CROCS inc

Q2 2026 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 July 30, 2026. 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 Record Second Quarter 2026 Results

"We are pleased to have delivered a stronger-than-expected second quarter, highlighted by record enterprise revenue, including the Crocs Brand surpassing $1 billion in quarterly revenue for the first time ever. Our results reflect broad consumer demand across both brands, healthy direct-to-consumer growth, and strong consumer response to new product innovation. Based on our strong first half performance, we are again raising our full-year top- and bottom-line guidance.

Supported by our strong cash flow generation, we remain committed to balancing investment in our brands with disciplined capital allocation, including share repurchase and debt paydown. Reflecting our confidence in the business and future cash-flow generation, we have expanded our share repurchase authorization as we aim to further return meaningful value to shareholders."

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

Compelling value with assortments <$100 appealing to a **democratic consumer**

4

Durable, **profitable growth** with **best-in-class margins** and **cash flow** generation

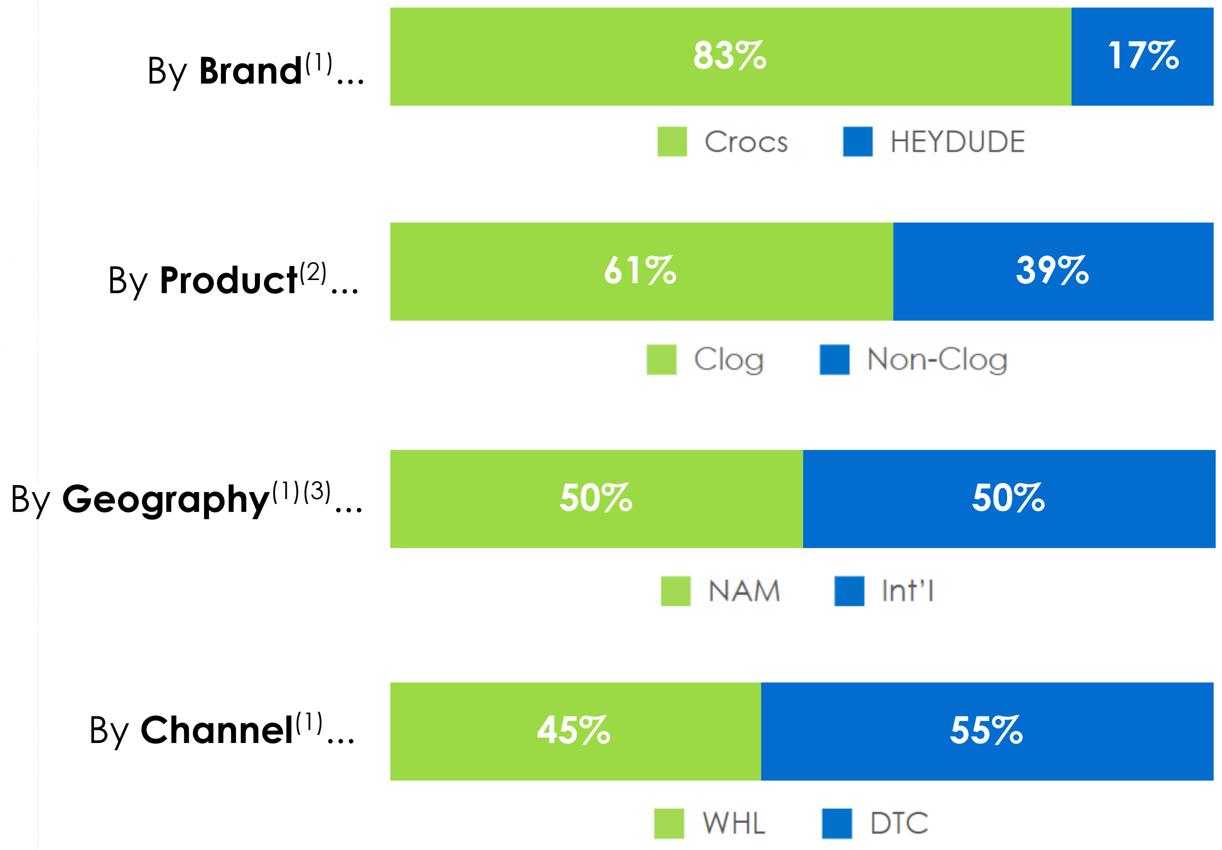
5

Track record of **delivering healthy TSR** over time **supported by experienced management** team

1. Based on management estimates.

Our Diversified Growth Flywheel

We are **diversifying our revenue streams** across multiple pillars...

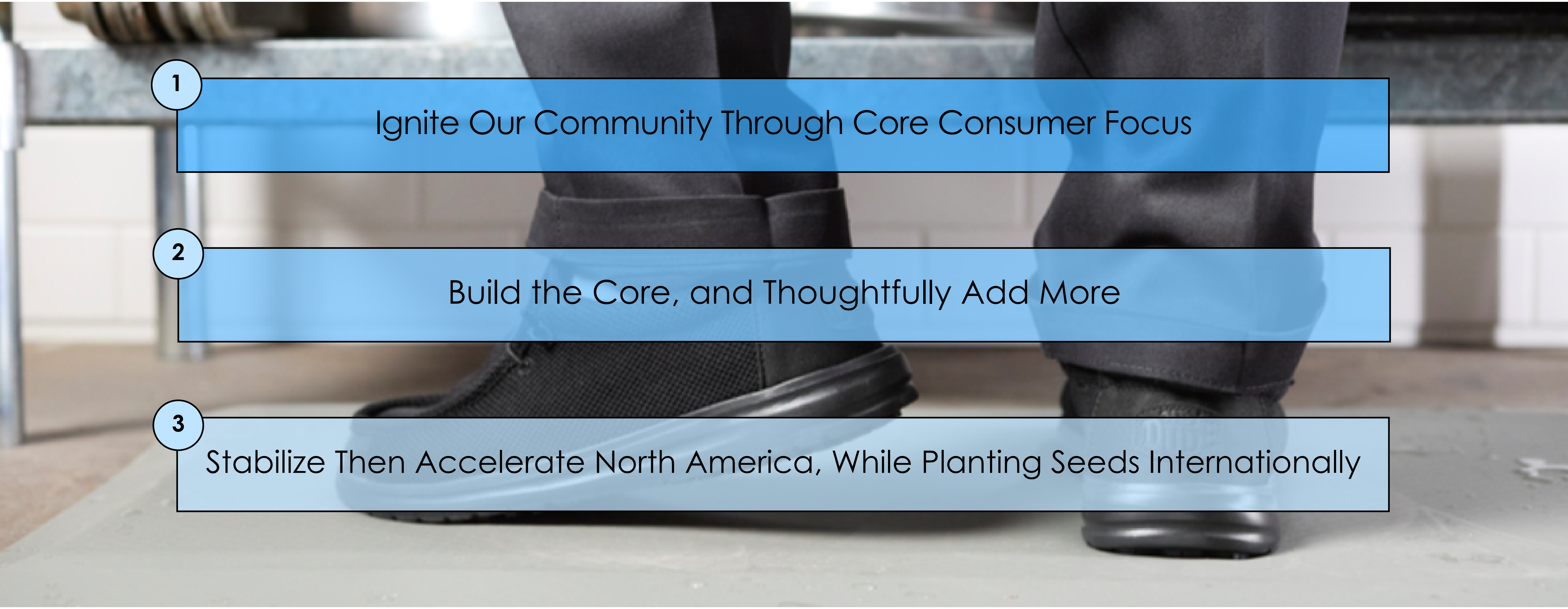


1. Metrics represent Q2 2026 TTM
2. Metrics represent Full-Year 2025, as we only disclose revenue by product annually
3. Crocs Brand Only

Crocs Brand: Five-Pillar Growth Strategy

1. Drive Brand Relevance Through Icon Iterations
2. Scale Outside of Clogs Through New Category Expansion
3. Fuel Consumer Engagement With Disruptive Digital and Social Marketing
4. Create Compelling Consumer Experiences Across Channels
5. Gain Share in Large Addressable Markets Around the World

HEYDUDE Brand: Three-Pillar Growth Strategy



1. Ignite Our Community Through Core Consumer Focus
2. Build the Core, and Thoughtfully Add More
3. Stabilize Then Accelerate North America, While Planting Seeds Internationally

Financial Results

Q2 2026 Financial Results

	Crocs, Inc.	Crocs Brand	HEYDUDE Brand
Revenues[1]	**$1,179M** +2% vs. LY	**$1.0B** +4% vs. LY	**$179M** (6%) vs. LY
Adjusted Gross Margin[2]	**60.0%** (170)bps vs. LY	**63.1%** (100)bps vs. LY	**43.7%** (650)bps vs. LY
Adjusted SG&A as % of Revenue[2]	**34.9%** +20bps vs. LY		
Adjusted Operating Income[2]	**$296M** (4%) vs. LY		
Adjusted Operating Margin[2]	**25.1%** (180)bps vs. LY		
Adjusted Diluted EPS[2]	**$4.55** +8% 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: Q2[(1)]

Q2 Revenues	Direct-to-Consumer	Wholesale
$1.0B	**$559M**	**$441M**
year-over-year growth of +4%	*+12% vs. LY*	*(5%) vs. LY*
	North America	International
	$459M	**$542M**
	Up Slightly vs. LY	*+7% vs. LY*

- Crocs Brand **delivered a record quarter**, exceeding $1 billion in quarterly revenue for the first time ever
- High priority international markets — China, India, Japan — delivered double-digit growth, while North America delivered growth, a critical milestone for the brand
- Built on strong Sandals momentum, driven by innovation across core franchises — **Miami**, **Getaway**, and **Brooklyn** — as well as newer introductions like the **Saturday Sandal** and **Metallic Buckle** extension
- Key Sport and Fashion Clog franchises — **Crocband**, **Echo**, and **Crafted** — drove heightened demand highlighted by new innovation such as the **Crocband Runner** and **Echo 2.0**
- Launched TikTok Shop's first-ever shoppable series **'Deja Shoe'**, driving meaningful consumer engagement, supporting demand for the **Ballet Flat** and **Saturday** franchises — creating a halo effect across our owned digital channels

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	Direct-to-Consumer	Wholesale
$179M	**$96M**	**$83M**
year-over-year decline of (6%)	*+7% vs. LY*	*(17%) vs. LY*

- Launched first global summer campaign, **"Take A HEY-Cation,"** supported by **HEY20**, **Stretch Sox**, and **Sandals**, rooted in core consumer attributes of comfort and relaxation
- DTC increased 7% led by strength in digital marketplaces — supported by outperformance from TikTok Shop and a record Amazon Prime Day — led by products including the **Karina**
- Sandals led by **Maui Breeze Flip**, **Austin Slide**, and **HEY20 Flip** as well as notable consumer response to **Work** offering which has taken meaningful shelf space
- Within Icon Wally and Wendy, **Stretch Sox** remains a driver of core business alongside increasing momentum in **Stretch Jersey** franchise
- Launched collaboration with outdoor lifestyle brand **Burlebo**, selling out on owned dot-com in less than 24 hours; Partnerships with **SIMMS Fishing**, **Minecraft**, and **Toy Story** exceeded expectations

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

Financial Outlook

Guidance: Q3 and Full Year 2026

	Q3 2026[1]	Full Year 2026[1]
Total Revenue % Change	Approximately Flat	Up 1% to 2%
crocs **Revenue % Change**	Up 1%	Up 2% to 3%
HEY DUDE **Revenue % Change**	Flat to Down (3%)	Down (2%) to (4%)
Adjusted Operating Margin[2]	Approximately 21.5%	>22.3%
Adjusted Effective Tax Rate[2]		18%
Adjusted Diluted EPS[2]	\$3.20 to \$3.30	\$13.70 to \$14.00
Capital Expenditures		\$70 million to \$80 million

1. Reflects current currency rates as of 7/27/2026
2. See reconciliation to GAAP equivalents in Appendix

Capital Allocation Priorities

Invest in Our Brands

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

Repurchase Shares

opportunistically repurchase shares under our total available ~$2.0B buyback authorization[1]

Debt Paydown

maintain our net leverage target range of 1.0x to 1.5x[2]

1. On July 27, 2026, the Board approved a $1.5 billion increase to our share repurchase authorization, after which approximately $2.0 billion remained available for future common stock repurchases.
2. Our forward-looking net leverage target 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 this forward-looking adjusted measure to its nearest U.S. GAAP measure because we are unable to predict the timing of the 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 long-term target without reasonable efforts.

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 and six months ended June 30, 2026 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.

Our forward-looking guidance for consolidated "adjusted operating margin" and "adjusted diluted earnings per share" represents non-GAAP financial measures 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.

While we are able to estimate full year non-GAAP adjustments, 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 these measures for the guidance related to the third quarter of 2026.

APPENDIX

Non-GAAP Reconciliation

Non-GAAP Gross Profit and Gross Margin Reconciliation:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
GAAP revenues	$ 1,179,468	$ 1,149,373	$ 2,100,925	$ 2,086,706
GAAP gross profit	$ 700,707	$ 708,836	$ 1,223,652	$ 1,250,385
Distributor takeback costs [1]	4,356	—	4,356	—
Distribution centers [2]	2,355	—	3,733	—
Other	49	—	118	—
Total adjustments	6,760	—	8,207	—
Non-GAAP gross profit	$ 707,467	$ 708,836	$ 1,231,859	$ 1,250,385
GAAP gross margin	59.4 %	61.7 %	58.2%	59.9 %
Non-GAAP gross margin	60.0 %	61.7 %	58.6%	59.9 %

[1] Relates to the takeback of a distributor in Malaysia.
[2] Relates to the transition away from a third-party logistics provider for the HEYDUDE Brand, software transition costs at our Crocs Brand distribution center in Dayton, Ohio, and other distribution center related transition costs.

APPENDIX

Non-GAAP Reconciliation

Non-GAAP Gross Margin Reconciliation By Brand:

Crocs Brand:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
GAAP Crocs Brand gross margin	62.6 %	64.1 %	61.2%	62.6 %
Non-GAAP adjustments:				
Distributor takeback costs [1]	0.4 %	— %	0.3 %	— %
Distribution centers [2]	*0.1 %*	— %	0.1 %	— %
Other	*less than 0.1%*	— %	*less than 0.1%*	— %
Non-GAAP Crocs Brand gross margin	63.1 %	64.1 %	61.6 %	62.6 %

[1] Relates to the takeback of a distributor in Malaysia.
[2] Relates to software transition costs at our Crocs Brand distribution center in Dayton, Ohio and other distribution center related transition costs.

Non-GAAP Reconciliation

Non-GAAP Gross Margin Reconciliation By Brand:

HEYDUDE Brand:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
		(in thousands)		
GAAP HEYDUDE Brand gross margin	43.1 %	50.2 %	43.5 %	48.5 %
Non-GAAP adjustments:				
Distribution centers [1]	0.6 %	— %	0.6 %	— %
Non-GAAP HEYDUDE Brand gross margin	43.7 %	50.2 %	44.1 %	48.5 %

[1] Relates to the transition away from a third-party logistics provider.

Non-GAAP Reconciliation (Cont'd)

Non-GAAP Selling, General and Administrative Reconciliation:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
GAAP revenues	$ 1,179,468	$ 1,149,373	$ 2,100,925	$ 2,086,706
GAAP selling, general and administrative expenses	$ 415,029	$ 1,136,352	$ 737,130	$ 1,454,927
Impairment of indefinite-lived trademark [1]	—	(430,000)	—	(430,000)
Impairment of goodwill [2]	—	(307,000)	—	(307,000)
Charges incurred in connection with cost savings initiatives	(2,924)	—	(4,583)	—
Impairment of leasehold improvement assets [3]	—	—	(3,301)	—
Severance costs [4]	(310)	—	1,260	
Other	38	—	38	—
Total adjustments	(3,196)	(737,000)	(6,586)	(737,000)
Non-GAAP selling, general and administrative expenses [5]	$ 411,833	$ 399,352	$ 730,544	$ 717,927
GAAP selling, general and administrative expenses as a percent of revenues	35.2 %	98.9 %	35.1 %	69.7 %
Non-GAAP selling, general and administrative expenses as a percent of revenues	34.9 %	34.7 %	34.8 %	34.4 %

[1] Represents an impairment of the HEYDUDE indefinite-lived trademark.
[2] Represents an impairment of the HEYDUDE Brand reporting unit goodwill.
[3] Represents impairment charges for certain HEYDUDE leasehold improvement assets.
[4] Represents operational workforce reduction charges incurred in connection with cost savings initiatives in the three months ended June 30, 2026. Additionally, the six months ended June 30, 2026, includes a change in estimate for severance costs recorded as of December 31, 2025.
[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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
GAAP revenues	$ 1,179,468	$ 1,149,373	$ 2,100,925	$ 2,086,706
GAAP income (loss) from operations	$ 285,678	$ (427,516)	$ 486,522	$ (204,542)
Non-GAAP gross profit adjustments [1]	6,760	—	8,207	—
Non-GAAP selling, general and administrative expenses adjustments [2]	3,196	737,000	6,586	737,000
Non-GAAP income from operations	$ 295,634	$ 309,484	$ 501,315	$ 532,458
GAAP operating margin	24.2 %	(37.2)%	23.2 %	(9.8)%
Non-GAAP operating margin	25.1 %	26.9 %	23.9 %	25.5 %

[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.

Non-GAAP Reconciliation (Cont'd)

Non-GAAP Income Tax Expense and Effective Tax Rate Reconciliation:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
GAAP income (loss) from operations	$ 285,678	$ (427,516)	$ 486,522	$ (204,542)
GAAP income (loss) before income taxes	263,923	(448,607)	442,767	(243,668)
Non-GAAP income from operations [(1)]	$ 295,634	$ 309,484	$ 501,315	$ 532,458
GAAP non-operating income (expense):				
Foreign currency (losses) gains, net	(2,302)	434	(3,927)	5,307
Interest income	583	371	918	704
Interest expense	(19,909)	(22,523)	(40,368)	(45,289)
Other (expense) income, net	(127)	627	(378)	152
Non-GAAP income before income taxes	$ 273,879	$ 288,393	$ 457,560	$ 493,332
GAAP income tax expense	$ 59,036	$ 43,675	$ 100,324	$ 88,511
Tax effect of non-GAAP operating adjustments	2,273	29,942	2,406	29,942
Impact of intra-entity IP transactions [(2)]	(13,104)	(22,701)	(22,283)	(32,273)
Non-GAAP income tax expense	$ 48,205	$ 50,916	$ 80,447	$ 86,180
GAAP effective income tax rate	22.4 %	(9.7)%	22.7 %	(36.3)%
Non-GAAP effective income tax rate	17.6 %	17.7 %	17.6 %	17.5 %

[(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.

APPENDIX

Non-GAAP Reconciliation (Cont'd)

Non-GAAP Net Income Per Share Reconciliation:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands, except per share data)			
Numerator:				
GAAP net income (loss)	$ 204,887	$ (492,282)	$ 342,443	$ (332,179)
Non-GAAP gross profit adjustments [1]	6,760	—	8,207	—
Non-GAAP selling, general and administrative expenses adjustments [2]	3,196	737,000	6,586	737,000
Non-GAAP other income adjustment	—	—	—	(842)
Tax effect of non-GAAP adjustments [3]	10,831	(7,241)	19,877	2,331
Non-GAAP net income	$ 225,674	$ 237,477	$ 377,113	$ 406,310
Denominator:				
GAAP weighted average common shares outstanding - basic	49,115	55,783	49,695	55,946
Plus: GAAP dilutive effect of stock options and unvested restricted stock units	513	—	469	—
GAAP weighted average common shares outstanding - diluted	49,628	55,783	50,164	55,946
GAAP weighted average common shares outstanding - basic		55,783		55,946
Plus: dilutive effect of stock options and unvested restricted stock units		365		379
Non-GAAP weighted average common shares outstanding - diluted		56,148		56,325
GAAP net income (loss) per common share:				
Basic	$ 4.17	$ (8.82)	$ 6.89	$ (5.94)
Diluted	$ 4.13	$ (8.82)	$ 6.83	$ (5.94)
Non-GAAP net income per common share:				
Basic	$ 4.59	$ 4.26	$ 7.59	$ 7.26
Diluted	$ 4.55	$ 4.23	$ 7.52	$ 7.21

[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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Cash provided by operating activities	$ 351,702	$ 285,800	$ 270,768	$ 218,565
Purchases of property, equipment, and software	(20,729)	(16,571)	(38,729)	(31,946)
Free cash flow	$ 330,973	$ 269,229	$ 232,039	$ 186,619

Non-GAAP Reconciliation (Cont'd)

Full Year 2026 Guidance Reconciliation:

Full Year 2026:	Approximately:
Non-GAAP operating margin reconciliation:	
GAAP operating margin	>21.7%
Non-GAAP adjustments [1]	0.6%
Non-GAAP operating margin	>22.3%
Non-GAAP effective tax rate reconciliation:	
GAAP effective tax rate	23%
Non-GAAP adjustments [2]	(5)%
Non-GAAP effective tax rate	18%
Non-GAAP diluted earnings per share reconciliation:	
GAAP diluted earnings per share	$12.47 to $12.77
Non-GAAP adjustments [1][2]	$1.23
Non-GAAP diluted earnings per share	13.70 to 14.00

[1] During 2026, we expect to incur approximately $25 million of non-GAAP adjustments, primarily associated with our cost reduction initiatives. This estimate does not include the receipt of potential IEEPA tariff refunds, as we are not able to predict the timing quarter-by-quarter. We plan to recognize IEEPA tariff refunds when they are realized or considered realizable, in accordance with the gain contingency model.

[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 full year 2026 impact of these transactions.

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