CROCS inc

Q3 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 October 30, 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 Third Quarter Results

"Our third-quarter performance was driven by disciplined execution against our brand strategies, as well as greater product and go-to-market innovation. The strength of our profitability and cash flow enabled us to repurchase 2.4 million of our outstanding shares and pay down $63 million of debt during the quarter, both fundamental levers of our value creation model. While our results came in ahead of expectations, we believe both of our brands have greater potential, and are working to re-gain momentum in the marketplace.

As we look forward, in addition to the $50 million of gross cost savings in 2025, we have identified an incremental $100 million of gross cost savings, and are committed to driving operating leverage in 2026."

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

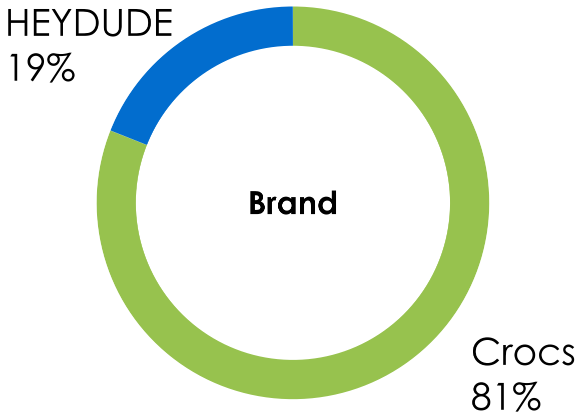
5

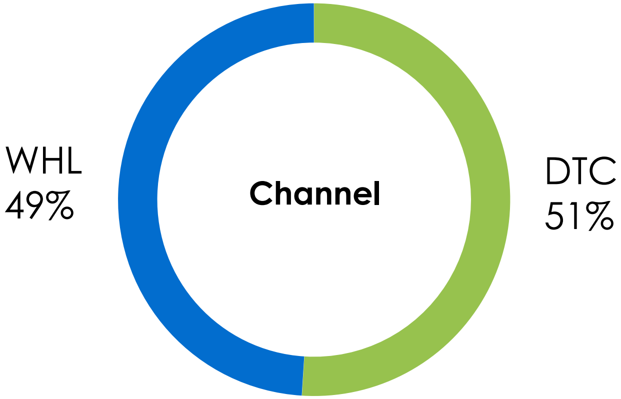
Best-in-class management team with track record of **delivering top-tier TSR** over time

1. Based on management estimates.

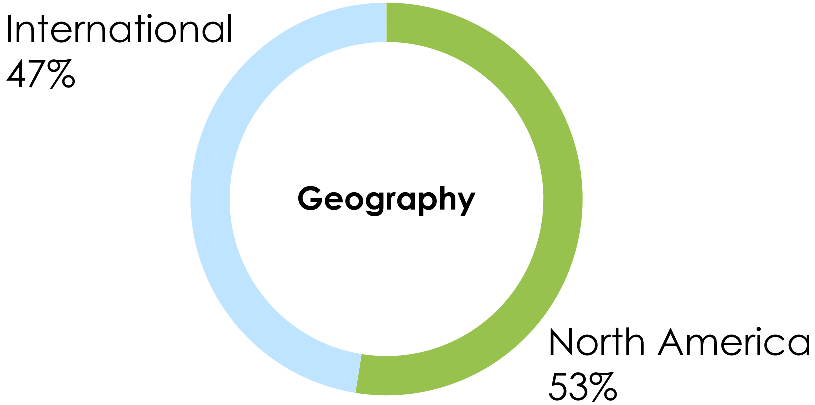
We Have A Strong And Diversified Platform For Growth[1]

SHARE OF ENTERPRISE





SHARE OF CROCS BRAND



1. Trailing Twelve Month ratio

Crocs Inc. Growth Priorities

Ignite Our Icons at Both 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, and DTC

Attract New Consumers

through thoughtfully diversifying our product range and usage occasions

Crocs Brand Strategy

Drive Brand Relevance through Icon Iterations

Diversify Outside of Clogs Through New Category Expansion

Fuel Consumer Engagement With Disruptive Digital and Social Marketing

Create Compelling Consumer Experiences Across Distribution

Gain Share in Markets around the World

HEYDUDE Brand Strategy

Ignite Our Community Through HEYDUDE Country

Build the Core, and Thoughtfully Add More

Stabilize Then Accelerate North America, While Planting Seeds Internationally

Financial Results

Q3 2025 Financial Results

	Crocs, Inc.	Crocs Brand	HEYDUDE Brand
Revenues[1]	**$996M** *(7%) vs. LY*	**$836M** *(3%) vs. LY*	**$160M** *(22%) vs. LY*
Adjusted Gross Margin[2,3]	**58.5%** *(110)bps vs. LY*	**61.8%** *(70)bps vs. LY*	**42.3%** *(560)bps vs. LY*
Adjusted SG&A as % of Revenue[2]	**37.7%** *+350bps vs. LY*		
Adjusted Operating Income[2]	**$208M** *(23%) vs. LY*		
Adjusted Operating Margin[2]	**20.8%** *(460)bps vs. LY*		
Adjusted Diluted EPS[4]	**$2.92** *(19%) 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 quarterly period ended September 30, 2025, there were no Non-GAAP adjustments to: gross profit, SG&A, and operating income.
3. For the quarterly period ended September 30, 2025, enterprise adjusted gross margin included 230 basis points of tariff impact.
4. See reconciliation to GAAP equivalents in Appendix.

Crocs Brand Highlights: Q3[(1)]

Q3 Revenues	
$836M year-over-year declines of (3%)	

Direct-to-Consumer	Wholesale
$472M	**$364M**
+1% vs. LY	*(8%) vs. LY*

North America	International
$448M	**$389M**
(9%) vs. LY	*+4% vs. LY*

- Results in North America were impacted in part by two strategic actions we took — reducing discounting on our DTC and pulling back on our wholesale inventory receipts as we focus on protecting long-term brand health
- Managed our Clog franchises while accelerating innovation within Cog iterations and new franchises
- Drove category expansion outside of Clogs — Sandals outperformed in the quarter and took market share, driven by style franchises — Brooklyn, Getaway, and Miami
- #1 footwear brand on TikTok Shop in the U.S — growing adoption of the platform is gaining momentum with younger consumers
- Saw broad-based strength across Tier 1 international markets, with China up mid-20% versus prior year — delivered strong growth in Japan and across all key markets in Western Europe

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

HEYDUDE Brand Highlights: Q3[(1)]

Q3 Revenues

$160M

year-over-year declines of (22%)

Direct-to-Consumer

$91M

(1%)vs. LY

Wholesale

$69M

(39%) vs. LY

- Continued to build community and connect with consumers through 'HEYDUDE Country' highlighting several brand affinities including music, travel, and pre- and post-sport
- Amplified our Icons, the Wally and Wendy — Stretch Sox surpassed legacy Sox performance on a like-for-like basis, and saw continued traction in the Paul silhouette
- Made progress towards stabilizing the North American market; during the quarter, wholesale sell-outs improved and are now in-line with inventory levels
- Returned to the Top-10 in the Piper Sandler "Taking Stock With Teens" survey as a preferred footwear brand among males

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

Financial Outlook

Financial Outlook

	Fourth Quarter 2025[1]
Total Revenue Change Y/Y	Down 8%
crocs Revenue Change Y/Y	Down 3%
HEY DUDE Revenue Change Y/Y	Down Mid-20%
Adjusted Operating Margin[2]	Approximately 15.5%
Adjusted Diluted EPS[2]	$1.82 to $1.92
	FY 2025
Capital Expenditures	$70 million to $75 million

1. Reflects current currency rates as of 10/27/2025.
2. Now that we have entered the fourth quarter of 2025, we are able to estimate our anticipated fourth quarter 2025 non-GAAP adjustments with a reasonable degree of certainty and reconcile these forward-looking adjusted measures without unreasonable efforts. Our forward-looking guidance for consolidated "adjusted operating margin," "adjusted effective tax rate," 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.

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 remaining $927M buyback authorization

Debt Paydown

maintain our net leverage target range of 1.0x to 1.5x[1]

CROCS inc

1. Our forward-looking guidance for our 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 forward-looking adjusted measures to their nearest U.S. GAAP measure 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 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 months ended September 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 September 30,			
	2025		2024	
	(in thousands)			
GAAP revenues	$	996,301	$	1,062,200
GAAP selling, general and administrative expenses	$	375,348	$	363,510
Total adjustments		—		—
Non-GAAP selling, general and administrative expenses [1]	$	375,348	$	363,510
GAAP selling, general and administrative expenses as a percent of revenues		37.7 %		34.2 %
Non-GAAP selling, general and administrative expenses as a percent of revenues		37.7 %		34.2 %

[1] Non-GAAP selling, general and administrative expenses are presented gross of tax.

APPENDIX

Non-GAAP Reconciliation (Cont'd)

Non-GAAP Income from Operations and Operating Margin Reconciliation:

	Three Months Ended September 30,	
	2025	2024
	(in thousands)	
GAAP revenues	$ 996,301	$ 1,062,200
GAAP income (loss) from operations	$ 207,660	$ 269,829
Non-GAAP selling, general and administrative expenses adjustments [1]	—	—
Non-GAAP income from operations	$ 207,660	$ 269,829
GAAP operating margin	20.8 %	25.4 %
Non-GAAP operating margin	20.8 %	25.4 %

[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 September 30,	
	2025	2024
	(in thousands)	
GAAP income (loss) from operations	$ 207,660	$ 269,829
GAAP income (loss) before income taxes	189,428	244,897
Non-GAAP income from operations [1]	$ 207,660	$ 269,829
GAAP non-operating income (expenses):		
Foreign currency gains (losses), net	2,957	(332)
Interest income	531	1,366
Interest expense	(21,711)	(26,203)
Other income (expense), net	(9)	237
Non-GAAP income before income taxes	$ 189,428	$ 244,897
GAAP income tax expense	$ 43,612	$ 45,096
Tax effect of non-GAAP operating adjustments	—	—
Impact of intra-entity IP transactions [2]	(11,626)	(14,165)
Non-GAAP income tax expense	$ 31,986	$ 30,931
GAAP effective income tax rate	23.0 %	18.4 %
Non-GAAP effective income tax rate	16.9 %	12.6 %

[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.

Non-GAAP Reconciliation (Cont'd)

Non-GAAP Earnings Per Share Reconciliation:

	Three Months Ended September 30,	
	2025	2024
	(in thousands, except per share data)	
Numerator:		
GAAP net income (loss)	$ 145,816	$ 199,801
Non-GAAP selling, general and administrative expenses adjustments [1]	—	—
Tax effect of non-GAAP adjustments [2]	11,626	14,165
Non-GAAP net income	$ 157,442	$ 213,966
Denominator:		
GAAP weighted average common shares outstanding - basic	53,641	59,046
Plus: GAAP dilutive effect of stock options and unvested restricted stock units	348	455
GAAP weighted average common shares outstanding - diluted	53,989	59,501
GAAP net income (loss) per common share:		
Basic	$ 2.72	$ 3.38
Diluted	$ 2.70	$ 3.36
Non-GAAP net income per common share:		
Basic	$ 2.94	$ 3.62
Diluted	$ 2.92	$ 3.60

[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 September 30,	
	2025	2024
	(in thousands)	
Cash provided by operating activities	$ 239,336	$ 296,887
Purchases of property, equipment, and software	(13,174)	(18,051)
Free cash flow	$ 226,162	$ 278,836

Non-GAAP Reconciliation (Cont'd)

Fourth Quarter 2025 Guidance Reconciliation:

Fourth Quarter 2025:	
	Approximately:
Non-GAAP operating margin reconciliation:	
GAAP operating margin	14.4%
Non-GAAP adjustments [1]	1.1%
Non-GAAP operating margin	15.5%
Non-GAAP effective tax rate reconciliation:	
GAAP effective tax rate	20%
Non-GAAP adjustments [2]	(4)%
Non-GAAP effective tax rate	16%
Non-GAAP diluted earnings per share reconciliation:	
GAAP diluted earnings per share	\$1.58 to \$1.68
Non-GAAP adjustments [1][2]	\$0.24
Non-GAAP diluted earnings per share	\$1.82 to \$1.92

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(1) In the fourth quarter of 2025, we expect to incur approximately $10 million of non-GAAP adjustments, primarily associated with our cost reduction initiatives.

(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 fourth quarter 2025 impact of these transactions.

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