tax assets	**—**	(11,767)
Income tax benefit (provision)	**161**	(19,903)
Net loss attributable to noncontrolling interests	**171**	186
Net loss attributable to shareholders of Crawford & Company	$ **(818)**	$ (14,087)

Reconciliation of Fourth Quarter Non-GAAP Results

Three Months Ended December 31, 2023

Unaudited ($ in thousands)	Pretax (Loss) Earnings	Net (Loss) Income Attributable to Crawford & Company	Diluted (Loss) Earnings per CRD-A Share	Diluted (Loss) Earnings per CRD-B Share[1]
GAAP	$ (1,150)	$ (818)	$ (0.02)	$ (0.02)
Adjustments:				
Amortization of intangible assets	1,926	1,623	0.03	0.03
Non-service related pension costs	2,165	1,614	0.03	0.03
Contingent earnout adjustments	925	849	0.02	0.02
Non-GAAP Adjusted	$ 3,866	$ 3,268	$ 0.06	$ 0.07

Three Months Ended December 31, 2022

Unaudited ($ in thousands)	Pretax Earnings	Net (Loss) Income Attributable to Crawford & Company	Diluted (Loss) Earnings per CRD-A Share	Diluted (Loss) Earnings per CRD-B Share
GAAP	$ 17,397	$ (14,087)	$ (0.29)	$ (0.29)
Adjustments:				
Amortization of intangible assets	2,052	1,539	0.03	0.03
Non-service related pension credits	55	48	—	—
Contingent earnout adjustments	(325)	(241)	—	—
Income tax impact of third quarter goodwill impairment	—	12,392	0.25	0.25
Reserves on certain income tax assets	—	11,767	0.24	0.24
Non-GAAP Adjusted	$ 19,179	$ 11,418	$ 0.23	$ 0.23

(1) Sum of reconciling items may differ from total due to rounding of individual components

Reconciliation of Full-Year Non-GAAP Results

Year Ended December 31, 2023

Unaudited ($ in thousands)	Pretax Earnings	Net Income Attributable to Crawford & Company	Diluted Earnings per CRD-A Share[1]	Diluted Earnings per CRD-B Share
GAAP	$ 47,357	$ 30,609	$ 0.61	$ 0.62
Adjustments:				
Amortization of intangible assets	7,790	6,662	0.13	0.13
Contingent earnout adjustments	4,025	3,352	0.07	0.07
Non-service related pension costs	8,601	6,396	0.13	0.13
Non-GAAP Adjusted	$ 67,773	$ 47,019	$ 0.95	$ 0.95

Year Ended December 31, 2022

Unaudited ($ in thousands)	Pretax Earnings	Net (Loss) Income Attributable to Crawford & Company	Diluted (Loss) Earnings per CRD-A Share	Diluted (Loss) Earnings per CRD-B Share
GAAP	$ 5,046	$ (18,305)	$ (0.37)	$ (0.37)
Adjustments:				
Amortization of intangible assets	7,836	5,877	0.12	0.12
Non-service related pension credits	(1,591)	(1,389)	(0.03)	(0.03)
Contingent earnout adjustments	2,921	2,163	0.04	0.04
Goodwill impairment	36,808	33,300	0.67	0.67
Reserves on certain income tax assets	—	11,767	0.24	0.24
Non-GAAP Adjusted	$ 51,020	$ 33,413	$ 0.67	$ 0.67

(1) Sum of reconciling items may differ from total due to rounding of individual components