

crocs™
INVESTOR
PRESENTATION
MAY 2018

crocs™



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, EBIT margin, Adjusted EBITDA, 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

- Brand Introduction.....4
- Repositioning for Long-Term Success.....10
- Financial Information.....23
- Key Investment Considerations.....27

BRAND INTRODUCTION

UNMISTAKABLE ICON

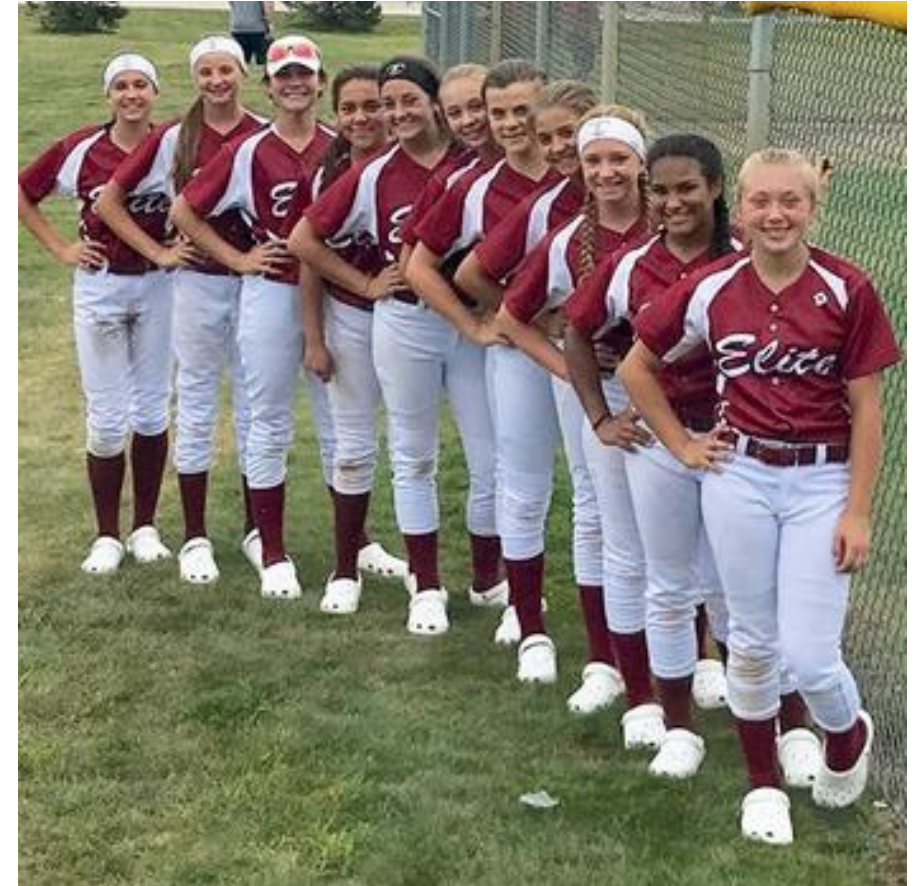


Our very first product changed the way shoes feel forever. We created an unmistakable recognized icon loved around the world.

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

CROCS IS A POWERFUL GLOBAL BRAND

- \$1B+ annual sales; one of the 10 largest non-athletic footwear brands in the world
- Clogs represent ~50% of revenue; large sandal opportunity
- Global aided brand awareness: ~65%
- Broad democratic consumer base across men, women and kids
- Established distribution across the globe



POWERFUL GLOBAL PLATFORM

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



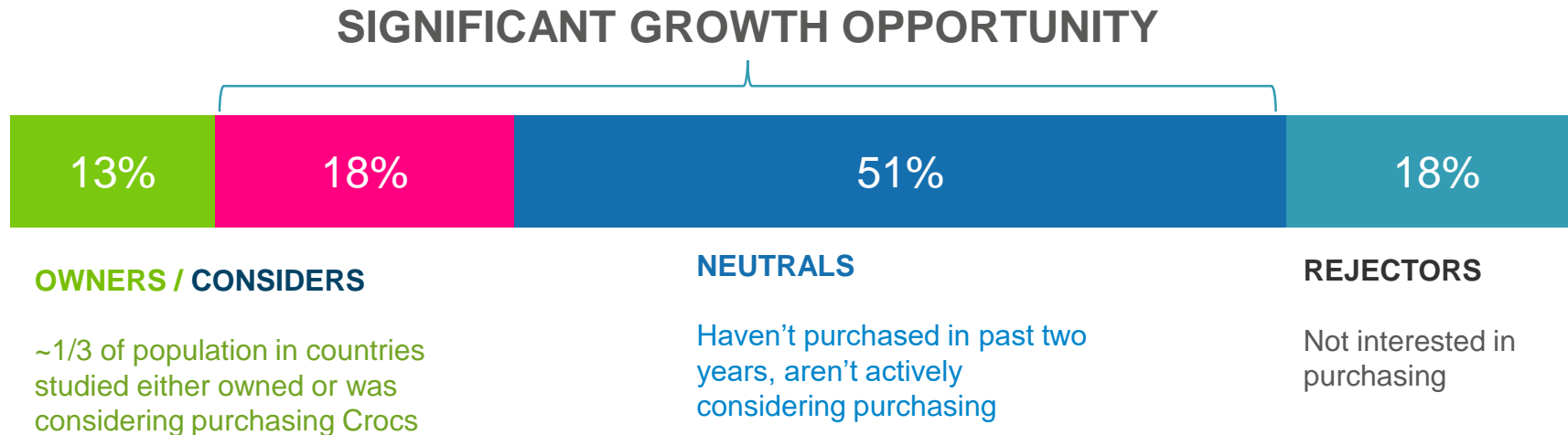
Mix popular casual styles for personal look

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.

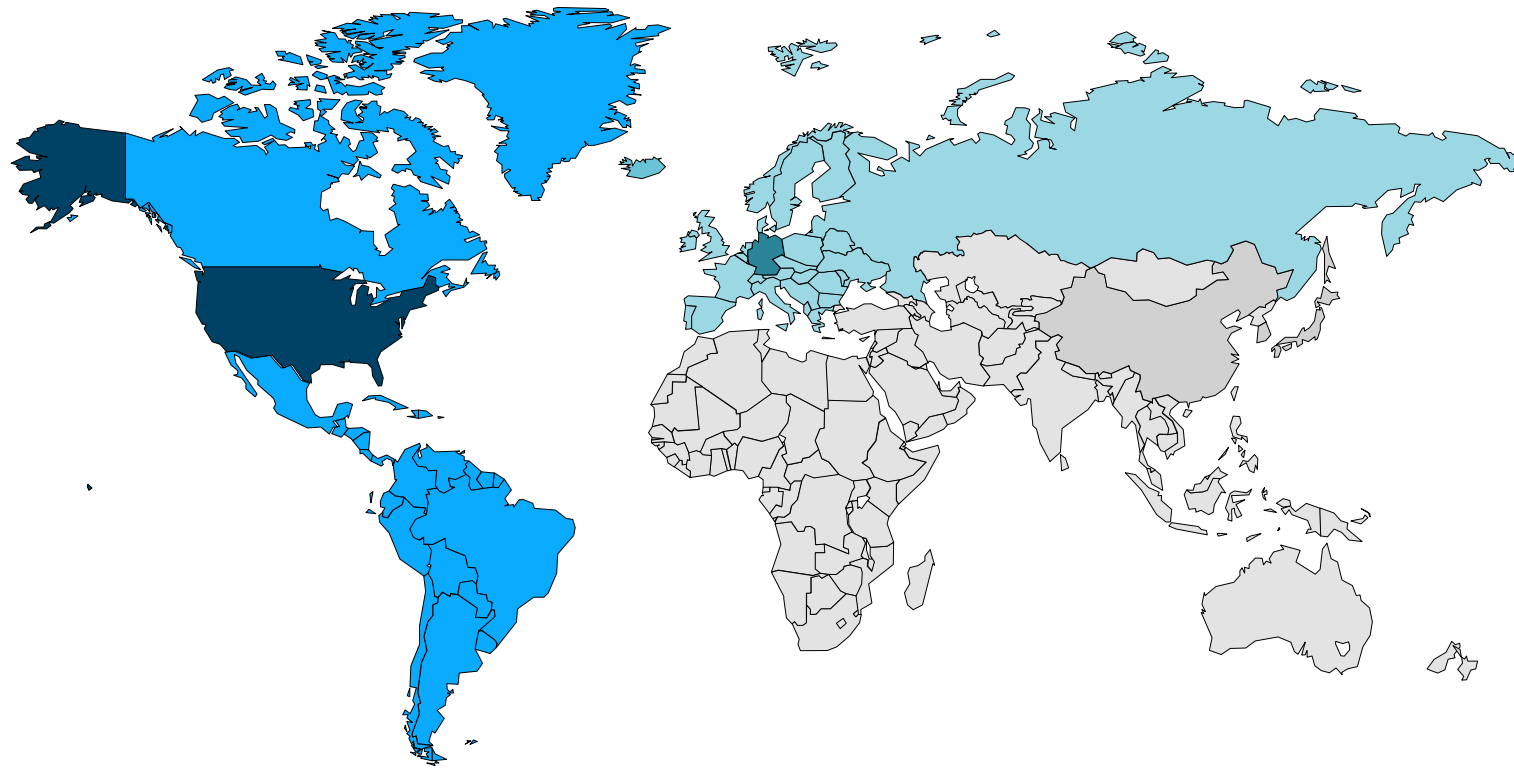
- Young adults (21-34)
- Even male/female
- Single, newly married
- Middle-class

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



GEOGRAPHIC FOCUS



3 Regions – Sales in 90+ Countries

- Americas (47% FY '17)
- APAC (36% FY '17)
- Europe (17% FY '17)

Strategic Country Focus

- | | |
|-----------------|---------|
| • United States | • Korea |
| • Germany | • Japan |
| • China | |

REPOSITIONING FOR LONG-TERM SUCCESS

REPOSITIONING FOR LONG-TERM SUCCESS

1

**Focus on Sustainable,
Profitable Revenue Growth**



2

**Improve the Quality of
Revenues**



3

**Simplify the Business to
Reduce Costs**



1. FOCUS ON SUSTAINABLE, PROFITABLE REVENUE GROWTH

- Bring innovation to our core **clog** silhouette
- Focus on **sandals**, a significant growth opportunity
- Invest in new products employing new technologies to deliver enhanced **comfort**
- Embrace **digital commerce** to accelerate growth
- Comprehensive **social and digital marketing** campaign to enhance brand desirability, relevance and consideration

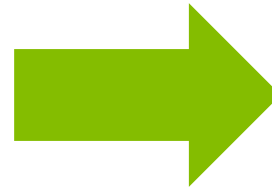


CONFIDENT IN PATHWAY TO GROWTH

2. IMPROVE THE QUALITY OF REVENUES



- Reduce low quality revenues
 - Significantly reduced discount channel distribution
- Rationalize the global product line
 - Reduced the SKU base and achieved >60% global SKU alignment
- Improved planning and buying capability
 - Reduced excess and obsolete inventory and overall inventory levels

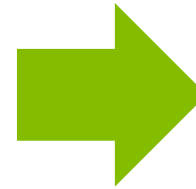


- SKU count reduced by 50% relative to 2014
- ~ 400 bps gross margin improvement between 2015 and 2017
- Positioned for sustainable gross margins > 50%

REVENUE BASE SUBSTANTIALLY MORE PROFITABLE

3. SIMPLIFY THE BUSINESS TO REDUCE COSTS

- Reduce Company-operated store base to < 400
 - Close or transfer unproductive stores
- Transition non-core markets to distributors
 - Sales completed: South Africa, Taiwan, Middle East & Hong Kong
- Close Mexico manufacturing and distribution facilities
- Eliminate overhead as a result of smaller store base
- Employ more efficient processes resulting from global ERP and standardization



- ~160 Net Store Reduction (2017 - 2018)
- Reduce SG&A run rate \$75 - \$85M by 2019
 - ~70% from store closures; ~30% from operating efficiencies



HEAVY LIFTING SUBSTANTIALLY COMPLETE

GROW OUR CORE CLOG SILHOUETTE

- ~\$4B global market; Crocs is the global market leader
 - Grew clog revenues 12% in 1Q18
- Clogs are synonymous with Crocs
- Driving renewed clog relevancy with new colors, graphics, licensed images and embellishments
 - Classic & Crocband seeing growth in all markets and all channels
 - Designer collaborations boost PR impressions and social media engagement, driving brand heat higher
 - Built For Outlet product outperforming expectations
- Highest gross margin silhouette



FOCUS WHERE WE CAN WIN

INVEST IN NEW, COMFORT FOCUSED TECHNOLOGY: 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; perfect for warm-ups, warm-downs and all-around town
 - Next generation LiteRide™ foam insoles are super-soft, incredibly lightweight, and extraordinarily resilient; soft, flexible Matlite™ uppers feel broken-in from day one; Croslite™ foam outsoles provide durable, all-day support and comfort

EQUAL PARTS SCIENCE AND MAGIC

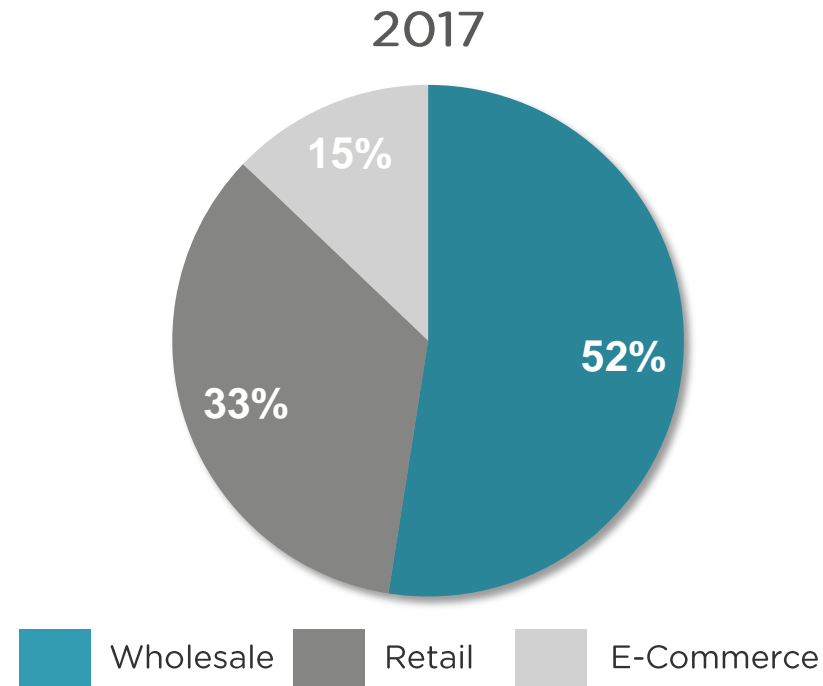
FOCUS ON SANDALS, A SIGNIFICANT GROWTH OPPORTUNITY

- ~\$23B global market
 - Crocs currently has <1% global market share
 - Highly fragmented market - no global market leader
 - Appeals to our core consumer
- With recent focus, sandals* reached 20% of sales in 2017, up from 16% in 2016
 - 21% growth in sandal revenues in 1Q18 on top of 26% growth in sandal revenue in 2017
- Building sandals into every franchise to cover key wearing occasions



A LARGE GLOBAL MARKET WITH GROWTH OPPORTUNITIES

MULTI-CHANNEL DISTRIBUTION MODEL



- Generated global sales through wholesale and direct to consumer (retail and e-commerce) channels
- Expect double digit e-commerce and moderate wholesale growth; right-sizing retail
- Wholesale drivers: e-tail and distributor partners, which together generate ~ ½ of wholesale revenues; expect more moderate growth from traditional multi-brand brick and mortar accounts and partner stores

ACCELERATE DIGITAL COMMERCE GROWTH

- Three Aspects of Digital Commerce
 - E-commerce: Crocs operated e-commerce sites
 - Fastest growing distribution channel
 - Benefitting from global deployment of best practices
 - Sophisticated analytics and personalization are boosting revenues and ROI
 - E-tail: Online sales through wholesale accounts
 - Embracing relationships with key e-tail accounts
 - Partnering to improve conversion on rapidly growing site traffic
 - Marketplaces: Leading global marketplaces
 - Controlling and elevating brand representation
 - Directly participating in the growth of this platform



INTENSIFIED DIGITAL COMMERCE PUSH

COMPREHENSIVE SOCIAL AND DIGITAL MARKETING CAMPAIGN

- In year two of our successful “Come As You Are” campaign
 - CROCS – THE MUSICAL is driving excitement, with engagement up 250%
- Investing in brand ambassadors
- Collaborations with designers Christopher Kane and Balenciaga create impactful “buzz”
- Leveraging social influencers to amplify reach



Drew Barrymore



Henry Lau



Yoona Lim



FOCUS ON DIGITAL AND SOCIAL

COMPREHENSIVE SOCIAL AND DIGITAL MARKETING CAMPAIGN (CONT'D)

- Social media: Record breaking results for reach, followers and engagement
- 2017 PR impressions up 150%, with dramatically improved tone
- 2017 Annual Brand Survey results demonstrate positive impact

+15%

BRAND DESIRABILITY

Crocs is a brand that is becoming more desirable than in the past

+11%

BRAND RELEVANCE

Crocs is a brand that meets my needs

+14%

BRAND CONSIDERATION

Crocs is a key brand I consider when shopping

Annual Brand Study: Focused on 5 strategic markets (US, Germany, China, S Korea, Japan). 7,500 global respondents fielded in June 2017. General market survey (incl. Crocs owners & non-owners). Aligned to census data with age and gender quotas.

REPOSITIONING FOR LONG-TERM SUCCESS



FINANCIAL INFORMATION

RECENT FINANCIAL RESULTS

FULL YEAR 2017

Advanced strategic objectives; drove financial improvements:

- Revenues: \$1,023.5M, down 1.2%. Up MSD absent fleet reduction and business model changes
- Gross margin: 50.5%, up 230 bps
- SG&A : \$499.9M, including \$17.0M of non-recurring charges; delivered ~\$23M of SG&A reductions
- Income from operations: \$17.3M, compared to last year's loss of \$6.2M
- Cash provided by operating activities increased 147%
- Inventory declined 11.3%
- Repurchased \$50M of common stock; average price of \$8.82 per share

crocs™

1Q 2018

Exceeded guidance metrics:

- Revenues: \$283.1M, up 5.7%, reflecting strong wholesale and e-commerce growth and positive retail comps, while absorbing ~ \$12M of lost revenues due to fleet reduction and business model changes
- Gross margin: 49.4%, down 50 bps due to charge associated with the shift of inventory costing methodology; absent that, gross margin would have increased 30 basis points
- SG&A : \$114.0M, SG&A rate improved 380 bps to 40.2% of revenues. Includes \$2.5M of non-recurring charges
- Income from operations grew 66.4% and net income available to common SH grew to \$0.15 per share from \$0.08 per share

FINANCIAL GUIDANCE

2Q18

- Revenues: \$315 - \$325M compared to \$313.2M in 2Q17
 - Includes the loss of ~ \$23M of revenues due to fleet reduction and business model changes
- Gross margin slightly above 2Q17 rate of 54.2%
- SG&A: approximately flat with \$140.4M in 2Q17
 - Includes ~ \$1M of non-recurring charges associated with the SG&A reduction plan vs. \$1.8M in 2Q17, and ~ \$5M of non-recurring charges in connection with the Mexico shut down
 - Absent non-recurring charges and the negative impact of currency, 2Q SG&A would be ~ \$10M lower than 2Q17

FULL YEAR 2018

- Revenues: Increase LSD over \$1,023.5M in 2017
 - Includes the loss of ~ \$60M of revenues due to fleet reduction and business model changes
- Gross margin up 70-100 bps from 2017 rate of 50.5%
- SG&A: ~\$485M
 - Includes ~\$15M of non-recurring charges (~\$5M associated with our SG&A reduction plan and ~\$10M with Mexico closure)
 - Includes ~ \$10M of additional expense vs. LY due to the weakening of the U.S. dollar, with 50% of that offset by additional savings
 - ~\$45M of SG&A reductions against our SG&A reduction plan goals, after adjusting for non-recurring charges and currency impact
- Adjusted EBITDA⁽¹⁾: ~\$95M, up from \$67M in 2017
- Income tax expense : ~\$17M

(1) We defined Adjusted EBITDA as Income from Operations adjusted for depreciation and non-recurring charges. 2018 Income from Operations is expected to be ~\$50M, D&A is expected to be ~\$30M, and non-recurring charges are expected to be ~\$15M, adding up to ~\$95M. 2017 Income from Operations was \$17.3M, D&A was \$33.1M and non-recurring charges were \$17.0M, adding up to \$67.4M.

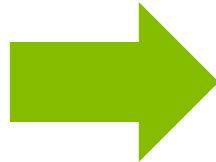
LOOKING AHEAD: PATH TO DOUBLE DIGIT EBIT MARGIN

**Focus on Sustainable,
Profitable Revenue Growth**



**DD E-commerce and Moderate Wholesale
Growth**

**More Profitable
Revenues**



Sustainable Gross Margin > 50%

**Heavy Lifting Substantially
Complete**



SG&A in the Low 40% Range

- SG&A Reduction Plan Eliminates \$75M - \$85M
- Revenue growth requires limited incremental SG&A

KEY INVESTMENT CONSIDERATIONS

KEY INVESTMENT CONSIDERATIONS

- The Classic Clog: an unmistakable icon recognized around the world
- Crocs: a powerful global brand with a democratic consumer base
 - At >\$1B annual sales; one of the world's 10 largest non-athletic footwear brands
- Successful business transformation well underway;
 - Clear path to sustainable, profitable revenue growth and double digit EBIT margin
 - Higher quality revenues driving improved gross margin
 - Simplified business model reducing SG&A
- Management team with deep industry experience and essential skills
- All of this, combined with a strong balance sheet and cash flow, will deliver further increases in shareholder value





crocs™