crocs™

INVESTOR PRESENTATION

JANUARY 2020



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 and operating margin, income tax expense, capital expenditures, business prospects and product pipeline and the potential impact of proposed footwear tariffs on certain U.S. imports. 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

- 2019 Highlights
- Long-Term Growth Drivers
- Financial Information
- Key Investment Considerations
- Appendix

2019 HIGHLIGHTS

2019 WAS AN INCREDIBLE YEAR FOR THE CROCS BRAND

- Projecting brand revenues to be at an **all time high**, propelled by double digit growth, in 2019
- Advanced to **#7 preferred footwear brand** among teens, up from 13 last year and 27 two years ago in the Piper Jaffray's Taking Stock with Teens Fall 2019 Survey
- **Brand desirability, brand relevance and brand consideration each rose double digits** over 2018 in our annual brand survey
- Launched **23 successful product collaborations** around the globe
- Crocs shoes claimed **top spots on Google's list of most-searched shoes in 2019** with Luke Combs Crocs coming in at #1 and Post Malone Crocs at #8
- Announced Priyanka Chopra Jonas and Yang Mi to join as Crocs brand ambassadors for 2020

LONG-TERM GROWTH DRIVERS

LONG-TERM GROWTH DRIVERS



Product & Marketing



Channel



Region

1

- **Clogs**: Innovate & grow clog relevance
- **Sandals**: Significant long-term growth potential
- **Visible Comfort Technology**
- **Personalization**
- **Powerful global social and digital marketing**

2

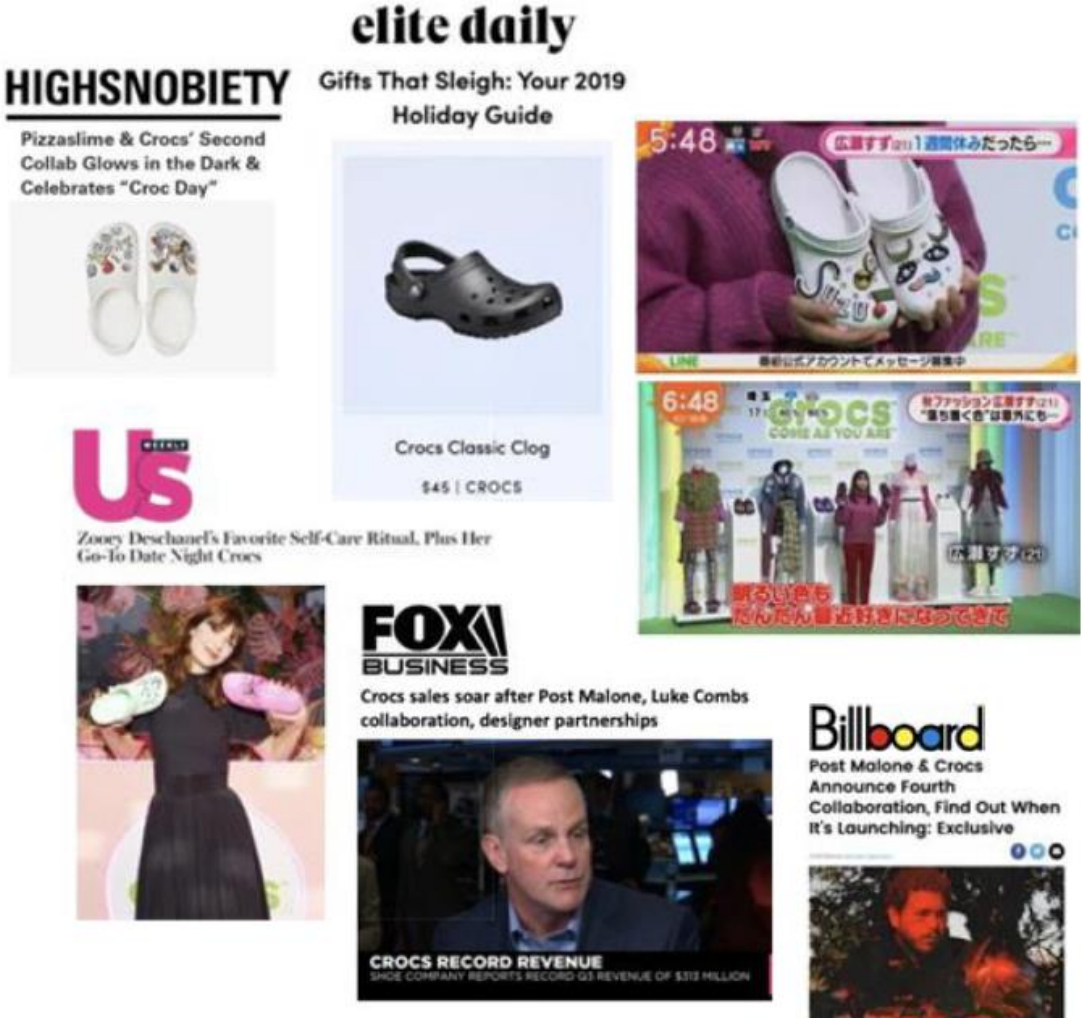
- **DTC**: double digit growth continues in E-commerce and prioritization of outlets as the most profitable Retail format
- **Wholesale**: greatest growth opportunities within e-tail accounts and distributors

3

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

GROW CLOG RELEVANCE

- Market leader in **growing global category** that has grown to **$5B***
- Crocs **grew clog revenues by 21%** in 2019 to ~53%^ of footwear sales
- The **key drivers** of Clog growth and relevance are:
  - Impactful **collaborations** across the globe
  - **Personalization** with expanded Jibbitz charms
- **Strongest growth in the Americas** with **continued opportunity in Asia and EMEA**



* Most recent internal estimate; ^ September YTD

SANDALS: SIGNIFICANT LONG-TERM GROWTH OPPORTUNITY

- Opportunity in growing **$30B*** fragmented global casual sandal market with no clear market leader
- Crocs has had a **consistent track record of growth** and **grew sandal revenues by 11%** in 2019 to ~25%^ of footwear sales
- The **key drivers** of sandal growth are:
  - **Marketing investment** to support sandal awareness
  - **Higher purchase frequency** of product to address multiple wearing occasions
  - Targeting **female explorers**





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* Most recent internal estimate; casual sandals includes flips, slides, and wedges; ^September YTD

INVEST IN NEW, VISIBLE COMFORT TECHNOLOGY

- Our **LiteRide™** collection, featuring foam footbeds, is a **top 5 franchise** for Crocs
  - The franchise approximately **doubled between 2018 and 2019**
  - LiteRide™ comfort technology will be **leveraged in other collections** including Brooklyn sandals and Crocs@Work™
- We will unveil the **LiteRide™ 2.0 collection** in 2021 as our next iteration of this comfort franchise



PERSONALIZATION WITH JIBBITZ CHARMS

- Personalization is a global megatrend that **drives relevance** for the Crocs brand
- **Jibbitz™** provide consumers with **a fun and unique** way to personalize their clogs and sandals at point of purchase
- The effect we see is an overall **increase in clog and sandal sales**





OUR GROWTH WILL CONTINUE TO BE IGNITED BY POWERFUL GLOBAL SOCIAL & DIGITAL MARKETING

- 2020: year four of **"Come As You Are"** – the evolution will continue
  - We will welcome **Priyanka Chopra Jonas** and **Yang Mi** of China as brand ambassadors
- Focus will continue on **driving clog relevance and sandal awareness**
- Expand **digital reach and engagement** in **top five markets**
- Drive further brand heat and relevance through **collaborations**

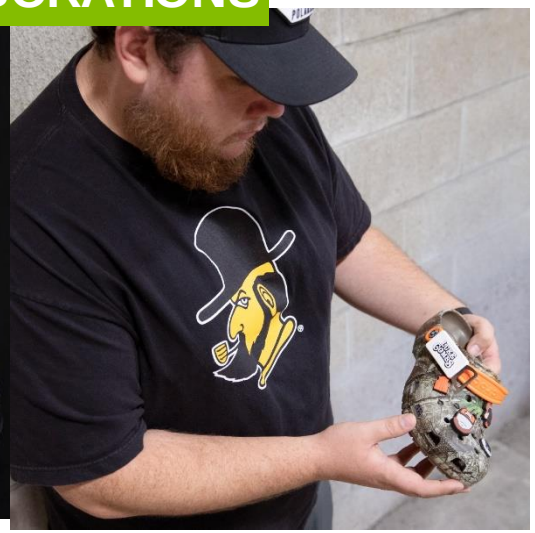
BRAND AMBASSADORS





COLLABORATIONS





DTC WILL BE LED BY E-COMMERCE GROWTH & OUTLETS

- **E-commerce:** Drive **elevated consumer experience** and more **effective digital marketing**
  - Investment in **people and technologies** to execute e-commerce growth roadmap
- **Marketplaces:** Expand **direct participation** in leading global marketplaces
  - Controlling and **elevating brand representation**
  - Active on **8 marketplaces** with 3 opened in 2019
- **Retail:** Prioritize **outlet** as growth vehicle
  - Outlet merchandising strategy has been repositioned to majority **"Built for Outlet"** assortments
  - Focus on the Americas, plus key outlet centers in Europe, Japan, and China

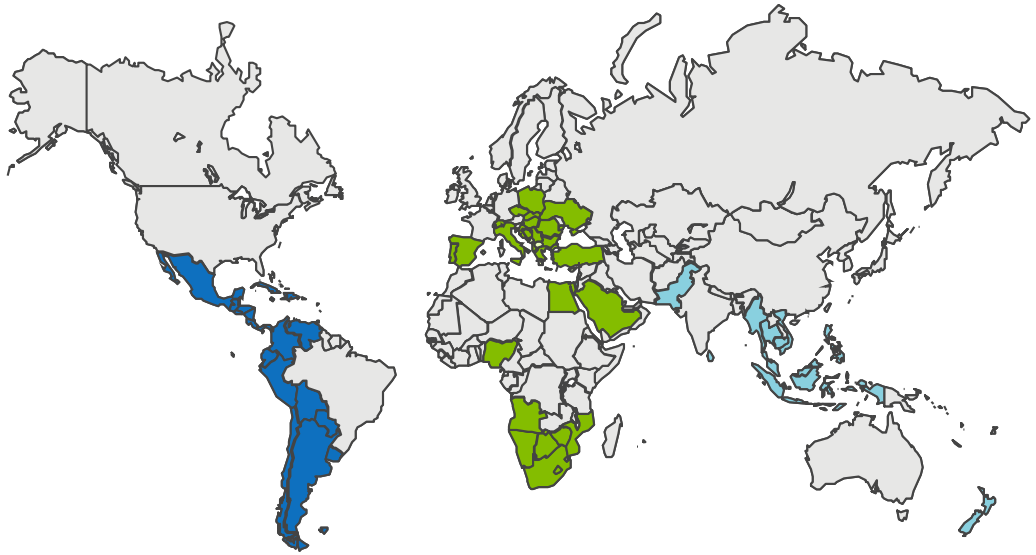
DTC Comps

	2019
Americas	21.0%
Asia	5.6%
EMEA	13.3%
Total	**16.0%**

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 with elevated brand representation, clear product segmentation, and on-site marketing investment
- **Distributors** represent Crocs in large but often underpenetrated markets
  - **Strong portfolio** of leading distributors
  - Close alignment to Crocs product and marketing strategies

2019 DISTRIBUTOR FOOTPRINT



Region	# of distributors*
Americas	8
Asia	15
EMEA	20

*Excludes partners operating stores in Company-operated countries

IN 2020, WE WILL BE CHANGING HOW WE REPORT ON OUR DIRECT-TO-CONSUMER AND DIGITAL BUSINESSES

FROM:

- **Separate reporting** for:
  - **E-Commerce** Revenue and Comps
  - **Owned Retail** Revenue and Comps

TO:

- **Combined reporting on Direct-to-Consumer** that will include **both E-commerce and Retail**
- Reporting on **% Digital revenue** which will **include Crocs.com, Marketplaces, and E-tail**

We believe this shift will better reflect how we strategically think about future growth channels for Crocs

ASIA IS LARGEST GROWTH OPPORTUNITY

Asia – Greatest growth opportunity long-term

- Increase brand recognition and drive clog relevance in China with new Tier 1 celebrity, Yang Mi
- Multichannel growth in Japan and South Korea
- Strong e-commerce growth supported by participation on key marketplaces

Americas – The largest region

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



FINANCIAL INFORMATION

2019 - A VERY SUCCESSFUL YEAR

- **Robust revenue growth**
  - Growth of ~13%
- **Improved the quality of revenues**
  - Fewer and narrower promotions and less liquidation
- **Reduce costs**
  - Leveraged the business while making significant investments in marketing
- **Deployment of capital for value creation**
  - Investments of $60M (including opening of a new distribution center in Dayton, Ohio)
  - Repurchased ~6.1M common shares on the open market for ~$147M*; average cost/share of $24.19
- **Expect to hit double-digit adj. EBIT margin for 2019**

*Including commissions

FINANCIAL GUIDANCE

2019 Expectations

- Q4 2019 Revenues between $260-262M, ~21% growth, compared to our previous guidance of $245 - $255M vs. $216.0M in 4Q18
  - Includes ~ $2M of store closures and ~$2M of negative currency impact

- FY 2019 Revenues increase ~13% over $1,088.2M in 2018
  - Adj. Gross Margin of 51.0%, compared to 51.6% in 2018
  - SG&A: ~40% of revenues compared to 45.7% in 2018
  - Adjusted operating margin of ~11%, compared to ~7.8% in 2018

LOOKING AHEAD - 2020

- Expect 2020 revenues to grow ~12-14% over 2019
- We will communicate Crocs growth plan in more detail during our Q3 2020 Investor Day



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



We are confident that our strategic plan will drive long-term, sustainable growth

- Growing revenues to drive a sustainable, profitable business model
- Projected to grow operating margin in 2020 and beyond
- Strong balance sheet


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