



Q4 & FY 2024 Investor Presentation



Forward Looking Statement

This presentation includes estimates, projections, and statements relating to our business plans, commitments, objectives, and expected operating results that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

These statements include, but are not limited to, statements regarding our financial condition, brand and liquidity outlook, and expectations regarding our future financial results, share repurchases, our strategy, plans, objectives, expectations (financial or otherwise) and intentions, future financial results and growth potential, statements regarding first quarter and full year 2025 financial outlook and future profitability, cash flows, and brand strength, anticipated product portfolio and our ability to deliver sustained, highly profitable growth and create significant shareholder value. 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 the 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.

All information in this document speaks only as of February 13, 2025. We do not undertake any obligation to update publicly any forward-looking statements, whether as a result of the receipt of new information, future events, or otherwise, except as required by applicable law.

Financial Results

Q4 2024 Financial Results⁽¹⁾

	Crocs, Inc.	Crocs Brand	HEYDUDE Brand
Revenues	\$990M +4% vs. LY	\$762M +5% vs. LY	\$228M Flat vs. LY
Adjusted Gross Margin ⁽²⁾	57.9% +220bps vs. LY	60.9% +140bps vs. LY	47.7% +220bps vs. LY
Adjusted SG&A as % of Revenue ⁽²⁾	37.7% +610bps vs. LY		
Adjusted Operating Income ⁽²⁾	\$200M (13%) vs. LY		
Adjusted Operating Margin ⁽²⁾	20.2% (390)bps vs. LY		
Adjusted Diluted EPS ⁽²⁾	\$2.52 (2%) vs. LY		

Crocs Brand Highlights: Q4⁽¹⁾

Q4 Revenues

\$762M

year-over-year growth +5% vs. LY

Direct-to-Consumer

\$447M

+6% vs. LY

Wholesale

\$315M

+4% vs. LY

North America

\$471M

Flat vs. LY

International

\$291M

+14% vs. LY

- North America sales flat versus prior year, supported by DTC channel up +2%
- China grew +25% year-over-year in Q4 including strong Double 11 Shopping Festival results besting expectations
- Crocs brand adjusted gross margin grew +140bps year-over-year, to +60.9%⁽²⁾
- During the holiday season, our Classic Clog was a standout
- Strength in product partnerships such as Bluey and Mickey & Friends igniting excitement within our younger customer base
- Crocs brand emerged as the #1 footwear brand on TikTok Shop in December



HEYDUDE Brand Highlights: Q4⁽¹⁾

Q4 Revenues

\$228M

year-over-year growth flat vs. LY

Direct-to-Consumer

\$133M

+7% vs. LY

Wholesale

xxx

\$95M

(8)% vs. LY

- HEYDUDE adjusted gross margin improved +220bps year-over-year, to +47.7%⁽²⁾
- HEYDUDE brand ranked #3 footwear brand on TikTok Shop in December
- Growth in new customer acquisition in the Female 18-24 demographic, up +160% vs. the third quarter
- Holiday season fueled by product newness including the Wendy Slipper, Austin Lift, and Paul franchises
- Improved full-price selling with ASP growth of 7% in the fourth quarter, marking six consecutive quarter of ASP growth
- Opened nine premium outlet stores in the quarter



Full Year 2024 Financial Results⁽¹⁾

	Crocs, Inc.	Crocs Brand	HEYDUDE Brand
Revenues	\$4.1B +4% vs. LY	\$3.3B +10% vs. LY	\$824M (13%) vs. LY
Adjusted Gross Margin ⁽²⁾	58.8% +230bps vs. LY	61.6% +140bps vs. LY	48.1% +190bps vs. LY
Adjusted SG&A as % of Revenue ⁽²⁾	33.2% +450bps vs. LY		
Adjusted Operating Income ⁽²⁾	\$1.1B (4)% vs. LY		
Adjusted Operating Margin ⁽²⁾	25.6% (210)bps vs. LY		
Adjusted Diluted EPS ⁽²⁾	\$13.17 +9% vs. LY		
Inventory	\$356M (7)% vs. LY		

Crocs Brand Highlights: Full Year 2024⁽¹⁾

Promoted **Anne Mehlman to Brand President** of Crocs brand from Chief Financial Officer

North America posted 7th consecutive year of positive growth, up 3% year-over-year

China grew 64% year-over-year, now representing the **second largest Crocs brand market**, after the U.S.; **International Tier-1 markets grew 20%**, with International now making up 44% of mix

Classic Clog named one of the **"Greatest Shoes of All Time"** by Footwear News; Clogs grew 10% and now make up 75% of sales mix

Continued to delight consumers with broad partnerships from **McDonald's, Toy Story, Simone Rocha, and Treasure**

Sandals sell-out up mid-teens to prior year in the North American market, versus a domestic sandal market that we estimate down; Sandals grew 3% year-over-year, representing 13% of our mix

Personalization continued to win with consumers globally as Jibbitz grew 6% year-over-year; During back-to-school, we launched the **1st-ever Jibbitz-led campaign, "Live Life Fully Loaded"**



HEYDUDE Brand Highlights: Full Year 2024

Hired **Terence Reilly as Brand President** of HEYDUDE from Stanley Brand

Refreshed the HEYDUDE brand strategy under new leadership to follow three strategic pillars

Introduced **first-ever global brand Ambassadors** with Style Icon and Actress **Sydney Sweeney** and Country-Music Singer and Songwriter **Jelly Roll**

HEYDUDE's **TikTok followers surpassed Instagram** during Q3; HEYDUDE ranked as a **Top-3 brand on TikTok Shop** in December

Fourth quarter marked **six consecutive quarters of positive ASP⁽¹⁾ growth**, driven by improved full-price selling and product newness



Opened 38 new premium outlet stores during the year, helping to drive brand awareness and connect consumers with the full expression of our brand

Launched five international direct markets: the U.K., France, Germany, India, and Australia



Financial Outlook

Guidance: Q1 and Full Year 2025

	Q1 2025 ⁽¹⁾	Q1 2025 CCY ⁽²⁾	Full Year 2025 ⁽¹⁾	Full Year 2025 CCY ⁽²⁾
Total Revenue Growth	(3.5)%	(1.5)%	+2.0% to +2.5%	+3.5% to +4.0%
 Revenue Growth	(1)% to Flat	+1.5% to +2.5%	+4.5%	+6.0%
 Revenue Growth	(14)% to (16)%	—	(7)% to (9)%	—
Adjusted Operating Margin⁽³⁾	Approximately 21.5%	Approximately 22%	Approximately 24.0%	Approximately 24.4%
Adjusted Effective Tax Rate⁽³⁾			18.0%	—
Adjusted Diluted EPS⁽³⁾	\$2.38 to \$2.52	—	\$12.70 to \$13.15	—
Capital Expenditures			\$80 to \$100 million	—

Capital Allocation Priorities



Invest in Our Brands

committed to redeploying
best-in-class gross margins to
accretive investments



Debt Paydown

1.0x to 1.5x net leverage
target range



Repurchase Shares

opportunistically repurchase
shares under our upsized \$1.3B
buyback authorization⁽¹⁾

Appendix

Non-GAAP Reconciliation

In addition to financial measures presented on the basis of accounting principles generally accepted in the United States of America ("GAAP"), we present "Non-GAAP gross profit," "Non-GAAP gross margin," "Non-GAAP gross margin by brand," "Non-GAAP selling, general, and administrative expenses," "Non-GAAP selling, general and administrative expenses as a percent of revenues," "Non-GAAP income from operations," "Non-GAAP operating margin," "Non-GAAP income before income taxes," "Non-GAAP income tax expense," "Non-GAAP effective tax rate," "Non-GAAP net income," and "Non-GAAP basic and diluted net income per common share," which are non-GAAP financial measures. We also present future period guidance for "Non-GAAP operating margin," "Non-GAAP effective tax rate," "Non-GAAP diluted earnings per share," and "Free cash flow." Non-GAAP results exclude the impact of items that management believes affect the comparability or underlying business trends in our condensed consolidated financial statements in the periods presented.

We also present certain information related to our current period results of operations through "constant currency," which is a non-GAAP financial measure and should be viewed as a supplement to our results of operations and presentation of reportable segments under GAAP. Constant currency represents current period results that have been retranslated using exchange rates used in the prior year comparative period to enhance the visibility of the underlying business trends excluding the impact of foreign currency exchange rate fluctuations.

Management uses non-GAAP results to assist in comparing business trends from period to period on a consistent basis in communications with the board of directors, stockholders, analysts, and investors concerning our financial performance. We believe that these non-GAAP measures, in addition to corresponding GAAP measures, are useful to investors and other users of our condensed consolidated financial statements as an additional tool for evaluating operating performance and trends by providing meaningful information about operations compared to our peers by excluding the impacts of various differences. The calculation of our non-GAAP financial metrics may vary from company to company. As a result, our calculation of these metrics may not be comparable to similarly titled metrics used by other companies.

Management believes Non-GAAP gross profit, Non-GAAP gross margin, and Non-GAAP gross margin by brand are useful performance measures for investors because they provide investors with a means of comparing these measures between periods without the impact of certain expenses that we believe are not indicative of our routine cost of sales. Our routine cost of sales includes core product costs and distribution expenses primarily related to receiving, inspecting, warehousing, and packaging product and transportation costs associated with delivering products from distribution centers. Costs not indicative of our routine cost of sales may or may not be recurring in nature and include costs to expand and transition to new distribution centers.

Management believes Non-GAAP selling, general and administrative expenses and Non-GAAP selling, general and administrative expenses as a percent of revenues are useful performance measures for investors because they provide a more meaningful comparison to prior periods and may be indicative of the level of such expenses to be incurred in future periods. These measures exclude the impact of certain expenses not related to our normal operations, such as costs related to the integration of HEYDUDE and other costs that are expected to be non-recurring in nature.

Non-GAAP income from operations and Non-GAAP operating margin reflect the impact of Non-GAAP gross profit and Non-GAAP selling, general, and administrative expenses, as discussed above. We believe these are useful performance measures for investors because they provide a useful basis to compare performance in the period to prior periods.

Non-GAAP income before income taxes reflects the impact of Non-GAAP income from operations, as discussed above. We believe this is a useful performance measure for investors because it provides a useful basis to compare performance in the period to prior periods.

Management believes Non-GAAP income tax expense is a useful performance measure for investors because it provides a basis to compare our tax rates to historical tax rates, and because the adjustment is necessary in order to calculate Non-GAAP net income.

Management believes Non-GAAP effective tax rate is a useful performance measure for investors because it provides an ongoing effective tax rate that they can use for historical comparisons and forecasting.

Management believes Non-GAAP net income is a useful performance measure for investors because it focuses on underlying operating results and trends and improves the comparability of our results to prior periods. This measure reflects the impact of Non-GAAP gross profit, Non-GAAP selling, general, and administrative expenses, and Non-GAAP income tax expense, as described above.

Management believes Non-GAAP basic and diluted net income per common share are useful performance measures for investors because they focus on underlying operating results and trends and improve the comparability of our results to prior periods. These measures reflect the impact of Non-GAAP gross profit, Non-GAAP selling, general, and administrative expenses, and Non-GAAP income tax expense, as described above.

Free cash flow is calculated as 'Cash provided by operating activities' less 'Purchases of property, equipment, and software.' Management believes free cash flow is useful for investors because it provides a clear measure of our ability to generate cash for discretionary uses such as funding growth opportunities, repurchasing shares, and reducing debt.

For the three and twelve months ended December 31, 2024, management believes it is helpful to evaluate our results excluding the impacts of various adjustments relating to special or non-recurring items. Investors should not consider these non-GAAP measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

Non-GAAP Reconciliation

Non-GAAP Gross Profit and Gross Margin Reconciliation:

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	(in thousands)			
GAAP revenues	\$ 989,773	\$ 960,097	\$ 4,102,108	\$ 3,962,347
GAAP gross profit	\$ 572,926	\$ 530,697	\$ 2,410,258	\$ 2,210,010
Distribution centers ⁽¹⁾	—	3,667	3,242	27,331
Non-GAAP gross profit	<u>\$ 572,926</u>	<u>\$ 534,364</u>	<u>\$ 2,413,500</u>	<u>\$ 2,237,341</u>
GAAP gross margin	57.9 %	55.3 %	58.8%	55.8 %
Non-GAAP gross margin	57.9 %	55.7 %	58.8%	56.5 %

Non-GAAP Reconciliation (Cont'd)

Non-GAAP Gross Margin Reconciliation by Brand:

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
GAAP Crocs Brand gross margin	60.9 %	59.4 %	61.6%	60.0 %
Non-GAAP adjustments:				
Distribution centers ⁽¹⁾	— %	0.1 %	— %	0.2 %
Non-GAAP Crocs Brand gross margin	<u>60.9 %</u>	<u>59.5 %</u>	<u>61.6 %</u>	<u>60.2 %</u>

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
GAAP HEYDUDE Brand gross margin	47.7 %	44.3 %	47.7 %	44.0 %
Non-GAAP adjustments:				
Distribution centers ⁽¹⁾	— %	1.2 %	0.4 %	2.2 %
Non-GAAP HEYDUDE Brand gross margin	<u>47.7 %</u>	<u>45.5 %</u>	<u>48.1 %</u>	<u>46.2 %</u>

Non-GAAP Reconciliation (Cont'd)

Non-GAAP selling, general and administrative reconciliation:

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	(in thousands)			
GAAP revenues	\$ 989,773	\$ 960,097	\$ 4,102,108	\$ 3,962,347
GAAP selling, general and administrative expenses	\$ 373,011	\$ 321,183	\$ 1,388,347	\$ 1,173,227
Impairment related to information technology systems ⁽¹⁾	—	—	(18,172)	
Impairment related to distribution centers ⁽²⁾	—	—	(6,933)	
Information technology project discontinuation	—	—	—	(4,119)
HEYDUDE integration costs	—	(1,064)	—	(3,025)
Duplicate headquarters rent ⁽³⁾	—	(9,992)	—	(13,161)
Other ⁽⁴⁾	—	(6,861)	—	(14,218)
Total adjustments	—	(17,917)	(25,105)	(34,523)
Non-GAAP selling, general and administrative expenses ⁽⁵⁾	<u>\$ 373,011</u>	<u>\$ 303,266</u>	<u>\$ 1,363,242</u>	<u>\$ 1,138,704</u>
GAAP selling, general and administrative expenses as a percent of revenues	37.7 %	33.5 %	33.8 %	29.6 %
Non-GAAP selling, general and administrative expenses as a percent of revenues	37.7 %	31.6 %	33.2 %	28.7 %

⁽¹⁾ Represents an impairment of information technology systems related to the HEYDUDE integration.

⁽²⁾ Primarily represents an impairment of the right-of-use assets for our former HEYDUDE Brand warehouses in Las Vegas, Nevada associated with our move to our new distribution center and an impairment of the right-of-use asset for our former Crocs Brand warehouse in Oudenbosch, the Netherlands.

⁽³⁾ Represents duplicate rent costs associated with our move to a new headquarters.

⁽⁴⁾ Includes various restructuring costs, as well as costs associated with the implementation of a new enterprise resource planning system.

⁽⁵⁾ 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 December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	(in thousands)			
GAAP revenues	\$ 989,773	\$ 960,097	\$ 4,102,108	\$ 3,962,347
GAAP income from operations	\$ 199,915	\$ 209,514	\$ 1,021,911	\$ 1,036,783
Non-GAAP gross profit adjustments ⁽¹⁾	—	3,667	3,242	27,331
Non-GAAP selling, general and administrative expenses adjustments ⁽²⁾	—	17,917	25,105	34,523
Non-GAAP income from operations	<u>\$ 199,915</u>	<u>\$ 231,098</u>	<u>\$ 1,050,258</u>	<u>\$ 1,098,637</u>
GAAP operating margin	20.2 %	21.8 %	24.9 %	26.2 %
Non-GAAP operating margin	20.2 %	24.1 %	25.6 %	27.7 %

Non-GAAP Reconciliation (Cont'd)

Non-GAAP Income Tax Expense (Benefit) and Effective Tax Rate Reconciliation:

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	(in thousands)			
GAAP income from operations	\$ 199,915	\$ 209,514	\$ 1,021,911	\$ 1,036,783
GAAP income before income taxes	175,234	173,859	910,585	876,272
Non-GAAP income from operations ⁽¹⁾	\$ 199,915	\$ 231,098	\$ 1,050,258	\$ 1,098,637
GAAP non-operating income (expenses):				
Foreign currency losses, net	(2,849)	382	(6,777)	(1,240)
Interest income	576	1,181	3,484	2,406
Interest expense	(23,337)	(36,444)	(109,264)	(161,351)
Other income, net	929	(774)	1,231	(326)
Non-GAAP income before income taxes	<u>\$ 175,234</u>	<u>\$ 195,443</u>	<u>\$ 938,932</u>	<u>\$ 938,126</u>
GAAP income tax expense	\$ (193,675)	\$ (79,727)	\$ (39,486)	\$ 83,706
Tax effect of non-GAAP operating adjustments	(211)	5,515	6,929	15,591
Impact of intra-entity IP transactions ⁽²⁾	222,117	112,483	182,785	93,250
Non-GAAP income tax expense	<u>\$ 28,231</u>	<u>\$ 38,271</u>	<u>\$ 150,228</u>	<u>\$ 192,547</u>
GAAP effective income tax rate	(110.5)%	(45.9)%	(4.3)%	9.6 %
Non-GAAP effective income tax rate	16.1 %	19.6 %	16.0 %	20.5 %

⁽¹⁾ See 'Non-GAAP income from operations and operating margin reconciliation' above for more details.

⁽²⁾ In the fourth quarter of 2024, and previously in 2023, 2021 and 2020, we made changes to our international legal structure, including an intra-entity transaction related to certain intellectual property rights, primarily to align with current and future international operations. The transactions resulted in a step-up in the tax basis of intellectual property rights and correlated increases in foreign deferred tax assets based on the fair value of the transferred intellectual property rights. This adjustment represents the current period impact of these transactions.

Non-GAAP Reconciliation (Cont'd)

Non-GAAP Earnings Per Share Reconciliation:

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
(in thousands, except per share data)				
Numerator:				
GAAP net income	\$ 368,909	\$ 253,586	\$ 950,071	\$ 792,566
Non-GAAP gross profit adjustments ⁽¹⁾	—	3,667	3,242	27,331
Non-GAAP selling, general and administrative expenses adjustments ⁽²⁾	—	17,917	25,105	34,523
Non-GAAP other income adjustment ⁽³⁾	(842)	—	(842)	—
Tax effect of non-GAAP adjustments ⁽⁴⁾	(221,906)	(117,998)	(189,714)	(108,841)
Non-GAAP net income	<u>\$ 146,161</u>	<u>\$ 157,172</u>	<u>\$ 787,862</u>	<u>\$ 745,579</u>
Denominator:				
GAAP weighted average common shares outstanding - basic	57,615	60,543	59,381	61,386
Plus: GAAP dilutive effect of stock options and unvested restricted stock units	412	434	451	566
GAAP weighted average common shares outstanding - diluted	<u>58,027</u>	<u>60,977</u>	<u>59,832</u>	<u>61,952</u>
GAAP net income per common share:				
Basic	<u>\$ 6.40</u>	<u>\$ 4.19</u>	<u>\$ 16.00</u>	<u>\$ 12.91</u>
Diluted	<u>\$ 6.36</u>	<u>\$ 4.16</u>	<u>\$ 15.88</u>	<u>\$ 12.79</u>
Non-GAAP net income per common share:				
Basic	<u>\$ 2.54</u>	<u>\$ 2.60</u>	<u>\$ 13.27</u>	<u>\$ 12.15</u>
Diluted	<u>\$ 2.52</u>	<u>\$ 2.58</u>	<u>\$ 13.17</u>	<u>\$ 12.03</u>

⁽¹⁾ See 'Non-GAAP gross profit and gross margin reconciliation' above for more information.

⁽²⁾ See 'Non-GAAP selling, general and administrative expenses and selling, general and administrative expenses as a percent of revenues reconciliation' above for more information.

⁽³⁾ Represents the impact of the early lease termination for our former HEYDUDE Brand warehouse in Las Vegas, Nevada for which we previously recognized impairment associated with our move to our new distribution center.

⁽⁴⁾ See 'Non-GAAP income tax expense (benefit) and effective tax rate reconciliation' above for more information.

Non-GAAP Reconciliation (Cont'd)

Free Cash Flow Reconciliation

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	(in thousands)			
Cash provided by operating activities	\$ 321,937	\$ 349,718	\$ 992,486	\$ 930,444
Purchases of property, equipment, and software	(18,490)	(29,247)	(69,347)	(115,625)
Free cash flow	<u>\$ 303,447</u>	<u>\$ 320,471</u>	<u>\$ 923,139</u>	<u>\$ 814,819</u>

CROCS inc.  TM