



Fourth Quarter and Full Year 2017 Earnings Conference Call

March 8, 2018



FORWARD-LOOKING STATEMENTS AND ADDITIONAL INFORMATION

- **Forward-Looking Statements**

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

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

- **Revenues Before Reimbursements ("Revenues")**

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

- **Segment and Consolidated Operating Earnings**

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

- **Earnings Per Share**

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

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

- **Non-GAAP Financial Information**

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

Crawford & Company Overview

- The world's largest publicly listed independent provider of claims management solutions to insurance companies and self-insured entities, with a global network serving clients in more than 70 countries
- Crawford employs approximately 8,800 employees handling in excess of 1.5 million claims annually in over 150 countries
- The company's claims management solutions, business process outsourcing (BPO) programs, and consulting services are delivered to clients including multinational insurance carriers, brokers, and local insurance firms as well as more than 200 of the Fortune 500 through four operating segments: U.S. Services, International, Broadspire and Garden City Group



1.5 Million

Claims Handled Around the World



\$14 Billion

Total Claims Payments Made



8,800+

Total Employees

TODAY'S AGENDA



- Welcome and Opening Comments
- Fourth Quarter and Full Year 2017 Financial Review
- 2017 Achievements and 2018 Initial Guidance

2017 BUSINESS HIGHLIGHTS

- Consolidated revenues were \$1.106 billion in 2017 compared to \$1.109 billion in 2016.
- Revenues grew on a constant dollar basis after considering foreign exchange impacts of \$8.5 million in 2017
- Three of our operating segments achieved their 10% operating margin goal for the year
- Non-GAAP earnings per share increased 76% for CRD-A and 87% for CRD-B for the 2017 fourth quarter, before goodwill impairment charges, restructuring and special charges, and the impact of tax reform in the U.S.
- Increased revenues in our U.S. Services segment of 16.5% as a result of hurricanes Harvey, Irma and Maria and WeGoLook
- Broadspire delivered increased revenues, earnings and margins for the 6th year in a row
- International saw solid growth in operating earnings and margins
- Garden City Group continued to face a challenging market environment with fewer larger, high value cases

Mission & Vision

Mission:

To restore and enhance lives, businesses and communities

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

2018 Realignment to Global Service Lines



- Effective in 2018, the Company has realigned its operating segments by moving to a global service line reporting structure consisting of Crawford Claim Solutions, Crawford TPA Solutions: Broadspire and Crawford Specialty Solutions.
- The Company's revised operating segments are comprised of the following:
 - **Crawford Claims Solutions** is comprised of Claims Field Operations and Catastrophe Services service lines previously reported within the U.S. Services and International segments
 - **Crawford TPA Solutions: Broadspire**, is comprised of the previously reported Broadspire segment and third party administration services within the International segment
 - **Crawford Specialty Solutions** is comprised of the previously reported Garden City Group segment and the Global Technical Services and Contractor Connection service lines within U.S. Services and International segments
- The Company will be providing restated historical quarterly results in the new operating segment format prior to filing its first quarter 2018 Form 10-Q.

New, Intelligent and Integrated Client Solutions

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TruLook maximizes efficiencies throughout the claims handling process to return accurate, precise information faster while reducing costs 20 – 40% and improving customer satisfaction



Total Construction Solutions is a comprehensive offering for the construction industry driven by Crawford's TPA capabilities in Broadspire with a truly integrated approach to client service that extends worldwide



Investments in digital solutions, data analytics and intelligent products are differentiating Crawford in the market as we leverage advanced data analytics to drive superior financial outcomes for our client



Expanding Crawford's workers compensation service offering to Australia to complement the Company's well established professional claims solutions



FOURTH QUARTER AND FULL YEAR 2017



Financial Review

STATEMENT OF OPERATIONS HIGHLIGHTS

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

Three Months Ended December 31,

	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues Before Reimbursements	\$ 298,767	\$ 272,423	\$ 26,344	10%
Costs of Services Provided, Before Reimbursements	213,253	193,125	20,128	10%
Selling, General, and Administrative Expenses	64,662	61,670	2,992	5%
Corporate Interest Expense, Net	2,388	1,632	756	46%
Goodwill Impairment Charges	19,598	—	—	nm
Restructuring and Special Charges	3,266	2,059	1,207	59%
Total Costs and Expenses Before Reimbursements	<u>303,167</u>	<u>258,486</u>	<u>44,681</u>	<u>17%</u>
Other Income	<u>227</u>	<u>136</u>	<u>91</u>	<u>67%</u>
Income Before Income Taxes	(4,173)	14,073	(18,246)	(130)%
(Benefit) Provision for Income Taxes	(1,530)	5,536	(7,066)	(128)%
Net (Loss) Income	<u>(2,643)</u>	<u>8,537</u>	<u>(11,180)</u>	<u>(131)%</u>
Net Income (Loss) Attributable to Noncontrolling Interests and Redeemable Noncontrolling Interests	<u>630</u>	<u>(773)</u>	<u>1,403</u>	<u>(182)%</u>
Net (Loss) Income Attributable to Shareholders of Crawford & Company	<u>\$ (2,013)</u>	<u>\$ 7,764</u>	<u>\$ (9,777)</u>	<u>(126)%</u>
(Loss) Earnings Per Share - Diluted:				
Class A Common Stock	\$ (0.03)	\$ 0.14	\$ (0.17)	(121)%
Class B Common Stock	\$ (0.05)	\$ 0.13	\$ (0.18)	(138)%
Non-GAAP Adjusted Earnings Per Share - Diluted: ⁽¹⁾				
Class A Common Stock	\$ 0.30	\$ 0.17	\$ 0.13	76%
Class B Common Stock	\$ 0.28	\$ 0.15	\$ 0.13	87%
Cash Dividends per Share:				
Class A Common Stock	\$ 0.07	\$ 0.07	\$ —	—%
Class B Common Stock	\$ 0.05	\$ 0.05	\$ —	—%



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

RECONCILIATION OF NON-GAAP ITEMS

Three Months Ended December 31, 2017

Unaudited (\$ in thousands)	Income Before Taxes	Income Taxes	Net Income	Net Income Attributable to Crawford & Company	Diluted Earnings per CRD-A Share	Diluted Earnings per CRD-B Share
GAAP	\$ (4,173)	\$ 1,530	\$ (2,643)	\$ (2,013)	\$ (0.03)	\$ (0.05)
Add back:						
Goodwill impairment charges	19,598	(7,179)	12,419	12,419	0.22	0.22
Restructuring and special charges	3,266	(1,153)	2,113	2,113	0.04	0.04
Impact of tax reform in the U.S.	—	3,795	3,795	3,795	0.07	0.07
Non-GAAP Adjusted	<u>\$ 18,691</u>	<u>\$ (3,007)</u>	<u>\$ 15,684</u>	<u>\$ 16,314</u>	<u>\$ 0.30</u>	<u>\$ 0.28</u>

Three Months Ended December 31, 2016

Unaudited (\$ in thousands)	Income Before Taxes	Income Taxes	Net Income	Net Income Attributable to Crawford & Company	Diluted Earnings per CRD-A Share	Diluted Earnings per CRD-B Share
GAAP	\$ 14,073	\$ (5,536)	\$ 8,537	\$ 7,764	\$ 0.14	\$ 0.13
Add back:						
Restructuring and special charges	2,059	(698)	1,361	1,361	0.03	0.02
Non-GAAP Adjusted	<u>\$ 16,132</u>	<u>\$ (6,234)</u>	<u>\$ 9,898</u>	<u>\$ 9,125</u>	<u>\$ 0.17</u>	<u>\$ 0.15</u>

U.S. SERVICES SEGMENT HIGHLIGHTS

Operating Results (4Q 2017 v. 4Q 2016)

- Revenues of \$84.8 million versus \$57.4 million
- Operating earnings of \$9.5 million versus \$7.7 million
- Operating earnings margin of 11.2% versus 13.4%
- Cases received of 127,237 versus 91,874, due to high-frequency, low-complexity WeGoLook cases and hurricane related cases in our Catastrophe Services line

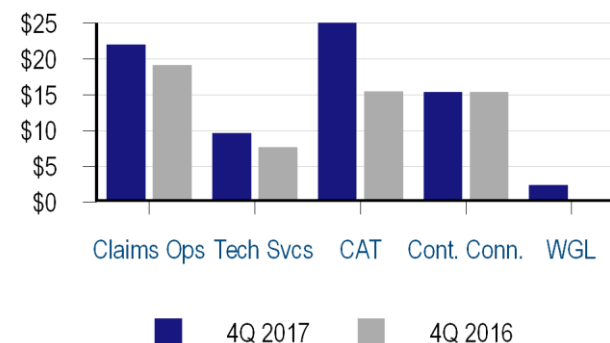
Highlights

- Increased revenues in Catastrophe Services, GTS and Claims Field Operations service lines as a result of hurricanes Harvey, Irma and Maria
- Market leading integrated approach to serving the market following the catastrophes highlighted our value proposition to the industry

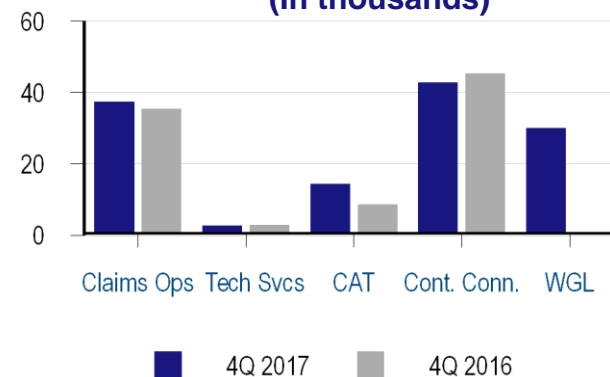
U.S. Catastrophe (CAT) Adjuster Activity

- CAT revenues of \$35.5 million versus \$15.4 million
- Average CAT adjusters deployed of 365 in 2017 versus 359 in 2016

Revenues by Service Line
(\$ in millions)



Cases Received by Service Line
(In thousands)



INTERNATIONAL SEGMENT HIGHLIGHTS

Operating Results (4Q 2017 v. 4Q 2016)

- Revenues of \$118.9 million versus \$116.8 million
- Exchange rates increased revenues by 3%, or \$4.0 million reversing prior trends
- Change in contractor repair operating model in the UK decreased revenues by \$5.6 million
- Operating earnings of \$17.6 million versus \$11.4 million
- Operating earnings margin of 14.8% versus 9.7%
- Cases received of 163,230 versus 169,969

Regional Highlights

- Revenues increased during the quarter largely due to increases in Canada and catastrophe revenues in Australia and Asia
- Expanding Contractor Connection and WeGoLook
- Case volumes decreased due to reduction in high-frequency, low-complexity cases in Asia and reduction in weather related cases in the UK

Revenues by Geographic Region
(\$ in millions)



Cases Received
(In thousands)



BROADSPIRE SEGMENT HIGHLIGHTS

Operating Results (4Q 2017 v. 4Q 2016)

- Revenues of \$78.6 million versus \$74.0 million
- Operating earnings of \$8.5 million versus \$6.5 million
- Operating earnings margin of 10.8% versus 8.8%
- Cases received of 123,366 versus 106,883

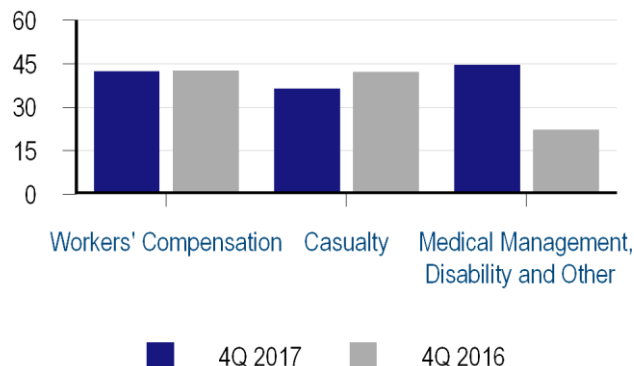
Highlights

- Strong contribution margin from revenue increases
- Growth in medical management and disability service lines
- Significant pipeline of future sales opportunities being pursued

Revenues by Service Line
(\$ in millions)



Broadspire Cases Received
(In thousands)



GARDEN CITY GROUP SEGMENT HIGHLIGHTS

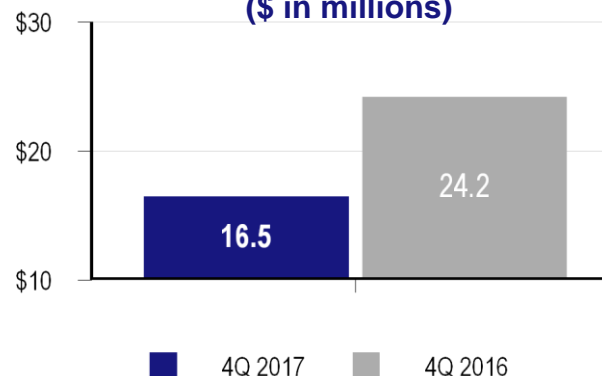
Operating Results (4Q 2017 v. 4Q 2016)

- Revenues of \$16.5 million versus \$24.2 million
- Operating loss of \$(2.1) million versus earnings of \$1.2 million
- Operating margin of (12.7)% versus 5.1%
- Backlog of \$66 million versus \$81 million

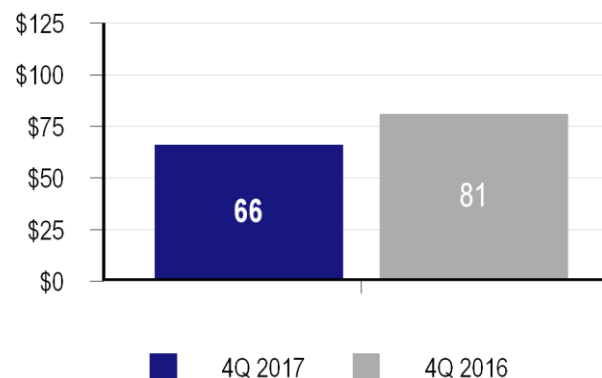
Highlights

- Low new business volume and lower relative value of cases during the 2017 quarter
- Deepwater Horizon class action settlement project continues to wind down
- Sales strategy and in depth expense review ongoing in response to market trends

Revenues
(\$ in millions)



Backlog
(\$ in millions)



BALANCE SHEET HIGHLIGHTS

Unaudited (\$ in thousands)	December 31, 2017	December 31, 2016	Change
Cash and cash equivalents	\$ 54,011	\$ 81,569	\$ (27,558)
Accounts receivable, net	174,172	153,566	20,606
Unbilled revenues, net	108,745	101,809	6,936
Total receivables	282,917	255,375	27,542
Goodwill	96,916	91,750	5,166
Intangible assets arising from business acquisitions, net	97,147	86,931	10,216
Goodwill and intangible assets arising from business acquisitions	194,063	178,681	15,382
Deferred revenues	60,309	63,340	(3,031)
Pension liabilities	87,035	105,175	(18,140)
Short-term borrowings and current portion of capital leases	25,212	1,012	24,200
Long-term debt, less current portion	200,460	187,002	13,458
Total debt	225,672	188,014	37,658
Total stockholders' equity attributable to Crawford & Company	182,320	153,883	28,437
Net debt ⁽¹⁾	171,661	106,445	65,216
Redeemable noncontrolling interests	6,775	—	6,775

OPERATING AND FREE CASH FLOW

For the year ended December 31,

Unaudited (\$ in thousands)	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Net Income Attributable to Shareholders of Crawford & Company	\$ 27,665	\$ 35,966	\$ (8,301)
Impairment of Goodwill	19,598	—	19,598
Depreciation and Other Non-Cash Operating Items	47,877	47,705	172
Unbilled and Billed Receivables Change	(17,488)	(5,001)	(12,487)
Working Capital Change	(22,262)	34,324	(56,586)
U.S. and U.K. Pension Contributions	(14,633)	(14,130)	(503)
Cash Flows from Operating Activities	40,757	98,864	(58,107)
Property & Equipment Purchases, net	(19,044)	(10,354)	(8,690)
Capitalized Software (internal and external costs)	(25,867)	(18,845)	(7,022)
Free Cash Flow ⁽¹⁾	(\$4,154)	\$69,665	(\$73,819)

⁽¹⁾ See Appendix for non-GAAP explanation

2017 SHARE REPURCHASES

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- During the fourth quarter 2017, Crawford repurchased 150,000 shares of CRD-A for an average price of \$8.30 per share, and 12,592 shares of CRD-B for an average price of \$8.75 per share
- During the full year 2017, Crawford repurchased 699,847 shares of CRD-A for an average price of \$8.21 per share, and 188,180 shares of CRD-B for an average price of \$8.88 per share
- Effective July 29, 2017, the Company's Board of Directors authorized the repurchase of up to 2,000,000 shares of CRD-A or CRD-B (or both) through July 2020 ("2017 Repurchase Authorization")
- As of December 31, 2017 the Company had remaining authorization to repurchase 1,666,671 shares under the 2017 Repurchase Authorization

2018 GUIDANCE

Crawford & Company is providing initial guidance for 2018 as follows:

YEAR ENDING DECEMBER 31, 2018	Low End	High End	
Consolidated revenues before reimbursements	\$1.12	\$1.14	billion
Net income attributable to shareholders of Crawford & Company	\$43.0	\$48.0	million
Diluted earnings per share--CRD-A	\$0.78	\$0.88	per share
Diluted earnings per share--CRD-B	\$0.71	\$0.81	per share
Consolidated operating earnings	\$85.0	\$95.0	million
Consolidated adjusted EBITDA	\$127.0	\$137.0	million

- The Company's guidance assumes a 31.7% effective tax rate which incorporates the key provisions of U.S. tax reform
- The Company does not anticipate any restructuring or special charges during 2018

2017 Accomplishments

- **Re-organized Crawford into Global Service Lines to position the Company to take share and drive growth**
- **Successfully reduced costs and streamlined Crawford's operations**
- **Refreshed Crawford's core mission and values**
- **Recruited experienced, senior leadership**
- **Launched new products and services which will position Crawford as an industry innovator**
- **Positioned Crawford to achieve our medium term goal of 5% revenue and 15% earnings growth, annually**

FOURTH QUARTER AND FULL YEAR 2017



Appendix

FOURTH QUARTER AND FULL YEAR 2017 BUSINESS SUMMARY

(\$ in millions, except per share amounts)	Quarter Ended			Year Ended		
	December 31, 2017		% Change	December 31, 2017		% Change
	2017	2016		2017	2016	
Revenues	\$298.8	\$272.4	10%	\$1,105.8	\$1,109.3	—%
Net (Loss) Income Attributable to Shareholders of Crawford & Company	(\$2.0)	\$7.8	(126)%	\$27.7	\$36.0	(43)%
Diluted (Loss) Earnings per Share						
CRD-A	(\$0.03)	\$0.14	(121)%	\$0.52	\$0.67	(22)%
CRD-B	(\$0.05)	\$0.13	(138)%	\$0.45	\$0.60	(25)%
Non-GAAP Diluted Earnings per Share ⁽¹⁾						
CRD-A	\$0.30	\$0.17	76%	\$0.94	\$0.79	19%
CRD-B	\$0.28	\$0.15	87%	\$0.87	\$0.71	23%
Operating Earnings ⁽¹⁾	\$24.2	\$20.3	19%	\$95.7	\$92.1	4%
Operating Margin	8.1%	7.4%	70 bps	8.7%	8.3%	40 bps
Adjusted EBITDA ⁽¹⁾	\$34.4	\$29.1	18%	\$131.8	\$126.2	4%
Adjusted EBITDA Margin	11.5%	10.7%	80 bps	11.9%	11.4%	50 bps

⁽¹⁾ Non-GAAP Diluted Earnings per Share before goodwill impairment charges, restructuring and special charges and impact of U.S. tax reform. See appendix for non-GAAP explanation and reconciliation of non-GAAP Earnings per Share.

APPENDIX: NON-GAAP FINANCIAL INFORMATION

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

Reimbursements for Out-of-Pocket Expenses

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

Net Debt

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

Free Cash Flow

Management believes free cash flow is useful to investors as it presents the amount of cash the Company has generated that can be used for other purposes, including additional contributions to the Company's defined benefit pension plans, discretionary prepayments of outstanding borrowings under our credit agreement, and return of capital to shareholders, among other purposes. It does not represent the residual cash flow of the Company available for discretionary expenditures. The reconciliation from Cash Flows from Operating Activities is provided on slide 14.

Segment and Consolidated Operating Earnings

Operating earnings is the primary financial performance measure used by our senior management and chief operating decision maker to evaluate the financial performance of our Company and operating segments, and make resource allocation and certain compensation decisions. Management believes operating earnings is useful to others in that it allows them to evaluate segment and consolidated operating performance using the same criteria our management and chief operating decision maker use. Consolidated operating earnings represent segment earnings including certain unallocated corporate and shared costs and credits, but before net corporate interest expense, stock option expense, amortization of customer-relationship intangible assets, goodwill impairment charges, restructuring and special charges, income taxes, and net income or loss attributable to noncontrolling interests.

APPENDIX: NON-GAAP FINANCIAL INFORMATION (continued)

Adjusted EBITDA

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

Non-GAAP Adjusted Net Income and Diluted Earnings per Share

Included in non-GAAP adjusted net income as an add back to GAAP net income and diluted earnings per share, are restructuring and special charges net of tax, goodwill impairment charges, and the impact of U.S. tax reform, 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 December 31, 2017	Quarter Ended December 31, 2016	Full Year Guidance 2018 *
Revenues Before Reimbursements			
Total Revenues	\$ 313,541	\$ 293,624	\$ 1,198,000
Reimbursements	(14,774)	(21,201)	(68,000)
Revenues Before Reimbursements	<u>\$ 298,767</u>	<u>\$ 272,423</u>	<u>\$ 1,130,000</u>
Costs of Services Provided, Before Reimbursements			
Total Costs of Services	\$ 228,027	\$ 214,326	
Reimbursements	(14,774)	(21,201)	
Costs of Services Provided, Before Reimbursements	<u>\$ 213,253</u>	<u>\$ 193,125</u>	
	Quarter Ended December 31, 2017	Quarter Ended December 31, 2016	Full Year Guidance 2018 *
Unaudited (\$ in thousands)			
Operating Earnings:			
U.S. Services	\$ 9,486	\$ 7,681	
International	17,554	11,381	
Broadspire	8,494	6,506	
Garden City Group	(2,106)	1,243	
Unallocated corporate and shared costs, net	(9,226)	(6,517)	
Consolidated Operating Earnings	<u>24,202</u>	<u>20,294</u>	<u>\$ 90,000</u>
Deduct:			
Net corporate interest expense	(2,388)	(1,632)	(10,000)
Stock option expense	(376)	(218)	(1,800)
Amortization expense	(2,747)	(2,312)	(11,000)
Goodwill impairment charges	(19,598)	—	—
Restructuring and special charges	(3,266)	(2,059)	—
Income taxes	1,530	(5,536)	(21,000)
Net income (loss) attributable to non-controlling interests and redeemable noncontrolling interests	630	(773)	(700)
Net (Loss) Income Attributable to Shareholders of Crawford & Company	<u>\$ (2,013)</u>	<u>\$ 7,764</u>	<u>\$ 45,500</u>

RECONCILIATION OF NON-GAAP ITEMS (continued)

Adjusted EBITDA

Unaudited (\$ in thousands)	Quarter Ended		Year Ended		Full Year Guidance 2018 *
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	
Net (loss) income attributable to shareholders of Crawford & Company	\$ (2,013)	\$ 7,764	\$ 27,665	\$ 35,966	\$ 45,500
Add:					
Depreciation and amortization	11,010	10,100	41,658	40,743	48,300
Stock-based compensation	1,688	2,006	6,661	5,252	7,200
Net corporate interest expense	2,388	1,632	9,062	9,185	10,000
Goodwill impairment charges	19,598	—	19,598	—	—
Restructuring and special charges	3,266	2,059	12,084	9,490	—
Income taxes	(1,530)	5,536	15,039	25,565	21,000
Adjusted EBITDA	\$ 34,407	\$ 29,097	\$ 131,767	\$ 126,201	\$ 132,000

* Midpoints of Company's Guidance, updated March 7, 2018

RECONCILIATION OF NON-GAAP ITEMS (continued)

Net Debt

Unaudited (\$ in thousands)	December 31, 2017	December 31, 2016
Net Debt		
Short-term borrowings	\$ 24,641	\$ 30
Current installments of capital leases	571	982
Long-term debt and capital leases, less current installments	200,460	187,002
Total debt	225,672	188,014
Less:		
Cash and cash equivalents	54,011	81,569
Net debt	\$ 171,661	\$ 106,445

RECONCILIATION OF NON-GAAP ITEMS (continued)

Non-GAAP Adjusted Net Income and Diluted Earnings Per Share

Year Ended December 31, 2017

Unaudited (\$ in thousands)	Income Before Taxes	Income Taxes	Net Income	Net Income Attributable to Crawford & Company	Diluted Earnings per CRD-A Share	Diluted Earnings per CRD-B Share
GAAP	\$ 42,262	\$ (15,039)	\$ 27,223	\$ 27,665	\$ 0.52	\$ 0.45
Add back:						
Goodwill impairment charges	19,598	(7,179)	12,419	12,419	0.22	0.22
Restructuring and special charges	12,084	(4,266)	7,818	7,818	0.13	0.13
Impact of tax reform in the U.S.	—	3,795	3,795	3,795	0.07	0.07
Non-GAAP Adjusted	<u>\$ 73,944</u>	<u>\$ (22,689)</u>	<u>\$ 51,255</u>	<u>\$ 51,697</u>	<u>\$ 0.94</u>	<u>\$ 0.87</u>

Year Ended December 31, 2016

Unaudited (\$ in thousands)	Income Before Taxes	Income Taxes	Net Income	Net Income Attributable to Crawford & Company	Diluted Earnings per CRD-A Share	Diluted Earnings per CRD-B Share
GAAP	\$ 63,241	\$ (25,565)	\$ 37,676	\$ 35,966	\$ 0.67	\$ 0.60
Add back:						
Restructuring and special charges	9,490	(3,120)	6,370	6,370	0.12	0.11
Non-GAAP Adjusted	<u>\$ 72,731</u>	<u>\$ (28,685)</u>	<u>\$ 44,046</u>	<u>\$ 42,336</u>	<u>\$ 0.79</u>	<u>\$ 0.71</u>