



NOVEMBER 23, 2025

Team Number: 9

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Investment summary

- Buy Crocs Inc. 4.125% 2031 Senior Unsecured Notes (BB/B2) trading at \$91.64; ~5.84% yield to maturity and ~215bps OAS (as of 10/17/2025)
- Base case target spread: 150bps, Total Return: ~8.8%, MOIC: 1.09x

Thesis Summary

Strong Crocs Brand Momentum & Global Growth

International momentum remains strong, with overseas sales accounting for 52% of Crocs Brand revenue as of Q2 2025, driven by surging demand in China and India. Category diversification has further supported record-high gross margins of 64%, while the brand continues to outperform peers in consumer engagement.

ii HEYDUDE Brand Reset

HEYDUDE's updated inventory strategy, leveraging the Crocs brand playbook, is driving trend alignment and brand loyalty. Growing collaborations and DTC focus are set to lift sales, margins, and brand value.

Strong FCF Enabling Rapid Deleveraging

Crocs continues to generate robust free cash flow, supported by high margins and minimal capex. Combined with management's focus on debt reduction, this strengthens the company's credit profile and enhances flexibility for opportunistic refinancing and shareholder returns.



1. Company Overview



Crocs is a leading global footwear brand recognized for its signature clog and innovative comfort technologies, offering versatile, casual styles within the affordable comfort segment

Business Overview

- Crocs was founded in 2002 in Colorado, debuting its foam clogs at a boat show
- Acquired HEYDUDE in 2022, expanding into casual lifestyle footwear, and now operates two brands:
 - Crocs Brand: Recognized for its iconic molded clog silhouette made with proprietary Croslite™ material. The Crocs brand is the key driver behind high margins and strong FCF generation
 - ➤ **HEYDUDE:** Known for its versatile loafer silhouette that emphasizes casual style
- Crocs has ~18% market share in US Clogs Market¹ and was ranked world's most popular fashion brand in 2024¹
- They generated **\$4.1 Bn** in revenues as of 2024, split evenly between wholesale and Direct-To-Customer (DTC) channels; Crocs Brand DTC grew at a 14% CAGR over the past two years
- Crocs' distinctive IP, efficient manufacturing processes, and pricing power enables 59% gross margin LTM





Crocs' relatively low leverage and LTV provide attractive upside potential from deleveraging and spread tightening

Key highlights:

- Low leverage and strong FCF: Gross and net leverage of ~1.2x / 1.1x LTM EBITDA; Low LTV of 25%
- Conservative maturity profile: Minimal near-term maturities and ample revolver availability (\$320mm undrawn) provide ample liquidity and flexibility
- **Healthy credit sentiment**: Debt trades with mid-single-digit YTM, reflecting stable credit quality and investor confidence

Capital Structure:

	Debt	LTM				Market			Current	Call	Next		
Facility	Outstanding	EBITDA x	Price	Coupon	Maturity	Value	YTM	Spread	YTW	Price	Call Date	S&P	Moody's
1L Term Loan B maturing 2029	500		100.38	6.48	2/20/2029	502						BB+	n.a.
1L Revolver	215		n.a.	5.99	11/30/2027	215						n.a.	n.a.
First Lien Facilities	715	0.6x				717							
Sr Unsec. Notes Due 2029	350		95.89	4.25	3/15/2029	336	5.59	358	5.59	101.1	11/16/2025	BB	B2
Sr Unsec. Notes Due 2031	350		91.64	4.13	8/15/2031	321	5.84	358	5.84	102.1	8/15/2026	BB	B2
Total Unsecured Debt	700	1.2 x				656							
Total Debt	1,415	1.2 x				1,373							
Cash	201												
Net Debt	1,214	1.1 x											
Equity	4,510												
EV	5,725	5.0x											
LTM Adj. EBITDA	1,148												
First Lien LTV	12 %												
Total Debt LTV	25%												

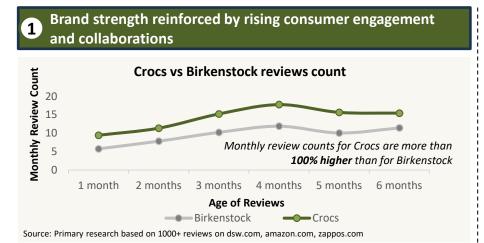
Source: Bloomberg

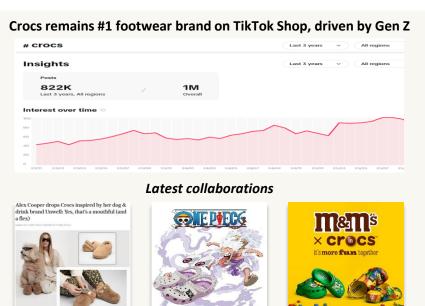


2. Investment Thesis

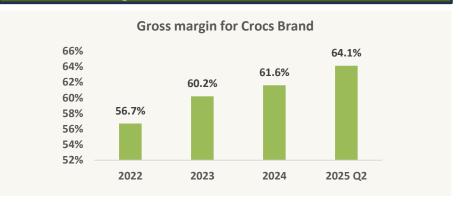


Thesis #1: Strong brand equity, collaborations, and shifting channel mix to DTC position Crocs Brand for sustained growth and improving margins

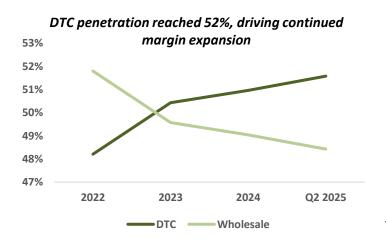








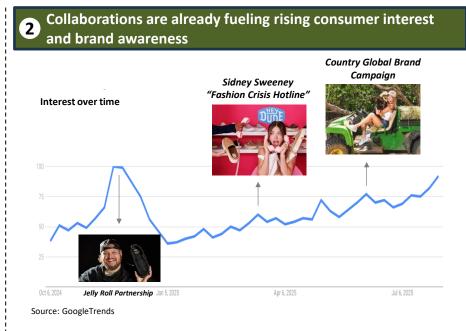
International sales reached 52% of Crocs Brand revenue (Q2 2025), with China growing at 30% YoY in the last few quarters





Thesis #2: Market is underestimating benefits of HEYDUDE's refreshed inventory, propelled by strong brand equity and Direct-to-Customer (DTC) channel gains

Management's push for HEYDUDE inventory refresh will match customer preferences **New HEYDUDE Models Generate More Monthly Reviews** Market evaluates HEYDUDE based Monthly Review Count on legacy models Newer models generate much higher customer interest New Models (Austin Lift, Paul, Hey 2.0) Classic Models (Wendy / Wally) 1 month 2 months 3 months 4 months 5 months 6 months Age of Reviews We scraped through hundreds of reviews on leading online footwear stores to count the number of reviews classic vs new HEYDUDE models generated each month Monthly review counts for new models are 150% higher than for older ones, highlighting strong consumer preferences for the latest releases Source: Primary research based on 700+ reviews on dsw.com, famousfootwear.com, zappos.com ~40% reviews explicitly indicate strong brand loyalty to HEYDUDE "Right now I have 5 pairs of Hey Dudes in "This is my 3rd pair of hey dudes!" mv closet." "I love them so much I bought a second pair for when my first is too worn out!!" "I have them in both colors and would buy "This is my 2nd pair!" them in all colors!!" Source: Primary research based on 700+ reviews on dsw.com, famousfootwear.com, zappos.com



3 Improving channel mix will sustain margins through DTC







Thesis #3: Creditor-friendly capital allocation policy drives deleveraging

Key Assumptions:

- **Revenue growth**: Crocs and HEYDUDE combined revenue grows at a ~1% CAGR FY24-FY27, reflecting modest recovery in domestic demand and continued stabilization in HEYDUDE sell-through
- EBIT margins: Stabilizes at ~25% by FY27, supported by improved mix, cost efficiencies, and lower tariff headwinds
- Leverage & Capital allocation: Total debt paydown of ~\$1.0Bn from FY24-27 (net leverage declines to near zero by 2027); share repurchase of ~\$1.1bn over the same period

Page 1999	0004.4	00004	00004	00044	20255	2225	00075	3 yr
Base case Crocs Brand North America	2021A	2022A	2023A	2024A	2025E	2026E	2027E	CAGR
	1,554	1,645	1,778	1,833	1,678	1,610	1,610	(4.2%)
yoy%	700	5.8%	8.1%	3.1%	(8.5%)	(4.0%)	0.0%	0.70/
Crocs Brand International	760	1,014	1,235	1,445	1,603	1,764	1,905	9.7%
yoy%		33.6%	21.7%	17.0%	11.0%	10.0%	8.0%	
HEYDUDE Brand		896	949	824	733	682	682	(6.1%)
yoy%		n.a.	6.0%	(13.2%)	(11.0%)	(7.0%)	0.0%	
Net Sales	2,313	3,555	3,962	4,102	4,015	4,056	4,198	0.8%
yoy%	66.9%	53.7%	11.5%	3.5%	(2.1%)	1.0%	3.5%	
Gross Profit	1,426	1,935	2,237	2,414	2,342	2,389	2,486	1.0%
%margin	61.6%	54.4%	56.5%	58.8%	58.4%	58.9%	59.2%	
SG&A	(731)	(949)	(1,139)	(1,363)	(1,461)	(1,445)	(1,459)	
EBIT	695	986	1,099	1,050	881	944	1,027	
%margin	30.1%	27.7%	27.7%	25.6%	22.0%	23.3%	24.5%	
EBITDA	727	1,026	1,153	1,120	970	1,033	1,119	(0.0%)
%margin	31.4%	28.8%	29.1%	27.3%	24.2%	25.5%	26.7%	. ,
CFO	567	603	930	992	788	825	909	
Capex	(56)	(104)	(116)	(69)	(100)	(101)	(105)	
% sales	2.4%	2.9%	2.9%	1.7%	2.5%	2.5%	2.5%	
FCF	511	499	815	923	688	724	804	
%margin	22.1%	14.0%	20.6%	22.5%	17.1%	17.8%	19.2%	
Total Debt / EBITDA	1.1x	2.3x	1.4x	1.2x	1.0x	0.7x	0.3x	
Net Debt / EBITDA	0.8x	2.1x	1.3x	1.0x	0.8x	0.4x	0.1x	
EBITDA / Int Exp	34.8x	7.6x	7.3x	10.6x	11.8x	17.1x	28.6x	
(EBITDA - CapEx) / Int Exp	32.2x	6.8x	6.5x	9.9x	10.6x	15.4x	26.0x	



2. Valuation



Attractive risk-reward: CROX 2031 Notes offer upside from deleveraging and spread tightening

			Total	
	Spread	Price	Return	MOIC
Bear (20%)	250	91.5	4.4%	1.04x
	230	92.3	5.2%	1.05x
	210	93.1	6.1%	1.06x
	190	93.9	7.0%	1.07x
	170	94.7	7.9%	1.08x
Base (60%)	150	95.5	8.8%	1.09x
	130	96.3	9.7%	1.10x
Bull (20%)	110	97.2	10.6%	1.11x
Weighted Avg.	162	95.0	8.3%	1.08x

	Rating Metrics Moody's S&P	Crocs Rev Growth	Heydude Rev Growth > 0% > 0%	Debt/EBITDA < 2x < 2x	EBITDA/Int Exp > 3.5x				
Upgrade	Bull	2078	• • •	All met					
	Base		All	l met					
	Moody's			> 3.5x	< 2.75x				
Downgrade	S&P	Total Re	ev. < 0%	> 2x					
	Bear	Partiall	ly Met						

									Net		
Issuer	Security	Amt Out	Price	Coupon	Maturity	YTM	YTW	OAS	Leverage	S&P	Moody
Under Armour	UA 3 1/4 06/15/26	600	99.1	3.25	6/15/2026	4.73	4.73	110.0	1.8x	BB-	B1
Bath & Body Works	BBWI 6.694 01/15/27	284	102.0	6.69	1/15/2027	4.97	4.97	144.4	3.0x	BB+	Ba2
VF Corp	VFC 2.8 04/23/27	500	97.0	2.80	4/23/2027	4.86	4.86	138.5	5.0x	BB	ВаЗ
Bath & Body Works	BBWI 5 1/4 02/01/28	444	100.5	5.25	2/1/2028	5.01	5.01	153.8	3.0x	BB+	Ba2
Crocs Inc	CROX 4 1/4 03/15/29	350	95.9	4.25	3/15/2029	5.58	5.58	207.5	1.1x	BB	B2
GAP	GAP 3 5/8 10/01/29	750	93.5	3.63	10/1/2029	5.46	5.46	192.9	1.9x	BB	ВаЗ
Kontoor Brands	KTB 4 1/8 11/15/29	400	95.415	4.125	11/15/2029	5.39	5.39	180.6	3.8x	BB-	Ba3
VF Corp	VFC 2.95 04/23/30	750	87.9	2.95	4/23/2030	6.07	6.07	253.9	5.0x	BB	Ba3
Levi Strauss	LEVI 3 1/2 03/01/31	500	92.8	3.50	3/1/2031	5.04	5.04	138.0	1.8x	BB+	Ba2
Crocs Inc	CROX 4 1/8 08/15/31	350	91.7	4.13	8/15/2031	5.83	5.83	214.7	1.1 x	BB	B2
GAP	GAP 3 7/8 10/01/31	750	90.8	3.88	10/1/2031	5.72	5.72	200.0	1.9x	BB	Ba3
Median	_	472	95.7	4.00		5.43	5.43	186.8	1.9 x	•	
Average		507	95.5	4.31		5.51	5.51	192.7	2.6x		

Source: Moody's, S&P, Bloomberg



We estimate a recovery value of about 64% for the CROX 2031 Notes under the assumed liquidation scenario

		Reco	very	
	Q2 25'	%	\$	Note
Cash and cash equivalents	201	100%	201	Fully realizable
Accounts receivables	417	80%	334	Mix of wholesale and distributor receivables; historically low bad debt losses
Inventories	405	50%	203	Discounted resale value (fashion risk, seasonal styles, markdowns)
Income tax receivable	7	80%	5	Recoverable from tax authorities; minor timing risk
Prepaid expenses / other current assets	50	20%	10	Minimal resale value, typically written off
Current Assets	1,102		752	
Property and equipment, net	249	50%	125	Light manufacturing footprint, mostly leasehold improvements and equipment in Asia
Other intangible assets, net	1,335	25%	334	Brand/IP may retain partial value to a strategic buyer but impaired under forced sale
Deferred tax assets, net	972	0%	0	Only usable if company emerges as a going concern.
Goodwill	405	0%	0	Fully written off in liquidation
Operating Lease Right of use assets	349	0%	0	Non-transferable
Restricted cash	4	100%	4	
Other assets	35	20%	7	
Total Non-current Assets	3,349		469	
Total Assets	4,451		1,221	

Total Recovery	1,221
Liquidation Cost 5%	61
Proceeds Available	1,160
1L Secured Debt	715
Proceeds Available for Unsecured	445
Senior unsecured	700
Senior Unsecured Recovery %	64%

Source: 10-Q



Risks and mitigants

Risks	Mitigants
Brand concentration — Heavy reliance on the Crocs brand makes the company vulnerable to changing fashion trends and consumer preferences.	Ongoing category diversification (e.g., sandals, boots, Jibbitz) and strong collaboration pipeline sustain consumer engagement and broaden the brand base. Additionally, HEYDUDE now represents ~20% of revenues
US tariffs impact — Heavy reliance on overseas production exposes Crocs to potential tariff increases and trade disruptions that may impact profitability	Crocs is renegotiating factory pricing, enhancing supply chain efficiency, and diversifying imports to reduce China exposure. If tariffs remain elevated, production can be relocated within ~6 months for Crocs and ~12 months for HEYDUDE
HEYDUDE integration risk — Execution challenges in inventory, positioning, or marketing could pressure margins	Management is applying Crocs' proven playbook to HEYDUDE, focusing on SKU optimization, DTC rollout, and trend alignment to stabilize performance
Competitive pressure — Rising competition from athletic and lifestyle brands (Skechers, On, Nike, etc.) may erode share or pricing power.	Crocs is broadening into sandals to expand shelf space and market reach, leveraging its core clogs' lower price point to stay competitive. Crocs is also repositioning HEYDUDE to capture the casual lifestyle segment, enhancing portfolio diversification
Elevated marketing costs — Increased spending on collaborations, influencer campaigns, and digital advertising could pressure margins if ROI declines	Strong brand recognition and viral engagement on platforms like TikTok and Instagram drive high marketing efficiency; Crocs' brand equity and history of successful campaigns support sustained profitability



We visited Crocs and leading multi-brand shoe stores in downtown NYC to assess current market trends and sales momentum

Crocs store









Multi-brand store primary research



Customer interactions

"I wait for new Crocs launches, their collabs are very cool"

"I feel Crocs started doing great post the pandemic, and is the best option at this price range"



Birkenstock and Nike

Premium positioning of Crocs shoes at the front of display asile



Appendix



Bull Case Financials

Key Assumptions:

- Revenue growth: Crocs and HEYDUDE combined revenue grows at a ~3% CAGR FY24-FY27, driven by continued international expansion, DTC penetration, and stronger-than-expected recovery in HEYDUDE
- **EBIT margins**: Expands to ~27% by FY27, supported by mix shift toward higher-margin DTC and international channels and reduced tariff costs
- Leverage & Capital allocation: Total debt paydown of ~\$1.1Bn from FY24-27 (Crocs is expected to reach a *net cash position by FY27*); share repurchase of ~\$1.2bn over the same period, funded by robust FCF

								3 yr
Bull case	2021A	2022A	2023A	2024A	2025E	2026E	2027E	CAGR
Crocs Brand North America	1,554	1,645	1,778	1,833	1,705	1,671	1,688	(2.7%)
yoy%		5.8%	8.1%	3.1%	(7.0%)	(2.0%)	1.0%	
Crocs Brand International	760	1,014	1,235	1,445	1,647	1,844	2,029	12.0%
yoy%		33.6%	21.7%	17.0%	14.0%	12.0%	10.0%	
HEYDUDE Brand		896	949	824	742	705	712	(4.8%)
yoy%		n.a.	6.0%	(13.2%)	(10.0%)	(5.0%)	1.0%	
Net Sales	2,313	3,555	3,962	4,102	4,094	4,220	4,428	2.6%
yoy%	66.9%	53.7%	11.5%	3.5%	(0.2%)	3.1%	4.9%	
Gross Profit	1,426	1,935	2,237	2,414	2,393	2,497	2,646	3.1%
%margin	61.6%	54.4%	56.5%	58.8%	58.5%	59.2%	59.7%	
SG&A	(731)	(949)	(1,139)	(1,363)	(1,463)	(1,435)	(1,474)	
EBIT	695	986	1,099	1,050	930	1,062	1,172	
%margin	30.1%	27.7%	27.7%	25.6%	22.7%	25.2%	26.5%	
EBITDA	727	1,026	1,153	1,120	1,020	1,155	1,269	4.3%
%margin	31.4%	28.8%	29.1%	27.3%	24.9%	27.4%	28.7%	
CFO	567	603	930	992	827	921	1,033	
Capex	(56)	(104)	(116)	(69)	(82)	(84)	(89)	
% sales	2.4%	2.9%	2.9%	1.7%	2.0%	2.0%	2.0%	
FCF	511	499	815	923	745	836	944	
%margin	22.1%	14.0%	20.6%	22.5%	18.2%	19.8%	21.3%	
Total Debt / EBITDA	1.1x	2.3x	1.4x	1.2x	1.0x	0.6x	0.2x	
Net Debt / EBITDA	0.8x	2.1x	1.3x	1.0x	0.7x	0.3x	(0.1x)	
EBITDA / Int Exp	34.8x	7.6x	7.3x	10.6x	12.4x	19.8x	38.7x	
(EBITDA - CapEx) / Int Exp	32.2x	6.8x	6.5x	9.9x	11.4x	18.4x	36.0x	



Bear Case Financials

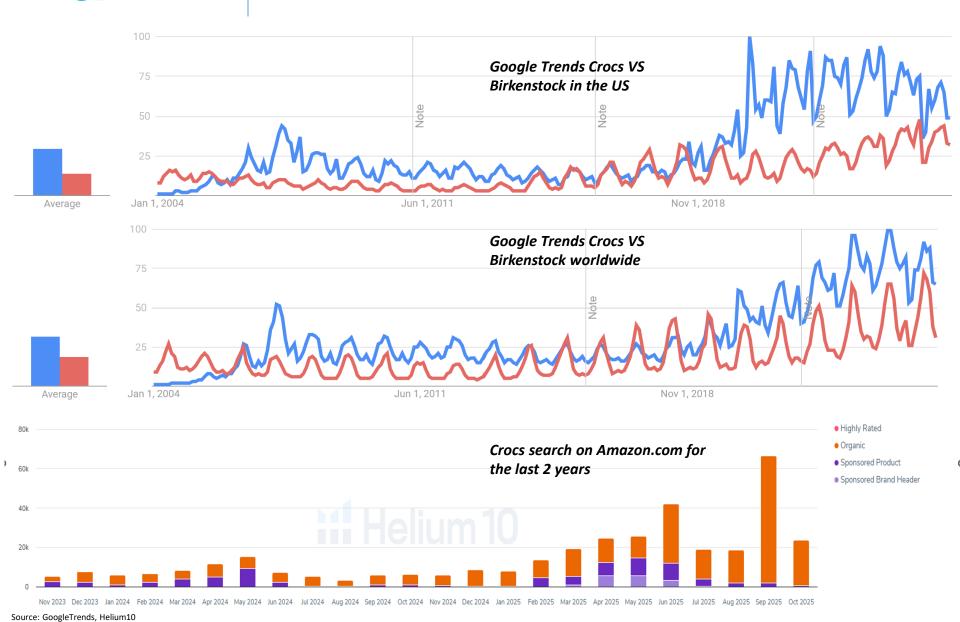
Key Assumptions:

- Revenue growth: Crocs and HEYDUDE combined revenue declines at a ~2% CAGR FY24-FY27, reflecting continued weakness in HEYDUDE and slower Crocs brand growth amid softer consumer demand
- EBIT margins: Compresses to ~20% by FY27, driven by lower volume leverage, promotional activity, and cost inflation
- Leverage & Capital allocation: Despite top-line and margin pressure, Crocs continues to generate strong FCF, enabling \$800mm of total debt paydown from FY24-27 and \$900mm of share repurchase over the same period; Net leverage declines steadily to ~0.3x by FY27, underscoring robust cash generation under a downside scenario

								3 yr
Bear case	2021A	2022A	2023A	2024A	2025E	2026E	2027E	CAGR
Crocs Brand North America	1,554	1,645	1,778	1,833	1,650	1,551	1,505	(6.4%)
yoy%		5.8%	8.1%	3.1%	(10.0%)	(6.0%)	(3.0%)	
Crocs Brand International	760	1,014	1,235	1,445	1,575	1,685	1,769	7.0%
yoy%		33.6%	21.7%	17.0%	9.0%	7.0%	5.0%	
HEYDUDE Brand		896	949	824	725	660	627	(8.7%)
yoy%		n.a.	6.0%	(13.2%)	(12.0%)	(9.0%)	(5.0%)	
Net Sales	2,313	3,555	3,962	4,102	3,950	3,896	3,901	(1.7%)
yoy%	66.9%	53.7%	11.5%	3.5%	(3.7%)	(1.4%)	0.1%	
Gross Profit	1,426	1,935	2,237	2,414	2,268	2,255	2,273	(2.0%)
%margin	61.6%	54.4%	56.5%	58.8%	57.4%	57.9%	58.3%	
SG&A	(731)	(949)	(1,139)	(1,363)	(1,430)	(1,450)	(1,495)	
EBIT	695	986	1,099	1,050	838	805	778	
%margin	30.1%	27.7%	27.7%	25.6%	21.2%	20.7%	20.0%	
EBITDA	727	1,026	1,153	1,120	925	891	864	(8.3%)
%margin	31.4%	28.8%	29.1%	27.3%	23.4%	22.9%	22.2%	
CFO	567	603	930	992	755	716	706	
Capex	(56)	(104)	(116)	(69)	(99)	(117)	(117)	
% sales	2.4%	2.9%	2.9%	1.7%	2.5%	3.0%	3.0%	
FCF	511	499	815	923	656	599	589	
%margin	22.1%	14.0%	20.6%	22.5%	16.6%	15.4%	15.1%	
Total Debt / EBITDA	1.1x	2.3x	1.4x	1.2x	1.1x	0.9x	0.6x	
Net Debt / EBITDA	0.8x	2.1x	1.3x	1.0x	0.9x	0.6x	0.3x	
EBITDA / Int Exp	34.8x	7.6x	7.3x	10.6x	11.3x	14.3x	18.8x	
(EBITDA - CapEx) / Int Exp	32.2x	6.8x	6.5x	9.9x	10.1x	12.4x	16.3x	
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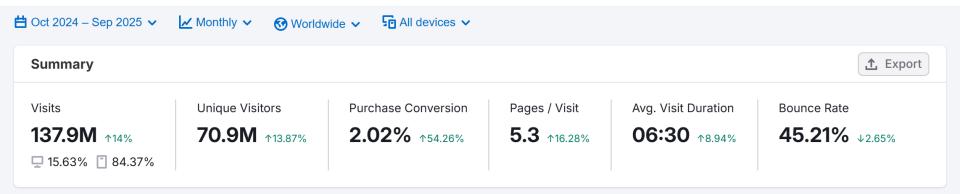
Crocs outpacing Birkenstock in brand interest and search growth



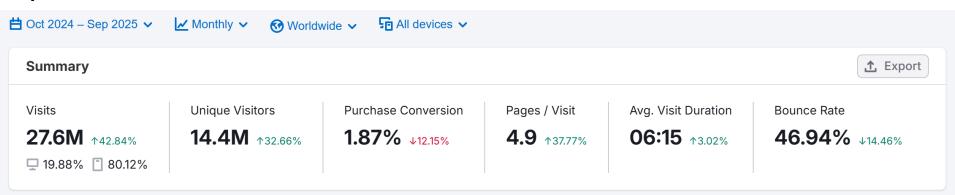


Heydude.com saw visits rise 42.8% and Crocs.com saw visits rise 14% from Oct 2024 to Sep 2025, signaling renewed consumer interest in the brands

Crocs.com website traffic



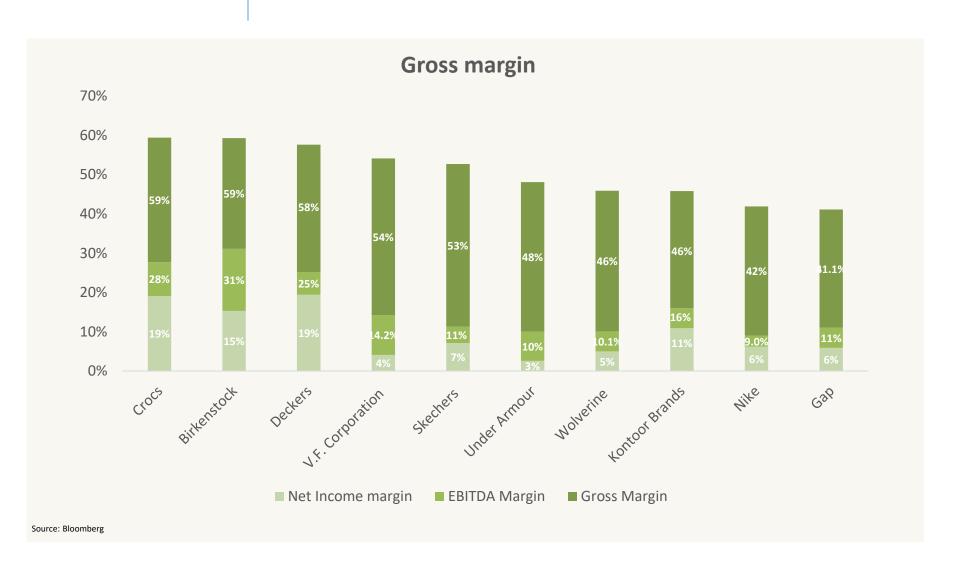
Heydude.com website traffic



Source: SemRush



Crocs Maintains Industry-Leading Margins Among Footwear and Casualwear Peers





Modeled Income Statement

	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Crocs Brand North America	1,554	1,645	1,778	1,833	1,678	1,610	1,610
yoy%		5.8%	8.1%	3.1%	(8.5%)	(4.0%)	0.0%
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yoy%		33.6%	21.7%	17.0%	11.0%	10.0%	8.0%
HEYDUDE Brand		896	949	824	733	682	682
yoy%		n.a.	6.0%	(13.2%)	(11.0%)	(7.0%)	0.0%
Net Sales	2,313	3,555	3,962	4,102	4,015	4,056	4,198
yoy%	66.9%	53.7%	11.5%	3.5%	(2.1%)	1.0%	3.5%
COGS	(887)	(1,620)	(1,725)	(1,689)	(1,672)	(1,667)	(1,712)
Gross Profit	1,426	1,935	2,237	2,414	2,342	2,389	2,486
%margin	61.6%	54.4%	56.5%	58.8%	58.4%	58.9%	59.2%
yoy%	12.9%	-11.7%	3.7%	4.2%	(0.8%)	0.9%	0.6%
SG&A	(731)	(949)	(1,139)	(1,363)	(1,461)	(1,445)	(1,459)
EBIT	695	986	1,099	1,050	881	944	1,027
%margin	30.1%	27.7%	27.7%	25.6%	22.0%	23.3%	24.5%
yoy%	164.8%	41.9%	11.4%	(4.4%)	(16.1%)	7.1%	8.8%
Interest expense	(21)	(135)	(159)	(106)	(82)	(60)	(39)
Other	2	3	(2)	(6)	0	0	0
EBT	676	854	938	938	799	883	988
Taxes	(146)	(177)	(193)	(150)	(141)	(177)	(198)
% tax	21.6%	20.7%	20.5%	16.0%	17.7%	20.0%	20.0%
Net Income	530	677	746	788	658	707	790
%margin	22.9%	19.1%	18.8%	19.2%	16.4%	17.4%	18.8%
EBITDA	727	1,026	1,153	1,120	970	1,033	1,119
%margin	31.4%	28.8%	29.1%	27.3%	24.2%	25.5%	26.7%
D&A	32	39	54	70	88	89	92
%revenue	1.4%	1.1%	1.4%	1.7%	2.2%	2.2%	2.2%
Crocs Gross Margin		56.7%	60.2%	61.6%	61.0%	61.3%	61.5%
HEYDUDE Gross Margin		48.0%	46.2%	48.1%	46.5%	47.0%	47.5%
Crocs Operating Margin		32.4%	35.8%	36.1%	33.5%	34.0%	34.5%
HEYDUDE Operating Margin		34.8%	22.7%	19.3%	11.0%	15.0%	20.0%



Modeled Balance Sheet

	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Cash and Cash Equivalents	213	192	149	180	210	299	332
Accounts receivable, net	183	296	306	258	252	255	264
Inventories	214	472	385	356	353	352	361
Income tax receivable	22	15	4	4	4	4	4
Prepaid expenses and other current assets	35	52	66	74	79	78	79
Restricted Cash	0	0	0	-	-	-	-
Total Current Assets	667	1,026	911	872	898	988	1,040
Property and equipment, net	108	182	238	244	256	269	281
Other intangible assets, net	29	1,800	1,793	1,777	1,777	1,777	1,777
Deferred tax assets, net	567	528	668	872	872	872	872
Goodwill	2	715	712	711	711	711	711
Right of use assets	161	240	287	307	307	307	307
Restricted cash	4	3	4	3	3	3	3
Other assets	8	8	31	24	24	24	24
Total Non Current Assets	878	3,476	3,733	3,940	3,952	3,964	3,977
Total Assets	1,545	4,502	4,644	4,812	4,850	4,952	5,017
Accounts payable	162	231	261	265	262	262	268
Accrued expenses and other current liabilities	167	239	286	298	306	304	310
Income taxes payable	16	89	66	109	109	109	109
Current operating lease liabilities	43	57	62	69	69	69	69
Current portion of LT borrowings and capital lease of	-	24	23	-	-	-	
Total Current Liabilities	388	641	698	740	746	743	755
Long term debt and capital lease obligation	771	2,298	1,641	1,349	999	725	391
Long term operating lease liabilities	149	215	270	283	283	283	283
Long term income tax payable	220	225	565	595	595	595	595
Deferred tax liabilities, net	-	302	13	4	4	4	4
Other long-term liabilities	2	3	3	4	4	4	4
Total Non Current Liabilities	1,143	3,043	2,492	2,236	1,886	1,612	1,278
Total Liabilities	1,531	3,684	3,190	2,976	2,632	2,355	2,034
_	_			_	_	_	
Common stock	0	0	0	0	0	0	0
Additional paid-in capital	496	798	827	860	893	926	959
Retained earnings	1,279	1,819	2,612	3,562	4,212	4,910	5,692
Treasury stock	(1,684)	(1,696)	(1,889)	(2,453)	(2,753)	(3,106)	(3,535)
Other comprehensive income (loss)	(77)	(103)	(96)	(133)	(133)	(133)	(133)
Total Shareholder Equity	14	818	1,454	1,836	2,219	2,597	2,983
Total Liabilities & SE	1,545	4,502	4,644	4,812	4,850	4,952	5,017



Modeled Cash Flow / Credit Metrics

	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Net Income	726	540	793	950	658	707	790
D&A	32	39	54	70	88	89	92
SBC	38	31	29	33	33	33	33
Change in WC	(1)	(152)	131	135	9	(4)	(6)
Other	(227)	145	(76)	(195)	-	-	-
Cash from Ops.	567	603	930	992	788	822	903
Capex (Additions to Property Plant & Equipment)	(56)	(104)	(116)	(69)	(100)	(101)	(105)
Change in restricted cash	(0)	0	(1)	1	-	-	-
Acquisition (net of cash)	-	(2,047)	-	-	-	-	-
Other investing	(0)	(0)	(0)	-	-	-	-
Cash from Investing	(56)	(2,151)	(116)	(69)	(100)	(101)	(105)
Proceeds from bank borrowings	390	2,170	258	102	-	-	-
Proceeds from notes payable	700	-	-	-	-	-	-
Repayment of debt and capital lease obligations	(485)	(575)	(924)	(425)	(350)	(273)	(331)
Share repurchases	(1,000)	-	(175)	(552)	(300)	(351)	(426)
Repurchase of stock for stock option exercise tax w	(20)	(11)	(17)	(8)	(8)	(8)	(8)
Other	(15)	(53)	(2)	(2)	-	-	-
Cash from Financing	(430)	1,530	(860)	(886)	(658)	(633)	(765)
FX	(4)	(4)	3	(7)	-	-	-
Net change in cash	77	(22)	(42)	31	30	88	33
Beginning Cash	136	213	192	149	180	210	298
Ending Cash	213	192	149	180	210	298	331
FCF	511	499	815	923	688	720	798
Capex % rev	2.4%	2.9%	2.9%	1.7%	2.5%	2.5%	2.5%
Total Debt / EBITDA	1.1x	2.3x	1.4x	1.2x	1.0x	0.7x	0.3x
Net Debt / EBITDA	0.8x	2.1x	1.3x	1.0x	0.8x	0.4x	0.1x
EBITDA / Int Exp	34.8x	7.6x	7.3x	10.6x	11.8x	17.1x	28.6x
(EBITDA - CapEx) / Int Exp	32.2x	6.8x	6.5x	9.9x	10.6x	15.4x	26.0x



Experienced Leadership Team with experience in brand transformation, operational improvement, and profitable scaling



Andrew Rees, CEO

- Joined Crocs as a President from 2014 and became CEO from 2017
- 25 years of experience of footwear and retail industry
- Prior to joining Mr. Rees served as Managing Director of L.E.K. Consulting Retail and Consumer Products Practice and also served as a VP of both Strategic Planning and Retail Operations for Reebok International



Terence Reilly, EVP and Chief Brand Officer for Crocs and HEYDUDE

- Re-joined Crocs as a Brand President for the HEYDUDE brand from 2024
- Appointed Chief Brand Officer for both brands since May 2025
- 25 years of experience of global marketing and operational experience
- Before Crocs, was President of Stanley from 2020 till 2024 growing revenue from \$74mm to \$750mm



Anne Mehlman, EVP and Brand President for Crocs

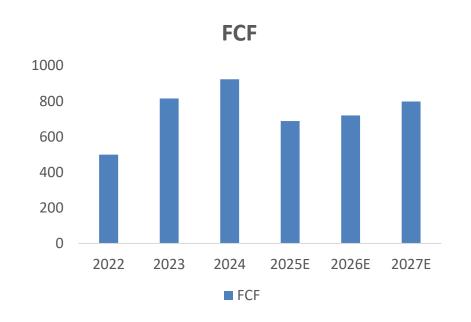
- Appointed for EVP and Brand President in 2024
- Crocs CFO from 2018-2024
- Has over 20 years of global financial and operational experience
- Previously served as CFO of Zappos.com

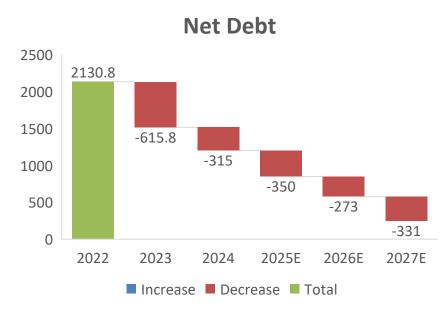
Management compensation is set up by short term and long-term goals which are tied to:

- Short-term: Adjusted free cash flow and adjusted EBIT
- Long-term: 3-year cumulative revenue and adjusted EBITDA operating margin



Strong Free Cash Flow generation driving rapid deleveraging







Crocs' peer spread remains wide, suggesting upside from potential spread normalization

