crocs™

INVESTOR PRESENTATION

April 2021



FORWARD-LOOKING STATEMENT

Some information provided in this document will be forward-looking, and accordingly, is subject to the Safe Harbor provisions of the federal securities law. These statements include, but are not limited to, statements regarding potential impacts to our business related to the COVID-19 pandemic, our financial condition, brand and liquidity outlook and expectations regarding our 2021 revenue, tax rate, inventory and capital expenditures. These statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from any future results, performances, or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, the following: the COVID-19 outbreak and related government, private sector, and individual consumer responsive actions; current global financial conditions, including economic impacts resulting from the COVID-19 outbreak; the effect of competition in our industry; our ability to effectively manage our future growth or declines in revenues; changing consumer preferences; our ability to maintain and expand revenues and gross margin; our ability to accurately forecast consumer demand for our products; our ability to successfully implement our strategic plans; our ability to develop and sell new products; our ability to obtain and protect intellectual property rights; the effect of potential adverse currency exchange rate fluctuations and other international operating risks; and other factors described in our most recent Annual Report on Form 10-K under the heading “Risk Factors” and our subsequent filings with the Securities and Exchange Commission. Readers are encouraged to review that section and all other disclosures appearing in our filings with the Securities and Exchange Commission. Crocs is not obligated to update these forward-looking statements to reflect the impact of future events.



CONTENT

- Our Vision & Values
- Global Business Update
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OUR VISION

Everyone comfortable in their own shoes



Source: Image from Reddit.

OUR VALUES

The Path We Choose to Walk

DELIGHTFULLY DEMOCRATIC

We celebrate one-of-a-kinds and stand together with all different kinds.

PEOPLE-PURPOSED DESIGN

We think people-first at every step. We design for everything you do and everywhere you go.

INHERENT SIMPLICITY

We know smart doesn't have to mean complicated. So we keep things simple, light and totally intuitive.

IMAGINATIVE INNOVATION

We stretch the possibilities of design and creative thinking so you can reach your highest potential.

UNAPOLOGETIC OPTIMISM

We make a choice every day to have an open mind and look on the bright and colorful side.

CONFIDENTLY COMFORTABLE

We support comfort on every level, because when you're comfortable, you can do anything.

GLOBAL BUSINESS UPDATE

"The strength of the Crocs brand is exceptional, experiencing growth across all regions and all channels. I am proud of our results and am incredibly confident in our ability to deliver sustained, long-term profitable growth.

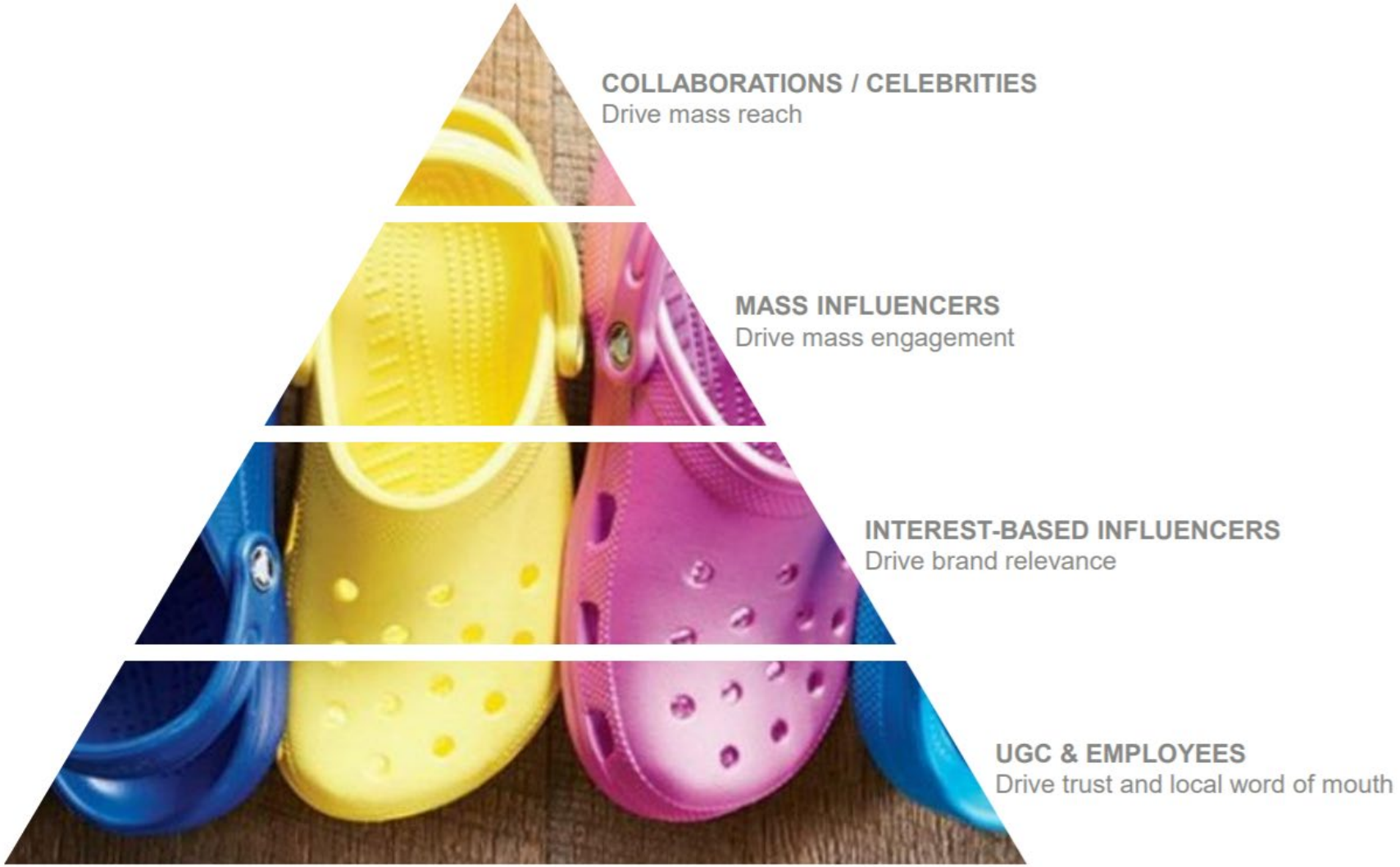
– Andrew Rees, CEO

Q1 Highlights

- Q1 achieved third consecutive quarter of record revenue
- Revenue of $460 million, +64% vs. PY with growth in every channel
  - Americas +87% with DTC +131% vs. PY
  - EMEA +49% with double-digits increases in Digital and Wholesale
  - Asia achieved strong double-digit growth of +26%
  - Sandals revenues increased +17% to represent 17% of footwear sales
- Digital growth of +75% to represent 32% of revenue with increases in every region
- Adjusted operating profit increased approximately $100 million to $126 million
  - Adjusted operating margin expansion to 27% up from 9%
- Adjusted EPS of $1.49, up from $0.22



Fueling Brand Strength Globally



#2 in Fast Company's Most Innovative Joint Ventures of 2021

"Any brand that can collaborate with both Peeps, the sugar-coated marshmallow treat, and Bad Bunny, the Puerto Rican rapper and songwriter, has range"



Best in Class Marketing Activations

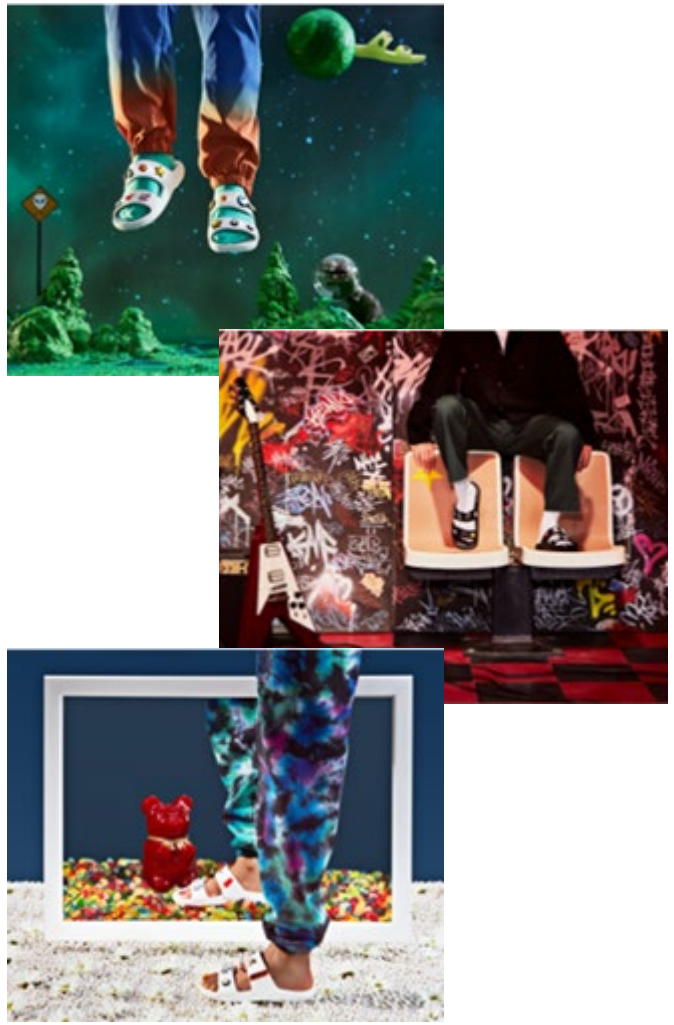
LUCKY CHARMS JIBBITZ



BRETMAN ROCK



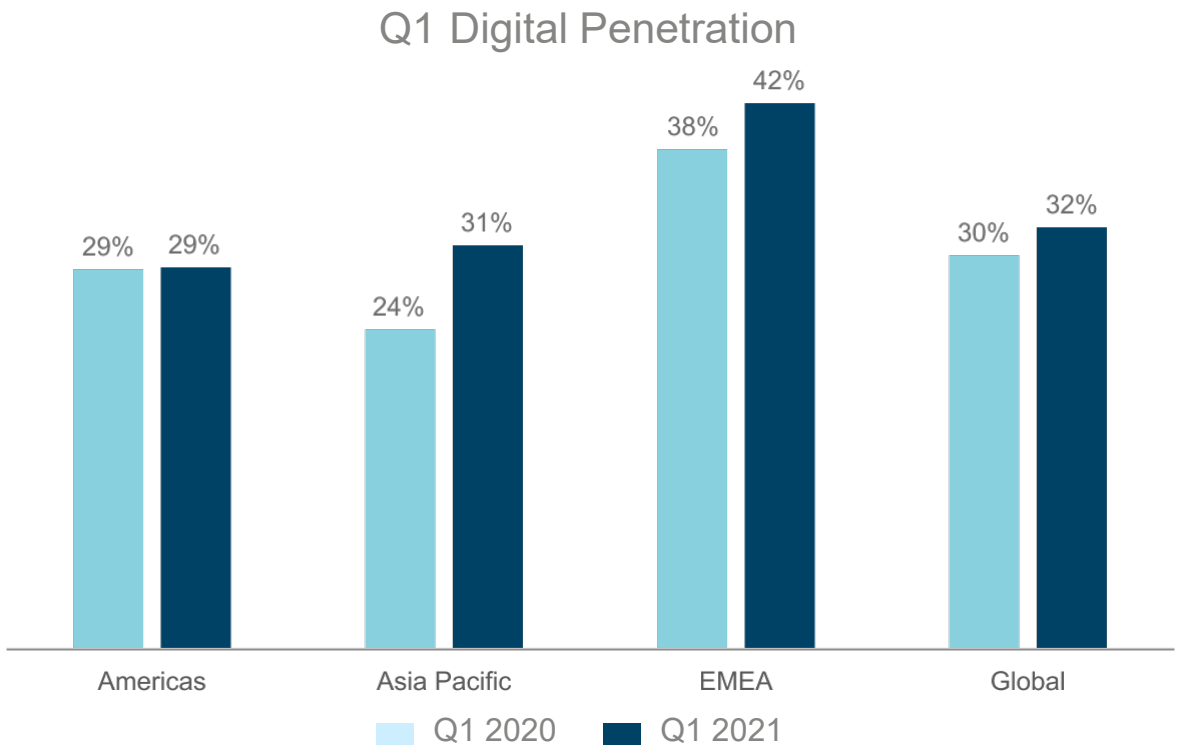
HIGHSNOBIETY



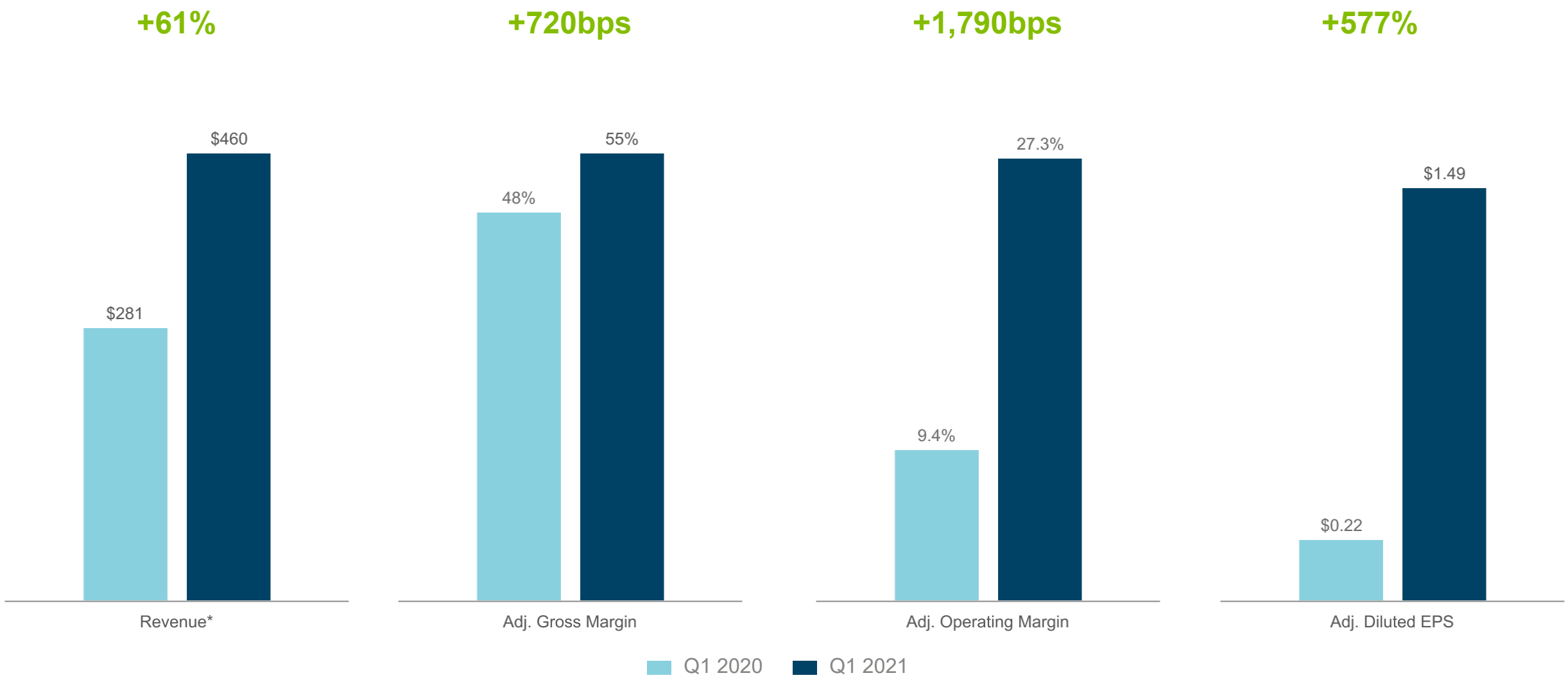
Continued Strength in Digital



- Digital commerce growth of 75% with growth in all regions
- Strong double-digit growth across e-commerce and multiple e-tail platforms and marketplaces

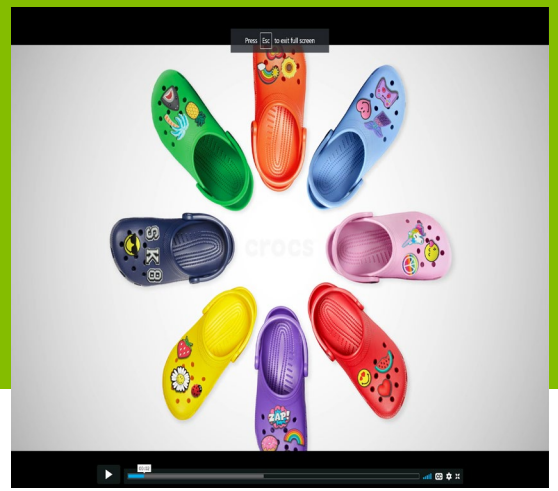


Exceptional First Quarter Results



* Note USD millions for Revenue and constant currency growth

POSITIONED FOR GLOBAL GROWTH



Key Product Pillars

Clogs: Innovate & grow clog relevance

Sandals: Significant long-term growth potential

Personalization: Drive relevancy and consumer connection



Powerful Social & Digital Marketing

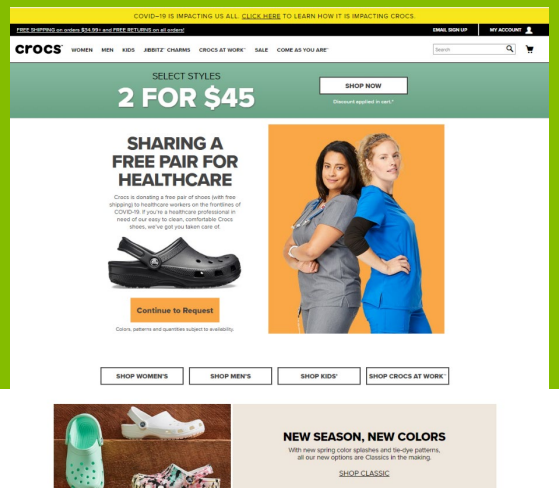
Digital and social focus globally

Come As You Are

Brand ambassadors

Social influencers

Collaborations



Digital-Led Route to Market

Digital: Significant long-term growth opportunities

Direct-to-consumer: Double-digit plus growth continues

Wholesale: Strong growth opportunities within e-tail accounts; long-term growth potential with distributors



Largest Long-Term Growth Opportunity in Asia

Asia: Largest long-term growth potential

EMEA: Solid growth

Americas: Strong growth momentum

Innovate and Grow Clog Relevance

- **$6B global category** that has outpaced casual footwear growth*
  - Crocs is market leader with $1B or ~20% share
  - Crocs opportunity is to grow the category
- Crocs clog **revenues +87%** in Q1 2021 to 76% of footwear sales vs. 65% in Q1 2020
- **Key drivers** of clog growth and relevance are:
  - Impactful collaborations across the globe
  - Personalization with expanded Jibbitz charms
- **Strongest growth in Americas and EMEA with** with continued opportunity in Asia



* Casual footwear market is estimated to grow at 4% per annum.



Significant Long-Term Growth Potential in Sandals

- **$30B global category** growing ~4% p.a.
  - Fragmented market with no clear leader
  - Crocs opportunity is to grow our share
- Consistent **track record of growth**
  - Sandal growth of 17%, encompassing 17% of footwear sales in Q1 2021
  - Pre-COVID, three consecutive first quarters of double-digit growth
- Key **drivers of sandal growth** are:
  - Personalization as unique selling proposition
  - Targeting female explorers
  - Marketing to support awareness
  - Higher purchase frequency to address multiple wearing occasions

Capitalize on Personalization Trend with Jibbitz™ Charms

- Personalization is a **global megatrend**
- **Optimistic story-telling** and personalization will be even more critical post COVID-19
- Drives **relevance** for the Crocs brand
- Offers **newness and inspiration** at a compelling price point
- Supports clog and sandal sales and **enhances average selling price** (ASP)
- **Revenues more than doubled** in Q1 2021





Digital-Led Route to Market

Direct-to-consumer			Wholesale	
Company-operated full-price retail and outlet stores, kiosks, and store-in-store	Crocs.com	Third-party marketplaces (e.g., eBay)	e-tailers (e.g., Amazon, Zappos, Zalando)	Distributors, multi-brand, and brick-and-mortar retailers
	Digital			

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* Chart reflects percentage of Q1 2021 sales.

POSITIONED FOR GLOBAL GROWTH

Largest Long-Term Growth Opportunity in Asia

Asia: greatest opportunity long-term

- Leverage tier 1 Celebrities and influencers
- Developing local-for-local production, marketing and collaborations
- Strong digital growth supported by participation on key marketplace platforms
- China is the 2nd largest footwear market in the world

Americas: largest region

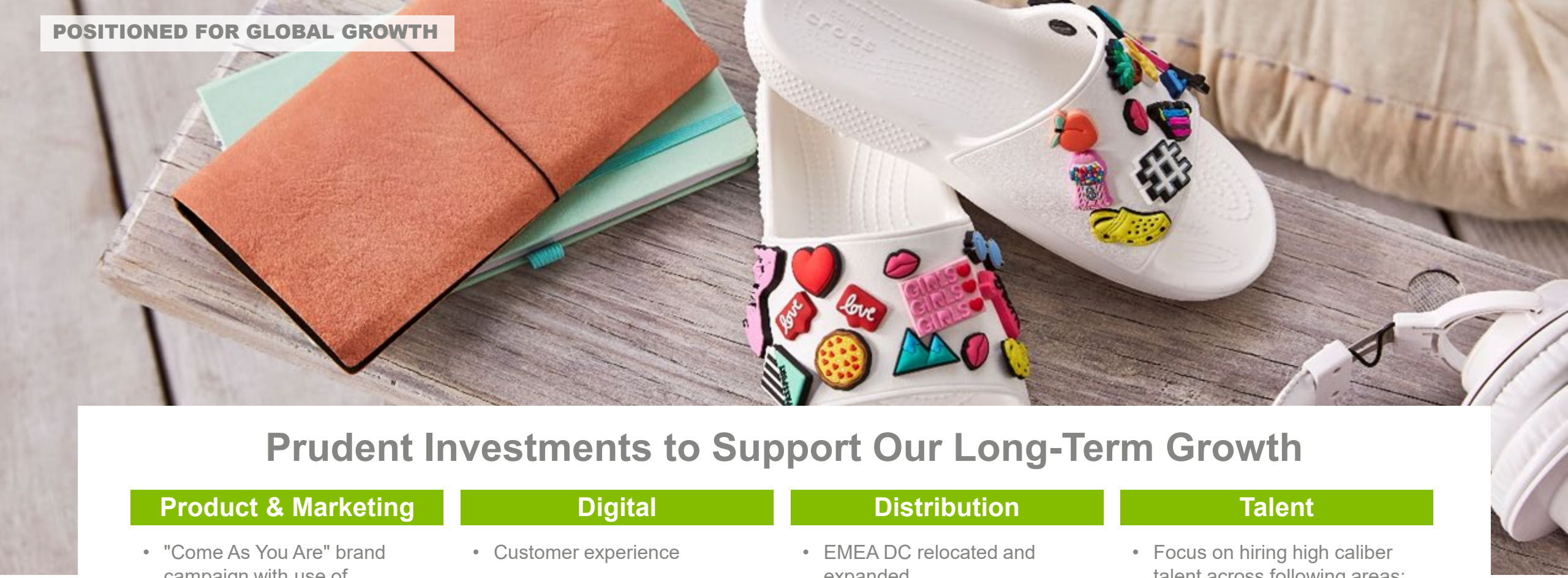
- Leverage clog strength to gain sandal penetration in wholesale
- Amplify positive momentum in DTC channel

EMEA: most diverse region

- Maintain digital commerce penetration with a focus on e-tail and marketplaces
- Drive wholesale growth through distributors

Source: Image from Twitter





Prudent Investments to Support Our Long-Term Growth

Product & Marketing

- "Come As You Are" brand campaign with use of influencers
- Collaborations
- Clogs, Sandals, and Jibbitz
- Product innovation

Digital

- Customer experience
- Personalization
- Targeted brand marketing campaigns

Distribution

- EMEA DC relocated and expanded
- Automation in EMEA DCs
- Leverage efficiencies

Talent

- Focus on hiring high caliber talent across following areas:
  - Marketing
  - Digital
  - Supply Chain

FINANCIAL RESULTS



Q1 Financial Results

	Q1	vs. PY
Revenue ($M)	$460.1	+61%*
Gross Margin	55.0%	+730 bp
Adj. Gross Margin**	55.2%	+720 bp
Adj. SG&A as % of Revenue**	27.9%	+1,080 bp
Operating Margin	27.1%	+1,970 bp
Adj. Operating Margin**	27.3%	+1,790 bp
Diluted EPS	$1.47	+819%
Adj. Diluted EPS**	$1.49	+577%

* Revenue growth on a constant currency basis.
** See reconciliation to GAAP equivalents in Appendix

FY2021 Guidance

	Q2 2021E	FY 2021E
Revenue Growth	60% - 70%	40% - 50%
Non-GAAP Gross Margin Adj.	$3M	$12 - $15M
Adjusted Operating Margin	21% - 23%	22% - 24%
GAAP Tax Rate		20%
Non-GAAP Tax Rate		20%
Capital Expenditures		$100 - $130M



Source: Image from British GQ

APPENDIX



NON-GAAP RECONCILIATION

Non-GAAP cost of sales, gross profit, and gross margin reconciliation:

	Three Months Ended March 31,	
	2021	2020
	(in thousands)	
GAAP revenues	$ 460,098	$ 281,160
GAAP cost of sales	$ 206,879	$ 146,998
New distribution centers [1]	(985)	(927)
Other	—	—
Total adjustments	(985)	(927)
Non-GAAP cost of sales	$ 205,894	$ 146,071
GAAP gross profit	$ 253,219	$ 134,162
GAAP gross margin	55.0%	47.7%
Non-GAAP gross profit	$ 254,204	$ 135,089
Non-GAAP gross margin	55.2%	48.0%

[1] Represents expenses, including expansion costs, related to our distribution centers in Dayton, Ohio and Dordrecht, the Netherlands.

Non-GAAP selling, general and administrative expenses reconciliation:

	Three Months Ended March 31,	
	2021	2020
	(in thousands)	
GAAP revenues	$ 460,098	$ 281,160
GAAP selling, general and administrative expenses	$ 128,533	$ 113,350
Donations of inventory	—	(1,702)
COVID-19 impact of bad debt expense [1]	—	(2,773)
Duplicate headquarters rent [2]	—	(207)
Other	—	69
Total adjustments	—	(4,613)
Non-GAAP selling, general and administrative expenses [3]	$ 128,533	$ 108,737
GAAP selling, general and administrative expenses as a percent of revenues	27.9%	40.3%
Non-GAAP selling, general and administrative expenses as a percent of revenues	27.9%	38.7%

[1] Represents prior year bad debt expense associated with the impact of COVID-19 on wholesale partners in our Asia Pacific segment.
[2] Represents prior year duplicate rent costs associated with our prior year move to our new headquarters in Broomfield, Colorado.
[3] Non-GAAP selling, general and administrative expenses are presented gross of tax.

NON-GAAP RECONCILIATION (cont'd)

Non-GAAP income from operations and operating margin reconciliation:

	Three Months Ended March 31,	
	2021	2020
	(in thousands)	
GAAP revenues	$ 460,098	$ 281,160
GAAP income from operations	$ 124,686	$ 20,812
Non-GAAP cost of sales adjustments [1]	985	927
Non-GAAP selling, general and administrative expenses adjustments [2]	—	4,613
Non-GAAP income from operations	$ 125,671	$ 26,352
GAAP operating margin	27.1%	7.4%
Non-GAAP operating margin	27.3%	9.4%

[1] See 'Non-GAAP cost of sales, gross profit, and gross margin reconciliation' above for more details.
[2] See 'Non-GAAP selling, general and administrative expenses reconciliation' above for more details.

Non-GAAP income tax expense (benefit) and effective tax rate reconciliation:

	Three Months Ended March 31,	
	2021	2020
	(in thousands)	
GAAP income from operations	$ 124,686	$ 20,812
GAAP income before income taxes	122,588	18,778
Non-GAAP income from operations [1]	$ 125,671	$ 26,352
GAAP non-operating income (expenses):		
Foreign currency losses, net	(504)	(231)
Interest income	27	97
Interest expense	(1,632)	(1,921)
Other income, net	11	21
Non-GAAP income before income taxes	$ 123,573	$ 24,318
GAAP income tax expense	$ 24,190	$ 7,687
Tax effect of non-GAAP operating adjustments	249	1,385
Impact of 2020 intra-entity IP transfer [2]	(352)	—
Non-GAAP income tax expense	$ 24,087	$ 9,072
GAAP effective income tax rate	19.7%	40.9%
Non-GAAP effective income tax rate	19.5%	37.3%

[1] See 'Non-GAAP income from operations and operating margin reconciliation' above for more details.
[2] In the fourth quarter of 2020, we made changes to our international legal structure, including an intra-entity transfer of certain intellectual property rights, primarily to align with current and future international operations. The transfer resulted in a step-up in the tax basis of intellectual property rights and a correlated increase in foreign deferred tax assets based on the fair value of the transferred intellectual property rights. This adjustment represents the current period impact of this transfer, net of the realization of deferred tax assets that were subject to a valuation allowance.

NON-GAAP RECONCILIATION (cont'd)

Non-GAAP earnings per share reconciliation:

	Three Months Ended March 31,	
	2021	2020
	(in thousands, except per share data)	
Numerator:		
GAAP net income	$ 98,398	$ 11,091
Non-GAAP cost of sales adjustments [1]	985	927
Non-GAAP selling, general and administrative expenses adjustments [2]	—	4,613
Tax effect of non-GAAP adjustments	103	(1,385)
Non-GAAP net income	$ 99,486	$ 15,246
Denominator:		
GAAP weighted average common shares outstanding - basic	65,458	67,931
Plus: GAAP dilutive effect of stock options and unvested restricted stock units	1,390	1,287
GAAP weighted average common shares outstanding - diluted	66,848	69,218
GAAP net income per common share:		
Basic	$ 1.50	$ 0.16
Diluted	$ 1.47	$ 0.16
Non-GAAP net income per common share:		
Basic	$ 1.52	$ 0.22
Diluted	$ 1.49	$ 0.22

[1] See 'Non-GAAP cost of sales, gross profit, and gross margin reconciliation' above for more information.
[2] See 'Non-GAAP selling, general and administrative expenses reconciliation' above for more information.


ZAP!