
Crawford®
CRD-A & CRD-B (NYSE)
Crawford & Company
First Quarter 2025 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 acquisition-related intangible assets, contingent earnout adjustments, non-service pension costs, 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

$20B+
Claims Managed Annually

10,000+
Employees

50,000+
Field Resources



Multiple Growth Drivers Benefitting Crawford



Increasing weather volatility 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

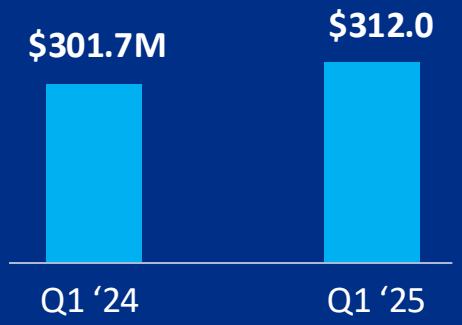


Industry-leading expertise and technology capabilities enhancing market share

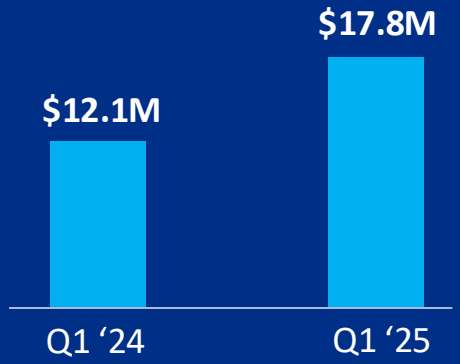
First Quarter 2025 Highlights

- **Consolidated revenue growth of 3.4% YoY**
  - Revenue growth in North America Loss Adjusting, International Operations and Broadspire segments
- **Margin expansion and improved profitability** in North America Loss Adjusting, International Operations, and Platform Solutions
  - **Consolidated operating margin improved** by 170 bps
- **Gross profit increased in all segments**
- **Operating earnings increase of 47% YoY**
  - **International Operations and Platform Solutions operating earnings more than doubled** reflecting increased storm activity and operating leverage
- **Paid quarterly dividend** of $0.07 per share
- **Strong balance sheet and liquidity**
  - **Leverage ratio remains low** at 1.90x EBITDA

YoY Revenue Growth



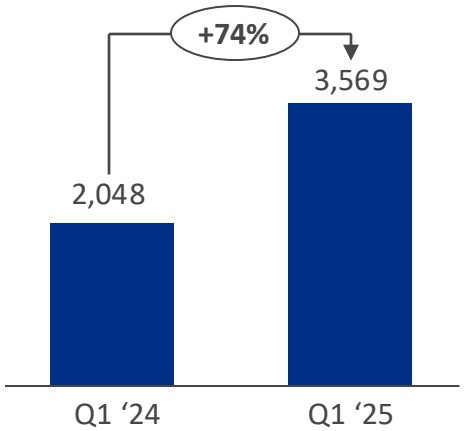
YoY Adjusted Operating Earnings*



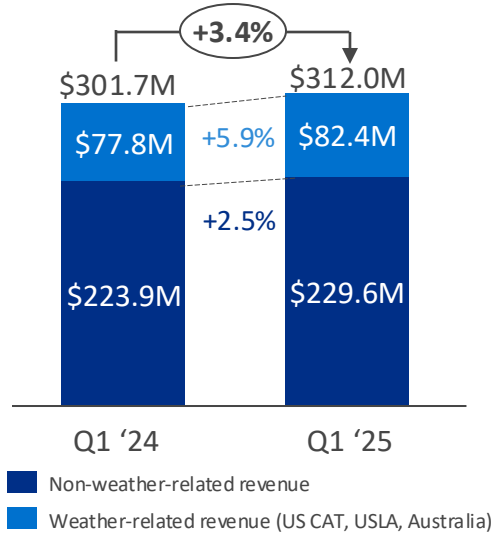
* See Appendix for non-GAAP explanation and reconciliation

Balanced Revenue Model with Weather and Non-Weather Growth Drivers

U.S. Severe Storm Reports[1,2]



Consolidated Weather-Related vs. Non-Weather-Related Revenue



[1] National Oceanic and Atmospheric Administration (NOAA) Storm Prediction Database, May 2, 2025
[2] Preliminary data

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



Strong liquidity
Leverage ratio significantly below industry average at 1.90x EBITDA



Paid quarterly dividend of $0.07 per share
for CRD-A and CRD-B

OPERATIONAL UPDATE

Bruce Swain, Chief Financial Officer



First Quarter 2025 Revenue Contribution

North America Loss Adjusting
26%

Comprised of the Following North American Service Lines:

- USLA
  - US GTS
  - US Field Ops
- Canada Loss Adjusting
- Canada TPA
- Canada Contractor Connection
- Edjuster
- Alternative Inspection Solutions

International Operations
33%

Comprised of All Service Lines Outside of North America:

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

Broadspire (U.S.-only)
31%

Third Party Administration for:

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

Platform Solutions (US-only)
10%

Comprised of the Following Service Lines:

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

North America Loss Adjusting
First Quarter 2025 Results

$79.7M
Revenues

$5.5M
Operating Earnings

- **Revenue increased 3%**
  - U.S. GTS revenues **increased 12% YoY**
  - U.S. Field Ops revenues **increased 3% YoY**
- **Operating earnings increased by 22% YoY**
- **Operating margin expanded 108 bps**
- Destination for high caliber and specialized insurance adjusting talent

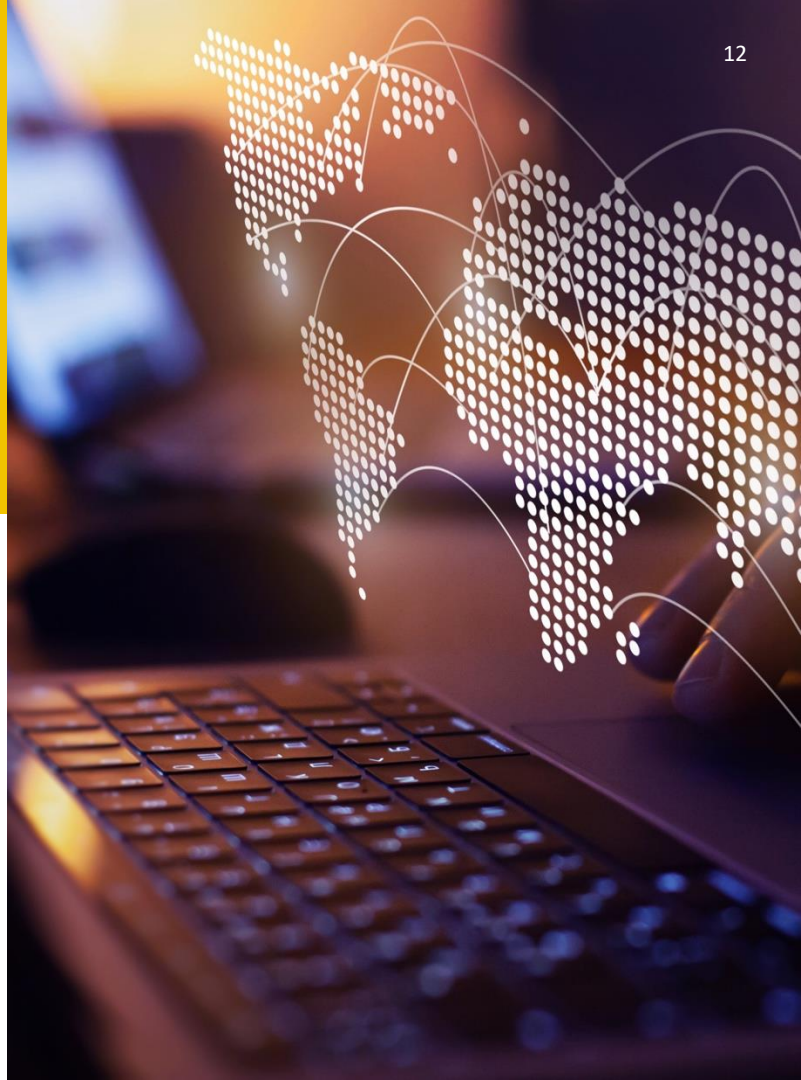


International Operations
First Quarter 2025 Results

$104.4M
Revenues

$3.5M
Operating Earnings

- **Revenue growth of 6% or 9%** when measured in constant currency
  - Strong performance with revenues increasing more than 10% in UK, Europe and Asia
- **Operating earnings more than doubled YoY**
- **Operating margin expanded 159 bps**
- **Segment turnaround continues** driven by strategy to improve pricing, productivity, and new business growth



Broadspire
First Quarter 2025 Results

$96.4M
Revenues

$12.2M
Operating Earnings

- **Revenue growth of 2.2%** with growth across all service lines driven by new business growth and pricing
- Operating earnings decreased YoY related to increased expenses associated **with intentional staffing additions to support expected revenue growth**
- **Significant new client wins**
- **Retention rate of 97.5%**

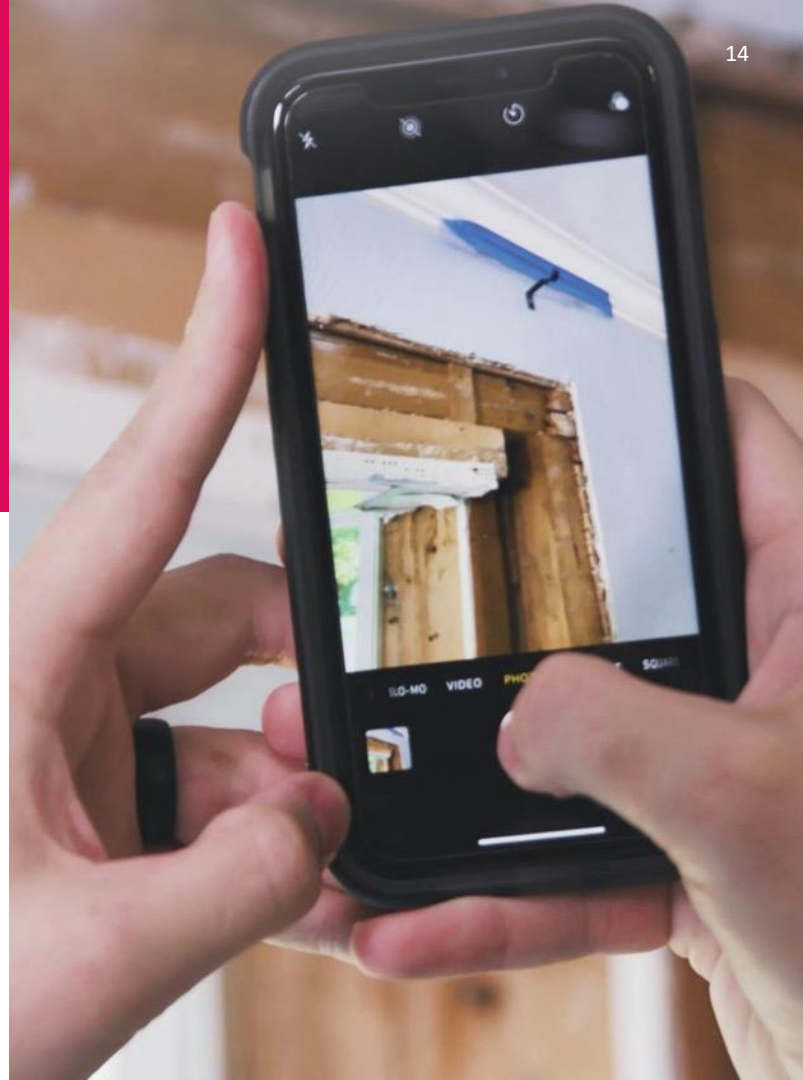


Platform Solutions
First Quarter 2025 Results

$31.5M
Revenues

$2.9M
Operating Earnings

- **Revenue down slightly YoY**
  - Increased storm activity occurred late in the quarter
- **Operating earnings growth of 163% YoY**
  - Driven by improved flow-through in Networks line
- **Operating margin expansion of 579 bps**
  - Reflects effective cost management and improved operational efficiency



FINANCIAL UPDATE

Bruce Swain, Chief Financial Officer



Q1 2025 Financial Summary

Unaudited ($ in millions, except per share amounts)	Quarter Ended March 31, 2025	March 31, 2024	% Change
Revenues	**$312.0**	$301.7	3%
Non-GAAP Revenues excluding foreign exchange fluctuations[1]	**$316.5**	$301.7	5%
Net Income Attributable to Shareholders of Crawford & Company	**$6.7**	$2.8	139%
Diluted Earnings per Share			
CRD-A	**$0.13**	$0.06	117%
CRD-B	**$0.13**	$0.06	117%
Non-GAAP Diluted Earnings per Share [1]			
CRD-A	**$0.21**	$0.13	62%
CRD-B	**$0.21**	$0.13	62%
Adjusted Operating Earnings [1]	**$17.8**	$12.1	47%
Adjusted Operating Margin [1]	**5.7%**	4.0%	170 bps
Adjusted EBITDA [1]	**$26.8**	$20.6	30%
Adjusted EBITDA Margin [1]	**8.6%**	6.8%	176 bps

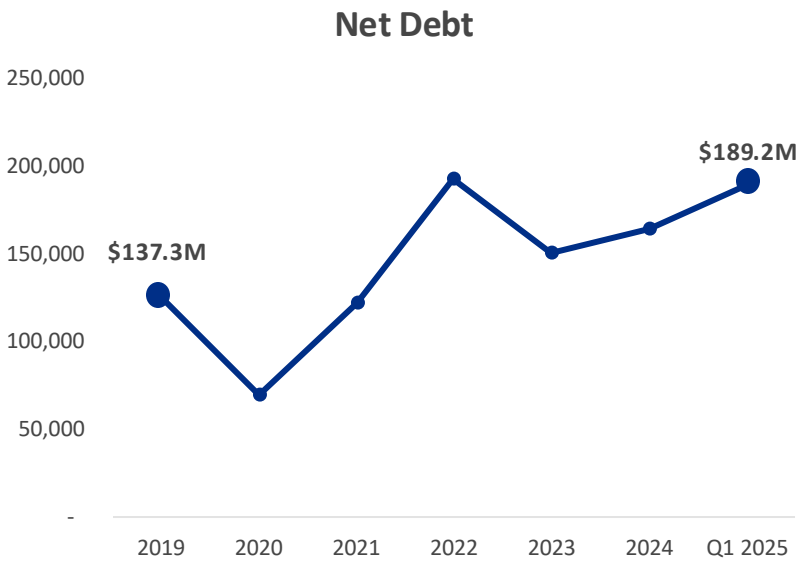
(1) See Appendix for non-GAAP explanation and reconciliation

Balance Sheet Highlights

Unaudited ($ in thousands)	Mar 31, 2025	Dec 31, 2024	Change
Cash and cash equivalents	**$ 57,367**	$ 55,412	$ 1,955
Accounts receivable, net	**134,140**	142,064	(7,924)
Unbilled revenues, net	**136,596**	131,080	5,516
Total receivables	**270,736**	273,144	(2,408)
Goodwill	**76,374**	76,368	6
Intangible assets arising from business acquisitions, net	**72,023**	74,545	(2,522)
Deferred revenues	**59,504**	59,685	(181)
Pension liabilities	**20,471**	21,084	(613)
Short-term borrowings and current portion of finance leases	**41,295**	17,822	23,473
Long-term debt, less current portion	**205,274**	200,315	4,959
Total debt	**246,569**	218,137	28,432
Total stockholders' equity attributable to Crawford & Company	**160,588**	157,210	3,378
Net debt [(1)]	**189,202**	162,725	26,477

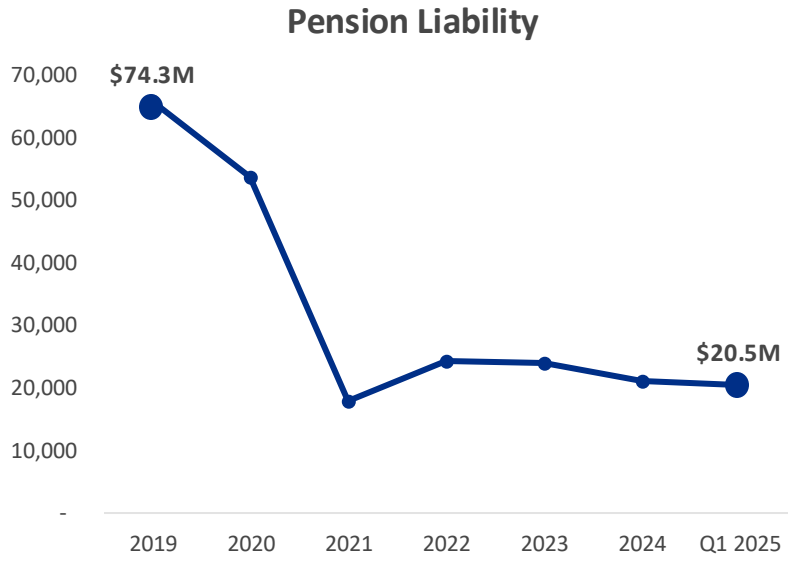
(1) See Appendix for non-GAAP explanation and reconciliation

Net Debt and Pension Liability



Net debt at $189.2 million

Leverage Ratio of 1.90x EBITDA at end of Q1 '25



Pension liability at $20.5 million

Funded Ratio of US pension plan is 92.2% at end of Q1 '25

Operating and Free Cash Flow

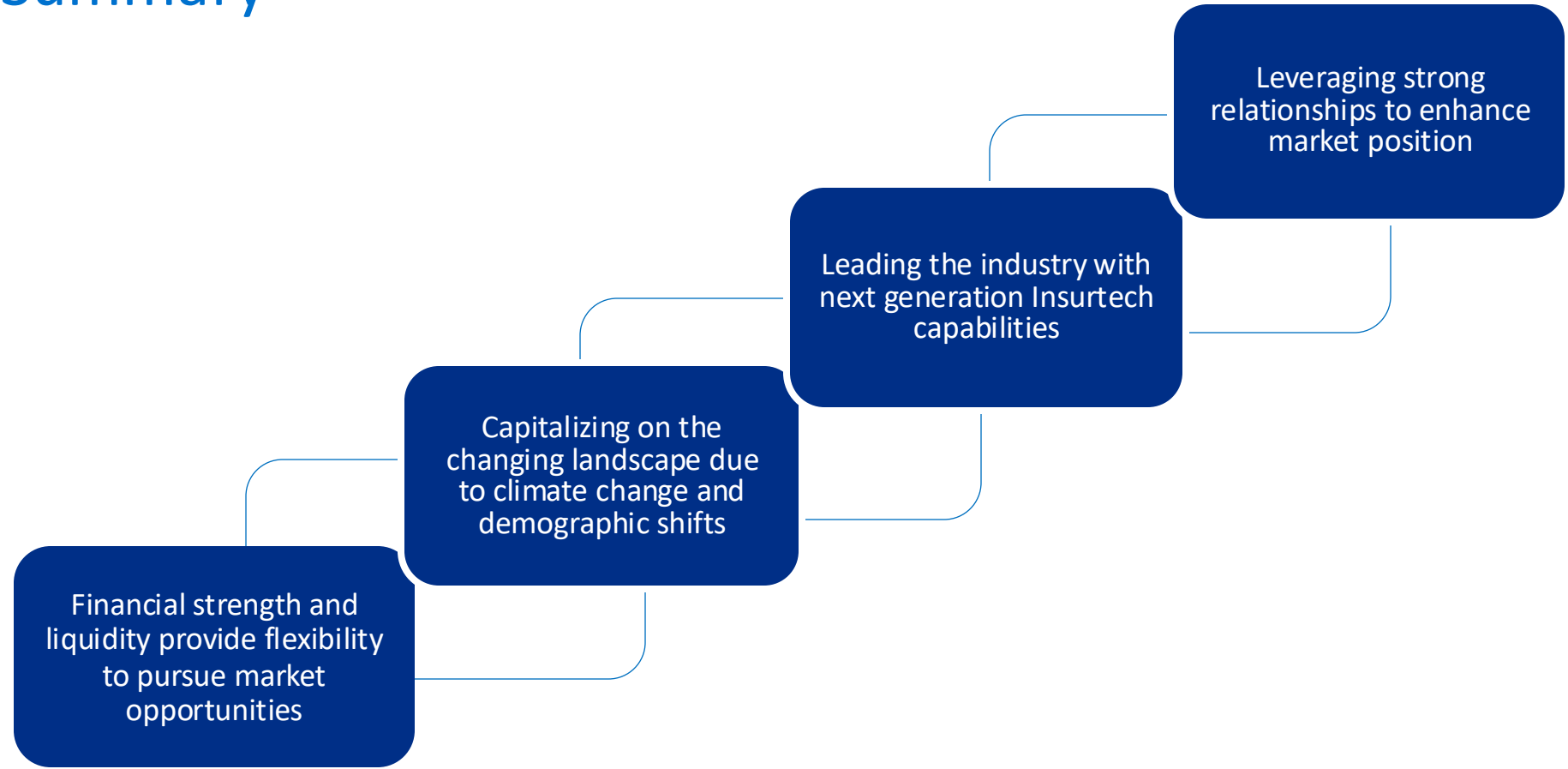
Unaudited ($ in thousands)	2025	2024	Change
Net Income Attributable to Shareholders of Crawford & Company	**$ 6,684**	$ 2,837	$ 3,847
Depreciation and Other Non-Cash Operating Items	**11,657**	10,378	1,279
Contingent Earnout Adjustments	**363**	151	212
Billed Receivables Change	**6,002**	6,312	(310)
Unbilled Receivables Change	**(8,045)**	(9,511)	1,466
Change in Accrued Compensation, 401K, and Other Payroll	**(25,913)**	(31,987)	6,074
Other Working Capital Changes	**(4,671)**	2,017	(6,688)
Cash Flows from Operating Activities	**(13,923)**	(19,803)	5,880
Property & Equipment Purchases, net	**(994)**	(1,541)	547
Capitalized Software (internal and external costs)	**(8,329)**	(8,009)	(320)
Free Cash Flow[1]	**$ (23,246)**	$ (29,353)	$ 6,107

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

Additional Financial Matters

Unallocated Corporate and Shared Costs and Credits	• Unallocated corporate costs of $6.2 million in Q1 ‘25 compared to corporate costs of $8.0 million in Q1 ‘24 • Variance was primarily due to decreases in self-insurance expense and professional fees.
Non-service Pension Costs	• During Q1 ‘25 non-service pension costs were $2.3 million compared to $2.5 million in Q1 ’24 • 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 cost totaling $0.4 million for Q1 ’25 compared to $0.2 million in Q1 ‘24 • These costs are not a component of operating earnings and are added back for non-GAAP earnings and EPS
Quarterly Dividend	• In Q1 ‘25 Crawford paid a $0.07 dividend per share for CRD-A and CRD-B
Share Repurchases	• No shares were repurchased in Q1 ‘25 • Approximately 1.1 million shares are eligible to be repurchased under our 2021 Share Repurchase Authorization

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: Segment Results and Non-GAAP Financial Information



North America Loss Adjusting

Unaudited (in thousands, except percentages)	Three months ended March 31, 2025	March 31, 2024	Variance
Revenues	**$79,740**	$77,365	3.1%
Direct expenses	**63,913**	62,853	1.7%
Gross profit	**15,827**	14,512	9.1%
Indirect expenses	**10,351**	10,033	3.2%
Operating earnings	**$5,476**	$4,479	22.3%
Gross profit margin	**19.8%**	18.8%	1.0%
Operating margin	**6.9%**	5.8%	1.1%
Total cases received	**89,265**	61,937	44.1%
Full time equivalent employees	**2,078**	2,046	1.6%

International Operations

Unaudited (in thousands, except percentages)	Three months ended March 31, 2025	March 31, 2024	Variance
Revenues	**$104,394**	$98,092	6.4%
Direct expenses	**85,473**	82,111	4.1%
Gross profit	**18,921**	15,981	18.4%
Indirect expenses	**15,465**	14,291	8.2%
Operating earnings	**$3,456**	$1,690	104.5%
Gross profit margin	**18.1%**	16.3%	1.8%
Operating margin	**3.3%**	1.7%	1.6%
Total cases received	**117,305**	135,652	(13.5)%
Full time equivalent employees	**3,539**	3,611	(2.0)%

Broadspire

Unaudited (in thousands, except percentages)	Three months ended March 31, 2025	March 31, 2024	Variance
Revenues	**$96,384**	$94,298	2.2%
Direct expenses	**71,885**	69,993	2.7%
Gross profit	**24,499**	24,305	0.8%
Indirect expenses	**12,296**	11,501	6.9%
Operating earnings	**$12,203**	$12,804	(4.7)%
Gross profit margin	**25.4%**	25.8%	(0.4)%
Operating margin	**12.7%**	13.6%	(0.9)%
Total cases received	**137,463**	135,698	1.3%
Full time equivalent employees	**2,764**	2,669	3.6%

Platform Solutions

Unaudited (in thousands, except percentages)	Three months ended March 31, 2025	March 31, 2024	Variance
Revenues	**$31,514**	$31,899	(1.2)%
Direct expenses	**23,696**	24,668	(3.9)%
Gross profit	**7,818**	7,231	8.1%
Indirect expenses	**4,891**	6,116	(20.0)%
Operating earnings	**$2,927**	$1,115	162.5%
Gross profit margin	**24.8%**	22.7%	2.1%
Operating margin	**9.3%**	3.5%	5.8%
Total cases received	**41,486**	74,902	(44.6)%
Full time equivalent employees	**753**	842	(10.6)%

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 acquisition-related intangible assets, contingent earnout adjustments, non-service pension costs, 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, 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 acquisition-related intangible assets, contingent earnout adjustments, and non-service pension costs 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:

Unaudited (in thousands)		Three Months Ended			
		March 31, 2025		March 31, 2024	
Geographic Area	Currency	**USD equivalent**	**% of total**	USD equivalent	% of total
U.S.	USD	**$ 185,862**	**59.6%**	$ 179,721	59.6%
U.K.	GBP	**44,342**	**14.2%**	40,255	13.4%
Canada	CAD	**21,776**	**7.0%**	23,841	7.9%
Australia	AUD	**19,048**	**6.1%**	19,661	6.5%
Europe	EUR	**15,924**	**5.1%**	14,885	4.9%
Rest of World	Various	**25,080**	**8.0%**	23,291	7.7%
Total Revenues, before reimbursements		**$ 312,032**	**100.0%**	$ 301,654	100.0%

Reconciliation of Non-GAAP Item

Revenues and Costs of Services Provided

Unaudited ($ in thousands)	Quarter Ended March 31, 2025	Quarter Ended March 31, 2024
Revenues Before Reimbursements		
Total Revenues	**$ 323,339**	$ 313,073
Reimbursements	**(11,307)**	(11,419)
Revenues Before Reimbursements	**312,032**	301,654
Costs of Services Provided, Before Reimbursements		
Total Costs of Services	**233,200**	225,808
Reimbursements	**(11,307)**	(11,419)
Costs of Services Provided, Before Reimbursements	**$ 221,893**	$ 214,389

Reconciliation of Non-GAAP Items (cont.)

Operating Earnings

Unaudited ($ in thousands)	Quarter Ended March 31, 2025	Quarter Ended March 31,2024
North America Loss Adjusting	$ 5,476	$ 4,479
International Operations	3,456	1,690
Broadspire	12,203	12,804
Platform Solutions	2,927	1,115
Unallocated corporate and shared costs, net	(6,218)	(8,007)
Consolidated Operating Earnings	17,844	12,081
(Deduct) Add:		
Net corporate interest expense	(3,944)	(3,596)
Stock option expense	(184)	(167)
Amortization expense	(1,800)	(1,868)
Non-service pension costs	(2,333)	(2,473)
Contingent earnout adjustments	(363)	(151)
Income tax provision	(2,480)	(1,047)
Net (income) loss attributable to noncontrolling interests	(56)	58
Net Income Attributable to Shareholders of Crawford & Company	$ 6,684	$ 2,837

Reconciliation of Non-GAAP items (cont.)

Adjusted EBITDA

Unaudited ($ in thousands)	Quarter Ended March 31, 2025	Quarter Ended March 31, 2024
Net Income Attributable to Shareholders of Crawford & Company	**$ 6,684**	$ 2,837
Add:		
Depreciation and amortization	**9,647**	9,299
Stock-based compensation	**1,390**	1,218
Net corporate interest expense	**3,944**	3,596
Non-service pension costs	**2,333**	2,473
Contingent earnout adjustments	**363**	151
Income tax provision	**2,480**	1,047
Adjusted EBITDA	**$ 26,841**	$ 20,621

Non-GAAP Financial Information (cont.)

Net Debt

Unaudited ($ in thousands)	March 31, 2025	December 31, 2024
Short-term borrowings	$ 41,248	$ 17,750
Current installments of finance leases and other obligations	47	72
Long-term debt and finance leases, less current installments	205,274	200,315
Total debt	246,569	218,137
Less:		
Cash and cash equivalents	57,367	55,412
Net debt	$ 189,202	$ 162,725

Non-GAAP Financial Information (cont.)

Segment Gross Profit

Unaudited ($ in thousands)	Three months ended March 31, 2025	March 31, 2024
North America Loss Adjusting	$ 15,827	$ 14,512
International Operations	18,921	15,981
Broadspire	24,499	24,305
Platform Solutions	7,818	7,231
Segment gross profit	67,065	62,029
Segment indirect costs:		
North America Loss Adjusting	(10,351)	(10,033)
International Operations	(15,465)	(14,291)
Broadspire	(12,296)	(11,501)
Platform Solutions	(4,891)	(6,116)
Unallocated corporate and shared costs, net	(6,218)	(8,007)
Consolidated operating earnings	17,844	12,081
Net corporate interest expense	(3,944)	(3,596)
Stock option expense	(184)	(167)
Amortization expense	(1,800)	(1,868)
Non-service pension costs	(2,333)	(2,473)
Contingent earnout adjustments	(363)	(151)
Income tax provision	(2,480)	(1,047)
Net (income) loss attributable to noncontrolling interests	(56)	58
Net income attributable to shareholders of Crawford & Company	$ 6,684	$ 2,837

Reconciliation of First Quarter Non-GAAP Results

Three Months Ended March 31, 2025 Unaudited ($ in thousands)	Pretax Earnings	Net Income Attributable to Crawford & Company	Diluted Earnings per CRD-A Share	Diluted Earnings per CRD-B Share
GAAP	$ 9,220	$ 6,684	$ 0.13	$ 0.13
Adjustments:				
Amortization of intangible assets	1,800	1,489	0.03	0.03
Non-service-related pension costs	2,333	1,803	0.04	0.04
Contingent earnout adjustments	363	363	0.01	0.01
Non-GAAP Adjusted	$ 13,716	$ 10,339	$ 0.21	$ 0.21

Three Months Ended March 31, 2024 Unaudited ($ in thousands)	Pretax Earnings	Net Income Attributable to Crawford & Company	Diluted Earnings per CRD-A Share	Diluted Earnings per CRD-B Share
GAAP	$ 3,826	$ 2,837	$ 0.06	$ 0.06
Adjustments:				
Amortization of intangible assets	1,868	1,575	0.03	0.03
Non-service-related pension costs	2,473	1,929	0.04	0.04
Contingent earnout adjustments	151	151	-	-
Non-GAAP Adjusted	$ 8,318	$ 6,492	$ 0.13	$ 0.13