

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

**☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

or

**☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 000-51754

**CROCS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**20-2164234**

(I.R.S. Employer Identification No.)

**500 Eldorado Blvd., Building 5, Broomfield, Colorado 80021**

(Address, including zip code, of registrant's principal executive offices)

**(303) 848-7000**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<b>Title of each class:</b>	<b>Trading symbol:</b>	<b>Name of each exchange on which registered:</b>
Common Stock, par value \$0.001 per share	CROX	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of May 1, 2025, Crocs, Inc. had 56,074,561 shares of its common stock, par value \$0.001 per share, outstanding.

### **Cautionary Note Regarding Forward-Looking Statements**

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). From time to time, we may also provide oral or written forward-looking statements in other materials we release to the public. Such forward-looking statements are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995.

Statements that refer to industry trends, projections of our future financial performance, anticipated trends in our business and other characterizations of future events or circumstances are forward-looking statements. These statements, which express management’s current views concerning future events or results, use words like “anticipate,” “assume,” “believe,” “continue,” “estimate,” “expect,” “future,” “intend,” “plan,” “project,” “strive,” and future or conditional tense verbs like “could,” “may,” “might,” “should,” “will,” “would,” and similar expressions or variations. Examples of forward-looking statements include, but are not limited to, statements we make regarding:

- our expectations regarding future trends, expectations, and performance of our business;
- our expectations regarding the impact of economic trends on our business;
- our belief that we have sufficient liquidity to fund our business operations during the next twelve months; and
- our expectations about the impact of our strategic plans.

Forward-looking statements are subject to risks, uncertainties, and other factors, which may cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from the forward-looking statements include, without limitation, those described in the section entitled “Risk Factors” under Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2024 and our subsequent filings with the Securities and Exchange Commission, including those described in the section entitled “Risk Factors” under Item 1A in this report. Caution should be taken not to place undue reliance on any such forward-looking statements. Moreover, such forward-looking statements speak only as of the date of this report. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements, except as required by applicable law.

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**For the Quarterly Period Ended March 31, 2025**

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**PART I — Financial Information****ITEM 1. Financial Statements**

**CROCS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**(UNAUDITED)**  
(in thousands, except per share data)

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Revenues	\$ 937,333	\$ 938,633
Cost of sales	395,784	416,556
Gross profit	541,549	522,077
Selling, general and administrative expenses	318,575	295,648
Income from operations	222,974	226,429
Foreign currency gains (losses), net	4,873	(2,273)
Interest income	333	416
Interest expense	(22,766)	(30,563)
Other income (expense), net	(475)	20
Income before income taxes	204,939	194,029
Income tax expense	44,836	41,575
Net income	<u>\$ 160,103</u>	<u>\$ 152,454</u>
Net income per common share:		
Basic	\$ 2.85	\$ 2.52
Diluted	<u>\$ 2.83</u>	<u>\$ 2.50</u>
Weighted average common shares outstanding:		
Basic	<u>56,110</u>	<u>60,564</u>
Diluted	<u>56,502</u>	<u>61,054</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**CROCS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(UNAUDITED)**  
**(in thousands)**

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Net income	\$ 160,103	\$ 152,454
Other comprehensive income (loss), net of tax:		
Derivatives designated as hedging instruments:		
Unrealized gains on derivative instruments	23	426
Reclassification adjustment for realized losses on derivative instruments	(419)	(170)
Net increase (decrease) from derivatives designated as hedging instruments	<u>(396)</u>	<u>256</u>
Foreign currency translation gains (losses), net	29,968	(11,413)
Total comprehensive income, net of tax	<u>\$ 189,675</u>	<u>\$ 141,297</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**CROCS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**  
(in thousands, except share and par value amounts)

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 166,460	\$ 180,485
Accounts receivable, net of allowances of \$26,837 and \$31,579, respectively	445,705	257,657
Inventories	391,298	356,254
Income taxes receivable	4,513	4,046
Other receivables	19,703	22,204
Prepaid expenses and other assets	46,267	51,623
Total current assets	1,073,946	872,269
Property and equipment, net of accumulated depreciation of \$167,129 and \$153,455, respectively	245,814	244,335
Intangible assets, net of accumulated amortization of \$166,861 and \$161,042, respectively	1,772,981	1,777,080
Goodwill	711,557	711,491
Deferred tax assets, net	893,610	872,350
Restricted cash	3,277	3,193
Right-of-use assets	335,783	307,228
Other assets	29,148	24,207
Total assets	\$ 5,066,116	\$ 4,812,153
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 244,881	\$ 264,901
Accrued expenses and other liabilities	247,048	298,068
Income taxes payable	135,574	108,688
Current operating lease liabilities	77,693	68,551
Total current liabilities	705,196	740,208
Deferred tax liabilities, net	1,212	4,086
Long-term income taxes payable	601,088	595,434
Long-term borrowings	1,481,725	1,349,339
Long-term operating lease liabilities	303,284	283,406
Other liabilities	4,018	3,948
Total liabilities	3,096,523	2,976,421
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value \$0.001 per share, 250.0 million shares authorized, 110.6 million and 110.4 million issued, 56.1 million and 56.5 million outstanding, respectively	111	110
Treasury stock, at cost, 54.6 million and 53.9 million shares, respectively	(2,518,065)	(2,453,473)
Additional paid-in capital	868,681	859,904
Retained earnings	3,721,939	3,561,836
Accumulated other comprehensive loss	(103,073)	(132,645)
Total stockholders' equity	1,969,593	1,835,732
Total liabilities and stockholders' equity	\$ 5,066,116	\$ 4,812,153

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**CROCS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**(UNAUDITED)**  
**(in thousands)**

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2024	56,475	\$ 110	53,930	\$ (2,453,473)	\$ 859,904	\$ 3,561,836	\$ (132,645)	\$ 1,835,732
Share-based compensation	—	—	—	—	8,777	—	—	8,777
Exercises of stock options, issuance of restricted stock awards, and vests of restricted stock units, net of shares withheld for taxes	189	1	33	(3,310)	—	—	—	(3,309)
Repurchases of common stock, including excise tax	(607)	—	607	(61,282)	—	—	—	(61,282)
Net income	—	—	—	—	—	160,103	—	160,103
Other comprehensive income	—	—	—	—	—	—	29,572	29,572
Balance at March 31, 2025	<b>56,057</b>	<b>\$ 111</b>	<b>54,570</b>	<b>\$ (2,518,065)</b>	<b>\$ 868,681</b>	<b>\$ 3,721,939</b>	<b>\$ (103,073)</b>	<b>\$ 1,969,593</b>

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2023	60,495	\$ 110	49,558	\$ (1,888,869)	\$ 826,685	\$ 2,611,765	\$ (95,768)	\$ 1,453,923
Share-based compensation	—	—	—	—	7,582	—	—	7,582
Exercises of stock options, issuance of restricted stock awards, and vests of restricted stock units, net of shares withheld for taxes	201	—	47	(5,913)	166	—	—	(5,747)
Net income	—	—	—	—	—	152,454	—	152,454
Other comprehensive loss	—	—	—	—	—	—	(11,157)	(11,157)
Balance at March 31, 2024	<b>60,696</b>	<b>\$ 110</b>	<b>49,605</b>	<b>\$ (1,894,782)</b>	<b>\$ 834,433</b>	<b>\$ 2,764,219</b>	<b>\$ (106,925)</b>	<b>\$ 1,597,055</b>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**CROCS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**  
**(in thousands)**

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 160,103	\$ 152,454
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18,537	16,161
Operating lease cost	24,186	20,244
Share-based compensation	8,777	7,582
Asset impairment	—	24,081
Deferred taxes <sup>(1)</sup>	13,589	6,959
Other non-cash items <sup>(1)</sup>	(355)	4,991
Changes in operating assets and liabilities, net of acquired assets and assumed liabilities:		
Accounts receivable	(183,607)	(179,899)
Inventories	(36,633)	(8,309)
Prepaid expenses and other assets	3,516	(7,843)
Accounts payable, accrued expenses and other liabilities	(71,094)	(62,563)
Right-of-use assets and operating lease liabilities	(23,901)	(20,265)
Income taxes	19,647	18,833
Cash used in operating activities	(67,235)	(27,574)
Cash flows from investing activities:		
Purchases of property, equipment, and software	(15,375)	(15,750)
Cash used in investing activities	(15,375)	(15,750)
Cash flows from financing activities:		
Proceeds from borrowings	195,000	78,156
Repayments of borrowings	(65,000)	(16,405)
Repurchases of common stock	(60,866)	—
Repurchases of common stock for tax withholding	(3,310)	(5,913)
Other <sup>(1)</sup>	—	(1,007)
Cash provided by financing activities	65,824	54,831
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	2,845	(1,582)
Net change in cash, cash equivalents, and restricted cash	(13,941)	9,925
Cash, cash equivalents, and restricted cash—beginning of period	183,678	153,097
Cash, cash equivalents, and restricted cash—end of period	\$ 169,737	\$ 163,022

<sup>(1)</sup> Amounts for the three months ended March 31, 2024 have been reclassified to conform to current period presentation.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**CROCS, INC. AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

**1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Unless otherwise noted in this report, any description of the “Company,” “we,” “us,” or “our” includes Crocs, Inc. and our consolidated subsidiaries within our reportable operating segments and corporate operations. We are engaged in the design, development, worldwide marketing, distribution, and sale of casual lifestyle footwear and accessories for all. We strive to be the global leader in the sale of casual footwear characterized by functionality, comfort, color, and lightweight design.

Our reportable operating segments include: (i) the Crocs Brand and (ii) the HEYDUDE Brand. See Note 13 — Operating Segments and Geographic Information for additional information.

The accompanying unaudited condensed interim financial statements include our accounts and those of our wholly-owned subsidiaries, and they reflect all adjustments which are necessary for a fair statement of results of operations, financial position, and cash flows for the periods presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Such unaudited condensed consolidated interim financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the U.S. Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The year-end condensed balance sheet data was derived from audited financial statements but does not include all disclosures required by U.S. GAAP.

These unaudited condensed consolidated interim financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2024 (“Annual Report”) and have been prepared on a consistent basis with the accounting policies described in Note 1 of the Notes to Consolidated Financial Statements included in our Annual Report. Our accounting policies did not change during the three months ended March 31, 2025, other than with respect to the new accounting pronouncements adopted, as applicable, as described in Note 2 — Recent Accounting Pronouncements.

***Reclassifications***

We have reclassified certain amounts on the condensed consolidated statements of cash flows to conform to current period presentation.

***Use of Estimates***

U.S. GAAP requires us to make certain estimates, judgments, and assumptions. We believe that the estimates, judgments, and assumptions used to determine certain amounts that affect the financial statements are reasonable, based on information available at the time they are made. Management believes that the estimates, judgments, and assumptions made when accounting for items and matters such as, but not limited to, the allowance for doubtful accounts, customer rebates, sales returns and allowances, impairment assessments and charges, recoverability of long-lived assets, deferred tax assets, valuation allowances, uncertain tax positions, income tax expense, share-based compensation expense, the assessment of lower of cost or net realizable value on inventory, useful lives assigned to long-lived assets, goodwill, and indefinite-lived intangible assets are reasonable based on information available at the time they are made. To the extent there are differences between these estimates and actual results, our condensed consolidated financial statements may be materially affected.

***Condensed Consolidated Statements of Cash Flows - Supplemental Disclosures***

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Cash paid for interest	\$ 26,838	\$ 35,054
Cash paid for income taxes	13,964	18,122
Cash paid for operating leases	24,579	21,364
<b><i>Non-Cash Investing and Financing Activities:</i></b>		
Right-of-use assets obtained in exchange for operating lease liabilities, net of terminations	\$ 45,361	\$ 15,386
Accrued purchases of property, equipment, and software	8,809	9,640

**2. RECENT ACCOUNTING PRONOUNCEMENTS****New Accounting Pronouncement Adopted****Pillar Two Global Minimum Tax**

The Organization for Economic Co-operation and Development (“OECD”) has released Pillar Two model rules introducing a 15% global minimum tax rate applied on a country-by-country basis for large multinational corporations. Various jurisdictions we operate in have enacted the legislation. There remains uncertainty as to the final Pillar Two rules as the OECD continues to release guidance and modifications to the rules. We are monitoring continuing development of these laws and the potential impact they will have on our Company. We do not anticipate the Pillar Two rules will have a significant impact on our 2025 consolidated financial statements.

**New Accounting Pronouncements Not Yet Adopted*****Income Taxes: Improvements to Income Tax Disclosure***

In December 2023, the Financial Accounting Standards Board (“FASB”) issued authoritative guidance related to the disclosure of rate reconciliation and income taxes paid. This guidance becomes effective for annual periods beginning after December 15, 2024 with early adoption permitted and should be applied on a prospective basis. We do not expect this standard to have a material impact on our consolidated financial statements, but it will require increased disclosures within the notes to our consolidated financial statements.

***Disaggregation of Income Statement Expenses***

In November 2024, with subsequent clarification in January 2025, the FASB issued authoritative guidance related to the disclosure of disaggregation of income statement expenses. This guidance becomes effective for annual periods beginning after December 15, 2026 with early adoption permitted and should be applied on a retrospective basis. We do not expect this standard to have a material impact on our consolidated financial statements, but it will require increased disclosures within the notes to our consolidated financial statements.

Other new pronouncements issued but not effective until after March 31, 2025 are not expected to have a material impact on our condensed consolidated financial statements.

### 3. ACCRUED EXPENSES AND OTHER LIABILITIES

Amounts reported in ‘Accrued expenses and other liabilities’ in the condensed consolidated balance sheets were:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
	(in thousands)	
Accrued compensation and benefits	\$ 46,286	\$ 81,265
Professional services	57,833	64,683
Fulfillment, freight, and duties	38,897	38,752
Return liabilities	27,128	34,255
Sales/use and value added taxes payable	27,080	17,330
Other	49,824	61,783
<b>Total accrued expenses and other liabilities</b>	<b>\$ 247,048</b>	<b>\$ 298,068</b>

### 4. LEASES

#### *Right-of-Use Assets and Operating Lease Liabilities*

Amounts reported in the condensed consolidated balance sheets were:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
	(in thousands)	
<b>Assets:</b>		
Right-of-use assets	\$ 335,783	\$ 307,228
<b>Liabilities:</b>		
Current operating lease liabilities	\$ 77,693	\$ 68,551
Long-term operating lease liabilities	303,284	283,406
<b>Total operating lease liabilities</b>	<b>\$ 380,977</b>	<b>\$ 351,957</b>

#### *Lease Costs and Other Information*

Lease-related costs reported within ‘Cost of sales’ and ‘Selling, general and administrative expenses’ in our condensed consolidated statements of income were:

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
	(in thousands)	
Operating lease cost	\$ 24,186	\$ 20,244
Short-term lease cost	2,960	4,798
Variable lease cost	5,589	7,363
<b>Total lease costs</b>	<b>\$ 32,735</b>	<b>\$ 32,405</b>

The weighted average remaining lease term and discount rate related to our lease liabilities as of March 31, 2025 were 6.0 years and 6.5%, respectively. As of March 31, 2024, the weighted average remaining lease term and discount rate related to our lease liabilities were 6.9 years and 6.2%, respectively.

During the three months ended March 31, 2024, we impaired our right-of-use assets for our former HEYDUDE Brand warehouses in Las Vegas, Nevada and our former Crocs Brand warehouse in Oudenbosch, the Netherlands, as described in Note 5 — Fair Value Measurements.

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### **Maturities**

The maturities of our operating lease liabilities were:

	<b>As of March 31, 2025</b>
	<b>(in thousands)</b>
2025 (remainder of year)	\$ 65,642
2026	88,174
2027	74,539
2028	62,169
2029	50,967
Thereafter	123,076
Total future minimum lease payments	464,567
Less: imputed interest	(83,590)
<b>Total operating lease liabilities</b>	<b>\$ 380,977</b>

## **5. FAIR VALUE MEASUREMENTS**

### ***Recurring Fair Value Measurements***

All of our derivative instruments are classified as Level 2 of the fair value hierarchy and are reported in the condensed consolidated balance sheets within either ‘Prepaid expenses and other assets’ or ‘Accrued expenses and other liabilities’ at March 31, 2025 and December 31, 2024. The fair values of our derivative instruments were an insignificant asset and an insignificant liability at March 31, 2025 and an insignificant asset and an insignificant liability at December 31, 2024. See Note 6 — Derivative Financial Instruments for more information.

The carrying amounts of our cash, cash equivalents, and restricted cash approximate their fair value and are classified as Level 1 of the fair value hierarchy. The carrying amounts of our accounts receivable, accounts payable, and current accrued expenses and other liabilities approximate their fair value as recorded due to the short-term maturity of these instruments and are classified as Level 2 of the fair value hierarchy.

Our borrowing instruments are recorded at their carrying values in the condensed consolidated balance sheets, which may differ from their respective fair values. The Term Loan B Facility (as defined below) and the Notes (as defined below) are classified as Level 1 of the fair value hierarchy and are reported in our condensed consolidated balance sheet at face value, less unamortized issuance costs. The fair value of our Revolving Facility (as defined below) approximates its carrying value at March 31, 2025 and December 31, 2024 based on interest rates currently available to us for similar borrowings. The carrying value and fair value of our borrowing instruments as of March 31, 2025 and December 31, 2024 were:

	<b>March 31, 2025</b>			<b>December 31, 2024</b>		
	<b>Carrying Value</b>		<b>Fair Value</b>	<b>Carrying Value</b>		<b>Fair Value</b>
	(in thousands)					
Term Loan B Facility	\$ 500,000	\$ 503,438	(in thousands)	\$ 500,000	\$ 503,125	
2029 Notes	350,000	325,983		350,000	323,780	
2031 Notes	350,000	308,886		350,000	305,610	
Revolving Facility	320,000	320,000		190,000	190,000	

### ***Non-Financial Assets and Liabilities***

Our non-financial assets, which primarily consist of property and equipment, right-of-use assets, goodwill, and other intangible assets, are not required to be carried at fair value on a recurring basis and are reported at carrying value.

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The fair values of these assets were determined based on Level 3 measurements, including estimates of the amount and timing of future cash flows based upon historical experience, expected market conditions, and management's plans. We recorded impairments within 'Selling, general and administrative expenses' in our condensed consolidated statements of income as follows:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Information technology systems impairment <sup>(1)</sup>	\$ —	\$ 18,172
Right-of-use assets impairment <sup>(2)</sup>	—	5,909
<b>Total asset impairments</b>	<b>\$ —</b>	<b>\$ 24,081</b>

<sup>(1)</sup> During the three months ended March 31, 2024, we recognized an impairment charge for information technology systems related to the HEYDUDE integration of \$17.4 million to prepaid assets and \$0.8 million to intangible assets.

<sup>(2)</sup> During the three months ended March 31, 2024, we recognized an impairment of \$5.5 million for our former HEYDUDE Brand warehouses in Las Vegas, Nevada and \$0.4 million for our former Crocs Brand warehouse in Oudenbosch, the Netherlands.

## **6. DERIVATIVE FINANCIAL INSTRUMENTS**

We transact business in various foreign entities and are therefore exposed to foreign currency exchange rate risk that impacts the reported U.S. Dollar ("USD") amounts of revenues, expenses, and certain foreign currency monetary assets and liabilities. In order to manage exposure to fluctuations in foreign currency and to reduce the volatility in earnings caused by fluctuations in foreign exchange rates, we may enter into forward contracts to buy and sell foreign currency. By policy, we do not enter into these contracts for trading purposes or speculation.

Counterparty default risk is considered low because the forward contracts we enter into are over-the-counter instruments transacted with highly-rated financial institutions. We were not required to and did not post collateral as of March 31, 2025 or December 31, 2024.

Our derivative instruments are recorded at fair value as a derivative asset or liability in the condensed consolidated balance sheets within either 'Prepaid expenses and other assets' or 'Accrued expenses and other liabilities' at March 31, 2025 and December 31, 2024. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we have elected to designate a derivative in a hedging relationship and apply hedge accounting, and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged transactions in a cash flow hedge. We may enter into derivative contracts that are intended to economically hedge certain components of its risk, even though hedge accounting does not apply, or we elect not to apply hedge accounting.

We report derivative instruments with the same counterparty on a net basis when a master netting arrangement is in place. For the condensed consolidated statements of cash flows, we classify cash flows from derivative instruments at settlement in the same category as the cash flows from the related hedged items within 'Cash used in operating activities.'

As of March 31, 2025, we have derivatives not designated as hedging instruments ("non-hedged derivatives"), which consist of foreign currency forward contracts primarily used to hedge monetary assets and liabilities denominated in non-functional currencies. For our non-hedged derivatives, changes in fair value are recognized within 'Foreign currency gains (losses), net' in the condensed consolidated statements of income.

We also have cash flow hedges ("hedged derivatives") as of March 31, 2025. We are exposed to fluctuations in various foreign currencies against our functional currency, the U.S. Dollar. Specifically, we have subsidiaries that transact in currencies other than their functional currency. We use cash flow hedges to minimize the variability in cash flows caused by fluctuations in foreign currency exchange rates related to our external sales and external purchases of inventory. Currency forward agreements involve fixing the exchange rates for delivery of a specified amount of foreign currency on a specified date. The currency forward agreements are typically cash settled in USD for their fair value at or close to their settlement date. We may also use currency option contracts under which we will pay a premium for the right to sell a specified amount of a foreign currency prior to the maturity date of the option.

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For derivatives designated and that qualify as cash flow hedges of foreign exchange risk, the gain or loss on the derivative is recorded in ‘Accumulated other comprehensive loss’ in the condensed consolidated balance sheets. In the period during which the hedged transaction affects earnings, the related gain or loss is subsequently reclassified to ‘Revenues’ or ‘Cost of sales’ in the condensed consolidated statements of income, which is consistent with the nature of the hedged transaction. During the three months ended March 31, 2025 and 2024, there was a gain of \$0.6 million and a gain of \$0.2 million, respectively, recognized due to reclassification from ‘Accumulated other comprehensive loss’ to ‘Revenues’ or ‘Cost of sales’ related to our hedged derivatives. During the next twelve months, we estimate that a loss of \$0.1 million will be reclassified to our condensed consolidated statements of income.

The fair values of derivative assets and liabilities, net, all of which are classified as Level 2, reported within either ‘Prepaid expenses and other assets’ or ‘Accrued expenses and other liabilities’ in the condensed consolidated balance sheets, were:

	March 31, 2025		December 31, 2024	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
		(in thousands)		(in thousands)
<b>Non-hedged derivatives:</b>				
Forward foreign currency exchange contracts	\$ 821	\$ (437)	\$ 2,691	\$ (3,433)
<b>Hedged derivatives:</b>				
Cash flow foreign currency contracts	244	(364)	1,242	(856)
Total derivatives	1,065	(801)	3,933	(4,289)
Netting of counterparty contracts	(206)	206	(2,762)	2,762
<b>Total derivatives, net of counterparty contracts</b>	<b>\$ 859</b>	<b>\$ (595)</b>	<b>\$ 1,171</b>	<b>\$ (1,527)</b>

The notional amounts of outstanding foreign currency forward exchange contracts presented below report the total U.S. Dollar equivalent position and the net contract fair values for each foreign currency position.

	March 31, 2025		December 31, 2024	
	Notional	Fair Value	Notional	Fair Value
		(in thousands)		(in thousands)
<b>Non-hedged derivatives</b>				
Euro	\$ 1,861	\$ (89)	\$ 49,833	\$ (1,303)
Singapore Dollar	33,056	501	31,524	(1,251)
British Pound Sterling	853	(51)	28,223	536
South Korean Won	12,666	320	9,274	655
Japanese Yen	6,656	(222)	5,510	289
Indian Rupee	1,457	(29)	494	8
Other currencies	20,277	(46)	24,613	324
<b>Total non-hedged derivatives</b>	<b>76,826</b>	<b>384</b>	<b>149,471</b>	<b>(742)</b>
<b>Hedged derivatives:</b>				
Chinese Yuan	20,078	(179)	40,458	(553)
British Pound Sterling	14,608	(73)	23,678	(303)
Euro	6,222	(73)	17,246	628
South Korean Won	3,070	205	8,790	614
<b>Total hedged derivatives</b>	<b>43,978</b>	<b>(120)</b>	<b>90,172</b>	<b>386</b>
<b>Total derivatives</b>	<b>\$ 120,804</b>	<b>\$ 264</b>	<b>\$ 239,643</b>	<b>\$ (356)</b>
Latest maturity date, non-hedged derivatives	April 2025		January 2025	
Latest maturity date, hedged derivatives	October 2025		October 2025	

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Amounts reported in ‘Foreign currency gains (losses), net’ in the condensed consolidated statements of income include both realized and unrealized gains (losses) from foreign currency transactions and derivative contracts and were:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Foreign currency transaction gains (losses)	\$ 4,749	\$ (1,420)
Foreign currency forward exchange contracts gains (losses)	124	(853)
Foreign currency gains (losses), net	\$ 4,873	\$ (2,273)

## 7. BORROWINGS

Our long-term borrowings were as follows:

	Maturity	Stated Interest Rate	Effective Interest Rate	December 31, 2024	
				March 31, 2025	(in thousands)
Notes issuance of \$350.0 million	2029	4.250 %	4.64 %	\$ 350,000	\$ 350,000
Notes issuance of \$350.0 million	2031	4.125 %	4.35 %	350,000	350,000
Term Loan B Facility	2029			500,000	500,000
Revolving Facility	2027			320,000	190,000
Total face value of long-term borrowings				1,520,000	1,390,000
Less:					
Unamortized issuance costs				38,275	40,661
Total long-term borrowings				\$ 1,481,725	\$ 1,349,339

At March 31, 2025 and December 31, 2024, \$3.5 million and \$10.2 million, respectively, of accrued interest related to our borrowings was reported in ‘Accounts payable’ in the condensed consolidated balance sheets.

### ***Senior Revolving Credit Facility***

In July 2019, the Company and certain of its subsidiaries (the “Borrowers”) entered into a Second Amended and Restated Credit Agreement (as amended, the “Credit Agreement”), with the lenders named therein and PNC Bank, National Association, as a lender and administrative agent for the lenders. Since that time, we have amended the Credit Agreement, which, as amended to date, provides for a revolving credit facility of \$1.0 billion, which can be increased by an additional \$400.0 million subject to certain conditions (the “Revolving Facility”). Borrowings under the Credit Agreement bear interest at a variable interest rate based on (A) a Base Rate (defined as the highest of (i) the Overnight Bank Funding Rate (as defined in the Credit Agreement), plus 0.25%, (ii) the Prime Rate (as defined in the Credit Agreement), and (iii) the Daily Simple SOFR (as defined in the Credit Agreement), plus 1.00%), plus an applicable margin ranging from 0.25% to 0.875% based on our leverage ratio or 1.35% to 1.975% for the Daily Simple SOFR based on the leverage ratio, inclusive of a 0.10% SOFR adjustment, or (B) the Term SOFR Rate (as defined in the Credit Agreement), plus an applicable margin ranging from 1.35% to 1.975% based on our leverage ratio for one-month interest periods and three-month interest periods, inclusive of a 0.10% SOFR adjustment. Borrowings under the Credit Agreement are secured by all of the assets of the Borrowers and guaranteed by certain other subsidiaries of the Borrowers.

The Credit Agreement required or requires, as applicable, us to maintain a minimum interest coverage ratio of 3.00 to 1.00, and a maximum leverage ratio of (i) 4.00 to 1.00 from the quarter ended March 31, 2022 through, and including, the quarter ended December 31, 2023, (ii) 3.75 to 1.00 for the quarter ended March 31, 2024, (iii) 3.50 to 1.00 for the quarter ended June 30, 2024, and (iv) 3.25 to 1.00 for the quarter ended September 30, 2024 and thereafter (subject to adjustment in certain circumstances). The Credit Agreement permits, among other things, (i) stock repurchases subject to certain restrictions, including after giving effect to such stock repurchases, the maximum leverage ratio does not exceed certain levels; and (ii) certain acquisitions so long as there is borrowing availability under the Credit Agreement of at least \$40.0 million. As of March 31, 2025, we were in compliance with all financial covenants under the Credit Agreement.

As of March 31, 2025, the total commitments available from the lenders under the Revolving Facility were \$1.0 billion. At March 31, 2025, we had \$320.0 million in outstanding borrowings and \$0.6 million in outstanding letters of credit under the

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Revolving Facility, which reduces amounts available for borrowing under the Revolving Facility. As of March 31, 2025 and December 31, 2024, we had \$679.4 million and \$809.4 million, respectively, of available borrowing capacity under the Revolving Facility, which matures in November 2027.

### **Term Loan B Facility**

On February 17, 2022, the Company entered into a credit agreement (the “Original Term Loan B Credit Agreement”) with Citibank, N.A., as administrative agent and lender, to among other things, finance a portion of the cash consideration for the HEYDUDE acquisition, which was amended on August 8, 2023 (the “August 2023 Amendment”) and on February 13, 2024 (the “February 2024 Amendment”). The Original Term Loan B Credit Agreement, as amended by the August 2023 Amendment and the February 2024 Amendment is referred to herein as the “Term Loan B Credit Agreement.”

The Original Term Loan B Credit Agreement provided for an aggregate term loan B facility in the principal amount of \$2.0 billion. Prior to the February 2024 Amendment, the outstanding balance was \$820.0 million. Among other things, the February 2024 Amendment provided for a new \$820.0 million tranche of term loans (the “2024 Refinancing Term Loans” and, such facility, the “Term Loan B Facility”), to refinance the then-outstanding principal balance. The 2024 Refinancing Term Loans are secured by substantially all of the Company’s and each subsidiary guarantor’s assets on a pari passu basis with their obligations arising from the Term Loan B Credit Agreement and is scheduled to mature on February 17, 2029, subject to certain exceptions set forth in the Term Loan B Credit Agreement. Additionally, subject to certain conditions, including, without limitation, satisfying certain leverage ratios, the Company may, at any time, on one or more occasions, add one or more new classes of term facilities and/or increase the principal amount of the loans of any existing class by requesting one or more incremental term facilities.

Pursuant to the reduced interest rate margins applicable to the 2024 Refinancing Term Loans, each term loan borrowing which is an alternate base rate borrowing bears interest at a rate per annum equal to the Alternate Base Rate (as defined in the Term Loan B Credit Agreement), plus 1.25%. Each term loan borrowing which is a term SOFR borrowing bears interest at a rate per annum equal to the Adjusted Term SOFR Rate (as defined in the Term Loan B Credit Agreement) plus 2.25%.

As of March 31, 2025, the Term Loan B Facility was fully drawn with no remaining borrowing capacity, and we had \$500.0 million in outstanding principal on the Term Loan B Facility, which matures on February 17, 2029.

The Term Loan B Credit Agreement also contains customary affirmative and negative covenants, incurrence financial covenants, representations and warranties, events of default and other provisions. As of March 31, 2025, we were in compliance with all financial covenants under the Term Loan B Credit Agreement.

### **Asia Revolving Credit Facility**

During the three months ended March 31, 2025, we had one revolving credit facility in Asia with Citibank (China) Company Limited, Shanghai Branch (the “Citibank Facility”), which, as amended, provides up to an equivalent of \$15.0 million.

As of March 31, 2025 and December 31, 2024, we had no borrowings outstanding on the Citibank Facility.

### **Senior Notes Issuances**

In March 2021, the Company completed the issuance and sale of \$350.0 million aggregate principal amount of 4.250% Senior Notes due March 15, 2029 (the “2029 Notes”), pursuant to the indenture related thereto (as amended and/or supplemented to date, the “2029 Notes Indenture”). Additionally, in August 2021, the Company completed the issuance and sale of \$350.0 million aggregate principal amount of 4.125% Senior Notes due August 15, 2031 (the “2031 Notes”), pursuant to the indenture related thereto (as amended and/or supplemented to date, “the 2031 Notes Indenture” and, together with the 2029 Notes Indenture, the “Indentures” and, each, an “Indenture”). Interest on each of the 2029 Notes and the 2031 Notes (collectively, the “Notes”) is payable semi-annually.

The Company had or will have, as applicable, the option to redeem all or any portion of the 2029 Notes, at once or over time, at any time on or after March 15, 2024, at a redemption price equal to 100% of the principal amount thereof, plus a premium declining ratably on an annual basis to par and accrued and unpaid interest, if any, to, but excluding, the date of redemption. The Company also had the option to redeem some or all of the 2029 Notes at any time before March 15, 2024 at a redemption price of 100% of the principal amount to be redeemed, plus a “make-whole” premium and accrued and unpaid interest, if any, to, but excluding, the date of redemption. In addition, at any time before March 15, 2024, the Company could have redeemed

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up to 40% of the aggregate principal amount of the 2029 Notes at a redemption price of 104.250% of the principal amount with the proceeds from certain equity issuances, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.

The Company will have the option to redeem all or any portion of the 2031 Notes, at once or over time, at any time on or after August 15, 2026, at a redemption price equal to 100% of the principal amount thereof, plus a premium declining ratably on an annual basis to par and accrued and unpaid interest, if any, to, but excluding, the date of redemption. The Company will also have the option to redeem some or all of the 2031 Notes at any time before August 15, 2026 at a redemption price of 100% of the principal amount to be redeemed, plus a “make-whole” premium and accrued and unpaid interest, if any, to, but excluding, the date of redemption. In addition, at any time before August 15, 2024, the Company could have redeemed up to 40% of the aggregate principal amount of the 2031 Notes at a redemption price of 104.125% of the principal amount with the proceeds from certain equity issuances, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.

The Notes rank pari passu in right of payment with all of the Company’s existing and future senior debt, including the Credit Agreement, and are senior in right of payment to any of the Company’s future debt that is, by its term, expressly subordinated in right of payment to the Notes. The Notes are unconditionally guaranteed by each of the Company’s restricted subsidiaries that is a borrower or guarantor under the Credit Agreement and by each of the Company’s wholly-owned restricted subsidiaries that guarantees any debt of the Company or any guarantor under any syndicated credit facility or capital markets debt in an aggregate principal amount in excess of \$25.0 million.

The Indentures contain covenants that, among other things, limit the ability of the Company and its restricted subsidiaries to incur additional debt or issue certain preferred stock; pay dividends or repurchase or redeem capital stock or make other restricted payments; declare or pay dividends or other payments; incur liens; enter into certain types of transactions with the Company’s affiliates; and consolidate or merge with or into other companies. As of March 31, 2025, we were in compliance with all financial covenants under the Notes.

## **8. COMMON STOCK REPURCHASE PROGRAM**

During the three months ended March 31, 2025, we repurchased 0.6 million shares of our common stock at a cost of \$60.9 million, including commissions. During the three months ended March 31, 2024, we did not repurchase any shares of our common stock.

As of March 31, 2025 and December 31, 2024, we have an accrual recorded for the stock repurchase excise tax of \$5.6 million and \$5.1 million, respectively, which is reported in ‘Accrued expenses and other liabilities’ and ‘Treasury stock’ in our condensed consolidated balance sheets.

On February 10, 2025, the Board of Directors (the “Board”) approved a \$1.0 billion increase to our share repurchase authorization, after which approximately \$1.3 billion remained available for future common stock repurchases. As of March 31, 2025, we had remaining authorization to repurchase \$1.3 billion of our common stock, subject to restrictions under our Indentures, Credit Agreement, and Term Loan B Credit Agreement.

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## 9. REVENUES

Revenues by reportable operating segment and by channel were:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
<b>Crocs Brand:</b>		
North America:		
Wholesale	\$ 170,682	\$ 180,337
Direct-to-consumer	197,835	202,576
Total North America <sup>(1)</sup>	368,517	382,913
International:		
Wholesale	306,122	281,665
Direct-to-consumer	86,969	79,238
Total International	393,091	360,903
Total Crocs Brand	\$ 761,608	\$ 743,816
<b>Crocs Brand:</b>		
Total Wholesale	\$ 476,804	\$ 462,002
Total Direct-to-consumer	284,804	281,814
Total Crocs Brand	761,608	743,816
<b>HEYDUDE Brand:</b>		
Wholesale	110,693	134,753
Direct-to-consumer	65,032	60,064
Total HEYDUDE Brand <sup>(2)</sup>	175,725	194,817
Total consolidated revenues	\$ 937,333	\$ 938,633

<sup>(1)</sup> North America includes the United States and Canada.

<sup>(2)</sup> The vast majority of HEYDUDE Brand revenues are derived from North America.

## 10. INCOME TAXES

Income tax expense and effective tax rates were:

	Three Months Ended March 31,	
	2025	2024
	(in thousands, except effective tax rate)	
Income before income taxes	\$ 204,939	\$ 194,029
Income tax expense	44,836	41,575
Effective tax rate	21.9 %	21.4 %

During the three months ended March 31, 2025, income tax expense increased \$3.3 million compared to the same period in 2024. The effective tax rate for the three months ended March 31, 2025 was 21.9% compared to an effective tax rate of 21.4% for the same period in 2024, a 0.5% increase. This increase in the effective tax rate was primarily driven by a shift in the mix of the Company's domestic and foreign earnings. Our effective income tax rate, for each period presented, also differs from the federal U.S. statutory rate due to differences in income tax rates between U.S. and foreign jurisdictions.

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### **11. EARNINGS PER SHARE**

Basic and diluted earnings per common share (“EPS”) for the three months ended March 31, 2025 and 2024 were:

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(in thousands, except per share data)</b>	
<b>Numerator:</b>		
Net income	\$ 160,103	\$ 152,454
<b>Denominator:</b>		
Weighted average common shares outstanding - basic	56,110	60,564
Plus: Dilutive effect of stock options and unvested restricted stock units	392	490
Weighted average common shares outstanding - diluted	56,502	61,054
<b>Net income per common share:</b>		
Basic	\$ 2.85	\$ 2.52
Diluted	\$ 2.83	\$ 2.50

In the three months ended March 31, 2025 and 2024, an insignificant number of outstanding shares issued under share-based compensation awards were anti-dilutive and, therefore, excluded from the calculation of diluted EPS.

### **12. COMMITMENTS AND CONTINGENCIES**

#### *Purchase Commitments*

As of March 31, 2025, we had purchase commitments to third-party manufacturers, primarily for materials and supplies used in the manufacture of our products, for an aggregate of \$265.9 million. We expect to fulfill our commitments under these agreements in the normal course of business, and as such, no liability has been recorded.

#### *Other*

We are regularly subject to, and are currently undergoing, audits by various tax authorities in the U.S. and several foreign jurisdictions, including customs duties, import, and other taxes for prior tax years.

During our normal course of business, we may make certain indemnities, commitments, and guarantees under which we may be required to make payments in relation to certain matters. We cannot determine a range of estimated future payments and have not recorded any liability for such payments in the accompanying condensed consolidated balance sheets.

See Note 14 — Legal Proceedings for further details regarding potential loss contingencies related to government tax audits and other current legal proceedings.

### **13. OPERATING SEGMENTS AND GEOGRAPHIC INFORMATION**

We have two reportable operating segments: the Crocs Brand and the HEYDUDE Brand. Each of the reportable operating segments derives its revenues from the sale of footwear and accessories to external customers.

Additionally, ‘Enterprise corporate’ costs include global corporate costs associated with both brands, including legal, information technology, human resources, and finance.

Each segment’s performance is evaluated based on segment results without allocating Enterprise corporate expenses. Reconciling items between segment income from operations and income from operations consist of unallocated enterprise corporate expenses. Our chief operating decision maker is Andrew Rees, Chief Executive Officer. Mr. Rees uses income from operations as a measure of profit or loss. Mr. Rees considers the performance of these measures against management expectations when making decisions about the allocation of operating and capital resources to each segment.

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We do not report asset information by segment because that information is not used to evaluate performance or allocate resources between segments.

The following tables set forth information related to reportable operating segments:

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(in thousands)</b>	
Crocs Brand:		
Revenues	\$ 761,608	\$ 743,816
Cost of sales	299,072	311,466
Selling, general and administrative expenses	188,892	168,226
Income from operations	273,644	264,124
HEYDUDE Brand:		
Revenues	175,725	194,817
Cost of sales	93,822	104,884
Selling, general and administrative expenses	58,661	49,787
Income from operations	23,242	40,146
Total segment income from operations	\$ 296,886	\$ 304,270
Reconciliation of segment income from operations to income before income taxes:		
Enterprise corporate costs	(73,912)	(77,841)
Foreign currency gains (losses), net	4,873	(2,273)
Interest income	333	416
Interest expense	(22,766)	(30,563)
Other income (expense), net	(475)	20
Income before income taxes	\$ 204,939	\$ 194,029
Depreciation and amortization: <sup>(1)</sup>		
Crocs Brand	\$ 9,166	\$ 8,536
HEYDUDE Brand	5,559	4,216
Enterprise corporate	3,812	3,409
Total consolidated depreciation and amortization	\$ 18,537	\$ 16,161

<sup>(1)</sup> The amounts of depreciation and amortization disclosed by reportable segment and ‘Enterprise corporate’ are included within ‘Cost of sales’ and ‘Selling, general and administrative expenses.’

## **14. LEGAL PROCEEDINGS**

On January 22, 2025, a putative class action lawsuit titled Carretta v. Crocs, Inc., et al., Case No. 1:25-cv-00096, was filed in the District Court for the District of Delaware against the Company and certain of its current officers. The complaint was filed on behalf of a purported class consisting of all purchasers of the Company’s common stock between November 3, 2022 and October 28, 2024, inclusive. The complaint asserts violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 based on allegedly false and misleading statements related to the Company’s wholesaler inventory and its alleged impact on the Company’s revenue. The complaint seeks unspecified damages, an award of costs and expenses, and other unspecified relief. On March 21, 2025, a second putative class action lawsuit titled Shah v. Crocs, Inc., et al., Case No. 1:25-cv-00356, was also filed in the District Court for the District of Delaware based on the same allegations as the Carretta complaint. Motions to consolidate the two actions are pending before the court. On April 22, 2025, the court entered the parties’ stipulation in which they agreed to confer on deadlines to file the amended complaint and motion to dismiss after the lead plaintiff is appointed. Briefing for motions to appoint a lead plaintiff is complete, but a lead plaintiff has not yet been appointed.

Four purported shareholders of the Company have filed derivative actions against certain of its current directors and officers, as well as the Company as a nominal defendant, alleging claims for breach of fiduciary duties, aiding and abetting breach of

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fiduciary duties, unjust enrichment, insider trading, waste of corporate assets, abuse of control, and gross mismanagement related to the Company's wholesaler inventory and its alleged impact on the Company's revenue. They seek damages and changes to the Company's corporate governance structure. See James O'Connor v. Smach, et. al., C.A. No. 1:25-cv-00576 (D. Colo.); The Berger Trust v. Rees, et. al., C.A. No. 1:25-cv-00597 (D. Colo.); Sarabia v. Rees, et. al., C.A. No. 2025CV30069 (Dist. Ct. Broomfield Cnty., Colo.); Lesanto v. Bickley, et. al., C.A. No. 2025CV30071 (Dist. Ct. Broomfield Cnty., Colo.).

The Company and its directors and officers intend to vigorously defend these actions in all respects. The Company is not in a position to assess the likelihood of any potential loss or adverse effect on its financial condition or to estimate the amount or range of potential loss, if any, from these actions at this time.

For legal claims and disputes, we have accrued estimated losses of \$2.5 million within 'Accrued expenses and other liabilities' in the condensed consolidated balance sheet as of March 31, 2025. As we are able, we estimate reasonably possible losses or a range of reasonably possible losses. As of March 31, 2025, we estimated that reasonably possible losses associated with these claims and other disputes were an insignificant amount.

Although we are subject to other litigation from time to time in the ordinary course of business, including employment, intellectual property, and product liability claims, other than as set forth above, we are not party to any other pending legal proceedings that we believe would reasonably have a material adverse impact on our business, financial results, and cash flows.

## **ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **Business Overview**

Crocs, Inc. and our consolidated subsidiaries (collectively the “Company,” “we,” “us,” or “our”) are engaged in the design, development, worldwide marketing, distribution, and sale of casual lifestyle footwear and accessories for all. We strive to be the world leader in innovative casual footwear for all, combining comfort and style with a value that consumers want.

### **Known or Anticipated Trends**

Based on our recent operating results and current perspectives on our operating environment, we anticipate certain trends will continue to impact our operating results:

- We continue to operate in an environment where consumers are feeling the effects of elevated interest rates and inflation, among other things, and as a result, they are spending more unpredictably. In addition, geopolitical tensions have increased across the globe. In March 2025, the United States (“U.S.”) clarified no additional tariffs are due on goods from Mexico that qualify for preferential treatment under the United States-Mexico-Canada Agreement (“USMCA”). Our products currently qualify for USMCA preference, and as such, the additional tariff on imports from Mexico is not applicable to us. In April 2025, the U.S. imposed a minimum 10% tariff on most foreign imports into the U.S. and additional individualized reciprocal tariffs on imports from certain countries, including, most relevant to us, an additional 125% tariff on all imports from China for a total incremental tariff of 145% and an additional 46%, 32%, 26%, and 49% tariff on all imports from Vietnam, Indonesia, India, and Cambodia, respectively. As of the date of this Quarterly Report, implementation of the reciprocal tariffs, other than those levied on China, has been declared to be temporarily paused. We are continuing to monitor developments with respect to these policy changes and proposals, as well as exploring options to mitigate potential impacts of tariffs, including diversifying our sourcing mix, reducing product costs, and evaluating the potential for price increases. See the risk factor under *“Government actions and regulations, such as export restrictions, tariffs, and other trade protection measures could adversely affect our business”* in the section entitled “Risk Factors” under Item 1A in this report for additional information.
- We continue to invest in talent, marketing, digital, and retail to drive our strategic pillars, including awareness and relevance for our brands and iconic product, increased market share in our core markets, and product diversification into sandals, sneakers, and other key silhouettes. We also remain focused on launching and scaling digital marketplaces and selectively adding retail stores for both brands.
- Our liquidity position remains strong with \$166.5 million in cash and cash equivalents and \$694.4 million in available borrowing capacity as of March 31, 2025. Our total borrowings were \$1.5 billion as of March 31, 2025. We repurchased \$60.9 million of our common stock during the quarter.

### **Use of Non-GAAP Financial Measures**

In addition to financial measures presented on the basis of accounting principles generally accepted in the United States of America (“U.S. GAAP”), we present certain information related to our 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 U.S. GAAP. Constant currency represents current period results that have been retranslated using prior year average foreign exchange rates for the comparative period to enhance the visibility of the underlying business trends, excluding the impact of foreign currency exchange rates on reported amounts.

Management uses constant currency to assist in comparing business trends from period to period on a consistent basis in communications with the Board, stockholders, analysts, and investors concerning our financial performance. We believe constant currency is useful to investors and other users of our condensed consolidated financial statements as an additional tool to evaluate operating performance and trends. Investors should not consider constant currency in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP.

### **Key Performance Indicators**

Management utilizes the key performance metrics of gross margin and operating margin to gauge the Company’s operational efficiency and market competitiveness, identify trends, formulate financial projections, and make strategic decisions. Management continuously monitors and analyzes these metrics in an effort to ensure we remain agile, competitive, and aligned with our long-term growth objectives. The titles and/or definitions of certain of these metrics may vary from company to

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company. As a result, our calculation of certain of these metrics may not be comparable to similarly titled metrics used by other companies.

### **Gross Margin**

Gross margin is defined as gross profit divided by revenues. Management uses this metric and believes it is useful for investors because it provides insights into profitability, cost management, and pricing strategy.

### **Operating Margin**

Operating margin is defined as income from operations divided by revenues. Management uses this metric and believes it is useful for investors because it provides a comprehensive view of profitability from its core business operations, excluding the effects of financing and tax considerations.

### **First Quarter 2025 Financial and Operational Highlights**

Revenues were \$937.3 million for the first quarter of 2025, a 0.1% decrease compared to the first quarter of 2024. The decrease was due to the net effects of: (i) lower average selling price on a constant currency basis (“ASP”) in the Crocs Brand, offset in part by higher ASP in the HEYDUDE Brand, which decreased revenues by \$22.6 million, or 2.4%; (ii) net unfavorable changes in exchange rates, which decreased revenues by \$14.3 million, or 1.5%; and (iii) higher unit sales volume in the Crocs Brand, partially offset by lower unit sales volume in the HEYDUDE Brand, which resulted in a net increase in revenues of \$35.6 million, or 3.8%.

The following were significant developments affecting our businesses and capital structure during the three months ended March 31, 2025:

- We grew revenues in the Crocs Brand by 2.4%, or 4.2% on a constant currency basis, compared to the same period in 2024. HEYDUDE Brand revenues decreased 9.8%, or 9.5% on a constant currency basis.
- Gross margin was 57.8%, an increase of 220 basis points from last year’s first quarter. This was primarily due to lower product costs and favorable customer mix for the Crocs Brand.
- Selling, general and administrative expenses (“SG&A”) were \$318.6 million compared to \$295.6 million in the first quarter of 2024, primarily as a result of higher costs in the DTC channel. As a percent of revenues, SG&A increased to 34.0% of revenues compared to 31.5% of revenues in the first quarter of 2024.
- Income from operations decreased to \$223.0 million from \$226.4 million in last year’s first quarter. Net income was \$160.1 million, or \$2.83 per diluted share, compared to \$152.5 million, or \$2.50 per diluted share, in last year’s first quarter.

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## Results of Operations

	Three Months Ended March 31,		% Change Favorable (Unfavorable) Q1 2025-2024
	2025	2024	
	(in thousands, except per share, margin, and average selling price data)		
Revenues	\$ 937,333	\$ 938,633	(0.1) %
Cost of sales	395,784	416,556	5.0 %
Gross profit	541,549	522,077	3.7 %
Selling, general and administrative expenses	318,575	295,648	(7.8) %
Income from operations	222,974	226,429	(1.5) %
Foreign currency gains (losses), net	4,873	(2,273)	314.4 %
Interest income	333	416	(20.0) %
Interest expense	(22,766)	(30,563)	25.5 %
Other income (expense), net	(475)	20	(2,475.0) %
Income before income taxes	204,939	194,029	5.6 %
Income tax expense	44,836	41,575	(7.8) %
Net income	\$ 160,103	\$ 152,454	5.0 %
Net income per common share:			
Basic	\$ 2.85	\$ 2.52	13.1 %
Diluted	\$ 2.83	\$ 2.50	13.2 %
Gross margin <sup>(1)</sup>	57.8 %	55.6 %	220 bp
Operating margin <sup>(1)</sup>	23.8 %	24.1 %	(30)bp

<sup>(1)</sup> Changes for gross margin and operating margin are shown in basis points ("bp").

## Revenues By Channel

	Three Months Ended March 31,		Constant Currency % Change <sup>(1)</sup>
	2025	2024	
	(in thousands)		
Crocs Brand:			
Wholesale	\$ 476,804	\$ 462,002	3.2 %
Direct-to-consumer	284,804	281,814	1.1 %
Total Crocs Brand	761,608	743,816	2.4 %
HEYDUDE Brand:			
Wholesale	110,693	134,753	(17.9)%
Direct-to-consumer	65,032	60,064	8.3 %
Total HEYDUDE Brand	175,725	194,817	(9.8)%
Total consolidated revenues	\$ 937,333	\$ 938,633	(0.1)%
			1.4 %

<sup>(1)</sup> Reflects year over year change as if the current period results were in constant currency, which is a non-GAAP financial measure. See "Use of Non-GAAP Financial Measures" above for more information.

**Revenues.** In the three months ended March 31, 2025, revenues slightly decreased compared to the same period in 2024, due in part to lower ASP in the Crocs Brand as a result of increased promotions and unfavorable product mix. This was partially offset by higher ASP in the HEYDUDE Brand from favorable channel mix toward DTC and favorable product mix, offset in part by unfavorable customer mix. Net unfavorable foreign currency fluctuations of \$14.3 million, or 1.5%, primarily in the South

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Korean Won, also decreased revenues. The overall decrease in revenues was partially offset by higher volume of \$35.6 million, or 3.8%, driven by the Crocs Brand.

**Gross margin.** Gross margin increased in the three months ended March 31, 2025 to 57.8% compared to 55.6% in the same period in 2024, primarily driven by lower product costs of 150 basis points and favorable customer mix of 140 basis points, both related to the Crocs Brand. There were also several less significant drivers offsetting the overall increase to gross margin, including unfavorable channel mix and increased promotions for the Crocs Brand.

**Selling, general and administrative expenses.** SG&A increased \$22.9 million, or 7.8%, in the three months ended March 31, 2025 compared to the same period in 2024, primarily driven by increases of \$17.4 million in compensation costs, \$14.0 million in marketing costs, \$9.4 million in the DTC channel, including investments and variable costs, and net increases in other costs of \$6.2 million. The overall increase in SG&A was partially offset by a prior year \$18.2 million impairment charge for information technology systems related to the HEYDUDE integration and a prior year \$5.9 million impairment charge related to our former warehouses in Las Vegas, Nevada and the Netherlands, both of which did not recur in the current year.

**Foreign currency gains (losses), net.** Foreign currency gains (losses), net, consist of realized and unrealized foreign currency gains and losses from the remeasurement and settlement of monetary assets and liabilities denominated in non-functional currencies as well as realized and unrealized gains and losses on foreign currency derivative instruments. During the three months ended March 31, 2025, we recognized realized and unrealized net foreign currency gains of \$4.9 million compared to losses of \$2.3 million during the three months ended March 31, 2024.

**Interest expense.** Interest expense during the three months ended March 31, 2025 decreased \$7.8 million, or 25.5%, compared to the three months ended March 31, 2024. The decrease in interest expense for the three months ended March 31, 2025 was due to lower outstanding borrowings and lower weighted average interest rates on the Term Loan B Facility (as defined herein) in the current year.

**Income tax expense.** During the three months ended March 31, 2025, income tax expense increased \$3.3 million compared to the same period in 2024. The effective tax rate for the three months ended March 31, 2025 was 21.9% compared to an effective tax rate of 21.4% for the same period in 2024, a 0.5% increase. This increase in the effective tax rate was primarily driven by a shift in the mix of the Company's domestic and foreign earnings. Our effective income tax rate, for each period presented, also differs from the federal U.S. statutory rate due to differences in income tax rates between U.S. and foreign jurisdictions.

## Reportable Operating Segments

The following table sets forth information related to our reportable operating segments, including a comparison of revenues and operating income by segment:

	Three Months Ended March 31,		Favorable (Unfavorable)		Constant Currency % Change <sup>(1)</sup>
			2025	2024	
	(in thousands)				
<b>Revenues:</b>					
Crocs Brand revenues	\$	761,608	\$	743,816	2.4 %
HEYDUDE Brand revenues		175,725		194,817	(9.8)%
Total consolidated revenues	\$	937,333	\$	938,633	(0.1)%
<b>Income from operations:</b>					
Crocs Brand income from operations	\$	273,644	\$	264,124	3.6 %
HEYDUDE Brand income from operations		23,242		40,146	(42.1)%
Enterprise corporate		(73,912)		(77,841)	5.0 %
Total consolidated income from operations	\$	222,974	\$	226,429	(1.5)%

<sup>(1)</sup> Reflects year over year change as if the current period results were in constant currency, which is a non-GAAP financial measure. See "Use of Non-GAAP Financial Measures" for more information.

## Crocs Brand

**Revenues.** Crocs Brand revenues increased in the three months ended March 31, 2025 compared to the same period in 2024, due to higher volume. The overall increase was partially offset by lower ASP, driven by increased promotions and unfavorable product mix. Net unfavorable foreign currency fluctuations, primarily in the South Korean Won, also decreased revenues.

**Income from Operations.** Income from operations for our Crocs Brand segment was \$273.6 million for the three months ended March 31, 2025, an increase of \$9.5 million, or 3.6%, compared to the same period in 2024. Gross margin was 60.7%, an increase of 260 basis points compared to prior year, driven primarily by lower product costs and favorable customer mix, partially offset by unfavorable channel mix and increased promotions.

SG&A for our Crocs Brand segment increased \$20.7 million, or 12.3%, during the three months ended March 31, 2025 compared to the same period in 2024. This increase was primarily due to higher costs in the DTC channel, including investments and variable costs, and increased investments in talent.

## HEYDUDE Brand

**Revenues.** For the three months ended March 31, 2025, revenues decreased compared to 2024, primarily due to lower volume. This was offset in part by higher ASP, primarily due to favorable channel mix toward DTC and favorable product mix, partially offset by unfavorable customer mix.

**Income from Operations.** Income from operations for the HEYDUDE segment was \$23.2 million for the three months ended March 31, 2025, a decrease of \$16.9 million, or 42.1%, compared to 2024. Gross margin was 46.6%, an increase of 40 basis points.

SG&A for the HEYDUDE Brand segment increased \$8.9 million, or 17.8%, during the three months ended March 31, 2025 compared to the same period in 2024. This increase was primarily due to higher costs in the DTC channel, including investments and variable costs, and increased investments in marketing. The overall increase in SG&A was partially offset by prior year impairment costs related to our former HEYDUDE Brand warehouses in Las Vegas, Nevada, which did not recur in the current year.

## Enterprise Corporate

During the three months ended March 31, 2025, total net costs within ‘Enterprise corporate’ decreased \$3.9 million, or 5.0%, compared to the same period in 2024. This decrease was primarily due to a prior year impairment charge for information technology systems related to the HEYDUDE integration, which did not recur in the current year. The overall decrease was mostly offset by increased investment in talent, increased information technology costs, and net increases in other costs.

## Store Locations

As of March 31, 2025, we had 393 company-operated retail locations for the Crocs Brand, inclusive of 187 retail locations in North America and 206 retail locations internationally. As of March 31, 2025, we had 54 company-operated retail locations for the HEYDUDE Brand. As of March 31, 2024, we had 349 company-operated retail locations for the Crocs Brand, inclusive of 170 retail locations in North America and 179 retail locations internationally. As of March 31, 2024, we had 19 company-operated retail locations for the HEYDUDE Brand.

## Financial Condition, Capital Resources, and Liquidity

### *Liquidity*

Our liquidity position as of March 31, 2025 was:

	<b>March 31, 2025</b>
	(in thousands)
Cash and cash equivalents	\$ 166,460
Available borrowings	694,416

As of March 31, 2025, we had \$166.5 million in cash and cash equivalents and up to \$694.4 million of available borrowings, including \$679.4 million of remaining borrowing availability under the Revolving Facility (as defined below) and \$15.0 million of remaining borrowing availability under the Citibank Facility (as defined below). As of March 31, 2025, the Term Loan B Facility (as defined below) was fully drawn and there was no available borrowing capacity. We believe that cash flows from operations, our cash and cash equivalents on hand, and available borrowings under our Revolving Facility will be sufficient to meet our ongoing liquidity needs and capital expenditure requirements for at least the next twelve months.

Additional future financing may be necessary to fund our operations and there can be no assurance that, if needed, we will be able to secure additional debt or equity financing on terms acceptable to us or at all. Although we believe we have adequate sources of liquidity over the long term, the success of our operations, global economic conditions, and the pace of sustainable growth in our markets, among other things, could each impact our business and liquidity.

### *Repatriation of Cash*

As a global business, we have cash balances in various countries and amounts are denominated in various currencies. Fluctuations in foreign currency exchange rates impact our results of operations and cash positions. Future fluctuations in foreign currencies may have a material impact on our cash flows and capital resources. Cash balances held in foreign countries may have additional restrictions and covenants associated with them which could adversely impact our liquidity and our ability to timely access and transfer cash balances between entities.

All of the cash held outside of the U.S. could be repatriated to the U.S. as of March 31, 2025 without incurring additional U.S. federal income taxes. In some countries, repatriation of certain foreign balances is restricted by local laws. These limitations may affect our ability to fully utilize our cash resources for needs in the U.S. or other countries and could adversely affect our liquidity. As of March 31, 2025, we held \$117.4 million of our total \$166.5 million in cash in international locations. This cash is primarily used for the ongoing operations of the business in the locations in which the cash is held. Of the \$117.4 million, an insignificant amount is currently restricted by local laws or otherwise.

### *Senior Revolving Credit Facility*

In July 2019, the Company and certain of its subsidiaries (the “Borrowers”) entered into a Second Amended and Restated Credit Agreement (as amended, the “Credit Agreement”), with the lenders named therein and PNC Bank, National Association, as a lender and administrative agent for the lenders. Since that time, we have amended the Credit Agreement, which, as amended to date, provides for a revolving credit facility of \$1.0 billion, which can be increased by an additional \$400.0 million subject to certain conditions (the “Revolving Facility”). Borrowings under the Credit Agreement bear interest at a variable interest rate based on (A) a Base Rate (defined as the highest of (i) the Overnight Bank Funding Rate (as defined in the Credit Agreement), plus 0.25%, (ii) the Prime Rate (as defined in the Credit Agreement), and (iii) the Daily Simple SOFR (as defined in the Credit Agreement), plus 1.00%), plus an applicable margin ranging from 0.25% to 0.875% based on our leverage ratio or 1.35% to 1.975% for the Daily Simple SOFR based on the leverage ratio, inclusive of a 0.10% SOFR adjustment, or (B) the Term SOFR Rate (as defined in the Credit Agreement), plus an applicable margin ranging from 1.35% to 1.975% based on our leverage ratio for one-month interest periods and three-month interest periods, inclusive of a 0.10% SOFR adjustment. Borrowings under the Credit Agreement are secured by all of the assets of the Borrowers and guaranteed by certain other subsidiaries of the Borrowers.

The Credit Agreement required or requires, as applicable, us to maintain a minimum interest coverage ratio of 3.00 to 1.00, and a maximum leverage ratio of (i) 4.00 to 1.00 from the quarter ended March 31, 2022 through, and including, the quarter ended December 31, 2023, (ii) 3.75 to 1.00 for the quarter ended March 31, 2024, (iii) 3.50 to 1.00 for the quarter ended June 30, 2024, and (iv) 3.25 to 1.00 for the quarter ended September 30, 2024 and thereafter (subject to adjustment in certain

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circumstances). The Credit Agreement permits, among other things, (i) stock repurchases subject to certain restrictions, including after giving effect to such stock repurchases, the maximum leverage ratio does not exceed certain levels; and (ii) certain acquisitions so long as there is borrowing availability under the Credit Agreement of at least \$40.0 million. As of March 31, 2025, we were in compliance with all financial covenants under the Credit Agreement.

As of March 31, 2025, the total commitments available from the lenders under the Revolving Facility were \$1.0 billion. At March 31, 2025, we had \$320.0 million in outstanding borrowings and \$0.6 million in outstanding letters of credit under the Revolving Facility, which reduces amounts available for borrowing under the Revolving Facility. As of March 31, 2025 and December 31, 2024, we had \$679.4 million and \$809.4 million, respectively, of available borrowing capacity under the Revolving Facility, which matures in November 2027.

### ***Term Loan B Facility***

On February 17, 2022, the Company entered into a credit agreement (the “Original Term Loan B Credit Agreement”) with Citibank, N.A., as administrative agent and lender, to among other things, finance a portion of the cash consideration for the HEYDUDE acquisition, which was amended on August 8, 2023 (the “August 2023 Amendment”) and on February 13, 2024 (the “February 2024 Amendment”). The Original Term Loan B Credit Agreement, as amended by the August 2023 Amendment and the February 2024 Amendment is referred to herein as the “Term Loan B Credit Agreement.”

The Original Term Loan B Credit Agreement provided for an aggregate term loan B facility in the principal amount of \$2.0 billion. Prior to the February 2024 Amendment, the outstanding balance was \$820.0 million. Among other things, the February 2024 Amendment provided for a new \$820.0 million tranche of term loans (the “2024 Refinancing Term Loans” and, such facility, the “Term Loan B Facility”), to refinance the then-outstanding principal balance. The 2024 Refinancing Term Loans are secured by substantially all of the Company’s and each subsidiary guarantor’s assets on a pari passu basis with their obligations arising from the Term Loan B Credit Agreement and is scheduled to mature on February 17, 2029, subject to certain exceptions set forth in the Term Loan B Credit Agreement. Additionally, subject to certain conditions, including, without limitation, satisfying certain leverage ratios, the Company may, at any time, on one or more occasions, add one or more new classes of term facilities and/or increase the principal amount of the loans of any existing class by requesting one or more incremental term facilities.

Pursuant to the reduced interest rate margins applicable to the 2024 Refinancing Term Loans, each term loan borrowing which is an alternate base rate borrowing bears interest at a rate per annum equal to the Alternate Base Rate (as defined in the Term Loan B Credit Agreement), plus 1.25%. Each term loan borrowing which is a term SOFR borrowing bears interest at a rate per annum equal to the Adjusted Term SOFR Rate (as defined in the Term Loan B Credit Agreement) plus 2.25%.

As of March 31, 2025, the Term Loan B Facility was fully drawn with no remaining borrowing capacity, and we had \$500.0 million in outstanding principal on the Term Loan B Facility, which matures on February 17, 2029.

The Term Loan B Credit Agreement also contains customary affirmative and negative covenants, incurrence financial covenants, representations and warranties, events of default and other provisions. As of March 31, 2025, we were in compliance with all financial covenants under the Term Loan B Credit Agreement.

### ***Asia Revolving Credit Facility***

During the three months ended March 31, 2025, we had one revolving credit facility in Asia with Citibank (China) Company Limited, Shanghai Branch (the “Citibank Facility”), which, as amended, provides up to an equivalent of \$15.0 million.

As of March 31, 2025 and December 31, 2024, we had no borrowings outstanding on the Citibank Facility.

### ***Senior Notes Issuances***

In March 2021, the Company completed the issuance and sale of \$350.0 million aggregate principal amount of 4.250% Senior Notes due March 15, 2029 (the “2029 Notes”), pursuant to the indenture related thereto (as amended and/or supplemented to date, the “2029 Notes Indenture”). Additionally, in August 2021, the Company completed the issuance and sale of \$350.0 million aggregate principal amount of 4.125% Senior Notes due August 15, 2031 (the “2031 Notes”), pursuant to the indenture related thereto (as amended and/or supplemented to date, “the 2031 Notes Indenture” and, together with the 2029 Notes Indenture, the “Indentures” and, each, an “Indenture”). Interest on each of the 2029 Notes and the 2031 Notes (collectively, the “Notes”) is payable semi-annually.

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The Company had or will have, as applicable, the option to redeem all or any portion of the 2029 Notes, at once or over time, at any time on or after March 15, 2024, at a redemption price equal to 100% of the principal amount thereof, plus a premium declining ratably on an annual basis to par and accrued and unpaid interest, if any, to, but excluding, the date of redemption. The Company also had the option to redeem some or all of the 2029 Notes at any time before March 15, 2024 at a redemption price of 100% of the principal amount to be redeemed, plus a “make-whole” premium and accrued and unpaid interest, if any, to, but excluding, the date of redemption. In addition, at any time before March 15, 2024, the Company could have redeemed up to 40% of the aggregate principal amount of the 2029 Notes at a redemption price of 104.250% of the principal amount with the proceeds from certain equity issuances, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.

The Company will have the option to redeem all or any portion of the 2031 Notes, at once or over time, at any time on or after August 15, 2026, at a redemption price equal to 100% of the principal amount thereof, plus a premium declining ratably on an annual basis to par and accrued and unpaid interest, if any, to, but excluding, the date of redemption. The Company will also have the option to redeem some or all of the 2031 Notes at any time before August 15, 2026 at a redemption price of 100% of the principal amount to be redeemed, plus a “make-whole” premium and accrued and unpaid interest, if any, to, but excluding, the date of redemption. In addition, at any time before August 15, 2024, the Company could have redeemed up to 40% of the aggregate principal amount of the 2031 Notes at a redemption price of 104.125% of the principal amount with the proceeds from certain equity issuances, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.

The Notes rank pari passu in right of payment with all of the Company’s existing and future senior debt, including the Credit Agreement, and are senior in right of payment to any of the Company’s future debt that is, by its term, expressly subordinated in right of payment to the Notes. The Notes are unconditionally guaranteed by each of the Company’s restricted subsidiaries that is a borrower or guarantor under the Credit Agreement and by each of the Company’s wholly-owned restricted subsidiaries that guarantees any debt of the Company or any guarantor under any syndicated credit facility or capital markets debt in an aggregate principal amount in excess of \$25.0 million.

The Indentures contain covenants that, among other things, limit the ability of the Company and its restricted subsidiaries to incur additional debt or issue certain preferred stock; pay dividends or repurchase or redeem capital stock or make other restricted payments; declare or pay dividends or other payments; incur liens; enter into certain types of transactions with the Company’s affiliates; and consolidate or merge with or into other companies. As of March 31, 2025, we were in compliance with all financial covenants under the Notes.

#### Cash Flows

	Three Months Ended March 31,		\$ Change Favorable (Unfavorable)	% Change
	2025	2024		
	(in thousands)			
Cash used in operating activities	\$ (67,235)	\$ (27,574)	\$ (39,661)	(143.8)%
Cash used in investing activities	(15,375)	(15,750)	375	2.4 %
Cash provided by financing activities	65,824	54,831	10,993	20.0 %
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	2,845	(1,582)	4,427	279.8 %
Net change in cash, cash equivalents, and restricted cash	\$ (13,941)	\$ 9,925	\$ (23,866)	(240.5)%

**Operating Activities.** Cash used in operating activities consists of net income adjusted for noncash items and changes in working capital. Cash used in operating activities increased \$39.7 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024, driven by lower net income, adjusted for non-cash items, of \$7.7 million, and decreases in operating assets and liabilities of \$32.0 million, primarily due to the change in inventories.

**Investing Activities.** There was a \$0.4 million decrease in cash used in investing activities for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. This was due to a decrease in purchases of property, equipment, and software.

**Financing Activities.** Cash provided by financing activities increased by \$11.0 million in the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The increase in cash provided by financing activities was primarily due to an increase in proceeds from borrowings of \$116.8 million. There was also a decrease of \$2.6 million in repurchases of

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common stock for tax withholding and other increases in cash provided of \$1.1 million. The overall increase in cash provided by financing activities was partially offset by an increase of \$60.9 million in repurchases of common stock and an increase in repayments of borrowings of \$48.6 million.

### ***Contractual Obligations***

There have been no significant changes to the contractual obligations reported in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, other than borrowings and repayments on the Term Loan B Facility and Revolving Facility.

### ***Off-Balance Sheet Arrangements***

We had no material off-balance sheet arrangements as of March 31, 2025, other than certain purchase commitments, which are described in Note 12 — Commitments and Contingencies in the accompanying notes to the condensed consolidated financial statements included in Part I - Item 1. *Financial Statements* of this Quarterly Report on Form 10-Q.

### **Critical Accounting Policies and Estimates**

The preparation of our condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, sales, and expenses, and related disclosure of contingent assets and liabilities. We evaluate our assumptions and estimates on an on-going basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

For a complete discussion of our critical accounting policies and estimates, please refer to our Annual Report on Form 10-K for the year ended December 31, 2024 and Note 1 — Basis of Presentation and Summary of Significant Accounting Policies in the accompanying notes to the condensed consolidated financial statements included in Part I - Item 1. *Financial Statements* of this Quarterly Report on Form 10-Q. There have been no other significant changes in our critical accounting policies or their application since December 31, 2024.

### **Recent Accounting Pronouncements**

See Note 2 — Recent Accounting Pronouncements in the accompanying notes to the condensed consolidated financial statements included in Part I - Item 1. *Financial Statements* of this Quarterly Report on Form 10-Q for a description of recently adopted accounting pronouncements and issued accounting pronouncements that we believe may have an impact on our condensed consolidated financial statements when adopted.

## **ITEM 3. Quantitative and Qualitative Disclosures About Market Risk**

### **Interest Rate Risk**

We centrally manage our debt and investment portfolios considering investment opportunities and risks, tax consequences, and overall financing strategies. Our exposure to market risk includes interest rate fluctuations in connection with our Revolving Facility and certain financial instruments.

Borrowings under our Term Loan B Facility and Revolving Facility bear interest at a variable rate and are therefore subject to risk based upon prevailing market interest rates. Interest rates fluctuate as a result of many factors, including governmental monetary and tax policies, domestic and international economic and political considerations, and other factors that are beyond our control.

As of March 31, 2025, we had borrowings with a face value of \$1.5 billion, comprised of the Notes, which carry a fixed rate, the Term Loan B Facility, and borrowings under our Revolving Facility. We also had \$0.6 million in outstanding letters of credit under our Revolving Facility as of March 31, 2025. As of December 31, 2024, we had long-term borrowings with a face value of \$1.4 billion and \$0.6 million in outstanding letters of credit under our Revolving Facility.

A hypothetical increase of 1% in the interest rate on the variable rate borrowings under our Term Loan B Facility and Revolving Facility would increase our interest expense over the next twelve months by \$8.2 million based on the balances outstanding for these borrowings as of March 31, 2025.

### **Foreign Currency Exchange Risk**

Changes in exchange rates have a direct effect on our reported U.S. Dollar condensed consolidated financial statements because we translate the operating results and financial position of our international subsidiaries to U.S. Dollars using current period exchange rates. Specifically, we translate the statements of income of our foreign subsidiaries into the U.S. Dollar reporting currency using exchange rates in effect during each reporting period. As a result, comparisons of reported results between reporting periods may be impacted significantly due to differences in the exchange rates in effect at the time such exchange rates are used to translate the operating results of our international subsidiaries.

An increase of 1% of the value of the U.S. Dollar relative to foreign currencies when translating our financial results would have decreased our revenues and income before taxes during the three months ended March 31, 2025 by \$4.3 million and \$1.0 million, respectively. This analysis does not account for transactional fluctuations in accounts, such as those driven by purchasing power, which is defined as purchasing foreign goods in the U.S. Dollar but recognizing the cost in foreign currencies. The volatility of the exchange rates is dependent on many factors that cannot be forecasted with reliable accuracy.

In order to manage exposure to fluctuations in foreign currency and to reduce the volatility in earnings caused by fluctuations in foreign exchange rates, we may enter into forward foreign exchange contracts to buy or sell various foreign currencies. Changes in the fair value of these forward contracts are recognized in earnings in the period that the changes occur or in the period in which the hedged transaction affects earnings for derivatives classified as non-hedged or hedged, respectively, as defined in Note 6 — Derivative Financial Instruments in the accompanying notes to the condensed consolidated financial statements included in Part I - Item 1. *Financial Statements* of this Quarterly Report on Form 10-Q. As of March 31, 2025, the U.S. Dollar notional value of our outstanding foreign currency forward exchange contracts was \$120.8 million. The fair value of these contracts at March 31, 2025 was an insignificant asset.

We perform a sensitivity analysis to determine the effects that market risk exposures may have on the fair values of our foreign currency forward exchange contracts. To perform the sensitivity analysis, we assess the risk of changes in fair values from the effect of hypothetical changes in foreign currency exchange rates. This analysis assumes a like movement by the foreign currencies in our hedge portfolio against the U.S. Dollar. As of March 31, 2025, a 10% appreciation in the value of the U.S. Dollar would result in a net decrease in the fair value of our derivative portfolio of \$1.5 million.

See Part I - Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations* of this Quarterly Report on Form 10-Q for a discussion of the impact of the change in foreign exchange rates on our U.S. Dollar condensed consolidated statements of income for the three months ended March 31, 2025 and 2024.

## **ITEM 4. Controls and Procedures**

### **Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our disclosure controls and procedures as such item is defined under Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (“Exchange Act”) as of March 31, 2025. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2025, to provide reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applies its judgment in assessing the costs and benefits of such controls and procedures that, by their nature, can only provide reasonable assurance regarding management’s control objectives.

### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the three months ended March 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II — Other Information

### ITEM 1. Legal Proceedings

A discussion of legal matters is found in Note 14 — Legal Proceedings in the accompanying notes to the condensed consolidated financial statements included in Part I - Item 1. *Financial Statements* of this Quarterly Report on Form 10-Q.

### ITEM 1A. Risk Factors

There have been no material changes to the risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2024, except as described below.

#### ***Government actions and regulations, such as export restrictions, tariffs, and other trade protection measures could adversely affect our business.***

We, similar to many other companies with overseas operations, source, import, and sell products in other countries that have been impacted, and could continue to be impacted, by changes to the trade policies of the U.S. and foreign countries (including governmental action related to tariffs, international trade agreements, trade restrictions, or economic sanctions). Such changes, which are out of our control, have the potential to adversely impact our industry and the global demand for our products, and as a result, could have a material adverse effect on our business, financial condition, and results of operations.

For example, in April 2025, the United States (“U.S.”) has imposed a minimum 10% tariff on most foreign imports into the U.S. and additional individualized reciprocal tariffs on imports from certain countries, including, most relevant to us, an additional 125% tariff on all imports from China for a total incremental tariff of 145% and an additional 46%, 32%, 26%, and 49% tariff on all imports from Vietnam, Indonesia, India, and Cambodia, respectively. Other than imports from China, which represented approximately 22% of our sourcing to the U.S. during the three months ended March 31, 2025 and which we estimate to decrease on an average basis for the year ending December 31, 2025, these tariffs were subsequently suspended on April 9, 2025, for 90 days in order to facilitate negotiations and were superseded at that time by the additional 10% tariff. A predominant portion of the products we sell are originally manufactured in countries other than the U.S., such as Vietnam, Indonesia, China, India, and Cambodia. These tariffs will increase the cost of certain products and negatively impact our results of operations. Furthermore, we may not be able to increase prices for our products enough to offset tariffs, which could impact our margins. If we raise prices in response to tariffs, the demand for our products may go down, which could have a negative impact on our sales. At this time, it remains unclear what additional actions, if any, will be taken by the U.S. or other governments with respect to international trade agreements, the imposition of additional tariffs on goods imported into the U.S., tax policy related to international commerce, increased export control, sanctions and investment restrictions, or other trade matters. Although the ultimate scope and timing of any such actions is currently indeterminable, if implemented, they could have a material impact on our financial condition and results of operations. The ultimate impact of any tariffs will depend on various factors, including the extent and duration of the tariffs and how other countries respond to the U.S. tariffs.

Other effects of these changes, including impacts on the price of raw materials, responsive or retaliatory actions from governments, such as retaliatory tariffs on imports into these countries from the U.S. and the opportunity for competitors not subject to such changes to establish a presence in markets where we participate, could also have significant impacts on our results of operations, though whether any of the foregoing actions will be taken remains unclear. The resulting effect on general economic conditions and on our business as a result of increases in prices for goods we import or our suppliers and vendors purchase to produce these items that we acquire through our supply chain are uncertain and depend on various factors, such as negotiations between the U.S. and affected countries, the responses of other countries or regions, exemptions or exclusions that may be granted, availability and cost of alternative sources of supply, and demand for our products. We cannot predict what further action may be taken with respect to export restrictions, tariffs or trade relations between the U.S. and other governments, and any further changes in U.S. or international trade policy could have an adverse impact on our business, financial condition and results of operations.

Furthermore, tariffs or other trade restrictions may lead to continuing uncertainty and volatility in U.S. and global financial and economic conditions and markets, declining consumer confidence, significant inflation and diminished expectations for the economy, and ultimately reduced demand for our products. Such conditions could have a material adverse impact on our business, results of operations, and cash flows. For instance, the fair values of our goodwill and indefinite-lived intangible assets are sensitive to the aforementioned potential unfavorable changes, which could result in the recognition of an impairment charge should the fair values of these assets fall below the carrying values. Also, disruptions and volatility in the financial markets may lead to adverse changes in the availability, terms, and cost of capital. Such adverse changes could increase our

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costs of capital and limit our access to external financing sources to fund acquisitions, capital projects, or refinancing of debt maturities on similar terms, which could in turn reduce our cash flows and limit our ability to pursue growth opportunities.

**ITEM 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities**

Issuer Purchases of Equity Securities					
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs <sup>(1)</sup>	
January 1 - 31, 2025	317,414	\$ 104.61	317,414	\$ 290,660,210	
February 1 - 28, 2025	289,845	95.43	289,845	1,263,005,578	
March 1 - 31, 2025	—	—	—	1,263,005,578	
Total	607,259	\$ 100.23	607,259	\$ 1,263,005,578	

<sup>(1)</sup> On February 10, 2025, the Board approved an increase to our existing common stock repurchase authorization program up to approximately \$1.3 billion of our common stock. As of March 31, 2025, approximately \$1.3 billion remained available for repurchase under our share repurchase authorization. The number, price, structure and timing of the repurchases, if any, will be at our sole discretion and future repurchases will be evaluated by us depending on market conditions, liquidity needs, restrictions under our debt arrangements, and other factors. Share repurchases may be made in the open market or in privately negotiated transactions. The repurchase authorization does not have an expiration date and does not obligate us to acquire any particular amount of our common stock. The Board may suspend, modify, or terminate the repurchase program at any time without prior notice.

**ITEM 5. Other Information**

During the three months ended March 31, 2025, no directors or officers adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

[Table of Contents](#)**ITEM 6. Exhibits**

Exhibit Number	Description
3.1	<a href="#">Restated Certificate of Incorporation of Crocs, Inc. (incorporated herein by reference to Exhibit 4.1 to Crocs, Inc.'s Registration Statement on Form S-8, filed on March 9, 2006).</a>
3.2	<a href="#">Certificate of Amendment to Restated Certificate of Incorporation of Crocs, Inc. (incorporated herein by reference to Exhibit 3.1 to Crocs, Inc.'s Current Report on Form 8-K, filed on July 12, 2007).</a>
3.3	<a href="#">Amended and Restated Bylaws of Crocs, Inc. (incorporated herein by reference to Exhibit 4.2 to Crocs, Inc.'s Registration Statement on Form S-8, filed on March 9, 2006).</a>
3.4	<a href="#">Certificate of Designations of Series A Convertible Preferred Stock of Crocs, Inc. (incorporated herein by reference to Exhibit 3.1 to Crocs, Inc.'s Current Report on Form 8-K, filed on January 27, 2014).</a>
4.1	<a href="#">Specimen Common Stock Certificate (incorporated herein by reference to Exhibit 4.2 to Crocs, Inc.'s Registration Statement on Form S-1/A, filed on January 19, 2006).</a>
4.2	† <a href="#">Third Supplemental Indenture, dated January 29, 2025, by and among Crocs, Inc., Colorado Footwear Financial Holdings LLC and U.S. Bank Trust Company, National Association, as trustee (incorporated herein by reference to Exhibit 4.9 to Crocs, Inc.'s Annual Report on Form 10-K filed on February 13, 2025).</a>
4.3	† <a href="#">Third Supplemental Indenture, dated January 29, 2025, by and among Crocs, Inc., Colorado Footwear Financial Holdings LLC and U.S. Bank Trust Company, National Association, as trustee (incorporated herein by reference to Exhibit 4.10 to Crocs Inc.'s Annual Report on Form 10-K filed on February 13, 2025).</a>
4.4†	<a href="#">Fourth Supplemental Indenture, dated February 28, 2025, by and among Crocs, Inc., Crocs Europe Financial B.V. and U.S. Bank Trust Company, National Association, as trustee.</a>
4.5†	<a href="#">Fourth Supplemental Indenture, dated February 28, 2025, by and among Crocs, Inc., Crocs Europe Financial B.V. and U.S. Bank Trust Company, National Association, as trustee.</a>
10.1*†	<a href="#">Employment Offer Letter dated May 10, 2023 between Crocs, Inc. and Tom Britt.</a>
10.2*†	<a href="#">Employment Offer Letter dated February 16, 2024 between Crocs, Inc. and Terence Reilly.</a>
31.1†	<a href="#">Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act.</a>
31.2†	<a href="#">Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes- Oxley Act.</a>
32+	<a href="#">Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.</a>
101.INS†	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH†	XBRL Taxonomy Extension Schema Document.
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document.

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<b>Exhibit Number</b>	<b>Description</b>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101).

\* Compensatory plan or arrangement.

# Certain exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to supplementally furnish copies of any omitted schedules and exhibits to the Securities and Exchange Commission upon request.

† Filed herewith.

+ Furnished herewith.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CROCS, INC.

Date: May 8, 2025

By: /s/ Susan Healy

Name: Susan Healy

Title: *Executive Vice President and Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)*

FOURTH SUPPLEMENTAL INDENTURE

dated as of February 28, 2025

among CROCS, INC.

CROCS EUROPE FINANCIAL B.V.

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

4.250% Senior Notes due 2029

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THIS FOURTH SUPPLEMENTAL INDENTURE (this “**Supplemental Indenture**”), entered into as of February 28, 2025 among CROCS, INC., a Delaware corporation (the “**Issuer**”), CROCS EUROPE FINANCIAL B.V., a private limited liability company incorporated under the laws of the Netherlands and registered with the Dutch trade register under number 95803483 (the “**Undersigned**”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as successor trustee (the “**Trustee**”) to U.S. BANK NATIONAL ASSOCIATION.

## RECITALS

WHEREAS, Crocs, Inc. (the “**Issuer**”), the Guarantors party thereto and the Trustee entered into an Indenture, dated as of March 12, 2021, as supplemented by a First Supplemental Indenture, dated as of February 17, 2022, a Second Supplemental Indenture, dated as of January 19, 2023, and a Third Supplemental Indenture, dated as of January 29, 2025 (as supplemented to date, the “**Indenture**”), relating to the Issuer’s 4.250% Senior Notes due 2029 (the “**Notes**”); and

WHEREAS, as a condition to the Trustee entering into the Indenture and the purchase of the Notes by the Holders, the Issuer agreed pursuant to the Indenture to cause any Restricted Subsidiary of the Issuer that is required to provide a guarantee or is a borrower under the Credit Agreement or any other syndicated credit facility or capital markets debt in an aggregated principal amount in excess of \$25.0 million to provide a Note Guarantee.

## AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and intending to be legally bound, the parties to this Supplemental Indenture hereby agree as follows:

Section 1. Capitalized terms used herein and not otherwise defined herein are used as defined in the Indenture.

Section 2. The Undersigned, by its execution of this Supplemental Indenture, agrees to be a Guarantor under the Indenture and to be bound by the terms of the Indenture applicable to Guarantors, including, but not limited to, Article 10 thereof.

Section 3. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York, but without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

Section 4. This Supplemental Indenture may be signed in various counterparts which together will constitute one and the same instrument. Delivery of an executed signature page by facsimile or electronic transmission (e.g. “pdf” or “tif”), or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law, e.g., [www.docusign.com](http://www.docusign.com), shall be effective as delivery of a manually executed counterpart hereof.

Section 5. This Supplemental Indenture is an amendment supplemental to the Indenture, and the Indenture and this Supplemental Indenture will henceforth be read together.

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Section 6. The recitals and statements herein are deemed to be those of the Issuer and the Undersigned and not the Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or the Note Guarantees provided by the Guarantors party to this Supplemental Indenture.

Section 7. All notices or other communications to the Issuer and the Guarantors shall be given as provided in Section 11.02 of the Indenture.

[*Signature Page Follows*]

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CROCS, INC., as Issuer

By: /s/ Susan Healy  
Name: Susan Healy  
Title: Executive Vice President and Chief  
Financial Officer

CROCS EUROPE FINANCIAL B.V.

By: /s/ Josef Fonseca  
Name: Josef Fonseca  
Title: Manager Director

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee

By: /s/ Michael W. McGuire  
Name: Michael W. McGuire  
Title: Vice President

FOURTH SUPPLEMENTAL INDENTURE

dated as of February 28, 2025 among CROCS, INC.

CROCS EUROPE FINANCIAL B.V.

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

4.125% Senior Notes due 2031

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THIS FOURTH SUPPLEMENTAL INDENTURE (this “**Supplemental Indenture**”), entered into as of February 28, 2025 among CROCS, INC., a Delaware corporation (the “**Issuer**”), CROCS EUROPE FINANCIAL B.V., a private limited liability company incorporated under the laws of the Netherlands and registered with the Dutch trade register under number 95803483 (the “**Undersigned**”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as successor trustee (the “**Trustee**”) to U.S. BANK NATIONAL ASSOCIATION.

## RECITALS

WHEREAS, Crocs, Inc. (the “**Issuer**”), the Guarantors party thereto and the Trustee entered into an Indenture, dated as of August 10, 2021, as supplemented by a First Supplemental Indenture, dated as of February 17, 2022, a Second Supplemental Indenture, dated as of January 19, 2023, and a Third Supplemental Indenture, dated as of January 29, 2025 (as supplemented to date, the “**Indenture**”), relating to the Issuer’s 4.125% Senior Notes due 2031 (the “**Notes**”); and

WHEREAS, as a condition to the Trustee entering into the Indenture and the purchase of the Notes by the Holders, the Issuer agreed pursuant to the Indenture to cause any Restricted Subsidiary of the Issuer that is required to provide a guarantee or is a borrower under the Credit Agreement or any other syndicated credit facility or capital markets debt in an aggregated principal amount in excess of \$25.0 million to provide a Note Guarantee.

## AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and intending to be legally bound, the parties to this Supplemental Indenture hereby agree as follows:

Section 1. Capitalized terms used herein and not otherwise defined herein are used as defined in the Indenture.

Section 2. The Undersigned, by its execution of this Supplemental Indenture, agrees to be a Guarantor under the Indenture and to be bound by the terms of the Indenture applicable to Guarantors, including, but not limited to, Article 10 thereof.

Section 3. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York, but without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

Section 4. This Supplemental Indenture may be signed in various counterparts which together will constitute one and the same instrument. Delivery of an executed signature page by facsimile or electronic transmission (e.g. “pdf” or “tif”), or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law, e.g., [www.docusign.com](http://www.docusign.com), shall be effective as delivery of a manually executed counterpart hereof.

Section 5. This Supplemental Indenture is an amendment supplemental to the Indenture, and the Indenture and this Supplemental Indenture will henceforth be read together.

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Section 6. The recitals and statements herein are deemed to be those of the Issuer and the Undersigned and not the Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or the Note Guarantees provided by the Guarantors party to this Supplemental Indenture.

Section 7. All notices or other communications to the Issuer and the Guarantors shall be given as provided in Section 11.02 of the Indenture.

[*Signature Page Follows*]

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CROCS, INC., as Issuer

By: /s/ Susan Healy  
Name: Susan Healy  
Title: Executive Vice President and Chief  
Financial Officer

CROCS EUROPE FINANCIAL B.V.

By: /s/ Josef Fonseca  
Name: Josef Fonseca  
Title: Manager Director

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee

By: /s/ Michael W. McGuire  
Name: Michael W. McGuire  
Title: Vice President

**PERSONAL & CONFIDENTIAL**

DELIVERED VIA EMAIL

May 10, 2023

TOM BRITT

RE: Updated Offer Letter

Dear Tom,

We are pleased to confirm the terms of your full-time employment with Crocs, Inc. (the “**Company**”) effective June 5, 2023 (the “**Start Date**”), on the following terms (the “**Agreement**”):

1. **Title** - Your new position will be **EVP & Chief Information Officer** for the Company, reporting to Andrew Rees at our Broomfield, Colorado, office. Your position, location, duties, and reporting relationships are subject to change in accordance with operational needs.
2. **Compensation** - Your base salary will be an annualized rate of **\$550,000.00**, paid bi-weekly, less applicable withholdings and deductions. You will be eligible for a salary review in early 2024. Your salary is intended to pay for all hours worked during each pay period, regardless of your scheduled or tracked hours.
3. **Short-term Incentive Plan** - You are eligible to participate in the Company’s Short-Term Incentive Plan (**STIP**) for the 2023 and beyond STIP plan years. The target discretionary bonus for your position is **85%** of your actual earnings for the plan year, which is currently derived from the achievement of certain goals including Company (Enterprise) and individual performance as set forth in the Company’s scorecard. *Provided, however,* for the 2023 STIP plan year only, your STIP payout will be a minimum of \$350,000.00 multiplied by the Enterprise scorecard multiplier. The STIP is subject to amendment or change at any time with or without notice.
4. **Long-term Incentive Plan** - You are eligible to participate in the Company’s Long-Term Incentive Plan (**LTIP**) for the 2024 and beyond LTIP Plan years. In this plan, your target long-term incentive is **85%** of your base salary and will be discretionary based on Company and individual performance as set forth in the Company’s scorecard. The LTIP is subject to amendment or change at any time with or without notice.
5. **Sign on Restricted Stock Units (RSUs)** - Subject to the approval of the Compensation Committee of the Company’s Board of Directors, on the first trading day in the month following the Start Date (the “**Issue Date**”) the Company will grant **\$750,000.00** in **RSUs** of the Company’s stock under the 2020 Crocs, Inc. Equity Incentive Plan. The RSU award will vest ratably, (40.0%) on the first anniversary of the Issue Date, (40.0%) on the second anniversary of the Issue Date, and (20.0%) on the third anniversary of the Issue Date; *provided* that you must be employed by Company continuously to each such vesting date in order to vest in the portion of RSU award on such date. The RSU award is subject to you executing the applicable award agreements.

- 6. Commuting Allowance** – You are eligible to receive a **\$5,000.00** (gross) per month commuting allowance to be used for expenses related to commuting (i.e., apartment, hotel, transportation, parking, etc.) to Broomfield, Colorado for a period of three (3) years from the Start Date. Your airfare should be handled separately as a business expense.
- 7. Relocation** – You are also eligible for certain relocation benefits, up to **\$100,000.00** (gross), for packing, shipment, and unpacking of household goods, temporary housing up to six months, storage and house-hunting assistance which must be used within twenty-four (24) months of the Start Date. Based on the current tax laws these benefits are considered taxable wages to you by the IRS and they must be included for federal income tax withholding, FICA (Social Security/Medicare), and federal unemployment tax. Please take this into consideration when you obtain your relocation quotes from Relocation Synergy Group. It is recommended to consult your accountant for a clear understanding of your tax obligation and how much of the allowance will be taxed. Reimbursed relocation expenses will be grossed up in order to offset the tax burden associated with reimbursed expenses. As a condition of these relocation benefits, you agree that you will remain employed for a minimum of twenty-four (24) months with the Company following your relocation. Should you voluntarily end your employment with the Company or are terminated for Cause (as determined by the Company in its sole discretion) prior to that time, you agree to reimburse Company for the amount spent on your relocation benefits.
- 8. Benefits** - You will be eligible for health insurance benefits according to the Company's U.S. benefits plan and 401(k) participation on the Start Date. You will receive an email to your personal email address within 5-7 business days to enroll in your desired plan. You will also be eligible for paid time-off, as well as other benefits, in accordance with the Company's policies for similarly situated employees. Details of the Company's health insurance and other benefits are available to you, along with the summary plan descriptions, at the Company's benefits portal (<https://crocsbenefits.smartben.net/>) or you may contact the Crocs Benefits Service Center at 1855-210-1937 for additional guidance with enrollment once you have received the confirmation email. Your benefits will be in accordance the terms of the applicable plans or policies for similarly situated employees, which may change from time to time.
- 9. Severance** - Should your employment terminate without Cause (as defined below), you will receive twelve (12) months' pay at your then current base salary, in a lump sum, less applicable taxes and withholdings. In addition, you will be eligible to receive COBRA coverage for the term of the severance and executive outplacement at the EVP Level, all of which are conditioned upon signing the Company's Separation Agreement and General Release. You are not eligible to receive severance if you voluntarily resign your employment or are terminated for Cause.

For purposes of this offer letter, "**Cause**" means the occurrence of any of the following: (1) a conviction of or pleading guilty to (a) a felony, or (b) a misdemeanor that is reasonably likely to cause material harm to the business, financial condition, or operating results of the Company; (2) theft, embezzlement or fraud; (3) any material failure to comply with known Company policy, including, without limitation, those regarding conflicts of interest, bribery and corruption, or disclosure of confidential information; (4) substance abuse or use of illegal drugs that materially impairs the performance of your job duties or that is likely to cause material harm to the business, financial condition, or operating results of the Company; or (5) the continued failure to substantially perform your job duties (other than any such failure resulting from incapacity due to physical or mental illness).

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- 10. Change in Control Plan** - So long as Crocs, Inc. maintains a Change in Control Plan (the “**CIC Plan**”), you will be eligible to participate in the CIC Plan with a Severance Payment Percentage of **200%**, subject to the terms and conditions of the CIC Plan.
- 11. At-Will Employment** - Your employment with the Company is *at-will*, meaning both you and the Company retain the right to terminate the employment relationship at any time, with or without cause and with or without notice. You further acknowledge that this Agreement does not represent an employment contract, express or implied, guaranteeing employment for any specific duration, nor does it guarantee any fixed terms and/or conditions of employment.

- 12. Confidential Information**

a. You may generate and/or receive nonpublic or proprietary information (including trade secrets) in connection with the services you provide to the Company (or its past, existing, or future affiliates (including, Crocs, Inc. and Hey Dude Inc.)(including prior to the Start Date), or the customers, suppliers or contractors of the foregoing or any other person with whom any of the foregoing has a business relationship or owes a duty of confidentiality (“**Confidential Information**”). Examples of Confidential Information include software (in source or object code form), databases, algorithms, processes, designs, prototypes, methodologies, reports, specifications, and schematics; information regarding products sold, distributed or being developed by the Company and any other nonpublic information regarding the Company’s current and/or developing technology; information regarding customers, prospective customers, clients, and/or business contacts; prospective and executed contracts and subcontracts; marketing plans, sales plans, or any other initiatives, strategies, plans and proposals used by the Company in the course of its business; and any non-public or proprietary information regarding the Company’s present or future business plans, financial information, technical information, or any intellectual property in each case, in any form or medium (including electronic, written, oral or visual mediums) regardless of whether such is marked or identified as “confidential”.

b. You will at all times during and after your employment: (i) keep confidential and not disclose or make available to any person any Confidential Information, except that you may disclose such Confidential Information to the Company or any person that is authorized by the Company to have access to the Confidential Information in question; and, (ii) not use any Confidential Information for your own benefit or the benefit of any other person other than in connection with the proper and lawful performance of your services to the Company and in conformance with the policies of the Company. Notwithstanding the foregoing, you are only required to hold in confidence any Confidential Information that is not a trade secret for the maximum duration permitted by applicable law; and, nothing in this Agreement prohibits or restricts you from disclosing (i) any information that you have a legally protected right to disclose, or (ii) sexual harassment or sexual assault occurring in the workplace, at work-related events off the employment premises coordinated by or through the Company, or between employees, or between an employer and an employee. You may also disclose Confidential Information as may be required by law, if, to the extent permitted by applicable law, you promptly notify the Company prior to making a disclosure required by law of the intention to make such disclosure and cooperate with the Company to take appropriate measures to preserve the confidentiality of such information.

c. Upon termination (whether voluntary or involuntary) or at other times as requested by the Company, you will immediately turn over to the Company all Confidential Information, including all copies, and other property belonging to the Company or any of its customers or licensors, including documents, disks, or other computer media in your possession or under your

control. You will also return any materials that contain or are derived from Confidential Information or are connected with or relate to your services to the Company or any of its customers.

d. Notwithstanding any other provision of this Agreement to the contrary, pursuant to 18 USC Section 1833(b), you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. 18 USC Section 1833(b) does not, however, preclude the trade secret owner from seeking breach of contract remedies.

e. Nothing in this Agreement prohibits or restricts you (or your attorney) from filing a charge or complaint with, or receiving an award for information from, the Securities and Exchange Commission (SEC), any other securities regulatory agency or authority, the Occupational Safety and Health Administration (OSHA), any other self-regulatory organization, or any other federal or state regulatory authority ("**Government Agencies**"). You further understand that this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency without notice to the Company. This Agreement does not limit your right to receive an award for information provided to any Government Agencies.

### **13. Intellectual Property**

a. To the extent permitted by applicable law, all Work Product (defined below) that is a work of authorship is deemed a "work made for hire" in accordance with the applicable law, and the Company is the sole owner of all such Work Product and all underlying rights therein without any further obligations to you. If the Work Product, or any portion thereof, is not a work made for hire, you hereby irrevocably convey, transfer and assign to the Company, throughout the world, all of your rights, title, and interest (including to all patent, trademark, copyright and trade secret rights, including the right to enforce such rights against past infringers) in and to all Work Product (as defined below), including the right to receive all past, present, and future proceeds and damages therefrom. To the extent any of the rights, title or interests in or to any Work Product cannot be assigned by you to the Company (including any rights of attribution, integrity, withdraw, or any other "moral rights of authors" existing under statutory, common or any other law), to the maximum extent permitted by applicable law, you hereby irrevocably waive and agree never to assert any such rights, title and interest against the Company. To the extent any rights cannot be waived, you hereby consent to any action of the Company that would violate such rights in the absence of such consent. "**Innovations**" means any works of authorship (including software, documentation, memoranda, photographs, artwork, schematics, templates, sound recordings, and audiovisual works), mask works, ideas, know-how, prototypes, devices, designs, inventions (whether or not patentable), discoveries, creations, conceptions, materials, improvements, processes, techniques (including manufacturing techniques), combinations, formulae, technical developments, algorithms, information (including Confidential Information), data and any intellectual property rights. "**Work Product**" means any Innovations that: (i) are conceived, reduced to practice, created, developed, or made by you, individually or jointly with others, during your employment with the Company (or its past, existing, or future affiliates), and, whether or not during working hours; and (ii) relate to or arise in any way out of (1) current and/or anticipated business and/or activities of the Company (or its past, existing, or future affiliates), (2) the Company's (or its past, existing, or future affiliates') current and/or anticipated research or development, (3) any work performed by you for the Company (or its past, existing, or future

affiliates), and/or (4) any information or assistance provided by the Company (or its past, existing, or future affiliates), including Confidential Information. The provisions of this Agreement requiring assignment of Work Product to the Company do not obligate you to assign or offer to assign to the Company any of your rights in an invention that qualifies fully for exclusion under the laws of the state in which you reside; and, the notice on **Appendix 1** pertaining to your state of residence applies to any such rights you may have.

**b.** You will keep full and complete written records of and promptly disclose to the Company all Work Product. You will promptly execute upon the Company's lawful request any documents or instruments requested by the Company in order to formally convey and transfer to the Company or its designee title to any such Work Product, to confirm the Company or its designee's title therein, and in order to enable the Company or its designee to evidence, secure, protect, obtain, defend, or enforce any intellectual property rights pertaining to the Work Product. You will perform your obligations under this section without further compensation, except for reimbursement of reasonable out-of-pocket expenses incurred at the request of the Company. If the Company is unable, due to your unavailability or for any other reason, to secure your signature with respect to any documents in connection with any action described in this section (b), you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and on your behalf to execute such documents and to do all other lawfully permitted acts to further any application for, or any prosecution, issuance, maintenance, assignment or transfer of, any proprietary rights pertaining or related to any of the Work Product, or to otherwise carry out the purposes of this Agreement, with the same legal force and effect as if originally executed by you. This designation and appointment is deemed coupled with an interest and is irrevocable.

**c.** You represent and covenant that your performance of all the terms of this Agreement and as an employee of the Company does not and will not breach any agreement to keep in confidence proprietary information, or Innovations acquired by you prior to your employment with the Company (or its past, existing, or future affiliates); and, you will not disclose to the Company, or induce the Company to use, any proprietary information or Innovations belonging to any of your previous employers or clients, as applicable. You represent and warrant that you are not a party to any other agreement that will interfere with your full compliance with this Agreement. You will not enter into any agreement, whether written or oral, in conflict with the provisions of this Agreement.

**d.** To the extent permitted by this section (c), you have accurately identified on **Exhibit A** all Innovations that you developed or created prior to your employment with the Company (or its past or existing affiliates) (collectively "**Prior Works**") that may reasonably relate to the current or future business of the Company. Except as provided herein, you will retain all right, title and interest in and to such Prior Works. You will promptly disclose to the Company any modifications or improvements to any Prior Works that fall within the definition of Work Product (and you assign rights thereto to the Company pursuant to this section (a)). If you, during the course of or resulting from employment with the Company, use, develop or otherwise provide Confidential Information, or Work Product that incorporate or reasonably require the use of any Prior Works, then you will promptly disclose such and you irrevocably and absolutely hereby grant to the Company an unrestricted, royalty-free, perpetual, irrevocable, transferable, license to make, have made, use, market, sell, offer for sale, import, distribute, copy, modify, prepare derivative works, reproduce, perform, display, disclose, sublicense and otherwise exploit and exercise any and all present and future rights in any and all such Prior Works, to the extent such grant of rights does not conflict with any of your contractual obligations existing prior to the Start Date.

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e. Any Innovations or Confidential Information conceived, reduced to practice, created, developed, or made by you, alone or with others, within three (3) months after termination of your employment, may have been conceived, reduced to practice, created, developed, or made, as applicable, while employed by the Company. Accordingly, such Innovations and Confidential Information will be presumed to have been conceived, reduced to practice, created, developed, or made, as applicable, during or as a result of your employment with the Company and are hereby assigned to the Company unless and until you have established the contrary by written evidence satisfying the clear and convincing standard of proof. You hereby consent to the Company notifying any new employer or consulting client of your obligations under this Agreement.

**14. Company Authorization for Publication** - Prior to submitting, disclosing for possible publication or disseminating outside the Company (such as through public speaking engagements or literature), any material you prepare that incorporates information that concerns the Company's business, you agree to deliver a copy of such material to an officer of the Company for his or her review. The Company agrees to notify you in writing whether it believes such material contains any Confidential Information or Work Product and you agree to make such deletions and revisions as are reasonably requested by the Company to protect its Confidential Information or Work Product. You further agree to obtain the written consent of the Company prior to any review of such material by persons outside the Company.

**15. Employee Obligations** - Your Restrictive Covenants Agreement is attached hereto as **Exhibit B**.

**16. Survival** - Your obligations under Sections 5, 7 as well as 12-15 of this Agreement will survive the termination of your employment (whether voluntary or involuntary) with the Company. The Company is also entitled to communicate your obligations under Sections 10-13 of this Agreement to your future or potential employer.

**17. Remedies** - Since a material purpose of this Agreement is to protect the Company's investment in you and to secure the benefits of your background and general experience in the industry, the parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of this Agreement and that any such breach may cause the Company irreparable harm. Therefore, in the event of a breach by you of any of the provisions of this Agreement, the Company or its successors and assigns shall be entitled to seek specific performance and/or injunctive relief or other relief in order to enforce or prevent any violations of the provisions of this Agreement. Such relief shall be in addition to other rights and remedies existing in the Company's favor and shall be granted without the posting of a bond or other security and without proof of actual damages.

**18. Entire Agreement** - This Agreement contains the entire understanding between the parties relating to your employment and supersedes all prior statements, representations or agreements, whether written or oral, made to you by any representative of the Company relating to your employment. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing and signed by the party to be charged.

**19. Governing Law and Venue** - The validity, enforceability, construction and interpretation of this Agreement are governed by the laws of the State of Colorado. The parties also agree that in the event a dispute arises regarding this Agreement, the parties will submit to the jurisdiction of the federal and state courts of the State of Colorado. You expressly waive any objection as to jurisdiction or venue in the state and federal courts located in Broomfield County, Colorado.

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**20. Miscellaneous** - The obligations set forth in this Agreement will apply to any time during which you were previously engaged (including prior to the Start Date). Any subsequent change or changes in the terms and/or condition of your employment with the Company, including changes in your title, duties, salary or compensation, will not affect the validity or scope of this Agreement. Each provision contained in this Agreement constitutes a separate and distinct provision severable from all other provisions. If any provision (or any part thereof) is unenforceable under or prohibited by any present or future law, then such provision (or part thereof) will be amended, and is hereby amended, so as to be in compliance with such law while preserving, to the maximum extent possible, the intent of the original provision. Any provision (or part thereof) that cannot be so amended will be severed from this Agreement and all the remaining provisions of this Agreement will remain unimpaired. This Agreement is for your benefit and the benefit of the Company, its successors, assigns, parent corporations, subsidiaries, affiliates, and purchasers, and will be binding upon your heirs, executors, administrators and other legal representatives. The Company may freely assign this Agreement without your consent. The words "include," "includes," and "including" will be deemed to be followed by "without limitation." The words "this Agreement," "herein," "hereof," "hereby," "hereunder," and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited.

**21. Validity Period** - This offer of employment will be valid for a period of **five (5) days** from the date hereof and lapse automatically if not accepted within said period by signing where indicated below.

Your hire is contingent upon the following: (a) you establishing your eligibility to work in the United States in accordance with legal requirements; (b) you accurately completing an employment application and provide any other information needed to evaluate your educational background and qualifications; (c) you authorizing the Company to investigate your criminal background, and make a determination after investigation that the information is satisfactory to the Company, in its sole discretion; and (d) you disclosing the existence of any agreements you may have entered into with any third party, including any former employer(s), that may restrict your ability to work at the Company so that the Company may determine, in its sole discretion, if any such restrictions preclude us from hiring you.

Sincerely,

**Shannon Sisler**

**Shannon Sisler**

Executive Vice President, Chief People Officer Crocs, Inc.

\*\*\*\*\* Please confirm your acceptance of this conditional offer by providing your electronic signature where indicated below. You also agree that your electronic signature below has been adopted by you and is the legally binding equivalent of your handwritten signature.

**Signed and Accepted by: /s/ Tom Britt**

**Date: 5/10/2023**

**PERSONAL & CONFIDENTIAL**

DELIVERED VIA EMAIL

February 16, 2024

TERENCE REILLY

RE: Offer Letter - UPDATED

Dear Terence,

We are pleased to confirm the terms of your full-time employment with Crocs, Inc. (the “**Company**”) effective April 29, 2024 (the “**Start Date**”), on the following terms (the “**Agreement**”):

1. **Title** - Your new position will be **EVP & Brand President for HEYDUDE** reporting to Andrew Rees at our Broomfield, Colorado, office. Your position, location, duties, and reporting relationships are subject to change in accordance with operational needs.
2. **Compensation** - Your base salary will be an annualized rate of **\$700,000.00**, paid bi-weekly, less applicable withholdings and deductions. You will be eligible for a salary review in early 2025. Your salary is intended to pay for all hours worked during each pay period, regardless of your scheduled or tracked hours.
3. **Short-term Incentive Plan** - You are eligible to participate in the Company’s Short-Term Incentive Plan (**STIP**) for the 2024 and beyond STIP plan years. The target discretionary bonus for your position is **125%** of your eligible earnings for the plan year, which is currently derived from the achievement of certain goals including Company (Hey Dude Brand) and individual performance as set forth in the Company’s scorecard.
4. **Long-term Incentive Plan** - You are eligible to participate in the Company’s Long-Term Incentive Plan (**LTIP**) for the 2025 and beyond LTIP Plan years. In this plan, your target long-term incentive is **180%** of your base salary and will be discretionary based on Company and individual performance as set forth in the Company’s scorecard. The LTIP is subject to amendment or change at any time with or without notice.
5. **Sign on Restricted Stock Units (RSUs)** - Subject to the approval of the Compensation Committee of the Company’s Board of Directors, on the Start Date the Company will grant **\$5,260,000.00** in **RSUs** of the Company’s stock under the 2020 Crocs, Inc. Equity Incentive Plan as follows: (i) \$4,000,000.00 will be a Service-Vesting RSU award vesting ratably 50% over two (2) years from the Issue Date; and (ii) \$1,260,000.00 will be an RSU award granted in accordance with the LTI structure comprised of performance and restricted shares as detailed in your award agreement; *provided* that you must be employed by Company continuously to each such vesting date in order to vest in the portion of RSU award on such date. The RSU awards are subject to you executing the applicable award agreements.

6. **Commuting Allowance** – You are eligible to receive a **\$7,000.00** (gross) per month commuting allowance to be used for expenses related to commuting (i.e., apartment, hotel, transportation, parking, etc.) to Westwood, Massachusetts, for a period of twelve (12) months from the Start Date.  
*Provided, however, this allowance will be re-evaluated annually. Your airfare should be handled separately as a business expense.*
7. **Benefits** - You will be eligible for health insurance benefits according to the Company's U.S. benefits plan and 401(k) participation on the Start Date. You will receive an email to your personal email address within 5-7 business days to enroll in your desired plan. You will also be eligible for paid time-off, as well as other benefits, in accordance with the Company's policies for similarly situated employees. Details of the Company's health insurance and other benefits are available to you, along with the summary plan descriptions, at the Company's benefits portal (<https://crocsbenefits.smartben.net/>) or you may contact the Crocs Benefits Service Center at 1855-210-1937 for additional guidance with enrollment once you have received the confirmation email. Your benefits will be in accordance the terms of the applicable plans or policies for similarly situated employees, which may change from time to time.
8. **Tax Consultation** – You are eligible to receive tax consultation through E & Y to understand the tax consequences of either a potential relocation to Massachusetts or the receipt of a monthly commuting allowance.
9. **Severance** - Should your employment terminate without Cause (as defined below), you will receive twelve (12) months' pay at your then current base salary, in a lump sum, less applicable taxes and withholdings. In addition, you will be eligible to receive COBRA coverage for the term of the severance and executive outplacement at the EVP Level, all of which are conditioned upon signing the Company's Separation Agreement and General Release. You are not eligible to receive severance if you voluntarily resign your employment or are terminated for Cause.

For purposes of this offer letter, "**Cause**" means the occurrence of any of the following: (1) a conviction of or pleading guilty to (a) a felony, or (b) a misdemeanor that is reasonably likely to cause material harm to the business, financial condition, or operating results of the Company; (2) theft, embezzlement or fraud; (3) any material failure to comply with known Company policy, including, without limitation, those regarding conflicts of interest, bribery and corruption, or disclosure of confidential information; (4) substance abuse or use of illegal drugs that materially impairs the performance of your job duties or that is likely to cause material harm to the business, financial condition, or operating results of the Company; or (5) the continued failure to substantially perform your job duties (other than any such failure resulting from incapacity due to physical or mental illness).

10. **Change in Control Plan** - So long as Crocs, Inc. maintains a Change in Control Plan (the "**CIC Plan**"), you will be eligible to participate in the CIC Plan with a Severance Payment Percentage of **200%**, subject to the terms and conditions of the CIC Plan.
11. **At-Will Employment** - Your employment with the Company is *at-will*, meaning both you and the Company retain the right to terminate the employment relationship at any time, with or without cause and with or without notice. You further acknowledge that this Agreement does not represent an employment contract, express or implied, guaranteeing employment for any specific duration, nor does it guarantee any fixed terms and/or conditions of employment.

## **12. Confidential Information**

a. You may generate and/or receive nonpublic or proprietary information (including trade secrets) in connection with the services you provide to the Company (or its past, existing, or future affiliates (including, Crocs, Inc. and Hey Dude Inc.)(including prior to the Start Date), or the customers, suppliers or contractors of the foregoing or any other person with whom any of the foregoing has a business relationship or owes a duty of confidentiality ("Confidential Information"). Examples of Confidential Information include software (in source or object code form), databases, algorithms, processes, designs, prototypes, methodologies, reports, specifications, and schematics; information regarding products sold, distributed or being developed by the Company and any other nonpublic information regarding the Company's current and/or developing technology; information regarding customers, prospective customers, clients, and/or business contacts; prospective and executed contracts and subcontracts; marketing plans, sales plans, or any other initiatives, strategies, plans and proposals used by the Company in the course of its business; and any non-public or proprietary information regarding the Company's present or future business plans, financial information, technical information, or any intellectual property in each case, in any form or medium (including electronic, written, oral or visual mediums) regardless of whether such is marked or identified as "confidential".

b. You will at all times during and after your employment: (i) keep confidential and not disclose or make available to any person any Confidential Information, except that you may disclose such Confidential Information to the Company or any person that is authorized by the Company to have access to the Confidential Information in question; and, (ii) not use any Confidential Information for your own benefit or the benefit of any other person other than in connection with the proper and lawful performance of your services to the Company and in conformance with the policies of the Company. Notwithstanding the foregoing, you are only required to hold in confidence any Confidential Information that is not a trade secret for the maximum duration permitted by applicable law; and, nothing in this Agreement prohibits or restricts you from disclosing (i) any information that you have a legally protected right to disclose, or (ii) sexual harassment or sexual assault occurring in the workplace, at work-related events off the employment premises coordinated by or through the Company, or between employees, or between an employer and an employee. You may also disclose Confidential Information as may be required by law, if, to the extent permitted by applicable law, you promptly notify the Company prior to making a disclosure required by law of the intention to make such disclosure and cooperate with the Company to take appropriate measures to preserve the confidentiality of such information.

c. Upon termination (whether voluntary or involuntary) or at other times as requested by the Company, you will immediately turn over to the Company all Confidential Information, including all copies, and other property belonging to the Company or any of its customers or licensors, including documents, disks, or other computer media in your possession or under your control. You will also return any materials that contain or are derived from Confidential Information or are connected with or relate to your services to the Company or any of its customers.

d. Notwithstanding any other provision of this Agreement to the contrary, pursuant to 18 USC Section 1833(b), you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. 18 USC Section

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1833(b) does not, however, preclude the trade secret owner from seeking breach of contract remedies.

e. Nothing in this Agreement prohibits or restricts you (or your attorney) from filing a charge or complaint with, or receiving an award for information from, the Securities and Exchange Commission (SEC), any other securities regulatory agency or authority, the Occupational Safety and Health Administration (OSHA), any other self-regulatory organization, or any other federal or state regulatory authority ("**Government Agencies**"). You further understand that this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency without notice to the Company. This Agreement does not limit your right to receive an award for information provided to any Government Agencies.

### **13. Intellectual Property.**

a. To the extent permitted by applicable law, all Work Product (defined below) that is a work of authorship is deemed a "work made for hire" in accordance with the applicable law, and the Company is the sole owner of all such Work Product and all underlying rights therein without any further obligations to you. If the Work Product, or any portion thereof, is not a work made for hire, you hereby irrevocably convey, transfer and assign to the Company, throughout the world, all of your rights, title, and interest (including to all patent, trademark, copyright and trade secret rights, including the right to enforce such rights against past infringers) in and to all Work Product (as defined below), including the right to receive all past, present, and future proceeds and damages therefrom. To the extent any of the rights, title or interests in or to any Work Product cannot be assigned by you to the Company (including any rights of attribution, integrity, withdraw, or any other "moral rights of authors" existing under statutory, common or any other law), to the maximum extent permitted by applicable law, you hereby irrevocably waive and agree never to assert any such rights, title and interest against the Company. To the extent any rights cannot be waived, you hereby consent to any action of the Company that would violate such rights in the absence of such consent. "**Innovations**" means any works of authorship (including software, documentation, memoranda, photographs, artwork, schematics, templates, sound recordings, and audiovisual works), mask works, ideas, know-how, prototypes, devices, designs, inventions (whether or not patentable), discoveries, creations, conceptions, materials, improvements, processes, techniques (including manufacturing techniques), combinations, formulae, technical developments, algorithms, information (including Confidential Information), data and any intellectual property rights. "**Work Product**" means any Innovations that: (i) are conceived, reduced to practice, created, developed, or made by you, individually or jointly with others, during your employment with the Company (or its past, existing, or future affiliates), and, whether or not during working hours; and (ii) relate to or arise in any way out of (1) current and/or anticipated business and/or activities of the Company (or its past, existing, or future affiliates), (2) the Company's (or its past, existing, or future affiliates') current and/or anticipated research or development, (3) any work performed by you for the Company (or its past, existing, or future affiliates), and/or (4) any information or assistance provided by the Company (or its past, existing, or future affiliates), including Confidential Information. The provisions of this Agreement requiring assignment of Work Product to the Company do not obligate you to assign or offer to assign to the Company any of your rights in an invention that qualifies fully for exclusion under the laws of the state in which you reside.

b. You will keep full and complete written records of and promptly disclose to the Company all Work Product. You will promptly execute upon the Company's lawful request any documents or instruments requested by the Company in order to formally convey and transfer to the Company or its designee title to any such Work Product, to confirm the Company or its designee's title therein, and in order to enable the Company or its designee to evidence, secure,

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protect, obtain, defend, or enforce any intellectual property rights pertaining to the Work Product. You will perform your obligations under this section without further compensation, except for reimbursement of reasonable out-of-pocket expenses incurred at the request of the Company. If the Company is unable, due to your unavailability or for any other reason, to secure your signature with respect to any documents in connection with any action described in this section (b), you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and on your behalf to execute such documents and to do all other lawfully permitted acts to further any application for, or any prosecution, issuance, maintenance, assignment or transfer of, any proprietary rights pertaining or related to any of the Work Product, or to otherwise carry out the purposes of this Agreement, with the same legal force and effect as if originally executed by you. This designation and appointment is deemed coupled with an interest and is irrevocable.

c. You represent and covenant that your performance of all the terms of this Agreement and as an employee of the Company does not and will not breach any agreement to keep in confidence proprietary information, or Innovations acquired by you prior to your employment with the Company (or its past, existing, or future affiliates); and, you will not disclose to the Company, or induce the Company to use, any proprietary information or Innovations belonging to any of your previous employers or clients, as applicable. You represent and warrant that you are not a party to any other agreement that will interfere with your full compliance with this Agreement. You will not enter into any agreement, whether written or oral, in conflict with the provisions of this Agreement.

d. To the extent permitted by Section 13(c), you have accurately identified on **Exhibit A** all Innovations that you developed or created prior to your employment with the Company (or its past or existing affiliates) (collectively "**Prior Works**") that may reasonably relate to the current or future business of the Company. Except as provided herein, you will retain all right, title and interest in and to such Prior Works. You will promptly disclose to the Company any modifications or improvements to any Prior Works that fall within the definition of Work Product (and you assign rights thereto to the Company pursuant to Section 13(a)). If you, during the course of or resulting from employment with the Company, use, develop or otherwise provide Confidential Information, or Work Product that incorporate or reasonably require the use of any Prior Works, then you will promptly disclose such and you irrevocably and absolutely hereby grant to the Company an unrestricted, royalty-free, perpetual, irrevocable, transferable, license to make, have made, use, market, sell, offer for sale, import, distribute, copy, modify, prepare derivative works, reproduce, perform, display, disclose, sublicense and otherwise exploit and exercise any and all present and future rights in any and all such Prior Works, to the extent such grant of rights does not conflict with any of your contractual obligations existing prior to the Start Date.

e. Any Innovations or Confidential Information conceived, reduced to practice, created, developed, or made by you, alone or with others, within three (3) months after termination of your employment, may have been conceived, reduced to practice, created, developed, or made, as applicable, while employed by the Company. Accordingly, such Innovations and Confidential Information will be presumed to have been conceived, reduced to practice, created, developed, or made, as applicable, during or as a result of your employment with the Company and are hereby assigned to the Company unless and until you have established the contrary by written evidence satisfying the clear and convincing standard of proof. You hereby consent to the Company notifying any new employer or consulting client of your obligations under this Agreement.

**14. Company Authorization for Publication** - Prior to submitting, disclosing for possible publication or disseminating outside the Company (such as through public speaking engagements or

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literature), any material you prepare that incorporates information that concerns the Company's business, you agree to deliver a copy of such material to an officer of the Company for his or her review. The Company agrees to notify you in writing whether it believes such material contains any Confidential Information or Work Product and you agree to make such deletions and revisions as are reasonably requested by the Company to protect its Confidential Information or Work Product. You further agree to obtain the written consent of the Company prior to any review of such material by persons outside the Company.

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**18. Entire Agreement** - This Agreement contains the entire understanding between the parties relating to your employment and supersedes all prior statements, representations or agreements, whether written or oral, made to you by any representative of the Company relating to your employment. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing and signed by the party to be charged.

**19. Governing Law and Venue** - The validity, enforceability, construction and interpretation of this Agreement are governed by the laws of the State of Colorado. The parties also agree that in the event a dispute arises regarding this Agreement, the parties will submit to the jurisdiction of the federal and state courts of the State of Colorado. You expressly waive any objection as to jurisdiction or venue in the state and federal courts located in Broomfield County, Colorado.

**20. Miscellaneous** - The obligations set forth in this Agreement will apply to any time during which you were previously engaged (including prior to the Start Date). Any subsequent change or changes in the terms and/or condition of your employment with the Company, including changes in your title, duties, salary or compensation, will not affect the validity or scope of this Agreement. Each provision contained in this Agreement constitutes a separate and distinct provision severable from all other provisions. If any provision (or any part thereof) is unenforceable under or prohibited by any present or future law, then such provision (or part thereof) will be amended, and is hereby amended, so as to be in compliance with such law while preserving, to the maximum extent possible, the intent of the original provision. Any provision (or part thereof) that cannot be so amended will be severed from this Agreement and all the remaining provisions of this Agreement will remain unimpaired. This Agreement is for your benefit and the benefit of the Company, its successors, assigns, parent corporations, subsidiaries, affiliates, and purchasers, and will be binding upon your heirs, executors, administrators and other legal representatives.

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The Company may freely assign this Agreement without your consent. The words "include," "includes," and "including" will be deemed to be followed by "without limitation." The words "this Agreement," "herein," "hereof," "hereby," "hereunder," and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited.

**21. Validity Period** - This offer of employment will be valid for a period of **five (5) days** from the date hereof and lapse automatically if not accepted within said period by signing where indicated below.

Your hire is contingent upon the following: (a) you establishing your eligibility to work in the United States in accordance with legal requirements; (b) you accurately completing an employment application and provide any other information needed to evaluate your educational background and qualifications; (c) you authorizing the Company to investigate your criminal background, and make a determination after investigation that the information is satisfactory to the Company, in its sole discretion; and (d) you disclosing the existence of any agreements you may have entered into with any third party, including any former employer(s), that may restrict your ability to work at the Company so that the Company may determine, in its sole discretion, if any such restrictions preclude us from hiring you.

Sincerely,

*Shannon Sisler*

**Shannon Sisler**

Executive Vice President, Chief People Officer Crocs, Inc.

\*\*\*\*\* Please confirm your acceptance of this conditional offer by providing your electronic signature where indicated below. You also agree that your electronic signature below has been adopted by you and is the legally binding equivalent of your handwritten signature.

**Signed and Accepted by:** /s/ Terence Reilly

**Date:** 2/20/2024

### SECTION 302 CERTIFICATION

I, Andrew Rees, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crocs, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ Andrew Rees

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Andrew Rees  
*Chief Executive Officer*

**SECTION 302 CERTIFICATION**

I, Susan Healy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crocs, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ Susan Healy

Susan Healy

*Executive Vice President and Chief Financial Officer*

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Chief Executive Officer and Executive Vice President and Chief Financial Officer of Crocs, Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of their knowledge:

- (1) The Quarterly Report on Form 10-Q of the Company for the three months ended March 31, 2025 ("Form 10-Q") fully complies with the requirements of Section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)), and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company for the period covered by this Form 10-Q.

Date: May 8, 2025

/s/ Andrew Rees

Andrew Rees

*Chief Executive Officer*

/s/ Susan Healy

Susan Healy

*Executive Vice President and Chief Financial Officer*

A signed original of this written statement required by Section 906 has been provided to Crocs, Inc. and will be retained by Crocs, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.