CROCS inc

Q2 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 August 7, 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 Solid Q2 Results

"We reported a solid second quarter with both our Crocs and HEYDUDE brands contributing to our performance, while delivering the highest ever gross profit quarter in company history. Our strong cash flow generation enabled us to return shareholder value through $133 million in share repurchases, and $105 million in debt paydown.

While we are pleased by this performance, the current operating environment is uncertain and challenging to predict. Against this, we have chosen to focus on managing expenses including the $50 million in cost savings we have already implemented, reducing our inventory receipts, and pulling back on promotional activity to protect brand health in the marketplace. Although these actions will impact the topline of our business in the short term, they will position our business to win, drive margin dollars, and support continued cash flow generation longer term."

Andrew Rees, Chief Executive Officer

Investment Thesis

Investment Thesis





1

Global **leader in casual footwear** with **two iconic brands** and a **$280B+ 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

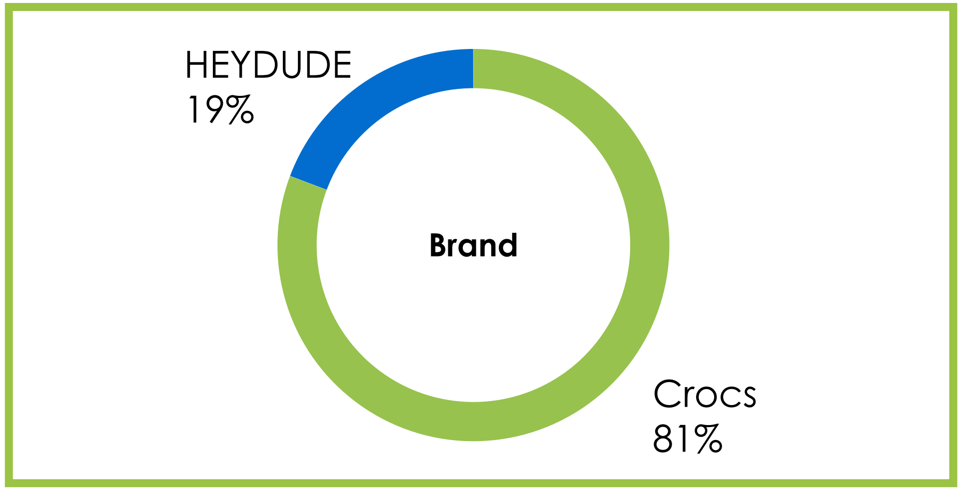
5

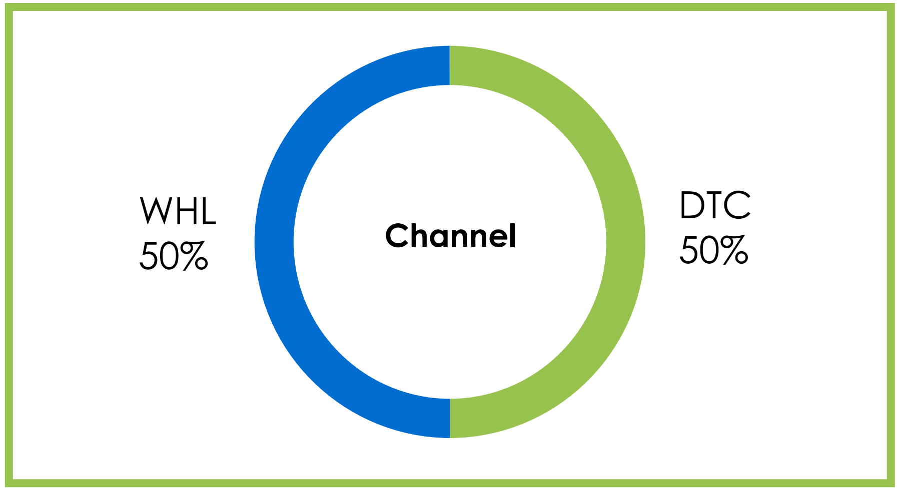
Best-in-class management team with track record of **delivering top-tier TSR**

1. Based on management estimates.

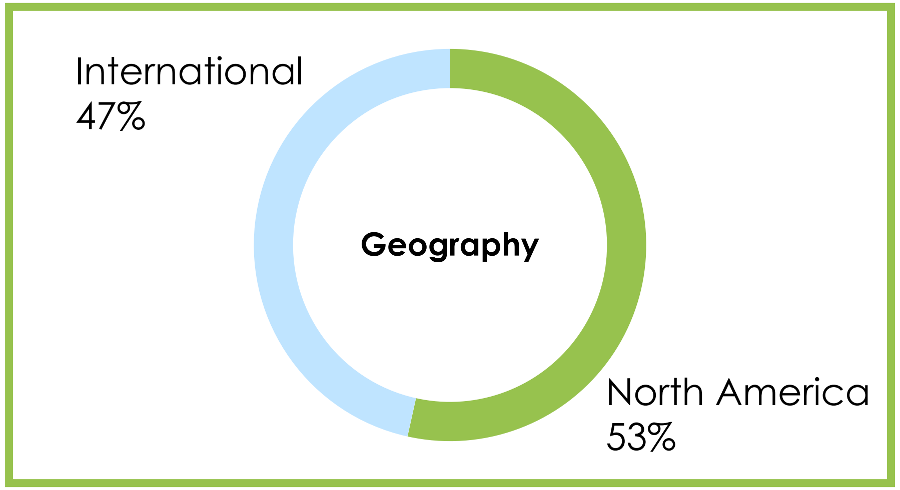
We Have A Strong And Diversified Platform For Growth[(1)]

SHARE OF ENTERPRISE





SHARE OF CROCS BRAND



1. Trailing Twelve Month ratio

Crocs Inc. Growth Priorities

Ignite Our Icons Within Crocs and HEYDUDE

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

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

HEYDUDE Brand Strategy

Ignite Our Community Through HEYDUDE Country

Scale Our Core, Then Add More

Stabilize Then Accelerate North America, While Planting Seeds Internationally

Financial Outlook

Guidance: Q3 and Full Year 2025

It is difficult to fully project the financial implications of changing global trade policies as well as predicting how consumer sentiment and purchasing patterns will evolve in the back-half of the year. As a result, we are not reinstating annual guidance at this time. We are, however, providing third quarter guidance.

	Q3 2025[1]
Total Revenue Growth Y/Y	(11%) to (9%)
Adjusted Operating Margin[2]	18% to 19% *including estimated 170bps of tariff headwind*

1. Reflects current currency rates as of 8/4/2025.
2. As of 8/7/2025, our forward-looking guidance for consolidated "adjusted operating margin" represents a non-GAAP financial measure that excludes or otherwise has been adjusted for special items from our U.S. GAAP financial statements. We consider these items to be necessary adjustments for purposes of evaluating our ongoing business performance and are often considered non-recurring. Such adjustments are subjective and involve significant management judgment. We are unable to reconcile forward-looking adjusted measures to their nearest U.S. GAAP measure quarter-by-quarter because we are unable to predict the timing of these adjustments with a reasonable degree of certainty. By their very nature, special and other non-core items are difficult to anticipate with precision because they are generally associated with unexpected and unplanned events that impact our company and its financial results. Therefore, we are unable to provide a reconciliation of this measure for the guidance related to the third quarter of 2025 without reasonable efforts.

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 remaining $1.1B buyback authorization

1. Our forward-looking guidance for our net leverage target remains a non-GAAP financial measure that excludes or otherwise has been adjusted for special items from our U.S. GAAP financial statements. We are unable to reconcile forward-looking adjusted measures to their nearest U.S. GAAP measure quarter-by-quarter because we are unable to predict the timing of these adjustments with a reasonable degree of certainty. Therefore, we are unable to provide a reconciliation of this measure for the guidance related to the third quarter of 2025 without reasonable efforts.

Financial Results

Q2 2025 Financial Results

	Crocs, Inc.	Crocs Brand	HEYDUDE Brand
Revenues[1]	**$1,149M** *+3% vs. LY*	**$960M** *+4% vs. LY*	**$190M** *(4%) vs. LY*
Adjusted Gross Margin[2]	**61.7%** *+30bps vs. LY*	**64.1%** *Flat vs. LY*	**50.2%** *+110bps vs. LY*
Adjusted SG&A as % of Revenue[3]	**34.7%** *+270bps vs. LY*		
Adjusted Operating Income[3]	**$309M** *(5%) vs. LY*		
Adjusted Operating Margin[3]	**26.9%** *(240bps) vs. LY*		
Adjusted Diluted EPS[3]	**$4.23** *+5% vs. LY*		

1. Revenue growth on a constant currency basis, which is a Non-GAAP Financial Measure. See further details in Appendix.
2. For the period ended June 30, 2025, there were no Non-GAAP gross profit adjustments.
3. See reconciliation to GAAP equivalents in Appendix.

Crocs Brand Highlights: Q2[(1)]

Q2 Revenues

$960M

year-over-year growth of +4%

Direct-to-Consumer	Wholesale
$495M	**$465M**
+3% vs. LY	*+6% vs. LY*

North America	International
$457M	**$502M**
(6%) vs. LY	*+16% vs. LY*

- International grew 16% in the quarter, representing more than half of revenue mix including China, up >30% versus prior year
- Saw strong double-digit growth in India, driven by outsized consumer demand across Classic Clog and Sandal Franchises — partnered with Rashmika Mandanna as first Brand Ambassador in region
- Clog iterations and emerging franchises led growth within the Clog category, driven by Echo, Bae, and InMotion, indicating that new innovation resonates with our consumers
- Sandals continued to deliver strong results, driven by style franchises such as the Brooklyn, Getaway, and Miami
- Remained #1 footwear brand on TikTok Shop in the U.S., and outperformed on T-Mall and Douyin during Mid-Season Festival

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

HEYDUDE Brand Highlights: Q2[1]

Q2 Revenues

$190M

year-over-year declines of (4%)

Direct-to-Consumer

$90M

+7% vs. LY

Wholesale

$100M

(13%) vs. LY

- Launched the 'HEYDUDE Country' campaign which will feature several brand affinities including music, pre- and post-sport, and travel
- HEYDUDE aided awareness improved to 35% in North America alongside better consideration and purchase intent
- Leveraged Icons to release HEYDUDE x Pabst Blue Ribbon and partnered with Margaritaville to release a HEY2O collection, speaking to the core HEYDUDE consumer
- Grew direct-to-consumer 7% in the quarter, supported by new stores and strong performance on TikTok Shop

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 that are expected to be non-recurring in nature, such as impairment charges.

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 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 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 June 30, 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.

Non-GAAP Reconciliation (Cont'd)

Non-GAAP Selling, General and Administrative Reconciliation:

	Three Months Ended June 30,	
	2025	2024
	(in thousands)	
GAAP revenues	$ 1,149,373	$ 1,111,502
GAAP selling, general and administrative expenses	$ 1,136,352	$ 356,178
Impairment of indefinite-lived trademark [1]	(430,000)	—
Impairment of goodwill [2]	(307,000)	—
Total adjustments	(737,000)	—
Non-GAAP selling, general and administrative expenses [3]	$ 399,352	$ 356,178
GAAP selling, general and administrative expenses as a percent of revenues	98.9 %	32.0 %
Non-GAAP selling, general and administrative expenses as a percent of revenues	34.7 %	32.0 %

[1] Represents an impairment of the HEYDUDE indefinite-lived trademark.
[2] Represents an impairment of the HEYDUDE Brand reporting unit goodwill.
[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 June 30,	
	2025	2024
	(in thousands)	
GAAP revenues	$ 1,149,373	$ 1,111,502
GAAP income from operations	$ (427,516)	$ 325,738
Non-GAAP selling, general and administrative expenses adjustments [1]	737,000	—
Non-GAAP income from operations	$ 309,484	$ 325,738
GAAP operating margin	(37.2)%	29.3 %
Non-GAAP operating margin	26.9 %	29.3 %

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

Non-GAAP Reconciliation (Cont'd)

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

	Three Months Ended June 30,	
	2025	2024
	(in thousands)	
GAAP income from operations	$ (427,516)	$ 325,738
GAAP income before income taxes	(448,607)	296,425
Non-GAAP income from operations [1]	$ 309,484	$ 325,738
GAAP non-operating income (expenses):		
Foreign currency losses, net	434	(1,323)
Interest income	371	1,126
Interest expense	(22,523)	(29,161)
Other income, net	627	45
Non-GAAP income before income taxes	$ 288,393	$ 296,425
GAAP income tax expense	$ 43,675	$ 67,518
Tax effect of non-GAAP operating adjustments	29,942	—
Impact of intra-entity IP transactions [2]	(22,701)	(14,729)
Non-GAAP income tax expense	$ 50,916	$ 52,789
GAAP effective income tax rate	(9.7)%	22.8 %
Non-GAAP effective income tax rate	17.7 %	17.8 %

[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 June 30,	
	2025	2024
	(in thousands, except per share data)	
Numerator:		
GAAP net income	$ (492,282)	$ 228,907
Non-GAAP selling, general and administrative expenses adjustments [1]	737,000	—
Tax effect of non-GAAP adjustments [2]	(7,241)	14,729
Non-GAAP net income	$ 237,477	$ 243,636
Denominator:		
GAAP weighted average common shares outstanding - basic	55,783	60,320
Plus: GAAP dilutive effect of stock options and unvested restricted stock units	—	446
GAAP weighted average common shares outstanding - diluted	55,783	60,766
GAAP net income per common share:		
Basic	$ (8.82)	$ 3.79
Diluted	$ (8.82)	$ 3.77
Non-GAAP net income per common share:		
Basic	$ 4.26	$ 4.04
Diluted	$ 4.23	$ 4.01

CROCS inc

[1] See 'Non-GAAP selling, general and administrative expenses and selling, general and administrative expenses as a percent of revenues reconciliation' above for (more information.
[2] 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 June 30,	
	2025	2024
	(in thousands)	
Cash provided by operating activities	$ 285,800	$ 401,236
Purchases of property, equipment, and software	(16,571)	(17,056)
Free cash flow	$ 269,229	$ 384,180

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