crocs

INVESTOR PRESENTATION

FEBRUARY 2019

FORWARD-LOOKING STATEMENT

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, selling, general and administrative expenses, operating income, depreciation and amortization, income tax expense, Adjusted EBITDA, EBIT margin, business 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.

AGENDA

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POSITIONED FOR GROWTH

A POWERFUL BRAND POSITIONED FOR GLOBAL GROWTH

Scale Brand:

Top 10
non-athletic
global footwear brand

Iconic Product:

The Classic Clog

Democratic Brand:

For **men, women,** and **kids**

Globally Recognized:

~65% Global Aided Brand Awareness

Global Reach:

Distributed in
over 90 countries

World Class Talent:

Driving product and marketing **innovation**

REPOSITIONED FOR LONG-TERM SUCCESS

1

Simplify the Business to Reduce Costs

↓

Heavy Lifting Substantially Complete

2

Improve the Quality of Revenues

↓

Revenue Base Substantially More Profitable

3

Generate Sustainable, Profitable Revenue Growth

↓

Confident in Pathway to Growth

SUSTAINABLE AND PROFITABLE GROWTH PLAN

1 Product

- **Clogs**: Innovate & grow clog relevance
- **Sandals**: Significant long term growth potential
- **Visible Comfort Technology**

2 Channel

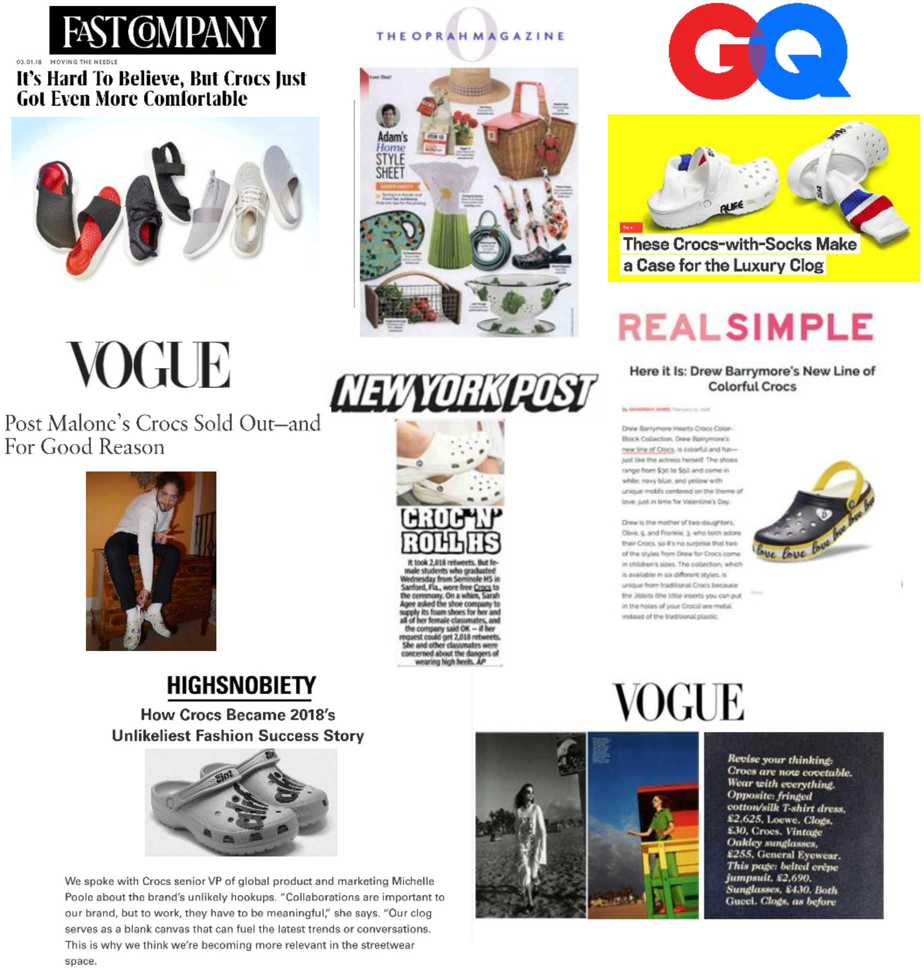
- **E-commerce**: double digit growth continues
- **Wholesale**: greatest growth opportunities within e-tail accounts and distributors
- **Retail**: prioritize outlets - the most profitable format

3 Region

- **Asia**: largest long-term growth potential
- **Americas**: strong growth momentum

GROW CLOG RELEVANCE

- Market leader in $4B* growing global category
- Grew clog revenues by 13% in 2018 to ~55% of footwear sales
- Strategic goal: drive ***Clog Relevance*** by
  - Impactful collaborations
  - Trend right colors and graphics
  - Relevant licenses
  - Personalization with expanded Jibbitz charms
- Highest gross margin silhouette



* Internal Estimate

SANDALS: SIGNIFICANT LONG-TERM GROWTH OPPORTUNITY

- $23B* fragmented global casual sandal** market with no clear market leader
- Grew sandal revenues by 19% in 2018 to ~23% of footwear sales
  - On top of 26.4% growth in 2017
- A significant long-term growth opportunity
  - Clear adoption by the core Crocs consumer
  - Focus on women: 2/3 of the market - gateway for new consumers
  - Play in multiple wearing occasions; essential, active & style
  - Leverage global distribution
  - Boost marketing support to increase ***Sandal Awareness***

Essential, e.g. CrocBand Flip:

Active, e.g. Swiftwater:

Style, e.g. Sloane:

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* Internal Estimate; ** includes flips and slides

VISIBLE COMFORT TECHNOLOGY

- **Lite Ride™** clogs and sandals: premium positioning, modern styling lightweight comfort
  - Introduced March 2018, chasing supply all year
  - Attracting new customers to the Crocs brand
  - Adding kids in 2019

- **Reviva™** new sandal line for SS’19, core positioning, unisex and women’s styles, massage comfort
  - Molded bubbles align to a foot pressure points to generate a massaging effect
  - Compelling price positioned for high volume

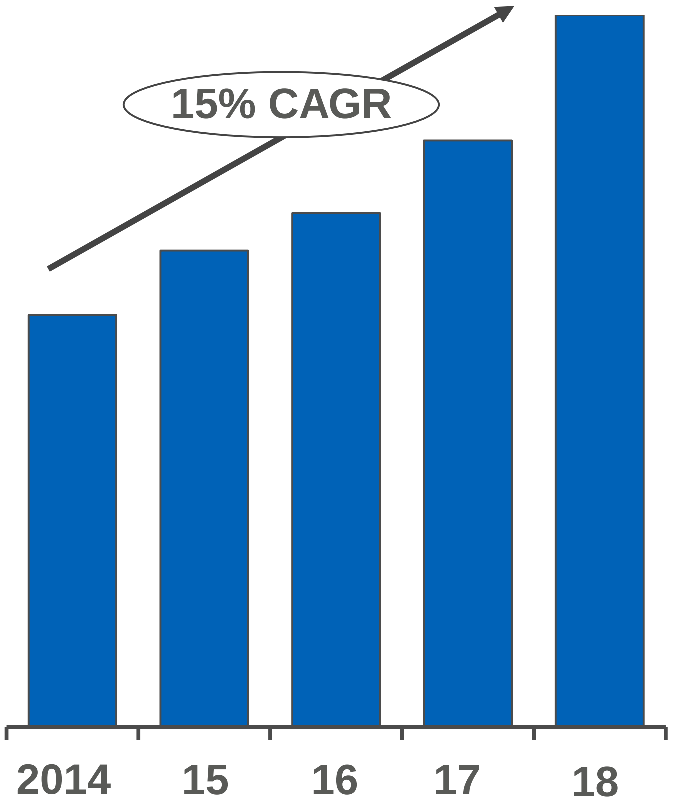
DOUBLE DIGIT E-COMMERCE GROWTH CONTINUES

Primary focus on company owned e-commerce and controlling brand presence on key marketplaces

- **E-commerce:** Crocs operated e-commerce sites
  - Fast growing distribution channel driven by global consumer adoption and more effective digital marketing
  - Investment in people and technologies to elevate consumer experience

- **Marketplaces:** Expanding direct participation in leading global marketplaces
  - Controlling and elevating brand representation
  - Winning digital channel
  - Active on 8 marketplaces
    - Launched 5 sites in 2018
    - Targeting 5+ additional sites in 2019

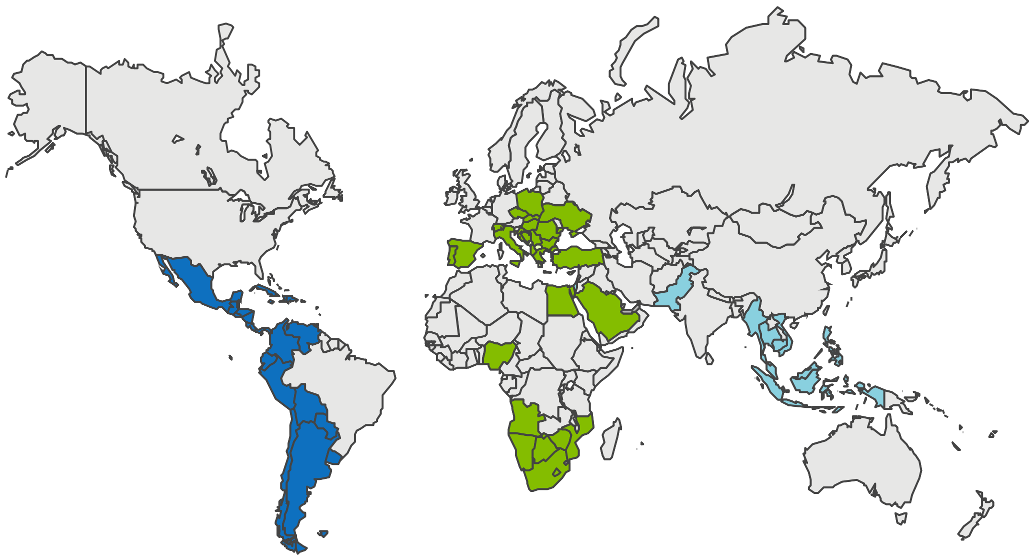
E-COMMERCE REVENUE



E-TAIL AND DISTRIBUTORS DRIVE WHOLESALE

- E-tailers and distributors represent approximately half of the global wholesale business
- Multibrand e-tailers are gaining share globally
  - Crocs: achieving consistent double-digit e-tail growth
  - Elevating the brand representation
  - Clear product segmentation
  - Investing in on-site marketing
- Distributors represent Crocs in large but often under penetrated markets
  - Strong portfolio of leading distributors
  - Close alignment to Crocs product and marketing strategies

2018 DISTRIBUTOR FOOTPRINT



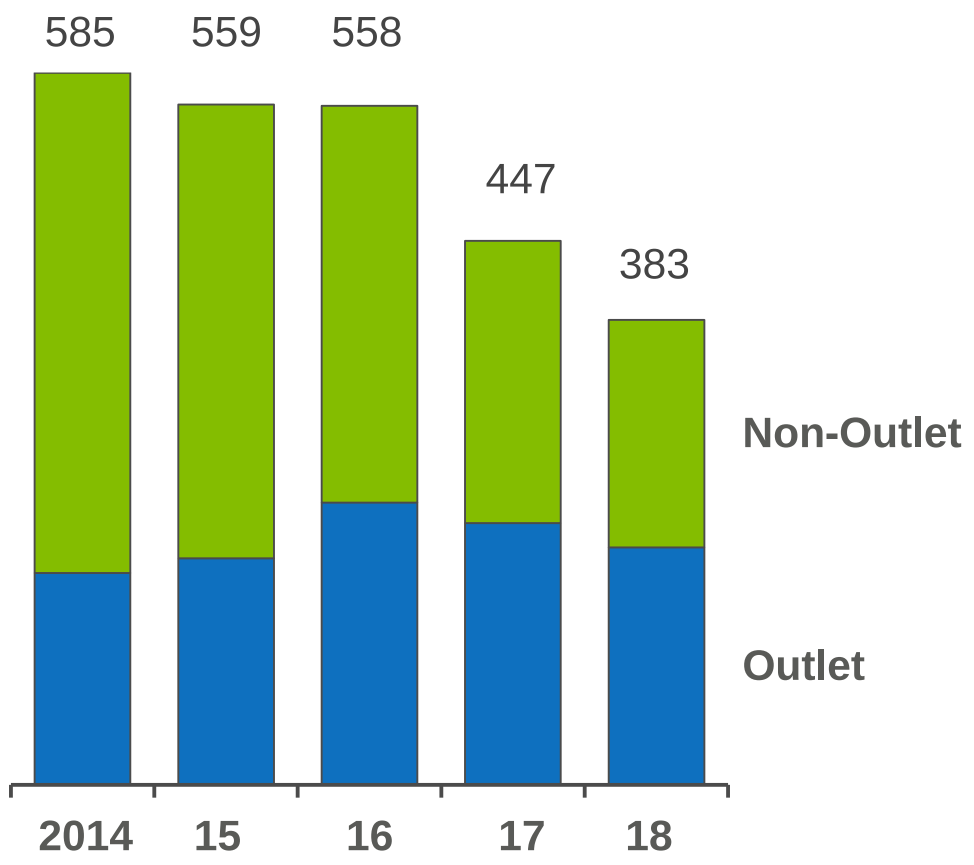
Region	# of distributors*
Americas	8
Asia	15
EMEA	31

*Excludes partners operating stores in Company-operated countries

PRIORITIZE OUTLET GROWTH WITHIN RETAIL

- Retail fleet has been rightsized and majority is now focused on outlet stores
- Outlet merchandising strategy has been repositioned to majority “Built for Outlet” assortments
- In Americas, outlet fleet is well positioned and focus will be on comp stores growth
- In EMEA, modest full price store closings will continue; have growth opportunities in leading outlet centers
- In Asia, primary outlet growth will be in Japan and China

STORE COUNT



ASIA IS LARGEST GROWTH OPPORTUNITY

Asia – Most opportunity for growth

- Increase brand recognition
- Optimize China opportunity
- Strong e-commerce growth and rapid marketplace expansion
- Multichannel growth in direct markets: China, India, Japan and South Korea
- Strong growth and incremental penetration in distributor markets

Americas – The largest region

- Maximize clog growth and expand sandal penetration at wholesale
- Leverage leading position with major e-tailers
- Continued strong e-commerce growth

EMEA – The most diverse region

- Maximize digital commerce with a focus on e-tail and marketplaces
- Drive wholesale growth through distributors

BRAND AMBASSADORS

FINANCIAL INFORMATION

2018 - A VERY SUCCESSFUL YEAR

- **Robust revenue growth**
  - Growth of 6.3% despite store closures and business model changes reducing revenues by ~$60M
- **Improved the quality of revenues**
  - Fewer and narrower promotions and less liquidation
- **Simplified the business to reduce costs**
  - Right sized our brick and mortar store fleet and associated overhead
  - Closed Crocs-owned manufacturing facilities and implemented cost-saving process improvements
- **Strengthened our balance sheet**
  - Generated strong free cash flow
  - Increased borrowing capacity
  - Eliminated preferred shares; simplified capital structure
- **Repurchased 3.6M common shares on the open market for ~$63M; average cost/share of $17.42**
- **5.8% EBIT margin; up ~400 bps as progress continues towards a double digit EBIT margin**

FULL YEAR 2019 GUIDANCE

- Revenues: Increase 5-7% over $1,088.2M in 2018
  - Expecting store closures to reduce revenues by ~$20M and a negative currency impact of ~$20M
  - Growth estimated at 7%-9% absent impact of store closures

- Gross margin ~49.5% vs. 51.5% in 2018; projected decline due to:
  - Higher freight costs and negative currency impact
  - Non-recurring charges related to the new DC, which are expected to reduce gross margin by ~100 bp but are expected to be recouped in 2020

- SG&A: ~41% of revenues compared to 45.7% in 2018
  - Includes $3-$5M of non-recurring charges compared to $21.1M in 2018

- EBIT margin: ~ 8.5% compared to 5.8% in 2018; excluding all non-recurring charges, anticipate achieving our interim low DD margin target

- CAPEX: ~$65M compared to $12M in 2018; investing to drive operational efficiencies, improve the customer experience and enable future growth
  - Includes ~$35M for the new DC; balance for IT and infrastructure investments, some of which were deferred from last year, and routine spend

1Q 2019 FINANCIAL GUIDANCE

- Revenues: $280 - $290M vs. $283.1M in 1Q18
  - Expecting store closures to reduce revenues by ~$6M and a negative currency impact of ~$10M
  - Reflects the Easter shift, which results in DTC sales associated with the holiday shifting into Q2, and the impact of strong demand last quarter, which is constricting inventory available for certain at-once orders

- Gross margin: ~45.5% compared to 49.4% in 1Q18, with the decline due to:
  - Higher freight costs, including the use of air freight to replenish inventories, a negative currency impact, and the Easter shift
  - Non-recurring charges related to the new DC, which we expect to reduce gross margin by ~50 bp

- SG&A: 37% to 38% of revenues compared to 40.2% in 1Q18
  - Includes non-recurring charges of ~$1M compared to $2.5M in 1Q18

KEY INVESTMENT CONSIDERATIONS

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An unmistakable icon recognized around the world

A powerful global brand with a large, democratic consumer base

Management team with deep industry experience and essential skills

One of the world's 10 largest non-athletic footwear brands

Successful business transformation will drive further increases in shareholder value

- Growing revenues and gross margin while reducing SG&A; a sustainable, profitable business model
- Clear path to a double digit EBIT margin
- Strong balance sheet

APPENDIX

HIGHLIGHTS OF BLACKSTONE DEAL

- Background: In 2014, Blackstone invested $200M in Crocs Preferred Shares
  - Earned 6%/$12M dividend annually and a net income allocation in any quarter with positive earnings
  - Convertible at $14.50/sh into ~13.8M shares of Common Stock. Crocs could only force conversion if the stock traded at $29 for 20 consecutive trading days.

- December 2018 Transaction: Four Key Elements
  - 50% of the preferred was redeemed at a price equivalent to $26.64 per share ($183.7M)
  - 50% of the preferred was converted into 6.9M shares of common; Blackstone agreed to a nine month lock-up
  - Blackstone representatives remain on the Crocs Board, their right to nominate future directors fell from two to one
  - Crocs made a one-time $15M payment to Blackstone; amount equals the preferred dividend that would have been payable between 10/1/18 and 12/31/19

- Benefits of the Transaction
  - The $12M annual dividend and the preferred share allocation ended immediately.
  - 6.9M shares of common were effectively repurchased in one transaction. Crocs acquired a large block of its common stock without the price uncertainty and volume limitations associated with open market purchases.
  - Blackstone signaled its ongoing confidence in Crocs' future by agreeing to an extensive lock-up; Crocs benefits from Blackstone's continued Board participation and expertise.

- 4Q18 and 2018 Impact
  - In the 4th quarter of 2018, the Company recorded $120M of preferred share dividend and dividend equivalents in connection with the transaction along with other non-recurring charges. These amounts had a material negative impact on our GAAP net income (loss) attributable to common stockholders and net income (loss) per common share for the quarter and full year. See the Company's February 28, 2019 press release for further details and a reconciliation of GAAP to non-GAAP results.

FRAMEWORK FOR A DOUBLE DIGIT EBIT MARGIN

1. **Drive Double Digit E-commerce and Modest Wholesale Revenue Growth**

2. **Sustainable Gross Margin in the Low 50% Range**
   Core Molded Product generates high quality revenue

3. **SG&A in the Low 40% Range**
   Leverage SG&A over growing revenue base

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