







CROCS inc

Q1 2025 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 future 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 May 8, 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.

Crocs, Inc. Reports Better-Than-Expected Q1 Results



"We are incredibly proud of our better-than-expected first quarter performance despite what has been an increasingly volatile macroeconomic backdrop since the onset of the year. Both our Crocs and HEYDUDE brands contributed to the outperformance with gross margins, operating margins, adjusted earnings per share, and cash flow coming in above plan. Our financial strength enabled us to return shareholder value through $61 million in share repurchases, while remaining well within our net leverage target range.

While we are pleased by the performance of our overall business in April, the new global trade environment as well as business and consumer uncertainty, has made it challenging to predict how consumers may respond in the future. Amid this heightened operating backdrop, we are withdrawing our guidance for 2025. We are committed to remaining transparent to our investment community, our consumers, and our customers as we work to chart a winning course.

We have a proven track record of coming out of periods of uncertainty stronger than when we entered them. I believe the current reality presents an opportunity to gain market share, as we focus on what we can control and lean into our clear, competitive advantages."

Andrew Rees, Chief Executive Officer

Investment Thesis

Investment Thesis



1

Global leader in casual footwear with two iconic brands and a $160B+ TAM[1]



2

Diversified sources of growth across brands, categories, channels, and regions



3

Strong value proposition with assortments <$100 taking market share



4

Durable, profitable growth with top-tier margins and cash flow generation



5

Best-in-class management team with track record of delivering top-tier TSR

1. Based on management estimates.

Crocs Inc. Growth Priorities



Ignite Our Icons

through driving awareness and global relevance for new and existing customers



Tier 1 Market Share Gains

through strategic investment behind talent, marketing, digital and retail

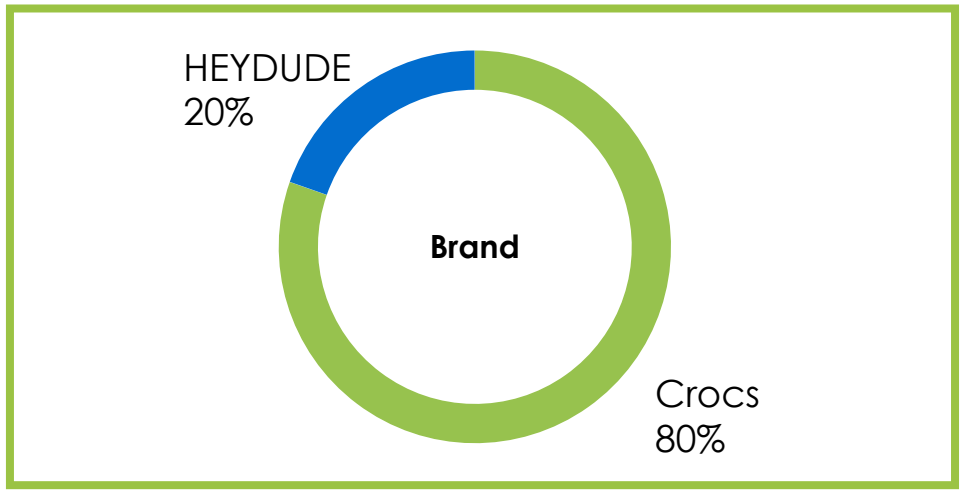


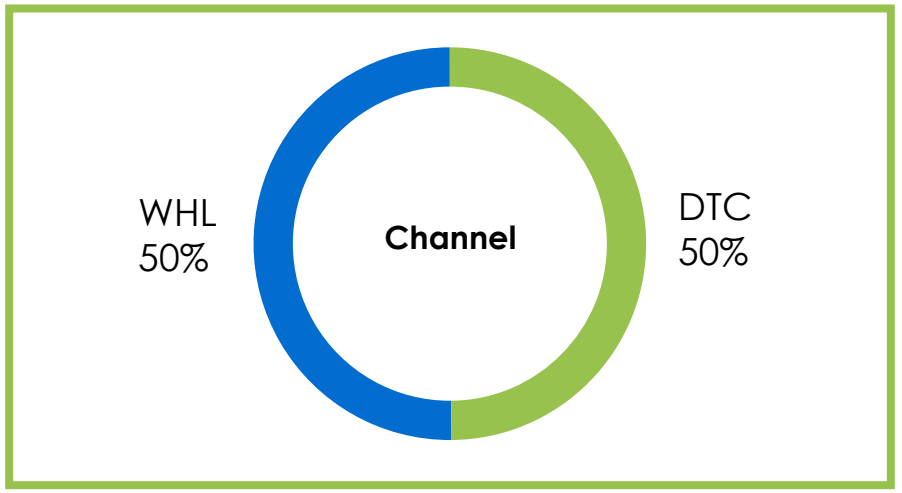
Attract New Consumers

through methodically diversifying our product range and usage occasions

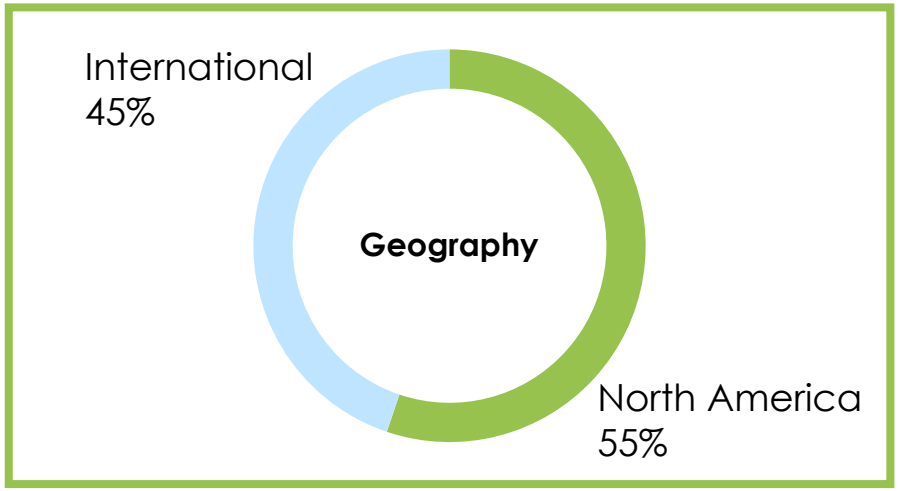
Diversified Growth[1]

SHARE OF ENTERPRISE





SHARE OF CROCS BRAND



1. Trailing Twelve Month ratio

Diversified Growth: Crocs Brand Strategy



- Drive Brand Relevance through Icon Iterations
- Gain Market Share Outside of Clogs through New Wearing Occasions
- Fuel Disruptive and Authentic Social and Digital Marketing
- Gain Share in Markets around the World

Diversified Growth: HEYDUDE Brand Strategy



Create a HEYDUDE Brand Community through Connecting with Youth Female Culture, While Maintaining a Strong Connection to the Male Fan Base

Build the Core, Our Wendy and Wally, and Add More

Stabilize, then Accelerate, North America While Laying Ground Work for Future International Growth

Financial Outlook

Full Year 2025 Guidance



Due to macroeconomic uncertainties stemming from global trade policies, the Company is withdrawing its full year 2025 financial outlook that was provided on February 13, 2025, and is not providing a full year outlook at this time.

Capital Allocation Priorities



Invest in Our Brands

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



Debt Paydown

maintain our net leverage target range of 1.0x to 1.5x[1]



Repurchase Shares

opportunistically repurchase shares under our existing $1.3B buyback authorization

1. See reconciliation to GAAP equivalents in Appendix.

Financial Results

Q1 2025 Financial Results

	Crocs, Inc.	Crocs Brand	HEYDUDE Brand
Revenues[1]	**$937M** *+1% vs. LY*	**$762M** *+4% vs. LY*	**$176M** *(10%) vs. LY*
Adjusted Gross Margin[2]	**57.8%** *+180bps vs. LY*	**60.7%** *+260bps vs. LY*	**46.6%** *(120bps) vs. LY*
Adjusted SG&A as % of Revenue[2]	**34.0%** *+520bps vs. LY*		
Adjusted Operating Income[2]	**$223M** *(12%) vs. LY*		
Adjusted Operating Margin[2]	**23.8%** *(330bps) vs. LY*		
Adjusted Diluted EPS[2]	**$3.00** *Approximately Flat vs. LY*		

1. Revenue growth on a constant currency basis, which is a Non-GAAP Financial Measure. See further details in Appendix.
2. See reconciliation to GAAP equivalents in Appendix.

Crocs Brand Highlights: Q1[1]

Q1 Revenues
$762M

year-over-year growth of +4%

Direct-to-Consumer	Wholesale
$285M	**$477M**
+3% vs. LY	*+5% vs. LY*

North America	International
$369M	**$393M**
(3%) vs. LY	*+12% vs. LY*

- International grew 12% in the quarter, driven by China up >30% versus prior year, and by robust growth in Western Europe — led by France and Germany
- Crocs brand adjusted gross margin grew +260bps year-over-year, to +60.7%[2]
- Sandals outperformed driven by style franchises such as Getaway Strappy and Miami
- Highly anticipated BAPE collaboration generated a substantial waitlist ahead of the launch, significantly boosting website and App traffic, and resulting in ~70% new customer acquisition
- Partnered with Chinese celebrity, Tan Jianci (TJC), to re-launch the Bae in China driving above-average engagement across channels



1. Revenue growth on a constant currency basis, which is a Non-GAAP Financial Measure. See further details in Appendix.
2. See reconciliation to GAAP equivalents in Appendix.

HEYDUDE Brand Highlights: Q1[(1)]

Q1 Revenues
$176M

year-over-year declines of (10%)

Direct-to-Consumer
$65M

+8% vs. LY

Wholesale
$111M

(17%) vs. LY



- HEYDUDE had its first-ever TikTok Shop Super Brand Day in February, ranking the No. 1 footwear brand across the platform, with success in Austin Lift and "HEY-2-0"
- Brand ambassador Sydney Sweeney drove awareness through Austin Lift campaign, while Jelly Roll continued to fuel core Wally silhouette through two limited-edition drops
- HEYDUDE was front and center at the Houston Rodeo, talking to the core HEYDUDE consumer, and recognized as #1 Brand, dubbed the "Grand Champion" of the rodeo for best brand experience
- ASPs up low-single-digits to last year — 7th consecutive quarter of positive ASP growth
- Opened 2 premium outlet stores and converted 2 temporary stores, driving brand awareness and connecting consumers with the full expression of the brand

1. Revenue growth on a constant currency basis, which is a Non-GAAP Financial Measure. See further details in Appendix.

Appendix

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." We also present a long-term target for 'Net leverage.' 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.

Management believes Net leverage is a useful performance measure for investors because it provides a measure of our financial strength and liquidity.

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 months ended March 31, 2025, 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.

APPENDIX

Non-GAAP Reconciliation

Non-GAAP Gross Profit and Gross Margin Reconciliation:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
GAAP revenues	$ 937,333	$ 938,633
GAAP gross profit	$ 541,549	$ 522,077
Distribution centers [1]	—	3,242
Non-GAAP gross profit	$ 541,549	$ 525,319
GAAP gross margin	57.8 %	55.6 %
Non-GAAP gross margin	57.8 %	56.0 %

[1] During the three months ended March 31, 2024, adjustments primarily relate to costs to transition to our new HEYDUDE distribution center in Las Vegas, Nevada.

APPENDIX

Non-GAAP Reconciliation (Cont'd)

Non-GAAP Gross Margin Reconciliation by Brand:

	Three Months Ended March 31,	
	2025	2024
GAAP Crocs Brand gross margin	60.7 %	58.1 %
Non-GAAP Crocs Brand gross margin	60.7 %	58.1 %

	Three Months Ended March 31,	
	2025	2024
GAAP HEYDUDE Brand gross margin	46.6 %	46.2 %
Non-GAAP adjustments:		
Distribution centers [1]	— %	1.6 %
Non-GAAP HEYDUDE Brand gross margin	46.6 %	47.8 %

[1] Represents transition costs to our new distribution center in Las Vegas, Nevada.

APPENDIX

Non-GAAP Reconciliation (Cont'd)

Non-GAAP selling, general and administrative reconciliation:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
GAAP revenues	$ 937,333	$ 938,633
GAAP selling, general and administrative expenses	$ 318,575	$ 295,648
Impairment related to information technology systems [1]	—	(18,172)
Impairment related to distribution centers [2]	—	(6,933)
Total adjustments	—	(25,105)
Non-GAAP selling, general and administrative expenses [3]	$ 318,575	$ 270,543
GAAP selling, general and administrative expenses as a percent of revenues	34.0 %	31.5 %
Non-GAAP selling, general and administrative expenses as a percent of revenues	34.0 %	28.8 %

[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] Non-GAAP selling, general and administrative expenses are presented gross of tax.

APPENDIX

Non-GAAP Reconciliation (Cont'd)

Non-GAAP Income from Operations and Operating Margin Reconciliation:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
GAAP revenues	$ 937,333	$ 938,633
GAAP income from operations	$ 222,974	$ 226,429
Non-GAAP gross profit adjustments [1]	—	3,242
Non-GAAP selling, general and administrative expenses adjustments [2]	—	25,105
Non-GAAP income from operations	$ 222,974	$ 254,776
GAAP operating margin	23.8 %	24.1 %
Non-GAAP operating margin	23.8 %	27.1 %

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

APPENDIX

Non-GAAP Reconciliation (Cont'd)

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

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
GAAP income from operations	$ 222,974	$ 226,429
GAAP income before income taxes	204,939	194,029
Non-GAAP income from operations [1]	$ 222,974	$ 254,776
GAAP non-operating income (expenses):		
Foreign currency losses, net	4,873	(2,273)
Interest income	333	416
Interest expense	(22,766)	(30,563)
Other income, net	(475)	20
Non-GAAP income before income taxes	$ 204,939	$ 222,376
GAAP income tax expense	$ 44,836	$ 41,575
Tax effect of non-GAAP operating adjustments	—	7,141
Impact of intra-entity IP transactions [2]	(9,572)	(10,438)
Non-GAAP income tax expense	$ 35,264	$ 38,278
GAAP effective income tax rate	21.9 %	21.4 %
Non-GAAP effective income tax rate	17.2 %	17.2 %

[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.

APPENDIX

Non-GAAP Reconciliation (Cont'd)

Non-GAAP Earnings Per Share Reconciliation:

	Three Months Ended March 31,	
	2025	2024
	(in thousands, except per share data)	
Numerator:		
GAAP net income	$ 160,103	$ 152,454
Non-GAAP gross profit adjustments [1]	—	3,242
Non-GAAP selling, general and administrative expenses adjustments [2]	—	25,105
Tax effect of non-GAAP adjustments [3]	9,572	3,297
Non-GAAP net income	$ 169,675	$ 184,098
Denominator:		
GAAP weighted average common shares outstanding - basic	56,110	60,564
Plus: GAAP dilutive effect of stock options and unvested restricted stock units	392	490
GAAP weighted average common shares outstanding - diluted	56,502	61,054
GAAP net income per common share:		
Basic	$ 2.85	$ 2.52
Diluted	$ 2.83	$ 2.50
Non-GAAP net income per common share:		
Basic	$ 3.02	$ 3.04
Diluted	$ 3.00	$ 3.02

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

APPENDIX

Non-GAAP Reconciliation (Cont'd)

Free Cash Flow Reconciliation

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Cash provided by (used in) operating activities	$ (67,235)	$ (27,574)
Purchases of property, equipment, and software	(15,375)	(15,750)
Free cash flow	$ (82,610)	$ (43,324)


CROCS
inc
TM