

CRAWFORD & CO
Form 10-Q
May 09, 2016
Table of Contents

United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q
R QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

for the quarterly period ended March 31, 2016

OR
O TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

for the transition period from ____ to ____

Commission file number 1-10356

CRAWFORD & COMPANY

(Exact name of Registrant as specified in its charter)

Georgia 58-0506554
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1001 Summit Boulevard
Atlanta, Georgia 30319
(Address of principal executive offices) (Zip Code)

(404) 300-1000
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares outstanding of each class of the Registrant's common stock, as of April 29, 2016, was as follows:

Class A Common Stock, \$1.00 par value: 30,662,590

Class B Common Stock, \$1.00 par value: 24,690,172

CRAWFORD & COMPANY
 Quarterly Report on Form 10-Q
 Quarter Ended March 31, 2016

Table of Contents

	Page
Part I. Financial Information	
<u>Item</u> 1. <u>Financial Statements:</u>	<u>3</u>
<u>Condensed Consolidated Statements of Operations (unaudited) for the three months ended March 31, 2016 and 2015</u>	<u>4</u>
Condensed Consolidated Statements of Comprehensive Income (Loss) (unaudited) for the three months ended March 31, 2016 and 2015	<u>4</u>
<u>Condensed Consolidated Balance Sheets (unaudited) as of March 31, 2016 and December 31, 2015</u>	<u>5</u>
<u>Condensed Consolidated Statements of Cash Flows (unaudited) for the three months ended March 31, 2016 and 2015</u>	<u>7</u>
<u>Condensed Consolidated Statements of Shareholders' Investment (unaudited) as of and for the three months ended March 31, 2016 and 2015</u>	<u>8</u>
<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	<u>9</u>
Review <u>Report of Independent Registered Public Accounting Firm</u>	<u>21</u>
<u>Item</u> 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>22</u>
<u>Item</u> 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>35</u>
<u>Item</u> 4. <u>Controls and Procedures</u>	<u>36</u>
Part II. Other Information	
<u>Item</u> 1A. <u>Risk Factors</u>	<u>37</u>
<u>Item</u> 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>37</u>
<u>Item</u> 6. <u>Exhibits</u>	<u>37</u>

Signatures

38

Index to Exhibits

39

Table of Contents

Part I — Financial Information

Item 1. Financial Statements

CRAWFORD & COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

(In thousands, except per share amounts)	Three Months Ended	
	2016	2015
Revenues:		
Revenues before reimbursements	\$277,234	\$287,777
Reimbursements	13,674	18,839
Total Revenues	290,908	306,616
Costs and Expenses:		
Costs of services provided, before reimbursements	201,433	219,323
Reimbursements	13,674	18,839
Total costs of services	215,107	238,162
Selling, general, and administrative expenses	56,797	60,387
Corporate interest expense, net of interest income of \$70 and \$165, respectively	2,768	1,864
Restructuring and special charges	2,417	1,063
Total Costs and Expenses	277,089	301,476
Other Income	117	382
Income Before Income Taxes	13,936	5,522
Provision for Income Taxes	5,307	2,241
Net Income	8,629	3,281
Net Loss (Income) Attributable to Noncontrolling Interests	1	(295)
Net Income Attributable to Shareholders of Crawford & Company	\$8,630	\$2,986
Earnings Per Share - Basic:		
Class A Common Stock	\$0.17	\$0.06
Class B Common Stock	\$0.15	\$0.04
Earnings Per Share - Diluted:		
Class A Common Stock	\$0.16	