



crocs™

INVESTOR PRESENTATION

NOVEMBER 2017

FORWARD LOOKING STATEMENTS

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 future revenues, gross margin and selling, general and administrative expenses, prospects and product pipeline. We caution you that these statements are subject to a number of risks and uncertainties described in the Risk Factors section of the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the “SEC”). Accordingly, all actual results could differ materially from those described in this presentation. Those viewing this presentation are advised to refer to Crocs' Annual Report on Form 10-K, as well as other documents filed with the SEC for the additional discussions of these risk factors. Crocs is not obligated to update these forward-looking statements to reflect the impact of future events.



BRAND INTRODUCTION

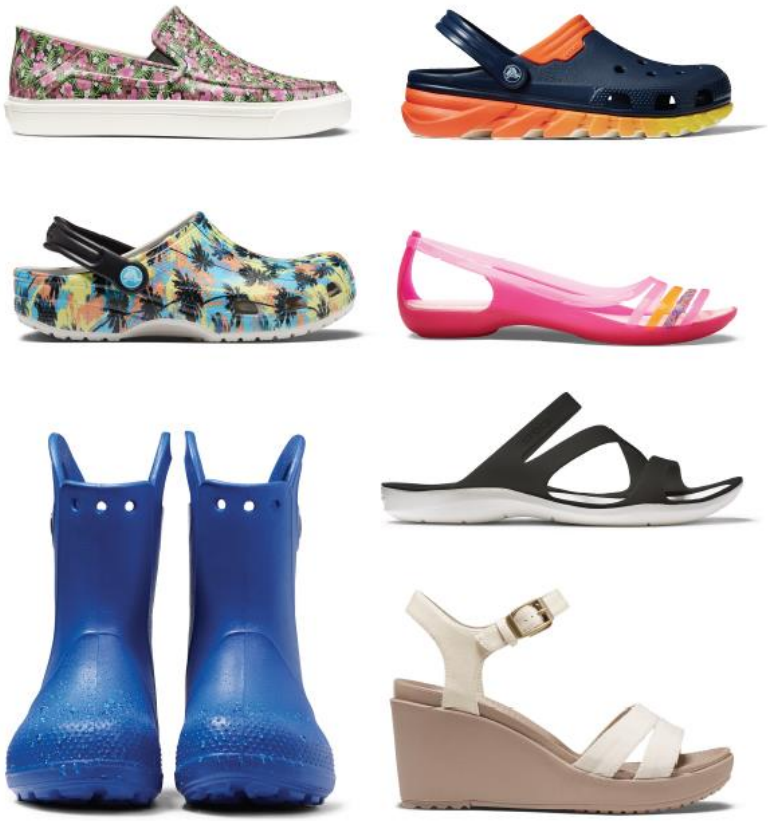
UNMISTAKABLE ICON



Our very first product changed the way shoes feel forever. We created an unmistakable recognized icon loved around the world.

Nothing else looks like it. Nothing else feels like it.

BROAD CONSUMER BASE



- One of the 10 largest non-athletic footwear brands in the world
  - $1B+ annual sales; 55M+ pairs sold last year
- Three sales channels
  - Wholesale
  - Retail
  - eCommerce
- High brand awareness in key markets
- Reach across broad socioeconomic groups from moderate to high income
  - Highest ownership in large global middle-class

YOUNG SUCCESSFUL BRAND



2002 — The iconic clog is born

2004 — Launch Crocs.com

2004 — Named footwear brand of the year

2005 — Launch first women's shoe



2005 — Surpass $100M revenues



2006 — Launch first license with Disney



2006 — Opens first retail store



2007 — Acquire Jibbitz accessories

2008 — NASDAQ — Largest footwear IPO in history



2009 — Launch work shoe line crocs @ work

2010 — Named one of "50 shoes that changed the world"



2010 — Launch lightweight sneaker collection

2011 — Surpass $1B revenues



2011 — Launch innovative molded TPU* footwear line

2012 — 10 year anniversary

2013 — Sold in over 90 countries





2013 — Launch Swiftwater line

2014 — Blackstone — Investment from Blackstone Group

2015/16 — Launch Isabella line



2015/16 — New senior management team hired

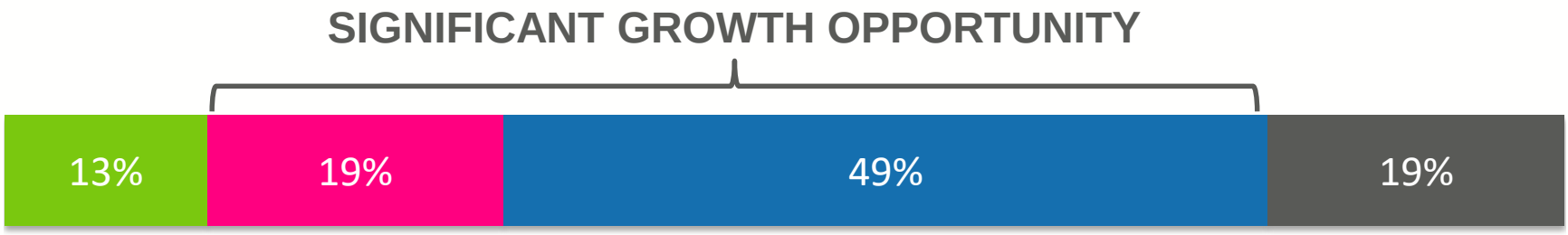


2017 — 15 year anniversary

*TPU: Thermoplastic polyurethane material

SIGNIFICANT GROWTH OPPORTUNITY

- Strong player in the casual footwear market
- Large “considerer” group with sizeable short-term growth opportunity
- Huge neutral group that represents significant mid-to-long term growth potential



OWNERS / CONSIDERS

~1/3 of population in countries studied either owned or was considering purchasing Crocs

NEUTRALS

Haven’t purchased in past two years, aren’t actively considering purchasing

REJECTORS

Not interested in purchasing

Brand Strength Monitor:
- Conducted in US, UK, DE, CN, JP & KR
- 9,000 participants fielded in June 2016
- General market study aligned to census

GENERATING MORE BUZZ

3B+ impressions in 2016; record social reach and engagement YTD 2017

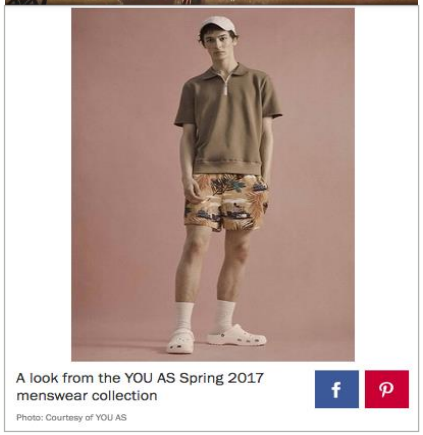
Influencer Social Posts





#RockWhiteCrocs





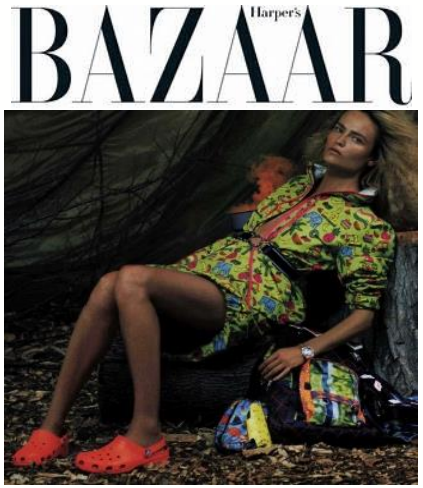


Christopher Kane





Into the Wild







STRATEGIC FOCUS



BRAND VISION

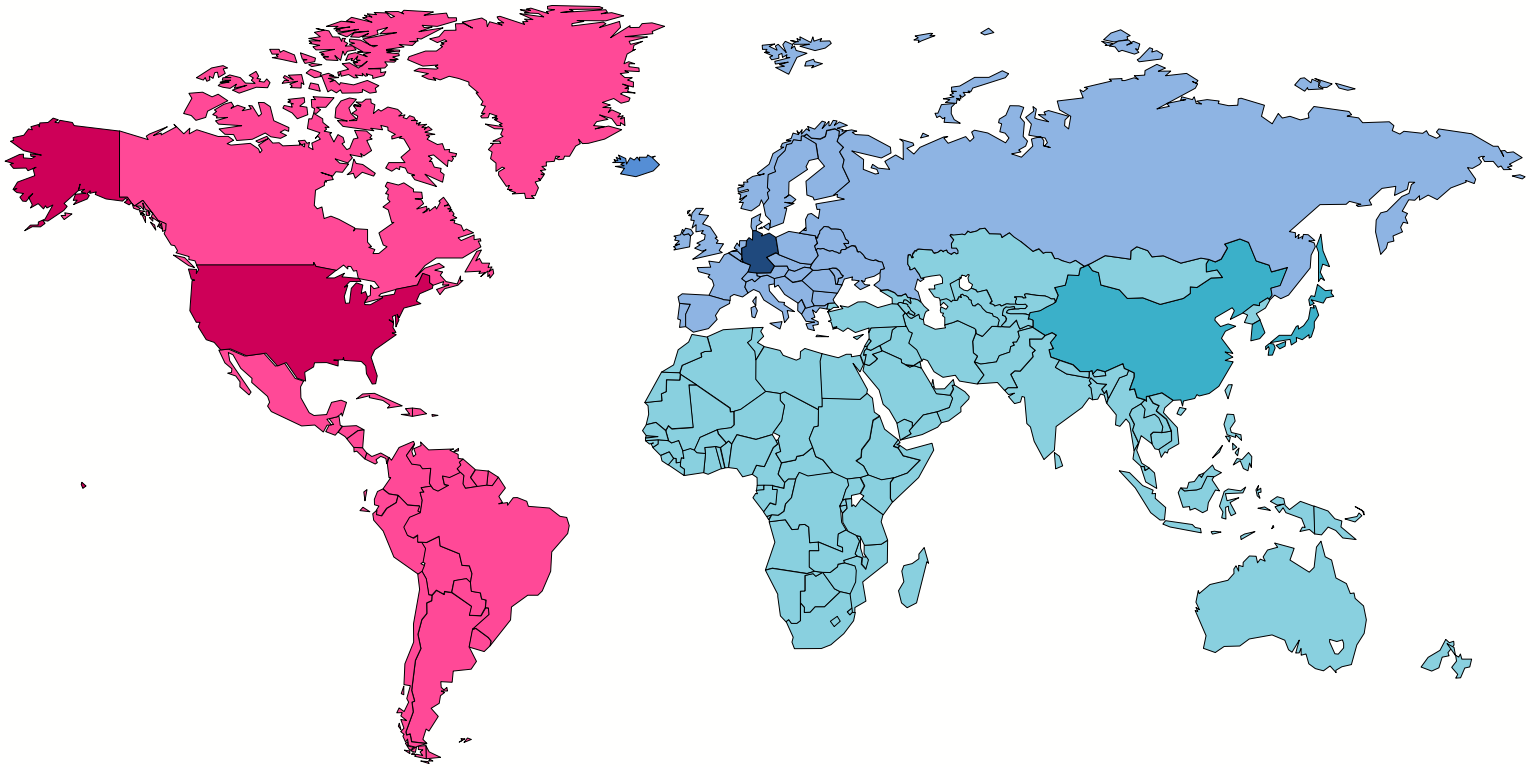
Everyone Comfortable In Their Own Shoes



STRATEGIC PRIORITIES

- Product: Focus on clogs and sandals (including flips and slides)
- Marketing: Enhance brand relevance and esteem using effective digital marketing
- Channels: Drive consistent growth in wholesale and eCommerce channels
- Regions: Drive growth in core markets in Asia and the Americas
- Efficiency: Drive improved profitability through greater cost and working capital efficiency
- Engagement: Elevate internal communications and employee engagement

GEOGRAPHIC FOCUS



3 Regions – Sales in 90+ Countries

- Americas (45% FY ‘16)
- APAC (38% FY ‘16)
- Europe (17% FY ‘16)

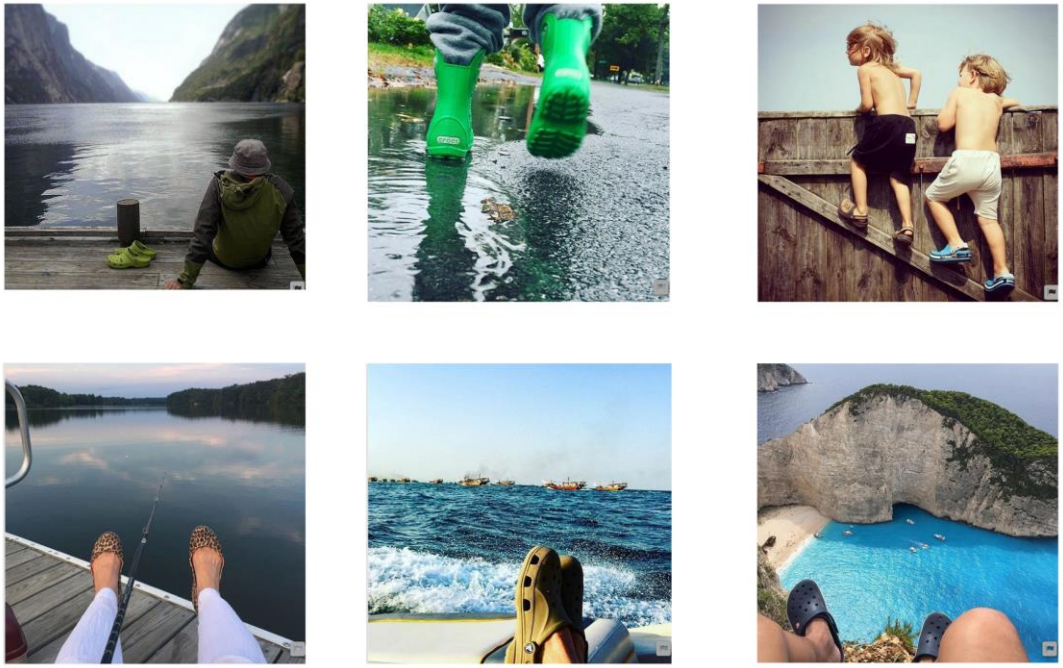
Strategic Country Focus

- United States
- Germany
- China
- Korea
- Japan



CONSUMERS

PASSIONATE CONSUMER BASE



- Crocs has a large and loyal global consumer base with strong brand advocates
- Over 5 million social media followers
- Strong family sales; large female ownership base shopping for self and family
- Reaches across broad socioeconomic groups from moderate to high income

TARGET CONSUMERS

FEEL GOODS



Mainstream casual style with function

Prefers brands providing personal casual style options to match each family member's unique personality, while providing comfort and versatility in support of everyday adventures.

- Adults (35-54)
- 62% female
- 85% Married, 66% Kids in household
- Middle-class

EXPLORERS



Mix popular casual styles for personal look

Always mixing it up with tried-and-true classics, new popular styles, or maybe, a bit of both. Anything goes as these active and independent young adults create their casual personal looks.

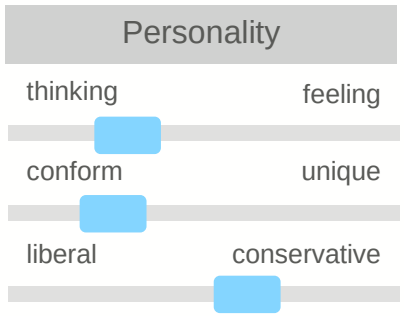
- Young adults (21-34)
- Even male/female
- Single, newly married
- Middle-class

BROAD APPEAL

FEEL GOODS



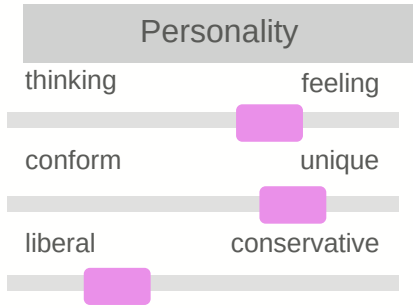
Mainstream casual style with function



EXPLORERS



Mix popular casual styles for personal look





PRODUCT

PRODUCT STRATEGY



- Re-energize core molded footwear
- Accelerate key franchises including clogs and sandals, flips and slides
- Keep line fresh with new popular style, color and pattern updates
- Extend the Spring/Summer selling season
- Rationalize SKU count
  - Consistent global product offering to enhance brand understanding and perception
  - Effective life cycle management
  - Drive sourcing efficiencies and gross margin gains

KEY FRANCHISE | CORE








- A fresh take on our classic
- Continued platform for growth with strong new product sales
- New prints and patterns to provide pop on the sales floor and extend appeal to consumers

KEY FRANCHISE | SWIFTWATER



- Versatile and functional outside activity collection
- Extended franchise opportunities with casual hikers, flips, women's and kids offerings
- New molded and upper material options for adults seeking leather and more technical features

KEY FRANCHISE | ISABELLA







- Fun, refined twist on winning sandal and flat platform
- Extended franchise opportunities with wedge sandals and girls offerings
- New sophisticated upper designs for females seeking popular designs and colors

NEW FOR SS'18: THE DREW BARRYMORE COLLECTION



- The award-winning actress, entrepreneur and Crocs brand ambassador designed a line of special edition clogs, sandals and slides for us.
  - Each style reflects her unique brand of upbeat, modern-boho style and her everyday authentic sensibility, grounded in the world class comfort of Crocs
  - A fun, refined twist on winning sandal and flat platforms; extended franchise opportunities with wedge sandals and girls offerings

NEW FOR SS'18: LiteRide™







- Our LiteRide™ Collection features foam footbeds, our latest breakthrough in world-class comfort. Engineered to make you feel sensational on every step along life's winding path.
  - Athletically inspired for your on-the-go lifestyle
  - Next generation LiteRide™ foam insoles are super-soft, incredibly lightweight, and extraordinarily resilient, soft, flexible Matlite™ uppers feel broken-in from day one, and Croslite™ foam outsoles provide durable, all-day support and comfort
  - Perfect for warm-ups, warm-downs and all-around town



MARKETING


COME
AS YOU
ARE

REBOOTING THE BRAND

- Now is the time to make an unmistakably Crocs statement

- **'Rebooting' the brand in the eyes of those who don't understand Crocs, while celebrating all that makes Crocs special and distinctive for the loyalists**

- *Come As You Are* is an invitation for people to join a global movement of all those who embrace their one-of-a-kind-ness



2017 MARKETING STRATEGY

Campaign

- Fresh campaign to improve brand relevancy and esteem
- Taps into the unique and lovable traits of celebrities and influencers
- Features powerful product stories focusing on three key collections
- Dynamic product photography adding depth and dimension
- Welcomes everyone to celebrate their unique self

Activation

- Increased media investment with broad and impactful reach
- Global scalable digital and social focused activation model
- Customizable and modular architecture for global implementation
- Increased effectiveness with improved measurability

CAMPAIGN CELEBRITY INFUENCERS

Drew Barrymore



ROLE
Global female lead utilized across all markets

BIO
Hollywood powerhouse: actress/producer/director . Leading roles in many global feature films

CAMPAIGN FIT
Approachable and aspirational style identity

KEY MARKETING STYLES
Classic, Isabella, Swiftwater, Roka

John Cena



ROLE
US male with growing following in China

BIO
WWE superstar and rising feature film actor. Granted over 500 Make-a-Wish Foundation wishes

CAMPAIGN FIT
Generous, relatable with relaxed style perspective

KEY MARKETING STYLES
Classic, Swiftwater, Crocband, Roka

Yoona Lim



ROLE
APAC female for Tier 1 & 2 markets

BIO
Member of the KPOP group Girls' Generation. Rising star in Chinese dramas

CAMPAIGN FIT
Authentic with recognized style credentials

KEY MARKETING STYLES
Crocband, Isabella, Swiftwater, Roka

Henry Lau



ROLE
APAC male for Tier 1 & 2 markets

BIO
Member of Korean boy band Super Junior-M. Singer, dancer, composer, actor, and violinist

CAMPAIGN FIT
Optimistic, funny, easy going, and unique style

KEY MARKETING STYLES
Crocband, Swiftwater, Roka, Classic Lined

SETTING RECORDS

- Surpassed 4 billion PR impressions since the April launch
- Social media posts are breaking all Crocs social media records







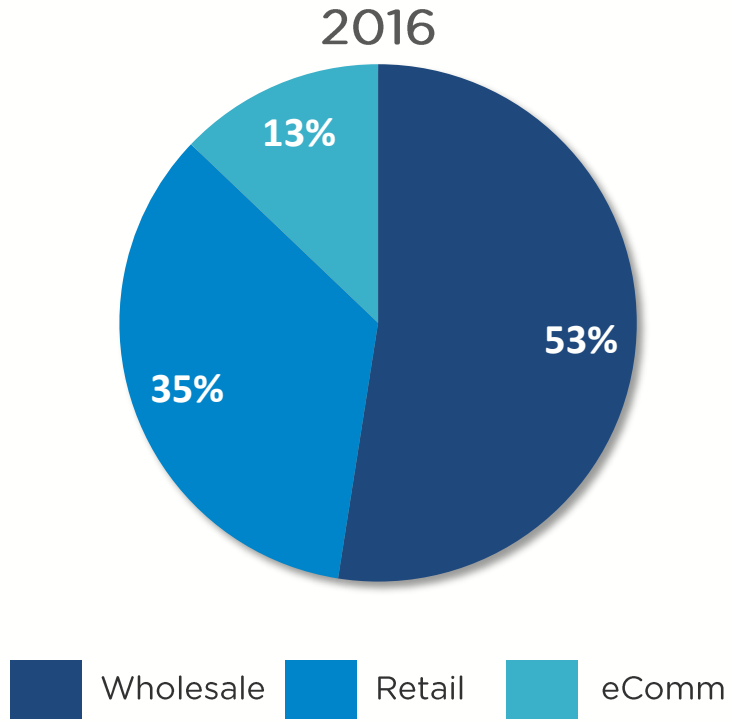






SALES CHANNELS

MULTI CHANNEL SALES MODEL



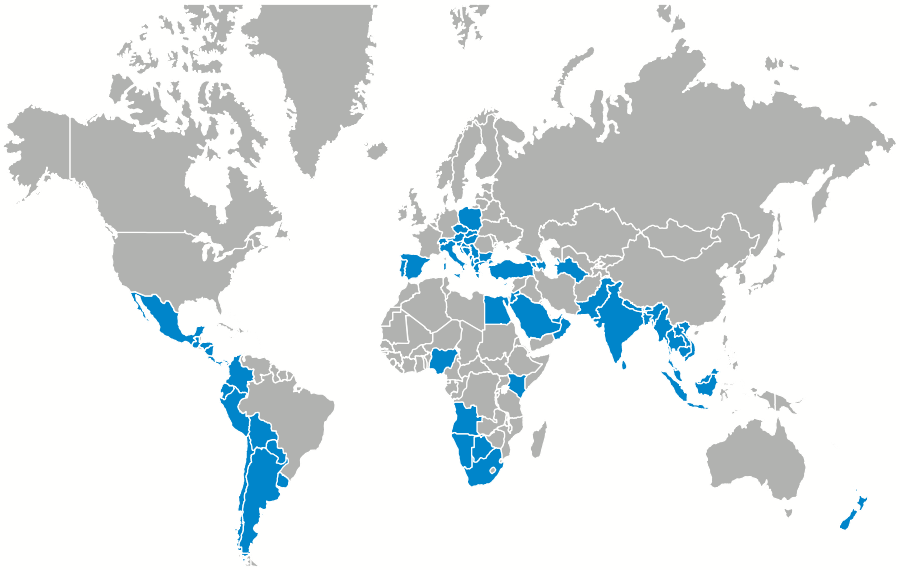
- Sold globally through wholesale and our direct to consumer retail and eComm channels
- Focus on wholesale and eCommerce growth moving forward
- Company operated stores to be reduced by net 160 (~ 30%) by end of 2018

ENHANCED WHOLESALE ENGAGEMENT



- Reach broad consumer base shopping in multi-brand environments
- Leverage retail expertise of key partners
- Integrate with media and direct key account investment programs to demonstrate growth commitment and propel sales

STRONG DISTRIBUTION PARTNERS







- Leverage best in class partners
- Drive distribution in markets where local expertise can accelerate growth and relationship makes economic sense
  - Transfers completed in South Africa, Taiwan and the Middle East

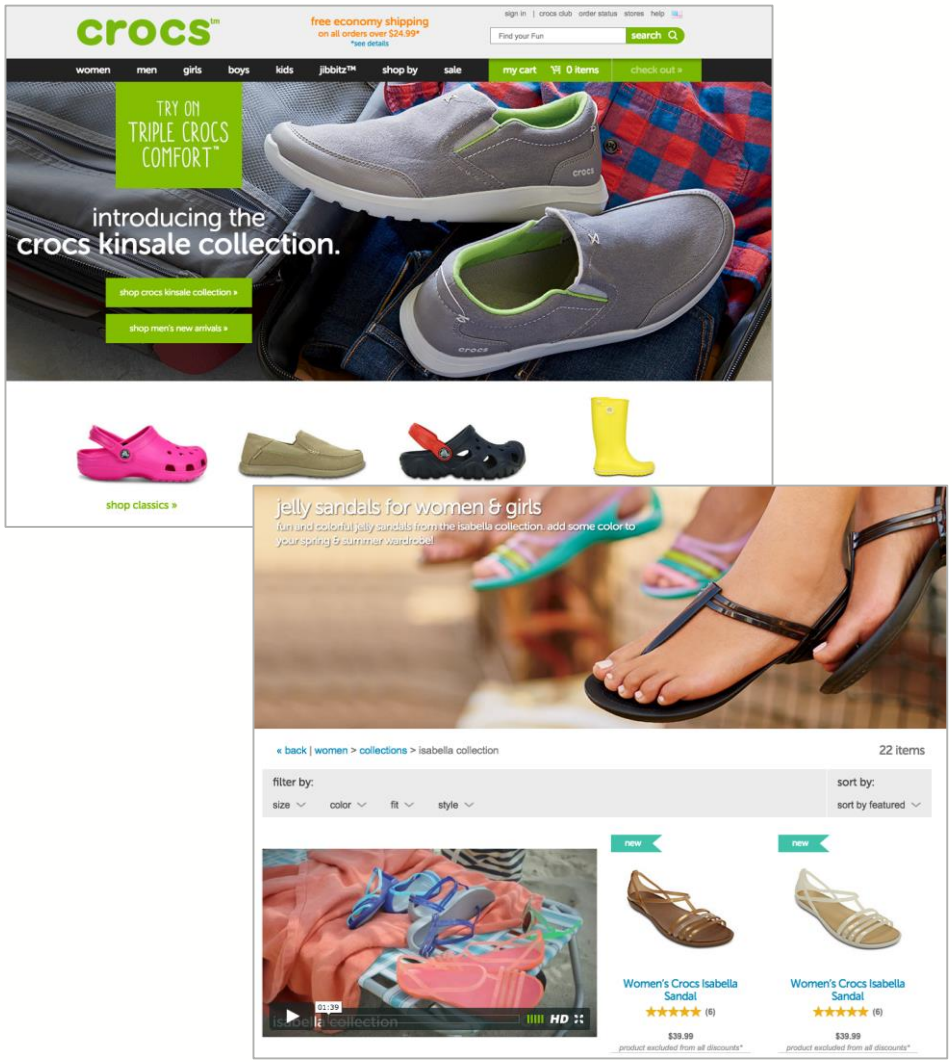
REFINING THE RETAIL MODEL





- Stores to showcase Crocs brand and extended product offerings; drive engagement
- Interact directly with, and learn from, consumers
- Shifting emphasis from full priced retail to outlets
- Shifting from Company operated to distributor model where economically preferable

GROWING THE ECOMM BUSINESS



- Fastest growing channel
- Showcases the brand; educate and engage with consumer directly
- Provide access to full line
- Benefit from customer feedback



FINANCIAL INFORMATION

SG&A REDUCTION PLAN

- $75 to $85M reduction by 2019
  - ~ 70% from store closure plan (160 net stores by end of 2018)
  - ~ 30% from operating efficiencies
- Deliver $30 to $35M incremental income from operations by 2019
- Related charges of $10 to $15M over next two years



RECENT FINANCIAL RESULTS

- Third quarter 2017 results exceeded revenue and gross margin guidance; in-line with SG&A guidance
  - Revenues: $243.3M, down 1.1%, reflecting intentional steps to elevate the brand and improve profitability. Absent that, relatively flat with 3Q'16
  - Gross margin: 50.8%, up 100 basis points over 3Q'16
  - SG&A : $120.8M, down $2.9M compared to 3Q'16, including $3.6M of charges to support the SG&A reduction plan



FOURTH QUARTER 2017 GUIDANCE

- Revenues: $180 to $190M, reflecting the impact of:
  - Lower store count
  - Transition of company operated stores in Middle East and China in 2Q 2017
  - Sale of Taiwan in 4Q 2016
    - **Absent changes and assuming mid-point of guidance, up LSD to last year**
- Gross margin of approximately 43%, up 100 bps to 4Q'16
- SG&A down ~ $3M to 4Q'16, including $2M of charges to support the SG&A reduction plan



FULL YEAR 2017 GUIDANCE

- Revenues: down LSD reflecting:
  - An accelerated store closing plan (96 stores in 2017, up from earlier estimates of 70 and 90)
  - Business model changes
  - Reduction in discount channel sales
- Gross Margins rate of ~ 50%
- SG&A between $490 and $495M
  - Includes $7 to $10M of charges to support the SG&A reduction plan





KEY INVESTMENT CONSIDERATIONS

- It starts with an unmistakable icon recognized around the world
- Supported by a team that possesses deep industry experience and essential skill sets
- Transformation well underway; focus is on the disciplined pursuit of brand right growth that is both sustainable and profitable
- Strategic roadmap in place to unlock the brand's full potential through:
  - Better product and marketing
  - Better sourcing and distribution
  - Better management of sales channels
- Clear path forward to higher quality revenues, reduced expenses, improved bottom line and increased stockholder value