Crawford & Company®

Investor Presentation

August 2019



Forward-Looking Statements and Additional Information

Forward-Looking Statements

This presentation contains forward-looking statements, including statements about the expected future financial condition, results of operations and earnings outlook of Crawford & Company. Statements, both qualitative and quantitative, that are not statements of historical fact may be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 and other securities laws. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from historical experience or Crawford & Company's present expectations. Accordingly, no one should place undue reliance on forward-looking statements, which speak only as of the date on which they are made. Crawford & Company does not undertake to update forward-looking statements to reflect the impact of circumstances or events that may arise or not arise after the date the forward-looking statements are made. Results for any interim period presented herein are not necessarily indicative of results to be expected for the full year or for any other future period. For further information regarding Crawford & Company, and the risks and uncertainties involved in forward-looking statements, please read Crawford & Company's reports filed with the Securities and Exchange Commission and available at www.sec.gov or in the Investor Relations section of Crawford & Company's website at www.crawco.com.

Crawford's business is dependent, to a significant extent, on case volumes. The Company cannot predict the future trend of case volumes for a number of reasons, including the fact that the frequency and severity of weather-related claims and the occurrence of natural and man-made disasters, which are a significant source of cases and revenue for the Company, are generally not subject to accurate forecasting.

Revenues Before Reimbursements ("Revenues")

Revenues Before Reimbursements are referred to as "Revenues" in both consolidated and segment charts, bullets and tables throughout this presentation.

Segment and Consolidated Operating Earnings

Under the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 280, "Segment Reporting," the Company has defined segment operating earnings as the primary measure used by the Company to evaluate the results of each of its three operating segments. Segment operating earnings represent segment earnings, including the direct and indirect costs of certain administrative functions required to operate our business, but excludes unallocated corporate and shared costs and credits, net corporate interest expense, stock option expense, amortization of customer-relationship intangible assets, loss on disposition of business line, arbitration settlement charges, income taxes, and net income or loss attributable to noncontrolling interests and redeemable noncontrolling interests.

Earnings Per Share

The Company's two classes of stock are substantially identical, except with respect to voting rights and the Company's ability to pay greater cash dividends on the non-voting Class A Common Stock than on the voting Class B Common Stock, subject to certain limitations. In addition, with respect to mergers or similar transactions, holders of Class A Common Stock must receive the same type and amount of consideration as holders of Class B Common Stock, unless different consideration is approved by the holders of 75% of the Class A Common Stock, voting as a class.

In certain periods, the Company has paid a higher dividend on CRD-A than on CRD-B. This may result in a different earnings per share ("EPS") for each class of stock due to the two-class method of computing EPS as required by ASC Topic 260 - "Earnings Per Share". The two-class method is an earnings allocation method under which EPS is calculated for each class of common stock considering both dividends declared and participation rights in undistributed earnings as if all such earnings had been distributed during the period.

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.

Crawford & Company

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

Organized across global service lines:

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

$14 Billion
Claims payments annually

1.7 Million
Claims handled worldwide

9,000
Total employees

CRD-A & CRD-B
Listed on NYSE

Crawford

Broadspire®
A CRAWFORD COMPANY

CONTRACTOR CONNECTION®
A CRAWFORD COMPANY

WeGoLook®
POWERED BY CRAWFORD

Our Mission

Restoring and enhancing lives, businesses and communities.

Our Vision

To be the **leading provider** and most **trusted source** for **expert assistance**, serving those who insure and self-insure the risks of businesses and communities anywhere in the world.

Crawford & Company

Loss resolution for carriers, brokers and corporates

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



Loss Adjusting



Third Party Administration



Managed Repair



Medical Management



On-Demand Services



Catastrophe Response

Crawford & Company
Value Proposition and Value Delivery System

Value Proposition

Customer-focused solutions driven by **data** and executed by **experts globally** to mitigate risk for carriers, brokers and corporates

Value Delivery System

- High-performing, caring and capable employees globally
- Flexible workforce with vast experience, delivering expertise and data-driven innovations
- Technology-led, end-to-end outsourced claims management solutions
- Service breadth and depth, backed by financial strength
- Global outsourced solutions for global risk bearers

End-to-End Outsourced Solutions



Scope and Scale of Operations

Comprehensive experience across the spectrum of the claims world[1]

Crawford Claims Solutions P&C Adjusting Solutions	**1.2 million** P&C claims managed	**70** Countries with physical location	**50,000** Field resources
Global Technical Services Large or Complex Claims	**400+** Global technical adjusters	**2,500** Claims managed	**$5.8 billion** Indemnity dollars
Contractor Connection Managed Repair Services	**6,000** Contractors in network	**500,000** Assignments	**$3.0 billion** Total project costs
Broadspire Global TPA	**$1 billion** Managed medical spend	**$2.9 billion** Claims paid	**425,000** Claims managed

(1) *Figures are approximate*

Crawford

Broadspire
A CRAWFORD COMPANY

CONTRACTOR CONNECTION
A CRAWFORD COMPANY

WeGoLook
POWERED BY CRAWFORD

Crawford—Attractive Business Model

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

Celebrated 50 Years as a Public Company

Investment Thesis

1

Experienced Management Team

Crawford's management team has extensive knowledge and experience in creating value at large service organizations, and brings best-in-class leadership skills to bear for all of Crawford's stakeholders

2

The P&C Industry Is Experiencing Rapid Change

As the severity and frequency of global P&C claims rise, carriers are increasingly turning to third party adjusters as a cost effective solution as compared to large in-house adjusting teams

3

Investing to Drive Innovation & Accelerate Growth

Crawford is investing in our people, technology and new product development to solve the challenges of Carriers, Brokers and Corporates which will lead to accelerated revenue and earnings growth

4

Deliver 5% Revenue and 15% Earnings Growth, Annually

Management's primary goal is to translate innovation and investment spending into sustained 5% revenue growth and 15% earnings growth, annually

5

Strong Balance Sheet & Cash Flow Characteristics

Healthy cash generation and the strongest balance sheet in the industry. Total debt at the lowest level in three years at 2018 year end

6

Favorable Capital Return Profile

Crawford continues to return capital to shareholders via both quarterly cash dividends and ongoing share repurchases

Goal: Deliver Sustained Revenue and Earnings Growth

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1

Experienced Executive Management Team

Name	Background	Experience
Harsha V. Agadi President and Chief Executive Officer	• Leadership positions at both public and private companies, including several Fortune 500 companies • Member of the Crawford Board of Directors since 2010	• 30+ Years
Rohit Verma Global Chief Operating Officer	• 10 years of recent experience at Zurich North America • Previously management consultant with McKinsey & Company and Deloitte Consulting	• 20+ Years
Bruce Swain Chief Financial Officer	• CFO since 2006 with experience in public and corporate accounting • Held multiple financial leadership positions over 25 years at Crawford	• 30+ Years
Danielle Lisenbey Global President, TPA Solutions, Broadspire	• Served as CEO for U.S. Broadspire Division • Former COO for Broadspire, responsible for the delivery of medical and case management services	• 25+ Years
Kieran Rigby Global President, Claims Solutions	• Served as President of Company's international division • Previously CEO of GAB Robins UK until acquisition by Crawford	• 35+ Years
Larry Thomas Global President, Specialty Solutions	• Served as CEO for Crawford U.S. Services and Contractor Connection division • Held various management positions as well as regional vice president roles during 35 year tenure with Crawford	• 35+ Years

2

Insurance Industry Claims Trends

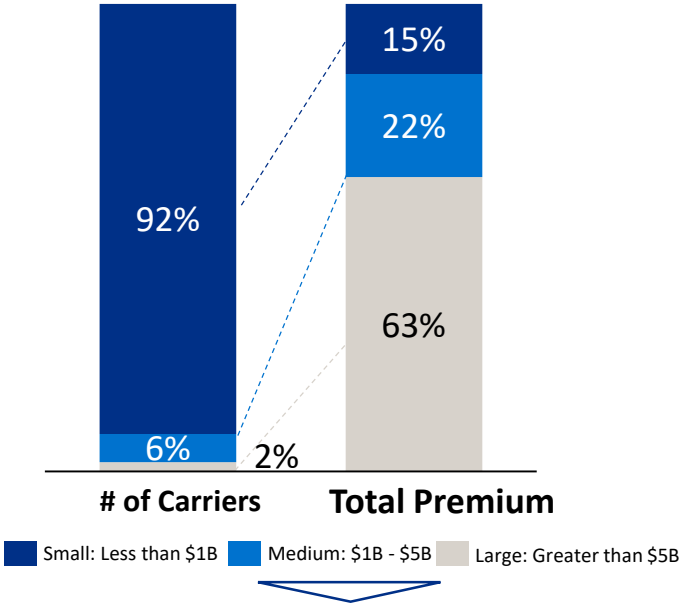
Our businesses stand to benefit from a rising level of carrier outsourcing, increasing claim volume and severity, customer demand for scale, and an infusion of alternative capital

- **Increasing Global Claim Volume and Severity**
  - The severity of P&C claims has consistently grown in recent years
  - The growth of insurance penetration rates is causing an increase in global P&C claims frequency
  - Workers' compensation coverage, employer cost, and claim severity are all on the rise
  - Carriers and self-insured companies are continuing to place more value on the loss adjusting process as claim volume and severity rise
- **Rising Level of Carrier Outsourcing**
  - Highly specialized adjusters are costly and frequently hired on an as-needed basis
  - Carriers are increasingly utilizing third-party adjusters and leveraging independent adjuster networks to staff claims
- **Customer Demand for Scale**
  - Rising level of regulatory oversight benefits firms like Crawford with staff licensed nationwide and strong compliance functions
  - Industry trends and regulatory complexity surrounding workers' compensation insurance creates a significant market opportunity for specialists
  - Carriers and self-insured companies place value on having fewer high quality vendors with sophisticated technology and national capacity
- **Infusion of Alternative Capital**
  - Alternative capital providers are entering the market, frequently partnering with brokers and MGAs
  - Greater need for outsourced services as alternative capital providers, brokers, and MGAs do not have in-house capabilities or claims handling expertise

2

Targeting National and Regional Players

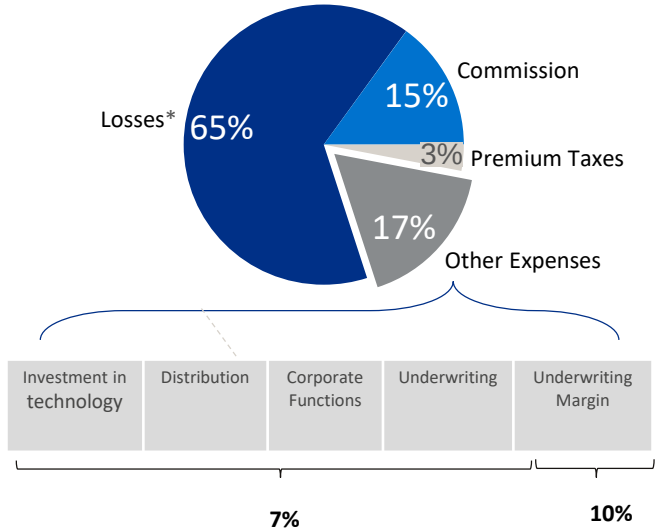
1. ~98% of carriers are small to medium sized



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

2. 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

*Based on 2017: Industry Loss Reserves reported in AM Best

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2

Crawford is Delivering Outsourced Solutions that Address Client and Industry Challenges

Focus on Speed & Simplicity	Claims processing is evolving with customer expectations for on-demand, simplified products and services
Knowledge	Data analytics are changing how insurers understand and determine risk
Disruptive Technology	Insurtech will fast track claims to facilitate virtual claims handling
Fewer Claims	Claims volume will decrease as sophisticated technology mitigates risk for auto, home and commercial insurance lines
Climate Change	Claims volatility will increase due to extreme weather events and increased construction along coast lines and other water sources
Innovative Solutions	The on-demand workforce, drone fleets for property surveys and IoT will streamline the claims cycle and cut insurer costs

2

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







TPA Outsourcing

Terminix: A case study in the value of transitioning to an outsourced TPA model

Terminix

- Terminix is one of the largest pest control companies in the world, operating in 47 states and 22 countries
- With an internal third-party liability model, they faced two challenges:
  - The significant time commitment required for local branch managers to inspect alleged termite damage
  - Managing third-party contractors who perform necessary repairs

The Value of Making the Transition to an Outsourced TPA Model

- Integrating our field, TPA and property repair network capabilities, we delivered a TPA model for Terminix which achieved remarkable success, demonstrated by:
  - Reduced time needed for claim resolution
  - A decreased cost per claim and litigation rate



2

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 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 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

- 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







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2

Belmond (UK) Limited

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







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3

Innovating to Accelerate Growth, Improve Client Experience and Reduce Costs

TruLook



Claims triage process leverages self-service app, WeGoLook Lookers and traditional field adjusters to reduce costs and improve cycle times.

Contractor Connection



The industry's largest contractor managed repair network of general and specialty contractors providing service in the U.S., U.K., Canada, Australia, and Germany.

Industry Solutions



Focus on developing a complete range of specialized solutions designed to manage the specific risks of the targeted industry verticals, including construction, hospitality, retail, real estate and transportation.

Investing in Technology

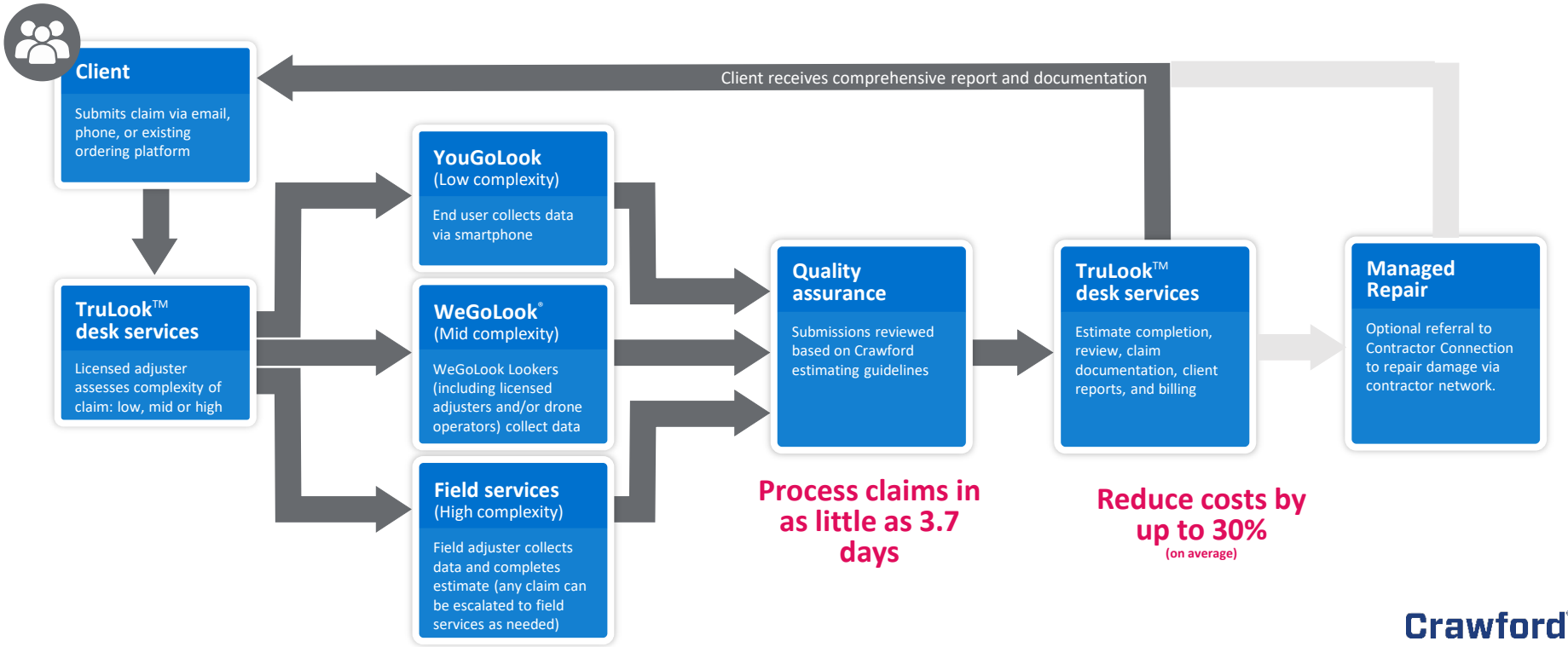


Technology is driving the management of risk in new directions and Crawford has chosen to be a change leader which requires investing in technology focused on driving innovation.

3

TruLook

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



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3

WeGoLook

WeGoLook
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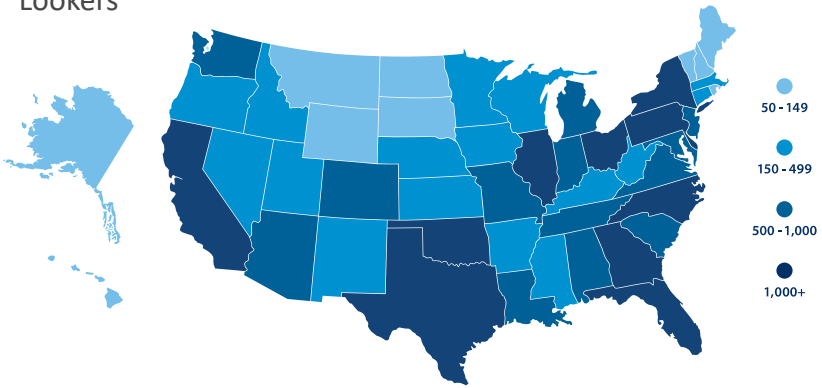
Complete coverage across the nation with rapid delivery and infinite scale

Lookers



Drone Operators



WeGoLook combines technology with an on-demand workforce to gather and validate information anytime, anywhere

46K	~4.7	~42.5	36%	100%
Lookers	Day turnaround	Years of age	Selection rate	Quality Assurance

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3

Managed Repair

Reduce time-in-process and support your customers all the way to restoration

Faster service
Through rigorous performance management and consistent application of expectations, we improve cycle times and increase customer satisfaction.

Accurate estimates
Leveraging technology, people processes, and industry best practices, we deliver accurate estimates tailored to each client's estimating guidelines.

Improved efficiency
By assessing damage and estimating repair in a single step, our trusted process supports our clients' claim segmentation strategies and leads to better management of loss adjustment expenses.

Unmatched quality
Our contractors deliver world-class quality and stand behind their work with a five-year workmanship warranty on all completed repairs.

CONTRACTOR CONNECTION
A CRAWFORD COMPANY

$3.0B
project costs processed annually

500k+
annual assignments

6,000+
contractors in network

3

TPA Solutions: Broadspire

Consistent and predictable reductions in clients total cost of risk enhanced by comprehensive service teams



Scale to support

- 550+ clients globally
- $11B+ total incurred on open claims
- 250K claims managed in 2018
- 580K lives in disability management handled



Service depth to deliver

- Fully integrated medical management program
- Data-driven approach with predictive components
- Artificial intelligence/robotic process automation



Results that matter

- 15% reduction in average paid when using full clinical & analytical claim model
- Outperform inflation as measured by NCCI
- 9.6% reduction in opioid MED per claim in 2018 vs 5.9% industry average

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Tailored Industry Verticals and Solutions

Focused on developing a complete range of specialized outsourced solutions focusing on industry verticals for managing risks specific to the targeted industry's needs

Industry Verticals

- Construction
- Hospitality
- Transportation
- Energy
- Retail (2019)
- Real Estate (2019)

Integrated Solutions

- Total Property
- TruLook™
- Recall 360
- Water Damage
- Hail (2019)

3

Investments in Market-Leading Technology

At Crawford, we're not just embracing change, we're leading it. Some of the significant investments we have made to develop solutions to meet clients' needs and drive growth:

- **Drone capabilities** - WeGoLook has a network of over 2,000 licensed drone operators
- **Intuitive Looker interface** - Data collection integrated with Crawford claims systems
- **Internet of Things (IoT)** - Working with partners on leak detection sensors that will significantly reduce claim costs
- **Virtual Reality (VR)** - Supports our clients' pre-and post-loss needs for accurate, detailed image capture
- **RENOVO** - Crawford's new U.S. catastrophe adjuster portal
- **Robotic Process Automation (RPA)** - Driving efficiency and quality in the claims process
- **Variance Analytics** - Developed tools to understand risk variance within metrics
- **Job Track tool** - Interactive web accessed tool providing unprecedented transparency into the property repair process

4

Driving Profitable Growth

Goal: Deliver 5% revenue growth and 15% earnings growth, annually.

Baseline			**5% Revenue Growth Pro Forma**	
Revenue	$100	5% →	Revenue	$105
Direct Cost	(70)		Direct Cost	(73.5)
Gross Profit	30		Gross Profit	31.5
Indirect Cost	(20)		Indirect Cost	(20)
Operating Earnings	**$10**	15% →	**Operating Earnings**	**$11.5**
Operating Margin	**10%**		**Operating Margin**	**11%**

By holding indirect costs flat, with a 30% contribution margin, 5% revenue growth drives earnings growth of 15% and a 100 bps improvement in operating margins.

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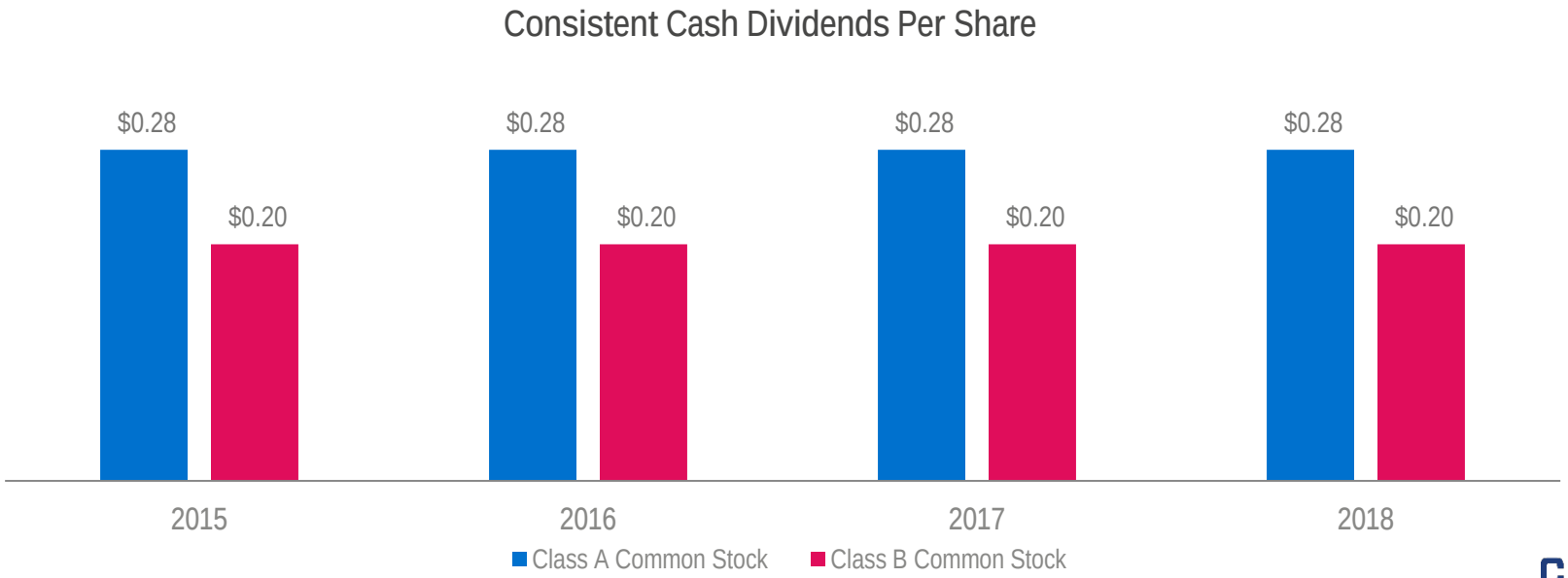
5

Strong Balance Sheet and Cash Flows

Balance Sheet	• Strengthened the Company's balance sheet by paying down $35.3 million in debt and contributing $24.0 million to pension plans in 2018 • Significant financial flexibility as we ended 2018 with the lowest level of debt in the past three years • Strongest balance sheet in our industry
Cash Flow	• In 2018, generated $52.4 million in operating cash flow up 28% over 2017 • Focused on improving the Company's free cash flow, maintaining prudent expense management and a conservative balance sheet, and maximizing return on invested capital • Free cash flow to be used for debt repayment, dividends to shareholders, share repurchases, investment back into the business, and opportunistic M&A

Focused on Consistent Shareholder Returns

- Crawford continues to return capital to shareholders in the form of quarterly cash dividends and share repurchases
- Paid $13.5 million in dividends in 2018
- Repurchased $10.4 million of common shares through 2018 and an additional $19.6 million through the first six months of 2019, representing 6.2% of average Company shares outstanding during the 18 month period



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2019 Guidance

Crawford & Company updated guidance for 2019 on August 5th as follows:

YEAR ENDING DECEMBER 31, 2019	Low End	High End	
Consolidated revenues before reimbursements	$1.02	$1.07	billion
Non-GAAP net income attributable to shareholders of Crawford & Company*	$46.0	$51.0	million
Non-GAAP diluted earnings per share--CRD-A*	$0.85	$0.95	per share
Non-GAAP diluted earnings per share--CRD-B*	$0.78	$0.88	per share
Consolidated operating earnings	$90.0	$100.0	million
Consolidated adjusted EBITDA	$130.0	$140.0	million

* Excludes the impact of the arbitration settlement recorded in the second quarter 2019

Positioned For A Return To Growth

Looking forward, Crawford has four primary objectives for 2019:

1. **Growth:** Increasing the velocity of revenue growth through continuous innovation as we work to deliver our goal of achieving 5% revenue growth and 15% earnings growth annually

2. **Systems Readiness:** Prioritizing IT investments across the globe to be at the forefront of innovation and disruption

3. **People Readiness:** Attract, develop, engage and retain the caring and capable people who deliver the Company's mission. Continue to advance employee training and leadership development

4. **Fiscal Responsibility:** Focusing on cash generation capabilities and improving the Company's free cash flow. Maintain prudent expense management and a conservative balance sheet while maximizing our return on capital investment and providing a meaningful return to shareholders

Appendix A: Global Service Lines



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Crawford Claims Solutions

Value Proposition

Enhancing the policy holder experience through scalable field adjusting solutions and optimizing claim expense for clients

Value Delivery System

- Most extensive network of field services in the world
- Widest range of innovative, end-to-end outsourced claims management solutions
- Scalable and mobile workforce can respond to catastrophes anywhere in the world
- Globally deployed field assets supported by technical and specialist expertise
- Leveraging crowd sourcing and mobile apps, data analytics, robotics and AI applications with key partners

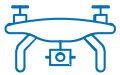
Comprehensive Suite of Services


Loss Adjusting


Catastrophe Response


Temporary Staffing


On-Demand Services


Drones


Vehicle & Heavy Equipment Inspections


Surveying for Underwriting


Centralized Intake/FNOL*


Global Administration FNOL* to Final Payment

Summary

Value Delivery System

- Current engagements in over 70 countries
- Nearly 9,000 claims professionals + network of 46,000 Lookers

Cutting-edge Capabilities

- Multiple outsourced solutions for field and inspection services
- Reduced claims handling costs and expedited service through WeGoLook
- Catastrophe response, including disruptive technologies
- Building consultancy and legal services

** First Notice of Loss*

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Third Party Administration Solutions: Broadspire

Value Proposition

Consistent and predictable reductions in clients' total cost of risk delivered by comprehensive service teams

Value Delivery System

- Client-centric integrated outsourced solutions powered by innovation and data science
- Analytically infused integration between claims and clinical offerings
- Innovative technologies driving quality and consistency
- Credentialed claims and clinical industry experts
- Interchangeable enterprise solutions driving automated processes

Comprehensive Suite of Services


Workers Compensation


Disability and Leave Management


Auto/Motor


General Liability


Product Liability and Recall


Medical Management


Accident & Health


Employers Liability


Affinity Warranty

Summary

Global Presence

- Only TPA with global presence – servicing customers in 16 countries
- Global account management, treasury and IT infrastructure

Cutting-edge Capabilities

- Data-driven approaches with predictive components driving claim and clinical cost savings
- Artificial intelligence/robotic process automation in development to further streamline processes

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Crawford Specialty Solutions

Global Technical Services

Value Proposition

Financial savings powered by analytics-driven insights delivered by world leading experts

Value Delivery System

- Integrated end-to-end and project managed outsourced claims solutions
- Specialty practice groups
- Vast experience delivering expertise globally
- Data analytics and management information systems

Comprehensive Suite of Services

Casualty | Property | Specialty Loss Adjusting | Forensic Accounting | Cyber

Summary

Global Presence

- Global network operating in 144 locations worldwide
- 400+ executive general adjusters with an average of 25 yrs of experience

Cutting-edge Capabilities

- Complex claims • Large loss claims • Specialty claims
- Aviation, oil & gas, construction, hospitality, real estate, manufacturing, mining, forensic accounting and building consultancy

Contractor Connection

Value Proposition

The most prompt, vast, managed repair network driving policy holder and consumer satisfaction and indemnity management, backed by a five-year workmanship warranty

Value Delivery System

- Technology–led integrated outsourced solutions leveraging service breadth
- Deep roster of professional and highly credentialed contractors
- Analytics-based performance management
- Continuous innovation and global expansion

Comprehensive Suite of Services

Managed Repair | Adjuster Referral | Emergency Services | Direct to Consumer | Affinity

Summary

Global Presence

- Servicing customers in five countries, with an eye for expansion

Cutting-edge Capabilities

- Leveraging people, process and technology to drive performance
- Managed repair network to perform all scopes of work, any repair anywhere

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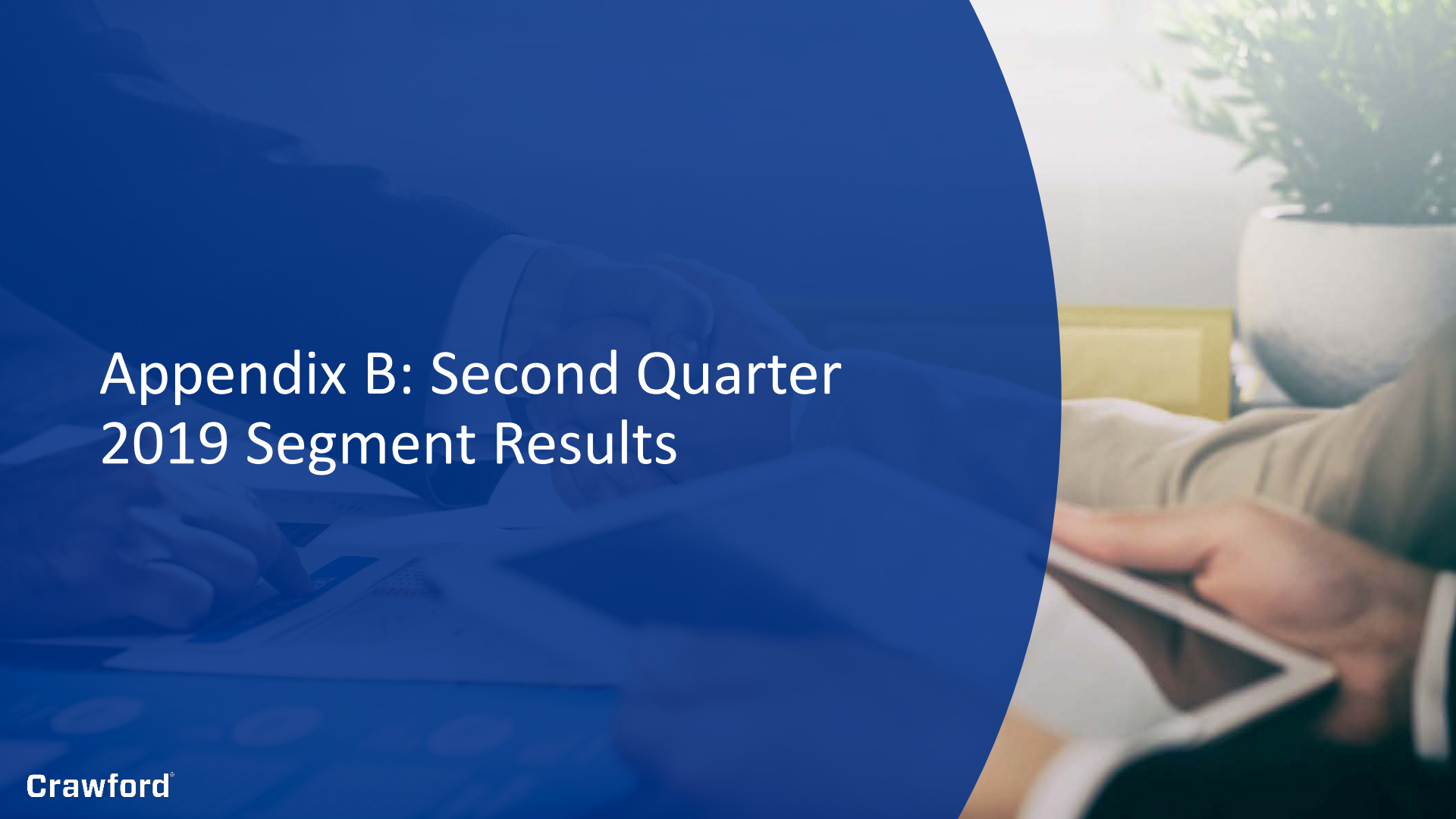
Appendix B: Second Quarter 2019 Segment Results



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Crawford Claims Solutions Segment Highlights

Operating Results (2Q 2019 v. 2Q 2018)

- Revenues of $86.0 million versus $93.1 million
- Gross profit of $19.6 million versus $21.5 million
- Gross profit margin of 22.7% versus 23.1%
- Operating earnings of $1.7 million versus $4.1 million
- Operating earnings margin of 2.0% versus 4.4%

Highlights

- Revenues down from 2018 when we experienced $4.1 million in additional revenues from the runoff of 2017 hurricane activity
- On a constant dollars basis, revenues of $89.6 million
- Gaining traction with small and medium carrier outsourcing programs
- Winner 2019 Business Insurance Innovation Award

	Three months ended		
(in thousands, except percentages)	**June 30, 2019**	June 30, 2018	Variance
Revenues	**$86,003**	$93,110	(7.6%)
Direct expenses	**66,450**	71,589	(7.2%)
Gross profit	**19,553**	21,521	(9.1%)
Indirect expenses	**17,843**	17,421	2.4%
Operating earnings	**$1,710**	$4,100	(58.3%)
Gross profit margin	**22.7%**	23.1%	(0.4%)
Operating margin	**2.0%**	4.4%	(2.4%)
Total cases received	**121,794**	130,574	(6.7%)
Full time equivalent employees	**2,899**	3,002	(3.4%)

Crawford TPA Solutions: Broadspire Segment Highlights

Operating Results (2Q 2019 v. 2Q 2018)

- Revenues of $99.5 million versus $102.6 million
- Gross profit of $23.7 million versus $26.5 million
- Gross profit margin of 23.8% versus 25.8%
- Operating earnings of $5.0 million versus $8.1 million
- Operating earnings margin of 5.1% versus 7.9%

Highlights

- Decreases in revenues due to drop in cases received
- Revenues were negatively impacted by 1.3% or $1.3 million from foreign currency changes
- Strong pipeline of opportunities being pursued with many new program wins starting in second half of year

	Three months ended		
(in thousands, except percentages)	**June 30, 2019**	June 30, 2018	Variance
Revenues	**$99,518**	$102,644	(3.0%)
Direct expenses	**75,840**	76,112	(0.4%)
Gross profit	**23,678**	26,532	(10.8%)
Indirect expenses	**18,652**	18,400	1.4%
Operating earnings	**$5,026**	$8,132	(38.2%)
Gross profit margin	**23.8%**	25.8%	(2.0%)
Operating margin	**5.1%**	7.9%	(2.8%)
Total cases received	**197,013**	214,132	(8.0%)
Full time equivalent employees	**3,170**	3,147	0.7%

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Crawford Specialty Solutions Segment Highlights

Operating Results (2Q 2019 v. 2Q 2018)

- Revenues of $71.4 million versus $83.3 million
- Gross profit of $25.2 million versus $26.8 million
- Gross profit margin of 35.3% versus 32.1%
- Operating earnings of $12.6 million versus $10.0 million
- Operating margin of 17.7% versus 12.0%

Highlights

- Garden City Group revenues of $13.9 million in the 2018 quarter
- Absent foreign exchange decreases of $2.4 million and impact of Garden City Group in 2018, pro forma revenues up 6.3% in the quarter
- GTS service line and major U.S. carrier program in Contractor Connection continue to expand

(in thousands, except percentages)	Three months ended **June 30, 2019**	June 30, 2018	Variance
Revenues	**$71,360**	$83,290	(14.3%)
Direct expenses	**46,137**	56,517	(18.4%)
Gross profit	**25,223**	26,773	(5.8%)
Indirect expenses	**12,611**	16,737	(24.7%)
Operating earnings	**$12,612**	$10,036	25.7%
Gross profit margin	**35.3%**	32.1%	3.2%
Operating margin	**17.7%**	12.0%	5.7%
Total cases received	**83,650**	93,812	(10.8%)
Full time equivalent employees	**1,476**	1,717	(14.0%)
Non-GAAP Excluding GCG Business			
Revenues	**$71,360**	$69,368	2.9%
Direct expenses	**46,137**	45,412	1.6%
Gross profit	**25,223**	23,956	5.3%
Indirect expenses	**12,611**	13,789	(8.5%)
Operating earnings	**$12,612**	$10,167	24.0%
Gross profit margin	**35.3%**	34.5%	0.8%
Operating margin	**17.7%**	14.7%	3.0%

Appendix C: Second Quarter 2019 Consolidated Financial Results



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Second Quarter 2019 Financial Summary

($ in millions, except per share amounts)	Quarter Ended June 30, 2019	June 30, 2018	% Change
Revenues	**$256.9**	$279.0	*(8)%*
Non-GAAP Revenues excluding GCG business and foreign exchange impacts[1]	**$264.2**	$265.1	*—%*
Net Income Attributable to Shareholders of Crawford & Company	**$2.6**	($2.4)	*208%*
Diluted Earnings per Share			
CRD-A	**$0.06**	($0.04)	*250%*
CRD-B	**$0.04**	($0.06)	*167%*
Non-GAAP Diluted Earnings per Share [1]			
CRD-A	**$0.21**	$0.21	*—%*
CRD-B	**$0.19**	$0.19	*—%*
Adjusted Operating Earnings [1]	**$22.9**	$21.7	*6%*
Adjusted Operating Margin [1]	**8.7%**	8.2%	*50bps*
Adjusted EBITDA [1]	**$30.6**	$32.5	*(6)%*
Adjusted EBITDA Margin [1]	**11.6%**	12.3%	*(70)bps*

1) See Appendix for non-GAAP explanation and reconciliation

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Balance Sheet Highlights

Unaudited ($ in thousands)	June 30, 2019	December 31, 2018	Change
Cash and cash equivalents	$ 39,150	$ 53,119	$ (13,969)
Accounts receivable, net	137,175	131,117	6,058
Unbilled revenues, net	120,920	108,291	12,629
Total receivables	258,095	239,408	18,687
Goodwill	97,186	96,890	296
Intangible assets arising from business acquisitions, net	79,950	85,023	(5,073)
Deferred revenues	53,681	52,674	1,007
Pension liabilities	72,130	74,323	(2,193)
Short-term borrowings and current portion of finance leases	36,653	23,284	13,369
Long-term debt, less current portion	166,155	167,126	(971)
Total debt	202,808	190,410	12,398
Total stockholders' equity attributable to Crawford & Company	160,921	171,288	(10,367)
Net debt [1]	163,658	137,291	26,367

[1] *See appendix for non-GAAP explanation and reconciliation of non-GAAP Earnings per Share.*

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Operating And Free Cash Flow

For the six months ended June 30,

Unaudited ($ in thousands)	2019	2018	Variance
Net Income Attributable to Shareholders of Crawford & Company	**$ 8,751**	$ 6,144	$ 2,607
Depreciation and Other Non-Cash Operating Items	**20,891**	25,853	(4,962)
Arbitration Settlement Charges	**11,352**	—	11,352
Loss on Disposition of Business Line	**—**	17,795	(17,795)
Billed Receivables Change	**(4,086)**	(539)	(3,547)
Unbilled Receivables Change	**(11,848)**	(28,346)	16,498
Change in Accrued Compensation and 401K	**(11,941)**	(18,994)	7,053
Change in Accrued and Prepaid Income Taxes	**(563)**	250	(813)
Other Working Capital Changes	**(3,472)**	(12,038)	8,566
U.S. and U.K. Pension Contributions	**(345)**	(8,824)	8,479
Cash Flows from Operating Activities	**8,739**	(18,699)	27,438
Property & Equipment Purchases, net	**(3,729)**	(9,538)	5,809
Capitalized Software (internal and external costs)	**(4,369)**	(8,270)	3,901
Free Cash Flow[1]	**$ 641**	$ (36,507)	$ 37,148

[1] *See Appendix for non-GAAP explanation and reconciliation*

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Appendix D: Non-GAAP Financial Information



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Appendix: Non-GAAP Financial Information

Measurements of financial performance not calculated in accordance with GAAP should be considered as supplements to, and not substitutes for, performance measurements calculated or derived in accordance with GAAP. Any such measures are not necessarily comparable to other similarly-titled measurements employed by other companies.

Reimbursements for Out-of-Pocket Expenses

In the normal course of our business, our operating segments incur certain out-of-pocket expenses that are thereafter reimbursed by our clients. Under GAAP, these out-of-pocket expenses and associated reimbursements are required to be included when reporting expenses and revenues, respectively, in our consolidated results of operations. In this presentation, we do not believe it is informative to include in reported revenues the amounts of reimbursed expenses and related revenues, as they offset each other in our consolidated results of operations with no impact to our net income or operating earnings. As a result, unless noted in this presentation, revenue and expense amounts exclude reimbursements for out-of-pocket expenses.

Net Debt

Net debt is computed as the sum of long-term debt, capital leases and short-term borrowings less cash and cash equivalents. Management believes that net debt is useful because it provides investors with an estimate of what the Company's debt would be if all available cash was used to pay down the debt of the Company. The measure is not meant to imply that management plans to use all available cash to pay down debt.

Free Cash Flow

Management believes free cash flow is useful to investors as it presents the amount of cash the Company has generated that can be used for other purposes, including additional contributions to the Company's defined benefit pension plans, discretionary prepayments of outstanding borrowings under our credit agreement, and return of capital to shareholders, among other purposes. It does not represent the residual cash flow of the Company available for discretionary expenditures. The reconciliation from Cash Flows from Operating Activities is provided on slide 43.

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 and intangible asset impairment charges, restructuring and special charges, loss on disposition of business lines, income taxes, and net income or loss attributable to noncontrolling interests.

Appendix: Non-GAAP Financial Information (continued)

Segment and Consolidated Gross Profit

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

Adjusted EBITDA

Adjusted EBITDA is used by management to evaluate, assess and benchmark our operational results and the Company believes that adjusted EBITDA is relevant and useful information widely used by analysts, investors and other interested parties. Adjusted EBITDA is defined as net income with adjustments for depreciation and amortization, interest expense-net, income tax provision, restructuring and special charges, loss on disposition of business line, goodwill and intangible asset impairment charges and non-cash stock-based compensation expense and excluding the impacts of the GCG business. Adjusted EBITDA is not a term defined by GAAP and as a result our measure of adjusted EBITDA might not be comparable to similarly titled measures used by other companies.

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

Included in non-GAAP adjusted measurements as an add back or subtraction to GAAP measurements, are impacts of the disposed of GCG business, restructuring and special charges net of tax, and loss on disposition of business line net of tax, which arise from non-core items not directly related to our normal business or operations, or our future performance. Management believes it is useful to exclude these charges when comparing net income and diluted earnings per share across periods, as these charges are not from ordinary operations.

Reconciliation of Non-GAAP Items

Revenues, Costs of Services Provided, and Operating Earnings

Unaudited ($ in thousands)	Quarter Ended June 30, 2019	Quarter Ended June 30, 2018	Full Year Guidance 2019 *
Revenues Before Reimbursements			
Total Revenues	**$ 267,846**	$ 293,209	**$ 1,100,000**
Reimbursements	**(10,965)**	(14,165)	**(55,000)**
Revenues Before Reimbursements	**$ 256,881**	$ 279,044	**$ 1,045,000**
Costs of Services Provided, Before Reimbursements			
Total Costs of Services	**$ 185,892**	$ 211,688	
Reimbursements	**(10,965)**	(14,165)	
Costs of Services Provided, Before Reimbursements	**$ 174,927**	$ 197,523	

Unaudited ($ in thousands)	Quarter Ended June 30, 2019	Quarter Ended June 30, 2018	Full Year Guidance 2019 *
Operating Earnings:			
Crawford Claims Solutions	**$ 1,710**	$ 4,100	
Crawford TPA Solutions: Broadspire	**5,026**	8,132	
Crawford Specialty Solutions	**12,612**	10,036	
Unallocated corporate and shared costs and credits, net	**3,170**	(697)	
Consolidated Operating Earnings	**22,518**	21,571	**$ 95,000**
Deduct:			
Net corporate interest expense	**(2,468)**	(2,440)	**(10,800)**
Stock option expense	**(413)**	(512)	**(2,000)**
Amortization expense	**(2,802)**	(2,791)	**(11,200)**
Arbitration settlement charges	**(11,352)**	—	**(11,352)**
Loss on disposition of business line	**—**	(17,795)	
Income taxes	**(2,859)**	(461)	**(18,248)**
Net loss (income) attributable to non-controlling interests and redeemable noncontrolling interests	**18**	3	**(900)**
Net Income (Loss) Attributable to Shareholders of Crawford & Company	**$ 2,642**	$ (2,425)	**$ 40,500**

** Midpoints of Company's Guidance, issued August 5, 2019*

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Reconciliation of Non-GAAP Items (continued)

Adjusted EBITDA

Unaudited ($ in thousands)	Quarter Ended June 30, 2019	Quarter Ended June 30, 2018	Full Year Guidance 2019 *
Net income attributable to shareholders of Crawford & Company	**$ 2,642**	$ (2,425)	**$ 40,500**
Add:			
Depreciation and amortization	**9,206**	12,350	**45,700**
Stock-based compensation	**1,646**	1,790	**8,400**
Net corporate interest expense	**2,468**	2,440	**10,800**
Arbitration settlement charges	**11,352**	—	**11,352**
Loss on disposition of business line	**—**	17,795	**—**
Income taxes	**2,859**	461	**18,248**
Foreign exchange impacts	**380**	—	**—**
Removal of the impact of the disposed GCG business	**—**	128	**—**
Adjusted EBITDA	**$ 30,553**	$ 32,539	**$ 135,000**

* *Midpoints of Company's Guidance, issued August 5, 2019*

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Reconciliation of Non-GAAP Items (continued)

Net Debt

Unaudited ($ in thousands)	June 30, 2019	December 31, 2018
Net Debt		
Short-term borrowings	**$ 36,629**	$ 23,195
Current installments of capital leases	**24**	89
Long-term debt and capital leases, less current installments	**166,155**	167,126
Total debt	**202,808**	190,410
Less:		
Cash and cash equivalents	**39,150**	53,119
Net debt	**$ 163,658**	$ 137,291

Reconciliation of Non-GAAP Items (continued)

Segment Gross Profit

(in thousands)	Three months ended June 30, 2019	June 30, 2018
Segment gross profit:		
Crawford TPA Solutions: Broadspire	$ 23,678	$ 26,532
Crawford Claims Solutions	19,553	21,521
Crawford Specialty Solutions	25,223	26,773
Segment gross profit	68,454	74,826
Segment indirect costs:		
Crawford TPA Solutions: Broadspire	(18,652)	(18,400)
Crawford Claims Solutions	(17,843)	(17,421)
Crawford Specialty Solutions	(12,611)	(16,737)
Unallocated corporate and shared credits (costs), net	3,170	(697)
Consolidated operating earnings	22,518	21,571
Net corporate interest expense	(2,468)	(2,440)
Stock option expense	(413)	(512)
Amortization expense	(2,802)	(2,791)
Arbitration Settlement Charges	(11,352)	—
Loss on disposition of business line	—	(17,795)
Income taxes	(2,859)	(461)
Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	18	3
Net income (loss) attributable to shareholders of Crawford & Company	$ 2,642	$ (2,425)

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

Three Months Ended June 30, 2019

Unaudited ($ in thousands)	Revenues	Direct Expenses	Gross Profit	Indirect Expenses	Operating Earnings
Crawford Specialty Solutions	$ 71,360	$ 46,137	$ 25,223	$ 12,611	$ 12,612
Adjustments:					
	—	—	—	—	—
Crawford Specialty Solutions excluding GCG	$ 71,360	$ 46,137	$ 25,223	$ 12,611	$ 12,612

Three Months Ended June 30, 2018

Unaudited ($ in thousands)	Revenues	Direct Expenses	Gross Profit	Indirect Expenses	Operating Earnings
Crawford Specialty Solutions	$ 83,290	$ 56,517	$ 26,773	$ 16,737	$ 10,036
Adjustments:					
GCG business	(13,922)	(11,105)	(2,817)	(2,948)	131
Crawford Specialty Solutions excluding GCG	$ 69,368	$ 45,412	$ 23,956	$ 13,789	$ 10,167

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

Three Months Ended June 30, 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	$ 256,881	$ 22,518	$ 5,483	$ 2,642	$ 0.06	$ 0.04
Adjustments:						
Arbitration settlement charges	—	—	11,352	8,389	0.15	0.15
Foreign exchange impacts	7,346	380	380	249	—	—
Non-GAAP Adjusted [3]	$ 264,227	$ 22,898	$ 17,215	$ 11,280	$ 0.21	$ 0.19

Three Months Ended June 30, 2018

Unaudited ($ in thousands)	Revenues	Non-GAAP Operating Earnings	Pretax (Loss) Earnings	Net (Loss) Income Attributable to Crawford & Company	Diluted (Loss) Earnings per CRD-A Share	Diluted (Loss) Earnings per CRD-B Share
GAAP	$ 279,044	$ 21,571	$ (1,967)	$ (2,425)	$ (0.04)	$ (0.06)
Adjustments:						
Loss on disposition of business line	—	—	17,795	13,301	0.25	0.25
GCG business [1]	(13,922)	1,410	1,407	952	0.02	0.02
Retained corporate overhead [2]	—	(1,279)	(1,279)	(866)	(0.02)	(0.02)
Non-GAAP Adjusted [3]	$ 265,122	$ 21,702	$ 15,956	$ 10,962	$ 0.21	$ 0.19

(1) Removes the operating results for the 2018 periods of the GCG business disposed on June 15, 2018.
(2) Overhead allocated to the GCG business that would have been retained at the parent level.
(3) Differences may exist due to rounding.

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