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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): **January 8, 2024**

CROCS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-51754
(Commission File Number)

20-2164234
(I.R.S. Employer
Identification No.)

**500 Eldorado Blvd., Building 5
Broomfield, Colorado**
(Address of principal executive offices)

80021
(Zip Code)

Registrant's telephone number, including area code: **(303) 848-7000**

**13601 Via Varra
Broomfield, Colorado 80020**
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.45) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

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.

Item 7.01. Regulation FD Disclosure.

On January 8, 2024, Crocs, Inc. (“we,” “our”) issued a press release updating its financial guidance and announcing its participation in the 2024 Annual ICR Conference. A copy of the press release is furnished as Exhibit 99.1 to this report.

Item 8.01. Other Events.

We are also filing this Current Report on Form 8-K to reflect changes to the presentation of our notes to the consolidated financial statements as set forth in (i) our Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the Securities and Exchange Commission (the “SEC”) on February 16, 2023 (the “2022 10-K”), (ii) our Quarterly Report on Form 10-Q for the period ended March 31, 2023, as filed with the SEC on April 27, 2023 (the “Q1 2023 10-Q”), (iii) our Quarterly Report on Form 10-Q for the period ended June 30, 2023, as filed with the SEC on July 27, 2023 (the “Q2 2023 10-Q”), and (iv) our Quarterly Report on Form 10-Q for the period ended September 30, 2023, as filed with the SEC on November 2, 2023 (the “Q3 2023 10-Q”), in order to give effect to a change in segment reporting.

Our business has continued to evolve in the period following the consummation of the HEYDUDE acquisition, as we have grown the brand and staffed and developed our leadership team at HEYDUDE. In the fourth quarter of 2023, to reflect changes in the way management evaluates performance, makes operating decisions, and allocates resources, we updated our reportable operating segments to be (i) Crocs Brand and (ii) HEYDUDE Brand. Each of the reportable operating segments derives its revenues from the sale of footwear, apparel, and accessories to external customers. Each segment’s performance is evaluated based on segment results without allocating Enterprise corporate expenses, which include global corporate costs associated with both brands such as legal, information technology, human resources, and finance. Segment profit and losses include adjustments to eliminate inter-segment sales. Reconciling items between segment income from operations and income from operations consist of unallocated Enterprise corporate and other expenses, as well as inter-segment eliminations.

To reflect the change in segment reporting, we have attached Exhibit 99.2 to this Current Report on Form 8-K to update the information in the Operating Segments and Geographic Information footnote in the 2022 10-K as well as previously reported amounts in the Operating Segments and Geographic footnotes for the quarters following December 31, 2022, as disclosed in our Q1 2023 10-Q, Q2 2023 10-Q, and Q3 2023 10-Q. Such information has been recast to conform with the realigned segments.

Except for the segment changes described above, this Current Report on Form 8-K does not modify, or update disclosures as presented in our 2022 10-K or our Q1 2023 10-Q, Q2 2023 10-Q, and Q3 2023 10-Q and does not reflect any changes, events, or activities occurring after the applicable filing date. We have not otherwise updated for activities or events occurring after the applicable dates these items were originally presented. The information in this Current Report on Form 8-K should be read in conjunction with the other information included in our 2022 10-K, Q1 2023 10-Q, Q2 2023 10-Q, and Q3 2023 10-Q.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Crocs, Inc. press release dated January 8, 2024.
99.2	Unaudited revised Operating Segment and Geographic Information footnotes in Annual Report on Form 10-K for the year ended December 31, 2022 and in the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023, June 30, 2023, and September 30, 2023.
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.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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 hereunto duly authorized.

CROCS, INC.

Date: January 8, 2024

By: /s/ Anne Mehlman

Anne Mehlman

Executive Vice President and Chief Financial Officer



Investor Contact: Erinn Murphy, Crocs, Inc.
(303) 848-7005
emurphy@crocs.com

PR Contact: Melissa Layton, Crocs, Inc.
(303) 848-7885
mlayton@crocs.com

**Crocs, Inc. Expects Record Annual Revenues of ~\$3.95B, Up Over 11% Year-Over-Year
Expects To Exceed Full-Year Operating Margin Target
Anticipates 2024 Enterprise Revenue Growth Of 3-5%**

BROOMFIELD, COLORADO — January 8, 2024 — Crocs, Inc. (NASDAQ: CROX), a world leader in innovative casual footwear for all, today announced it expects record 2023 revenues of approximately \$3.95 billion, which would represent over 11% growth compared to 2023.

“2023 was a strong year for Crocs, Inc. that culminated in a successful holiday season with market share gains for both brands. Fourth-quarter revenue is now expected to exceed our former guidance and we are raising our operating margin target for the year. Our strong free-cash flow generation enabled us to pay down \$277 million in net debt in the quarter, bringing our full-year debt pay down to \$665 million,” said Andrew Rees, Chief Executive Officer. “We are coming into 2024 from a position of strength and are making the decision to reinvest our best-in-class margins into focused strategic investments as we continue to set ourselves up for long-term, durable growth.”

Updated Fourth Quarter and 2023 Outlook

- We expect fourth quarter 2023 revenues to grow over 1% compared to 2022, above our guidance for a decline of (4%) to (1%), with the Crocs Brand growing almost 10% and HEYDUDE down (19%) and ahead of guidance.
- We expect full year 2023 revenues to grow over 11% compared to 2022, slightly above our guidance of 10% to 11% growth, with our Crocs Brand growing over 13% surpassing the \$3 billion mark and HEYDUDE revenues of approximately \$949 million.
- We expect full year 2023 non-GAAP operating margin to now be in excess of 27%.
- We paid down approximately \$277 million of net debt and repurchased \$25 million in stock in the fourth quarter.

Preliminary 2024 Outlook

With respect to 2024, we expect revenue growth of 3% to 5% compared to 2023 comprised of 4% to 6% growth for the Crocs brand and flat to slightly up for HEYDUDE Brand.

We expect gross margin improvement over 2023 and plan to reinvest these dollars into brand accretive and strategic SG&A investments. This will result in 2024 non-GAAP operating margins of approximately 25%.

Segment Reporting Change

In tandem with this press release, we announced on Form 8-K our plans to change our segment reporting from four reportable segments to two with the filing of our 2023 Form 10-K. This anticipated change aligns with how we manage our business. Our new segments will comprise of the Crocs Brand and the HEYDUDE Brand. Please refer to our 8-K for more detailed information.

ICR Conference

We will present at the 2024 ICR Conference today, January 8, 2024 at 9:00 am ET. A live broadcast of our presentation may be found on the Investor Relations section of the Crocs Inc. website, investors.crocs.com. A replay of the webcast will remain available on the website after the presentation.

About Crocs, Inc.:

Crocs, Inc. (Nasdaq: CROX), headquartered in Broomfield, Colorado, is a world leader in innovative casual footwear for all, combining comfort and style with a value that consumers know and love. The Company's brands include Crocs and HEYDUDE, and its products are sold in more than 85 countries through wholesale and direct-to-consumer channels. For more information on Crocs, Inc. visit investors.crocs.com. To learn more about our brands, visit www.crocs.com or www.heydude.com. Individuals can also visit <https://investors.crocs.com/news-and-events/> and follow both Crocs and HEYDUDE on their social platforms.

Forward Looking Statements

This press release includes estimates, projections, and statements relating to our business plans, commitments, objectives, and expected operating results that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

These statements include, but are not limited to, statements regarding potential impacts to our business related to our supply chain challenges, cost inflation, our financial condition, brand and liquidity outlook, and expectations regarding our future revenue, margins, non-GAAP adjustments, tax rate, earnings per share, debt ratios and capital expenditures, share repurchases, the acquisition of HEYDUDE and benefits thereof, Crocs' strategy, plans, objectives, expectations (financial or otherwise) and intentions, future financial results and growth potential, statements regarding fourth quarter, full year 2023, and full year 2024 financial outlook and future profitability, cash flows, and brand strength, anticipated product portfolio and our ability to deliver sustained, highly profitable growth and create significant shareholder value. These statements involve known and unknown risks, uncertainties, and other factors, which may cause our actual results, performance, or achievements to be materially different from any future results, performances, or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, the following: our expectations regarding supply chain disruptions; cost inflation; current global financial conditions, the effect of competition in our industry; our ability to effectively manage our future growth or declines in revenues; changing consumer preferences; our ability to maintain and expand revenues and gross margin; our ability to accurately forecast consumer demand for our products; our ability to successfully implement our strategic plans; our ability to develop and sell new products; our ability to obtain and protect intellectual property rights; the effect of potential adverse currency exchange rate fluctuations and other international operating risks; and other factors described in our most recent Annual Report on Form 10-K under the heading "Risk Factors" and our subsequent filings with the Securities and Exchange Commission. Readers are encouraged to review that section and all other disclosures appearing in our filings with the Securities and Exchange Commission.

All information in this document speaks only as of January 8, 2024. We do not undertake any obligation to update publicly any forward-looking statements, whether as a result of the receipt of new information, future events, or otherwise, except as required by applicable law.

Category: Investors

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL GUIDANCE

Full Year 2023 (estimated):

Non-GAAP operating margin reconciliation:

Approximately:

GAAP operating margin	>25.5%
Non-GAAP adjustments associated with distribution center investments & Other	1.5%
Non-GAAP operating margin	>27.0%

Our guidance for “Non-GAAP Operating Margin” is a non-GAAP financial measure that excludes or otherwise has been adjusted for special items from our U.S. GAAP financial statements, such as inventory write-offs, duplicate rent costs, bad debt expense. We consider these items to be necessary adjustments for purposes of evaluating our ongoing business performance and are often considered non-recurring. Such adjustments are subjective and involve significant management judgment. We are unable to reconcile Crocs Inc. 2024 non-GAAP operating margin guidance measures to their nearest U.S. GAAP measures without unreasonable efforts because we are unable to predict with a reasonable degree of certainty the actual impact of the special and other non-core items. By their very nature, special and other non-core items are difficult to anticipate with precision because they are generally associated with unexpected and unplanned events that impact our company and its financial results. Therefore, we are unable to provide a reconciliation of these measures.

	Year Ended December 31,		
	2022	2021	2020
	(in thousands)		
Revenues:			
Crocs Brand	\$ 2,659,125	\$ 2,313,416	\$ 1,385,951
HEYDUDE Brand	895,860	—	—
Total consolidated revenues	\$ 3,554,985	\$ 2,313,416	\$ 1,385,951
Income from operations:			
Crocs Brand	\$ 852,025	\$ 861,394	\$ 329,423
HEYDUDE Brand	211,361	—	—
Reconciliation of total segment income from operations to income before income taxes:			
Enterprise corporate	(212,630)	(178,330)	(115,299)
Income from operations	\$ 850,756	\$ 683,064	\$ 214,124
Depreciation and amortization:			
Crocs Brand	\$ 18,877	\$ 16,931	\$ 13,869
HEYDUDE Brand	12,248	—	—
Enterprise corporate	8,104	15,045	13,750
Total consolidated depreciation and amortization	\$ 39,229	\$ 31,976	\$ 27,619

	Three Months Ended March 31, 2023	
	(in thousands)	
Revenues:		
Crocs Brand	\$	648,778
HEYDUDE Brand		235,388
Total consolidated revenues	\$	884,166
Income from operations:		
Crocs Brand	\$	218,007
HEYDUDE Brand		76,620
Reconciliation of total segment income from operations to income before income taxes:		
Enterprise corporate		(59,699)
Income from operations	\$	234,928
Depreciation and amortization:		
Crocs Brand	\$	7,437
HEYDUDE Brand		3,506
Enterprise corporate		2,193
Total consolidated depreciation and amortization	\$	13,136

	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023
	(in thousands)	
Revenues:		
Crocs Brand	\$ 832,950	\$ 1,481,728
HEYDUDE Brand	239,417	474,805
Total consolidated revenues	<u>\$ 1,072,367</u>	<u>\$ 1,956,533</u>
Income from operations:		
Crocs Brand	\$ 317,684	\$ 535,691
HEYDUDE Brand	65,509	142,129
Reconciliation of total segment income from operations to income before income taxes:		
Enterprise corporate	(64,704)	(124,403)
Income from operations	<u>\$ 318,489</u>	<u>\$ 553,417</u>
Depreciation and amortization:		
Crocs Brand	\$ 7,099	\$ 14,536
HEYDUDE Brand	3,562	7,068
Enterprise corporate	1,983	4,176
Total consolidated depreciation and amortization	<u>\$ 12,644</u>	<u>\$ 25,780</u>

	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
	(in thousands)	
Revenues:		
Crocs Brand	\$ 798,769	\$ 2,280,497
HEYDUDE Brand	246,948	721,753
Total consolidated revenues	<u>\$ 1,045,717</u>	<u>\$ 3,002,250</u>
Income from operations:		
Crocs Brand	\$ 297,456	\$ 833,145
HEYDUDE Brand	31,776	173,905
Reconciliation of total segment income from operations to income before income taxes:		
Enterprise corporate	(55,380)	(179,781)
Income from operations	<u>\$ 273,852</u>	<u>\$ 827,269</u>
Depreciation and amortization:		
Crocs Brand	\$ 8,692	\$ 23,228
HEYDUDE Brand	3,919	10,987
Enterprise corporate	2,140	6,316
Total consolidated depreciation and amortization	<u>\$ 14,751</u>	<u>\$ 40,531</u>