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// Q3 2026

crocs™

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01

Executive Summary

Primary source: Crocs, Inc., "Crocs, Inc. Reports Strong Third Quarter 2026 Results; Raises Full-Year 2026 Outlook", Form 8-K Exhibit 99.1, 29 October 2026. https://www.sec.gov/Archives/edgar/data/1334036/000133403626000058/croxq32026-pressrelease.htm

Refunds of $64.1m are 76% of the rise in GAAP operating income

Crocs, Inc. reported third-quarter revenue of $1,042.6m, up 4.6%, and income from operations of $291.9m, up 40.6%. The GAAP gross margin of 66.2% includes $64.1m of IEEPA tariff refunds. On the company's adjusted basis, gross margin was 60.3% against 58.5%, and operating income was $232.0m, up 11.7%. Adjusted operating margin was 22.3% against 20.8%.

The quarter finished above the guidance on every adjusted line

The guide given with the second quarter was revenue about flat, an adjusted operating margin of about 21.5% and adjusted diluted EPS of $3.20 to $3.30. The quarter printed +4.6%, 22.3% and $3.69. The full year guide moved to revenue up about 3%, from up 1% to 2%, and adjusted EPS of $14.45 to $14.65, from $13.70 to $14.00.

Nine-month adjusted operating income is still below last year

Adjusted operating income for the nine months was $733.3m against $740.1m, down 0.9%, and adjusted operating margin was 23.3% against 24.0%. Adjusted EPS rose 10.2% over the same period because diluted shares fell 10.4%. In the quarter, adjusted EPS rose 26.4% and adjusted net income rose 12.4%.

One line supplied $40.7m of the $46.3m revenue increase

Crocs Brand international DTC grew 24.1% and added $40.7m. Crocs Brand North America fell 2.1%, with wholesale down 4.9%. HEYDUDE grew 6.1%; its wholesale rose 14.0% and its DTC 0.1%. The fourth-quarter guide asks HEYDUDE for growth of 10% to 12%.

Buybacks took 99.7% of nine-month free cash flow

Free cash flow for the nine months was $507.6m and repurchases including excise tax were $506.2m. Borrowings were $1.29bn against $1.32bn a year earlier. Inventories rose 4.0%, to $413.0m, against revenue growth of 4.6%.

WHAT TO WATCH

Continuation: HEYDUDE DTC growth above the 0.1% printed in the third quarter, inside a 10% to 12% brand guide.

Break: Crocs Brand North America wholesale decline of more than 4.9% in the fourth quarter.

VGR will publish the full-year analysis when the figures are released.

02 · THE PERIOD IN FIGURES

The period in figures

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CROCS, INC. · NASDAQ: CROX · THIRD QUARTER 2026 · USD AS PUBLISHED

FINANCIAL YEAR ENDS 31 DECEMBER 2026 · PERIOD ENDED 30 SEPTEMBER 2026 · REPORTED 29 OCTOBER 2026 · ANALYSIS 30 OCTOBER 2026

NET REVENUES	GROSS PROFIT	OPERATING PROFIT	NET PROFIT
+4.6%	+18.3%	+40.6%	+48.6%
1,042.6 vs 996.3	689.7 vs 583.0	291.9 vs 207.7	216.8 vs 145.8
	GROSS MARGIN	OPERATING MARGIN	RoS
	66.2%	28.0%	20.8%
	from 58.5%	from 20.8%	from 14.6%
ADJ. GROSS MARGIN	ADJ. OP. MARGIN	INVENTORIES	ADJ. DILUTED EPS
60.3%	22.3%	$413.0m	$3.69
from 58.5%	from 20.8%	from $397m	from $2.92

$m, quarter against the same quarter a year earlier; GAAP, including $64.1m of IEEPA tariff refunds

03 · THE RESTATEMENT BRIDGE

GAAP operating income carries $59.9m of non-GAAP items

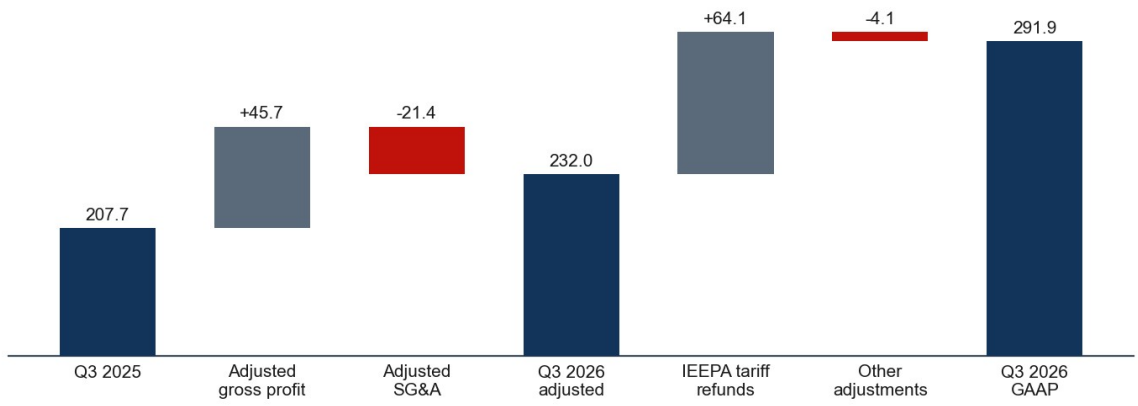
The prior-year quarter carries no adjustment at gross profit level, so the whole of the gross adjustment falls in the current period. The $59.9m gap between GAAP and adjusted income from operations equals 71.1% of the $84.3m rise in GAAP income.

$M	Q3 26	Q3 25	CHANGE
Gross profit, GAAP	689.7	583.0	+18.3%
IEEPA tariff refunds	(64.1)	0.0	
Distribution centers and other	3.1	0.0	
Gross profit, adjusted	628.7	583.0	+7.8%
Income from operations, GAAP	291.9	207.7	+40.6%
Income from operations, adjusted	232.0	207.7	+11.7%
Net income, GAAP	216.8	145.8	+48.6%
Net income, adjusted	177.0	157.4	+12.4%

Source: Crocs, Inc., Q3 2026 release, 29 October 2026 (Form 8-K, Exhibit 99.1). Changes, margins and contributions are VGR arithmetic on the disclosed figures.

Tariff refunds exceed the rise in adjusted operating income

Crocs, Inc. income from operations, third quarter 2026 against 2025 · $m



Source: Crocs, Inc., Q3 2026 release. Bridge: VGR arithmetic. Axis from $150m.

04 · GROWTH COMPOSITION

International DTC grew 24.1% and North America fell 2.1%

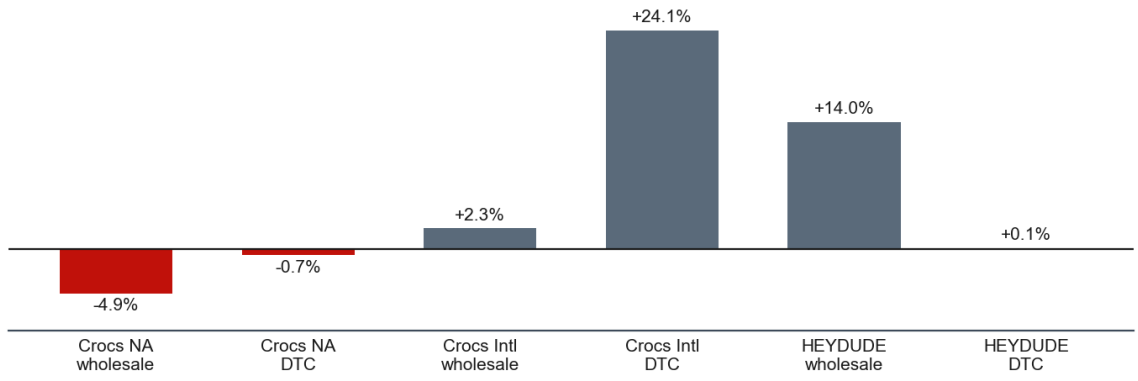
Revenue rose $46.3m. Crocs Brand international contributed $45.8m and HEYDUDE $9.8m; Crocs Brand North America subtracted $9.3m. Currency had no effect on the consolidated growth rate. The consolidated DTC line grew 6.9% and wholesale 1.8%.

REVENUE, $M	Q3 26	Q3 25	REPORTED	CONSTANT CURRENCY
Crocs NA wholesale	137.2	144.4	**(4.9%)**	(4.8%)
Crocs NA DTC	301.1	303.4	**(0.7%)**	(0.6%)
Crocs Intl wholesale	225.1	220.0	**+2.3%**	+2.4%
Crocs Intl DTC	209.2	168.5	**+24.1%**	+23.8%
Crocs Brand	872.7	836.2	**+4.4%**	+4.4%
HEYDUDE wholesale	79.1	69.4	**+14.0%**	+14.1%
HEYDUDE DTC	90.8	90.7	**+0.1%**	+0.2%
HEYDUDE	169.9	160.1	**+6.1%**	+6.2%
Total	1,042.6	996.3	**+4.6%**	+4.6%

Source: Crocs, Inc., Q3 2026 release, 29 October 2026 (Form 8-K, Exhibit 99.1). Changes, margins and contributions are VGR arithmetic on the disclosed figures.

International DTC grew 24.1%; North America wholesale fell 4.9%

Crocs, Inc. revenue by line, third quarter 2026 against 2025 · reported %



Source: Crocs, Inc., Q3 2026 release.

A footnote to the Crocs Brand North America DTC line attaches an approximate 2.7% negative effect from "a business model change which we began implementing during the third quarter". The change is not defined. Read as an effect on that line, DTC would have grown about 2.0% without it.

05 · THE ESTATE

The release carries no store count or comparable sales

The release does not state a store count, net openings, comparable sales, pairs sold or average selling price. DTC growth of 24.1% in Crocs Brand international cannot therefore be divided between new space, digital and existing stores from this document.

MEASURE	Q3 26	Q3 25	BASIS
Store count	not disclosed	not disclosed	Not in the release
Comparable sales	not disclosed	not disclosed	Not in the release
Pairs and average selling price	not disclosed	not disclosed	Not in the release

Source: Crocs, Inc., Q3 2026 release, 29 October 2026 (Form 8-K, Exhibit 99.1).

06 · MARGIN ARCHITECTURE

Adjusted gross margin rose 179bp and adjusted SG&A rate rose 38bp

Adjusted gross margin of 60.3% is the first increase of 2026: the first quarter was 87bp below last year and the second 169bp below. The refund adds 5.3 points to the Crocs Brand margin and 10.6 points to HEYDUDE. Those two figures tie to the disclosed total: 5.3% of $872.7m plus 10.6% of $169.9m gives $64.3m against $64.1m.

MARGIN	Q3 26	Q3 25	CHANGE
Gross margin, GAAP	66.2%	58.5%	+764bp
Gross margin, adjusted	60.3%	58.5%	+179bp
Crocs Brand gross margin, adjusted	63.4%	61.8%	+1.6pts
HEYDUDE gross margin, adjusted	45.8%	42.3%	+3.5pts
SG&A rate, adjusted	38.1%	37.7%	+38bp
Operating margin, GAAP	28.0%	20.8%	+716bp
Operating margin, adjusted	22.3%	20.8%	+141bp

Source: Crocs, Inc., Q3 2026 release, 29 October 2026 (Form 8-K, Exhibit 99.1). Changes, margins and contributions are VGR arithmetic on the disclosed figures.

07 · INVENTORY

Inventories rose 4.0% against revenue growth of 4.6%

Inventories were $413.0m against $397m a year earlier, the latter stated in the release to the nearest million. On adjusted cost of sales, days of inventory were 89.8 against 86.5. GAAP cost of sales carries the refund and gives 105.4 days, which is why the adjusted base is the comparable one.

08 · WORKING CAPITAL, CASH AND CAPITAL STRUCTURE

Net debt excluding leases was $1,125.6m

$M	30 SEP 26	31 DEC 25	CHANGE
Cash	163.5	130.4	+33.1
Accounts receivable	355.0	278.2	+76.8
Inventories	413.0	368.7	+44.3
Accounts payable	272.5	266.1	+6.4
Long-term borrowings	1,289.0	1,230.9	+58.2
Stockholders' equity	1,345.0	1,293.3	+51.7

Source: Crocs, Inc., Q3 2026 release, 29 October 2026 (Form 8-K, Exhibit 99.1). Changes, margins and contributions are VGR arithmetic on the disclosed figures.

Year-end and September balances differ in season, so the table reads as movement through the year rather than a like-for-like comparison. The release gives September 2025 comparatives only for cash ($154m), inventories ($397m) and borrowings ($1.32bn).

09 · CAPITAL ALLOCATION

Repurchases equalled 99.7% of nine-month free cash flow

$M	9M 26	9M 25	CHANGE
Cash from operations	561.2	457.9	**+22.6%**
Capital expenditure	(53.6)	(45.1)	+18.8%
Free cash flow	507.6	412.8	**+23.0%**
Repurchases including excise tax	(506.2)	(402.2)	+25.9%

Source: Crocs, Inc., Q3 2026 release, 29 October 2026 (Form 8-K, Exhibit 99.1). Changes, margins and contributions are VGR arithmetic on the disclosed figures.

The third-quarter buyback was about 2.0m shares for $250.0m, at an average of $123.32. About $1.7bn of authorization remains. Shares outstanding were 46.2m against 50.2m at December. Debt repaid in the quarter was $21m.

10 · EARNINGS QUALITY

Half of the adjusted EPS growth comes from the share count

Adjusted net income rose 12.4% and adjusted EPS rose 26.4%; diluted shares fell 11.2%. The GAAP tax rate was 21.9% and the adjusted rate 17.4%, against 23.0% and 16.9%. Adjusted net income also excludes $2.7m of interest on the refunds. Over nine months, adjusted net income fell 1.9% while adjusted EPS rose 10.2%.

11 · GUIDANCE AND THE IMPLIED REQUIREMENT

The fourth-quarter guide needs HEYDUDE growth of 10% to 12%

GUIDE	PREVIOUS	CURRENT	VGR CHECK
FY revenue	+1% to +2%	About +3%	+3.2% to +3.6% implied
FY Crocs Brand	+2% to +3%	About +4%	
FY HEYDUDE	(4%) to (2%)	About flat	
FY adjusted EPS	$13.70-14.00	$14.45-14.65	$14.46-14.66 implied
Q4 revenue	not disclosed	+7% to +9%	$1,024.7m-1,043.8m
Q4 adjusted operating margin	not disclosed	About 20.5%	$210m-214m

Source: Crocs, Inc., Q3 2026 release, 29 October 2026 (Form 8-K, Exhibit 99.1). Implied figures: VGR arithmetic on Q4 2025 revenue of $957.6m (FY2025 10-K less nine months).

The fourth-quarter brand guides are well above the nine-month run rates: HEYDUDE was down 4.3% over nine months and is guided to grow 10% to 12%. The footnote's effect of the business model change on the fourth quarter is not stated.

12 · DISCLOSURE DELTA AND METRICS NOT REPORTED

Six measures are not reported in the release

METRIC	STATUS	WHAT IT WOULD SETTLE
Comparable sales	not disclosed	Division of DTC growth between space and existing stores
Store count	not disclosed	Contribution of openings to international DTC
Pairs and average selling price	not disclosed	Volume against price in each brand
Refund claimed and remaining	not disclosed	Size of further gains under the gain contingency model
Business model change	not disclosed	Basis of the 2.7% effect
Split of the $40m net benefit	not disclosed	Refunds against cost reduction

Source: Crocs, Inc., Q3 2026 release, 29 October 2026 (Form 8-K, Exhibit 99.1).

13 · THE COMPANY'S ACCOUNT, TESTED

Two claims are supported and two cannot be verified

CLAIM	TEST	DISPOSITION
"Strong Third Quarter 2026 Results"	Revenue, adjusted margin and adjusted EPS above the Q3 guide	Supported by the disclosed figures.
"Raises Full-Year 2026 Outlook"	Revenue, brand and EPS guides all higher	Supported by the disclosed figures.
$40m net benefit "primarily associated with IEEPA tariff refunds"	The next sentence says the estimate "does not include the receipt of potential IEEPA tariff refunds"	Not verifiable from the disclosure.
"Business model change" with a 2.7% effect	Not defined in the release	Not verifiable from the disclosure.

Source: Crocs, Inc., Q3 2026 release, 29 October 2026 (Form 8-K, Exhibit 99.1).

14 · METHOD, SOURCES AND PRECISION

Method, sources and precision

All current-period figures come from the 8-K exhibit named on the first page. FY2025 revenue comes from the company's Form 10-K. Prior-quarter comparatives come from the VGR record of the Q2 2026 release. Margins are calculated from figures in thousands.

ITEM	PRECISION	NOTE
Margins, growth and bridges	Exact	Calculated from disclosed figures
Inventory days	Bounded	September 2025 inventories disclosed to the nearest million
Q4 and FY implied figures	Bounded	Guidance ranges and "about" wording
Split of the $40m net benefit	Not calculable	Components not disclosed

VGR precision register.

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Analysis by Pau Almar, VGR.

METHODOLOGY

VGR Standardised Financial Analysis Methodology v5. Arithmetic before language; every finding names the disclosure that would settle it.

PRIMARY SOURCE

Crocs, Inc. (NASDAQ: CROX), "Crocs, Inc. Reports Strong Third Quarter 2026 Results; Raises Full-Year 2026 Outlook", press release, Form 8-K Exhibit 99.1, 29 October 2026.
https://www.sec.gov/Archives/edgar/data/1334036/000133403626000058/croxq32026-pressrelease.htm

WORKING RECORD

Crocs_Q3_2026_Source_Figures.md, with company-disclosed figures, VGR arithmetic, the claims register and metrics not reported in separate parts, alongside the source file in _src.

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