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 September 30, 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	**20-2164234**
(State or other jurisdiction of incorporation or organization)	(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:

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 (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 October 23, 2025, Crocs, Inc. had 51,915,657 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.

Crocs, Inc.
Table of Contents to the Quarterly Report on Form 10-Q
For the Quarterly Period Ended September 30, 2025

PART I — Financial Information

ITEM 1. Financial Statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	$ 996,301	$ 1,062,200	$ 3,083,007	$ 3,112,335
Cost of sales	413,293	428,861	1,249,614	1,275,003
Gross profit	583,008	633,339	1,833,393	1,837,332
Selling, general and administrative expenses [1]	375,348	363,510	1,092,160	991,255
Goodwill impairment	—	—	307,000	—
Asset impairments [1]	—	—	431,115	24,081
Income from operations	207,660	269,829	3,118	821,996
Foreign currency gains (losses), net	2,957	(332)	8,264	(3,928)
Interest income	531	1,366	1,235	2,908
Interest expense	(21,711)	(26,203)	(67,000)	(85,927)
Other income (expense), net	(9)	237	143	302
Income (loss) before income taxes	189,428	244,897	(54,240)	735,351
Income tax expense	43,612	45,096	132,123	154,189
Net income (loss)	$ 145,816	$ 199,801	$ (186,363)	$ 581,162
Net income (loss) per common share:				
Basic	$ 2.72	$ 3.38	$ (3.38)	$ 9.69
Diluted	$ 2.70	$ 3.36	$ (3.38)	$ 9.62
Weighted average common shares outstanding:				
Basic	53,641	59,046	55,169	59,973
Diluted	53,989	59,501	55,169	60,437

[1] Amounts for the three and nine months ended September 30, 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
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Net income (loss)	$ 145,816	$ 199,801	$ (186,363)	$ 581,162
Other comprehensive income (loss), net of tax:				
Derivatives designated as hedging instruments:				
Unrealized gains (losses) on derivative instruments	56	(429)	(145)	265
Reclassification adjustment for realized losses (gains) on derivative instruments	40	65	(195)	(361)
Net increase (decrease) from derivatives designated as hedging instruments	96	(364)	(340)	(96)
Foreign currency translation (losses) gains, net	(7,395)	20,741	90,538	2,910
Total comprehensive income (loss), net of tax	$ 138,517	$ 220,178	$ (96,165)	$ 583,976

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)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 153,970	$ 180,485
Accounts receivable, net of allowances of $33,088 and $31,579, respectively	335,317	257,657
Inventories	397,073	356,254
Income taxes receivable	6,437	4,046
Other receivables	17,232	22,204
Prepaid expenses and other assets	61,162	51,623
Total current assets	971,191	872,269
Property and equipment, net of accumulated depreciation of $196,819 and $153,455, respectively	242,139	244,335
Intangible assets, net	1,330,514	1,777,080
Goodwill	404,688	711,491
Deferred tax assets, net	964,397	872,350
Restricted cash	3,553	3,193
Right-of-use assets	343,100	307,228
Other assets	40,182	24,207
Total assets	$ 4,299,764	$ 4,812,153
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 217,269	$ 264,901
Accrued expenses and other liabilities	275,395	298,068
Income taxes payable	114,740	108,688
Current operating lease liabilities	84,331	68,551
Total current liabilities	691,735	740,208
Deferred tax liabilities, net	1,035	4,086
Long-term income taxes payable	617,817	595,434
Long-term borrowings	1,318,498	1,349,339
Long-term operating lease liabilities	303,059	283,406
Other liabilities	4,480	3,948
Total liabilities	2,936,624	2,976,421
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value $0.001 per share, 250.0 million shares authorized, 110.7 million and 110.4 million issued, 52.4 million and 56.5 million outstanding, respectively	111	110
Treasury stock, at cost, 58.3 million and 53.9 million shares, respectively	(2,858,413)	(2,453,473)
Additional paid-in capital	888,416	859,904
Retained earnings	3,375,473	3,561,836
Accumulated other comprehensive loss	(42,447)	(132,645)
Total stockholders' equity	1,363,140	1,835,732
Total liabilities and stockholders' equity	$ 4,299,764	$ 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 June 30, 2025	54,801	$ 111	55,881	$ (2,653,423)	$ 879,940	$ 3,229,657	$ (35,148)	$ 1,421,137
Share-based compensation	—	—	—	—	8,476	—	—	8,476
Exercises of stock options, issuance of restricted stock awards, and vests of restricted stock units, net of shares withheld for taxes	9	—	1	(141)	—	—	—	(141)
Repurchases of common stock, including excise tax	(2,443)	—	2,443	(204,849)	—	—	—	(204,849)
Net income	—	—	—	—	—	145,816	—	145,816
Other comprehensive loss	—	—	—	—	—	—	(7,299)	(7,299)
Balance at September 30, 2025	52,367	$ 111	58,325	$ (2,858,413)	$ 888,416	$ 3,375,473	$ (42,447)	$ 1,363,140

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at June 30, 2024	59,552	$ 110	50,775	$ (2,071,289)	$ 844,595	$ 2,993,126	$ (113,331)	$ 1,653,211
Share-based compensation	—	—	—	—	6,633	—	—	6,633
Exercises of stock options, issuance of restricted stock awards, and vests of restricted stock units, net of shares withheld for taxes	51	—	17	(2,322)	—	—	—	(2,322)
Repurchases of common stock, including excise tax	(1,120)	—	1,120	(152,582)	—	—	—	(152,582)
Net income	—	—	—	—	—	199,801	—	199,801
Other comprehensive income	—	—	—	—	—	—	20,377	20,377
Balance at September 30, 2024	58,483	$ 110	51,912	$ (2,226,193)	$ 851,228	$ 3,192,927	$ (92,954)	$ 1,725,118

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	—	—	—	—	28,512	—	—	28,512
Exercises of stock options, issuance of restricted stock awards, and vests of restricted stock units, net of shares withheld for taxes	245	1	42	(4,245)	—	—	—	(4,244)
Repurchases of common stock, including excise tax	(4,353)	—	4,353	(400,695)	—	—	—	(400,695)
Net loss	—	—	—	—	—	(186,363)	—	(186,363)
Other comprehensive income	—	—	—	—	—	—	90,198	90,198
Balance at September 30, 2025	52,367	$ 111	58,325	$ (2,858,413)	$ 888,416	$ 3,375,473	$ (42,447)	$ 1,363,140

	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	—	—	—	—	24,377	—	—	24,377
Exercises of stock options, issuance of restricted stock awards, and vests of restricted stock units, net of shares withheld for taxes	278	—	64	(8,235)	166	—	—	(8,069)
Repurchases of common stock, including excise tax	(2,290)	—	2,290	(329,089)	—	—	—	(329,089)
Net income	—	—	—	—	—	581,162	—	581,162
Other comprehensive income	—	—	—	—	—	—	2,814	2,814
Balance at September 30, 2024	58,483	$ 110	51,912	$ (2,226,193)	$ 851,228	$ 3,192,927	$ (92,954)	$ 1,725,118

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)

	Nine Months Ended September 30,	
	2025	**2024**
Cash flows from operating activities:		
Net income (loss)	$ (186,363)	$ 581,162
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	58,337	51,890
Operating lease cost	76,614	62,209
Share-based compensation	28,512	24,377
Asset impairment	738,115	24,081
Deferred taxes [(1)]	17,057	13,231
Other non-cash items [(1)]	6,059	12,882
Changes in operating assets and liabilities, net of acquired assets and assumed liabilities:		
Accounts receivable	(65,052)	(58,510)
Inventories	(40,165)	17,983
Prepaid expenses and other assets	(17,372)	(9,356)
Accounts payable, accrued expenses and other liabilities	(68,459)	(32,847)
Right-of-use assets and operating lease liabilities	(77,580)	(64,495)
Income taxes	(11,802)	47,942
Cash provided by operating activities	457,901	670,549
Cash flows from investing activities:		
Purchases of property, equipment, and software	(45,120)	(50,857)
Cash used in investing activities	(45,120)	(50,857)
Cash flows from financing activities:		
Proceeds from borrowings	626,000	78,156
Repayments of borrowings	(664,000)	(326,405)
Repurchases of common stock, including excise tax	(402,153)	(326,185)
Repurchases of common stock for tax withholding	(4,245)	(8,235)
Other [(1)]	—	(1,004)
Cash used in financing activities	(444,398)	(583,673)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	5,462	429
Net change in cash, cash equivalents, and restricted cash	(26,155)	36,448
Cash, cash equivalents, and restricted cash—beginning of period	183,678	153,097
Cash, cash equivalents, and restricted cash—end of period	$ 157,523	$ 189,545

[(1)] Amounts for the nine months ended September 30, 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 14 — Operating Segments for additional information.

The accompanying unaudited condensed consolidated 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 nine months ended September 30, 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 operations and 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

	Nine Months Ended September 30,	
	2025	**2024**
	(in thousands)	
Cash paid for interest	$ 65,873	$ 86,042
Cash paid for income taxes	128,195	95,185
Cash paid for operating leases	76,537	65,754
Non-Cash Investing and Financing Activities:		
Right-of-use assets obtained in exchange for operating lease liabilities, net of terminations	$ 89,632	$ 75,843
Accrued purchases of property, equipment, and software	3,354	5,693

2. RECENT ACCOUNTING PRONOUNCEMENTS

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 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.

Other new pronouncements issued but not effective until after September 30, 2025, are not expected to have a material impact on our condensed consolidated financial statements.

3. GOODWILL AND INTANGIBLE ASSETS, NET

We evaluate the carrying value of our indefinite-lived intangible assets and goodwill at least annually or when an interim triggering event has occurred indicating potential impairment. Any impairment recorded is reflected as a non-cash adjustment to net income (loss) within cash flows from operating activities in the condensed consolidated statements of cash flows. During the second quarter of the fiscal year ended 2025, there was a triggering event for the HEYDUDE Brand indefinite-lived intangible assets (which consists solely of the HEYDUDE trademark) (the "trademark") and the HEYDUDE Brand reporting unit (the "reporting unit") goodwill. The triggering event was due to downward revisions during the second quarter of the fiscal year ended 2025, to our internal HEYDUDE Brand forecast as a result of the extended time we believed it would take us to stabilize the HEYDUDE Brand and return it to growth. This was partly due to the current and projected impact of a weak U.S. consumer and the disproportionate impact of tariffs on HEYDUDE Brand products, which became evident in the second quarter of the fiscal year ended 2025. As a result, we completed quantitative assessments for the trademark and the reporting unit goodwill in the second quarter of the fiscal year ended 2025.

There was no impairment recorded during the three months ended September 30, 2025. There was no impairment recorded based on our evaluation of whether it is more likely than not that the fair value of the reporting units is less than their carrying amount, during the three and nine months ended September 30, 2024.

For the quantitative assessments, we compared the estimated fair values of the trademark and reporting unit with their respective carrying values. If the carrying value of the trademark or reporting unit exceeded the estimated fair value, an impairment charge was recorded. The quantitative assessments for the trademark and reporting unit goodwill were performed by management with the assistance of third-party valuation specialists.

The quantitative assessment of the trademark was performed using the Multi-Period Excess Earnings approach. The primary assumptions developed by management and used in the assessment included annual revenue growth rates averaging approximately 8%, projected earnings before interest, taxes, depreciation, and amortization ("EBITDA") margins averaging approximately 20%, and a market-based discount rate of 15.0%, which was based on, most significantly, a risk-free rate of return, an equity market risk premium, and a company-specific risk premium. The estimated fair value of the trademark did not exceed its carrying value. In the second quarter of the fiscal year ended 2025, we recorded an impairment charge of $430.0 million within 'Asset impairments' in our condensed consolidated statements of operations related to the trademark, after which the estimated fair value equaled its carrying value. This impairment charge reflects lower than previously expected annual revenue growth rates and EBITDA as well as increases in market-based discount rates, specifically the risk-free rate of return, when compared to those used in our most recent annual impairment test completed in the fourth quarter of 2024.

We performed the quantitative assessment for the reporting unit goodwill using the discounted cash flow method. The primary assumptions developed by management and used in the assessment included annual revenue growth rates, projected EBITDA margins, and a market-based discount rate, which was based on, most significantly, a risk-free rate of return, an equity market risk premium, and a company-specific risk premium. The estimated fair value of the reporting unit goodwill did not exceed its carrying value. In the second quarter of the fiscal year ended 2025, we recorded an impairment charge of $307.0 million within 'Asset impairments' in our condensed consolidated statements of operations related to the reporting unit goodwill, after which the estimated fair value equaled its carrying value. This impairment charge reflects lower than previously expected annual revenue growth rates and EBITDA as well as increases in market-based discount rates, specifically the risk-free rate of return, when compared to those used in our most recent annual impairment test completed in the fourth quarter of 2024.

The changes in goodwill for the nine months ended September 30, 2025, were:

	Goodwill		
	Crocs Brand	HEYDUDE Brand	Total
	(in thousands)		
Gross goodwill at December 31, 2024	$ 2,226	$ 710,034	$ 712,260
Accumulated impairment	(769)	—	(769)
Net goodwill at December 31, 2024	1,457	710,034	711,491
Changes during the nine months ended September 30, 2025:			
Foreign currency translation	197	—	197
Impairment	—	(307,000)	(307,000)
Gross goodwill at September 30, 2025	2,423	710,034	712,457
Accumulated impairment	(769)	(307,000)	(307,769)
Net goodwill at September 30, 2025	$ 1,654	$ 403,034	$ 404,688

'Intangible assets, net' reported in the consolidated balance sheets consist of the following:

	September 30, 2025				December 31, 2024		
	Gross	Accumulated Amortization	Accumulated Impairment	Net	Gross	Accumulated Amortization	Net
	(in thousands)						
Intangible assets subject to amortization:							
Capitalized software	$ 146,658	$ (124,327)	$ —	$ 22,331	$ 139,569	$ (117,001)	$ 22,568
Customer relationships	210,000	(50,750)	—	159,250	210,000	(40,250)	169,750
Patents, copyrights, and trademarks	9,545	(4,081)	—	5,464	4,916	(3,791)	1,125
Intangible assets not subject to amortization:							
HEYDUDE trademark	1,570,000	—	(430,000)	1,140,000	1,570,000	—	1,570,000
In progress	2,813	—	—	2,813	12,644	—	12,644
Other	656	—	—	656	993	—	993
Total	$ 1,939,672	$ (179,158)	$ (430,000)	$ 1,330,514	$ 1,938,122	$ (161,042)	$ 1,777,080

4. ACCRUED EXPENSES AND OTHER LIABILITIES

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

	September 30, 2025	December 31, 2024
	(in thousands)	
Accrued compensation and benefits	$ 75,595	$ 81,265
Professional services	48,302	64,683
Fulfillment, freight, and duties	44,762	38,752
Return liabilities	33,348	34,255
Sales/use and value added taxes payable	21,258	17,330
Other	52,130	61,783
Total accrued expenses and other liabilities	$ 275,395	$ 298,068

5. LEASES

Right-of-Use Assets and Operating Lease Liabilities

Amounts reported in the condensed consolidated balance sheets were:

	September 30, 2025	December 31, 2024
	(in thousands)	
Assets:		
Right-of-use assets	$ 343,100	$ 307,228
Liabilities:		
Current operating lease liabilities	$ 84,331	$ 68,551
Long-term operating lease liabilities	303,059	283,406
Total operating lease liabilities	$ 387,390	$ 351,957

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 operations were:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Operating lease cost	$ 26,876	$ 21,555	$ 76,614	$ 62,209
Short-term lease cost	2,925	4,907	9,317	14,920
Variable lease cost	14,812	15,450	36,295	38,757
Total lease costs	$ 44,613	$ 41,912	$ 122,226	$ 115,886

The weighted average remaining lease term and discount rate related to our lease liabilities as of September 30, 2025, was 5.6 years and 6.6%, respectively. As of September 30, 2024, the weighted average remaining lease term and discount rate related to our lease liabilities was 6.4 years and 6.4%, respectively.

During the nine months ended September 30, 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 6 — Fair Value Measurements.

Maturities

The maturities of our operating lease liabilities were:

	As of September 30, 2025
	(in thousands)
2025 (remainder of year)	$ 18,793
2026	103,969
2027	87,319
2028	69,588
2029	55,924
Thereafter	131,667
Total future minimum lease payments	467,260
Less: imputed interest	(79,870)
Total operating lease liabilities	$ 387,390

6. 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 September 30, 2025 and December 31, 2024. The fair values of our derivative instruments were an insignificant asset and an insignificant liability at September 30, 2025, and an insignificant asset and an insignificant liability at December 31, 2024. See Note 7 — 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

September 30, 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 September 30, 2025 and December 31, 2024, were:

	September 30, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(in thousands)			
Term Loan B Facility	$ 500,000	$ 502,813	$ 500,000	$ 503,125
2029 Notes	350,000	335,909	350,000	323,780
2031 Notes	350,000	320,973	350,000	305,610
Revolving Facility	152,000	152,000	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.

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 'Goodwill impairment' and 'Asset impairments' in our condensed consolidated statements of operations as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Indefinite-lived trademark impairment [1]	$ —	$ —	$ 430,000	$ —
Goodwill impairment [1]	—	—	307,000	—
Information technology systems impairment [2]	—	—	1,115	18,172
Right-of-use assets impairment [3]	—	—	—	5,909
Total asset impairments	$ —	$ —	$ 738,115	$ 24,081

[1] During the nine months ended September 30, 2025, we recognized impairment charges of $430.0 million and $307.0 million related to our indefinite-lived HEYDUDE trademark and HEYDUDE Brand reporting unit goodwill, respectively. Refer to Note 3 — Goodwill and Intangible Assets, Net for additional information.

[2] During the nine months ended September 30, 2025, we recognized an impairment of $1.1 million related to the discontinuation of an information technology project. During the nine months ended September 30, 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.

[3] During the nine months ended September 30, 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.

7. 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 September 30, 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 September 30, 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 provided by operating activities.’

As of September 30, 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 operations.

We also have cash flow hedges (“hedged derivatives”) as of September 30, 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.

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 operations, which is consistent with the nature of the hedged transaction. During the three and nine months ended September 30, 2025, there was a loss of $0.1 million and a gain of $0.3 million, respectively, recognized due to reclassification from ‘Accumulated other comprehensive loss’ to ‘Revenues’ or ‘Cost of sales’ related to our hedged derivatives. During the three and nine months ended September 30, 2024, there was a loss of $0.1 million and a gain of $0.5 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 an insignificant amount will be reclassified to our condensed consolidated statements of operations.

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:

	September 30, 2025		December 31, 2024	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(in thousands)			
Non-hedged derivatives:				
Forward foreign currency exchange contracts	$ 464	$ (587)	$ 2,691	$ (3,433)
Hedged derivatives:				
Cash flow foreign currency contracts	23	(69)	1,242	(856)
Total derivatives	487	(656)	3,933	(4,289)
Netting of counterparty contracts	(89)	89	(2,762)	2,762
Total derivatives, net of counterparty contracts	$ 398	$ (567)	$ 1,171	$ (1,527)

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.

	September 30, 2025		December 31, 2024	
	Notional	Fair Value	Notional	Fair Value
	(in thousands)			
Non-hedged derivatives				
Euro	$ 1,883	$ 3	$ 49,833	$ (1,303)
Singapore Dollar	23,043	(294)	31,524	(1,251)
British Pound Sterling	15,125	(63)	28,223	536
South Korean Won	15,477	299	9,274	655
Japanese Yen	7,336	90	5,510	289
Indian Rupee	2,797	72	494	8
Other currencies	14,841	(230)	24,613	324
Total non-hedged derivatives	80,502	(123)	149,471	(742)
Hedged derivatives:				
Chinese Yuan	1,219	(2)	40,458	(553)
British Pound Sterling	744	20	23,678	(303)
Euro	689	(66)	17,246	628
South Korean Won	141	2	8,790	614
Total hedged derivatives	2,793	(46)	90,172	386
Total derivatives	$ 83,295	$ (169)	$ 239,643	$ (356)
Latest maturity date, non-hedged derivatives	October 2025		January 2025	
Latest maturity date, hedged derivatives	October 2025		October 2025	

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Foreign currency transaction gains (losses)	$ 2,510	$ (205)	$ 7,871	$ (3,138)
Foreign currency forward exchange contracts gains (losses)	447	(127)	393	(790)
Foreign currency gains (losses), net	$ 2,957	$ (332)	$ 8,264	$ (3,928)

8. BORROWINGS

Our long-term borrowings were as follows:

	Maturity	Stated Interest Rate	Effective Interest Rate	September 30, 2025	December 31, 2024
				(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			152,000	190,000
Total face value of long-term borrowings				1,352,000	1,390,000
Less:					
Unamortized issuance costs				33,502	40,661
Total long-term borrowings				$ 1,318,498	$ 1,349,339

At September 30, 2025 and December 31, 2024, $3.4 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 September 30, 2025, we were in compliance with all financial covenants under the Credit Agreement.

As of September 30, 2025, the total commitments available from the lenders under the Revolving Facility were $1.0 billion. At September 30, 2025, we had $152.0 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 September 30, 2025 and December 31, 2024, we had $847.4 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 September 30, 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 September 30, 2025, we were in compliance with all financial covenants under the Term Loan B Credit Agreement.

Asia Revolving Credit Facility

During the nine months ended September 30, 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 September 30, 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 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 September 30, 2025, we were in compliance with all financial covenants under the Notes.

9. COMMON STOCK REPURCHASE PROGRAM

During the three months ended September 30, 2025, we repurchased 2.4 million shares of our common stock at a cost of $202.9 million, including commissions. During the nine months ended September 30, 2025, we repurchased 4.4 million shares of our common stock at a cost of $397.0 million, including commissions. During the three months ended September 30, 2024, we repurchased 1.1 million shares of our common stock at a cost of $151.2 million, including commissions. During the nine months ended September 30, 2024, we repurchased 2.3 million shares of our common stock at a cost of $326.2 million, including commissions.

As of September 30, 2025 and December 31, 2024, we had an accrual recorded for the stock repurchase excise tax of $3.7 million and $5.1 million, respectively, which is reported in 'Accrued expenses and other liabilities' and 'Treasury stock' in our condensed consolidated balance sheets.

As of September 30, 2025, we had remaining authorization to repurchase $926.9 million of our common stock, subject to restrictions under our Indentures, Credit Agreement, and Term Loan B Credit Agreement.

10. REVENUES

Revenues by reportable operating segment and by channel were:

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
	(in thousands)			
Crocs Brand:				
North America:				
Wholesale	$ 144,353	$ 162,103	$ 481,563	$ 516,427
Direct-to-consumer	303,352	328,714	791,789	846,018
Total North America [1]	447,705	490,817	1,273,352	1,362,445
International:				
Wholesale	220,003	233,461	824,276	776,420
Direct-to-consumer	168,521	133,820	459,799	377,038
Total International	388,524	367,281	1,284,075	1,153,458
Total Crocs Brand	$ 836,229	$ 858,098	$ 2,557,427	$ 2,515,903
Crocs Brand:				
Total Wholesale	$ 364,356	$ 395,564	$ 1,305,839	$ 1,292,847
Total Direct-to-consumer	471,873	462,534	1,251,588	1,223,056
Total Crocs Brand	836,229	858,098	2,557,427	2,515,903
HEYDUDE Brand:				
Wholesale	69,402	113,018	279,855	361,600
Direct-to-consumer	90,670	91,084	245,725	234,832
Total HEYDUDE Brand [2]	160,072	204,102	525,580	596,432
Total consolidated revenues	$ 996,301	$ 1,062,200	$ 3,083,007	$ 3,112,335

[1] North America includes the United States and Canada.
[2] The vast majority of HEYDUDE Brand revenues are derived from North America.

11. INCOME TAXES

Income tax expense and effective tax rates were:

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
	(in thousands, except effective tax rate)			
Income (loss) before income taxes	$ 189,428	$ 244,897	$ (54,240)	$ 735,351
Income tax expense	43,612	45,096	132,123	154,189
Effective tax rate	23.0 %	18.4 %	(243.6)%	21.0%

During the three months ended September 30, 2025, income tax expense decreased $1.5 million compared to the same period in 2024. The effective tax rate for the three months ended September 30, 2025, was 23.0% compared to an effective tax rate of 18.4% for the same period in 2024, a 4.6% increase. This increase in the effective tax rate was primarily driven by a shift in the mix of our 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.

During the nine months ended September 30, 2025, income tax expense decreased $22.1 million compared to the same period in 2024. The effective tax rate for the nine months ended September 30, 2025, was (243.6)% compared to an effective tax rate of 21.0% for the same period in 2024, a 264.6% decrease. The effective tax rate was impacted by the impairments of the indefinite-lived HEYDUDE trademark and HEYDUDE Brand reporting unit goodwill in the nine months ended September 30, 2025, which are not deductible for tax purposes. As a result of a prior year intra-entity transaction, the value of the intellectual property for tax purposes is subject to revaluation and therefore there are not similar impacts for tax as a result of the intellectual property impairment. 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.

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. In June 2025, the U.S. Treasury Secretary and G7 countries announced their intent to work towards an agreement to exclude U.S. parented companies from the scope of Pillar Two taxes, specifically the Income Inclusion Rule and Under taxed Profits Rule. The details of the new agreement have not been finalized, but the announced change would significantly reduce the scope of Pillar Two 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.

H.R.1 Tax Act Bill

On July 4, 2025, H.R.1. was signed into law, amending and extending several provisions of the 2017 Tax Cuts and Jobs Act. Key changes relevant to the Company include the reinstatement of 100% bonus depreciation, the deductibility of domestic R&D expenses, and modifications to international provisions. The Company applied the provisions of the new tax law this quarter and it did not have a significant impact on our 2025 consolidated financial statements.

12. EARNINGS PER SHARE

Basic and diluted earnings per common share ("EPS") for the three and nine months ended September 30, 2025 and 2024, were:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands, except per share data)			
Numerator:				
Net income (loss)	$ 145,816	$ 199,801	$ (186,363)	$ 581,162
Denominator:				
Weighted average common shares outstanding - basic	53,641	59,046	55,169	59,973
Plus: Dilutive effect of stock options and unvested restricted stock units	348	455	—	464
Weighted average common shares outstanding - diluted	53,989	59,501	55,169	60,437
Net income (loss) per common share:				
Basic	$ 2.72	$ 3.38	$ (3.38)	$ 9.69
Diluted	$ 2.70	$ 3.36	$ (3.38)	$ 9.62

In the three and nine months ended September 30, 2025, 0.1 million and 0.5 million outstanding shares issued under share-based compensation awards were anti-dilutive, respectively. Therefore, we excluded these shares from the calculation of diluted EPS. In the three and nine months ended September 30, 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.

13. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

As of September 30, 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 $204.5 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 15 — Legal Proceedings for further details regarding potential loss contingencies related to government tax audits and other current legal proceedings.

14. OPERATING SEGMENTS

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.

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Crocs Brand:				
Revenues	$ 836,229	$ 858,098	$ 2,557,427	$ 2,515,903
Cost of sales	319,342	321,781	963,234	960,946
Selling, general and administrative expenses	244,168	223,053	689,475	622,036
Income from operations	272,719	313,264	904,718	932,921
HEYDUDE Brand:				
Revenues	160,072	204,102	525,580	596,432
Cost of sales	92,402	106,379	280,673	311,801
Selling, general and administrative expenses	60,920	71,532	183,859	170,486
Asset impairments	—	—	737,000	5,441
Income (loss) from operations	6,750	26,191	(675,952)	108,704
Total segment income (loss) from operations	$ 279,469	$ 339,455	$ 228,766	$ 1,041,625
Reconciliation of segment income (loss) from operations to income (loss) before income taxes:				
Enterprise corporate costs	$ (71,809)	$ (69,626)	$ (225,648)	$ (219,629)
Foreign currency gains (losses), net	2,957	(332)	8,264	(3,928)
Interest income	531	1,366	1,235	2,908
Interest expense	(21,711)	(26,203)	(67,000)	(85,927)
Other income (expense), net	(9)	237	143	302
Income (loss) before income taxes	$ 189,428	$ 244,897	$ (54,240)	$ 735,351
Depreciation and amortization: [1]				
Crocs Brand	$ 10,269	$ 9,066	$ 29,274	$ 26,463
HEYDUDE Brand	6,108	5,032	17,299	13,790
Enterprise corporate	3,949	4,087	11,764	11,637
Total consolidated depreciation and amortization	$ 20,326	$ 18,185	$ 58,337	$ 51,890

[1] 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.’

15. 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. This second action was subsequently voluntarily dismissed by the plaintiff. 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. On October 15, 2025, the court appointed lead plaintiffs and lead counsel.

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 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 $1.5 million within 'Accrued expenses and other liabilities' in the condensed consolidated balance sheet as of September 30, 2025. As we are able, we estimate reasonably possible losses or a range of reasonably possible losses. As of September 30, 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, inflation, and future expected price increases, among other things, and as a result, there is more pressure on discretionary spending. Given this, our wholesale partners are also acting cautiously. In addition, geopolitical tensions have increased across the globe. In 2025, the United States ("U.S.") has imposed tariffs on foreign imports from multiple countries, including, most relevant to us, a total tariff of 20%, 30%, 19%, 50%, and 19% on all imports from Vietnam, China, Indonesia, India, and Cambodia, respectively. We are continuing to monitor developments with respect to these policy changes and proposals. We have begun to mitigate the potential impacts of tariffs and the resulting effect on the consumer, including diversifying our sourcing mix, refining our cost structure, and implementing select 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. For the Crocs Brand, we continued reducing promotional activity in North America, primarily in our digital DTC channel, during the three months ended September 30, 2025, in an effort to protect brand health and profitability. For the HEYDUDE Brand, we continued right-sizing the inventory in our wholesale channel, including accelerating returns, in an effort to elevate our brand presentation in the channel and establishing a foundation for future growth.
- We are prioritizing returning to growth in North America for both brands, while making progress on our long-term strategic initiatives. Specifically for the Crocs Brand, we believe this will be driven by product innovation, diversification within key product categories, growth within our sandals business, and ultimately prioritizing stricter segmentation and pricing discipline across the marketplace. For the HEYDUDE Brand, we are focused on refining our marketing toward our target consumers, focusing on our core product offering, and refreshing the marketplace.
- Our liquidity position remains strong with $154.0 million in cash and cash equivalents and $862.4 million in available borrowing capacity as of September 30, 2025. Our total borrowings were $1.3 billion as of September 30, 2025. We repurchased $202.9 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 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.

Third Quarter 2025 Financial and Operational Highlights

Revenues were $996.3 million for the third quarter of 2025, a 6.2% decrease compared to the third quarter of 2024. The decrease was due to the net effects of: (i) lower unit sales volume in both brands, which resulted in a decrease in revenues of $116.6 million, or 11.0%; (ii) higher average selling price on a constant currency basis ("ASP") driven by both brands, which increased revenues by $44.8 million, or 4.2%; and (iii) net favorable changes in exchange rates, which increased revenues by $5.9 million, or 0.6%.

The following were significant developments affecting our businesses and capital structure during the three months ended September 30, 2025:

- Crocs Brand revenues decreased by 2.5%, or 3.2% on a constant currency basis, compared to the same period in 2024. HEYDUDE Brand revenues decreased 21.6%, or 21.7% on a constant currency basis.
- Gross margin was 58.5%, a decrease of 110 basis points from last year's third quarter, primarily due to unfavorable duties for both brands as a result of the aforementioned incremental tariffs.
- Selling, general and administrative expenses ("SG&A") were $375.3 million compared to $363.5 million in the third quarter of 2024, primarily as a result of increased investment in talent and higher costs in the DTC channel. As a percent of revenues, SG&A increased to 37.7% of revenues compared to 34.2% of revenues in the third quarter of 2024.
- Income from operations decreased to $207.7 million from $269.8 million in last year's third quarter. Net income was $145.8 million, or $2.70 per diluted share, compared to $199.8 million, or $3.36 per diluted share, in last year's third quarter.

Results of Operations

	Three Months Ended September 30,		Nine Months Ended September 30,		% Change Favorable (Unfavorable)	
	2025	2024	2025	2024	Q3 2025-2024	YTD 2025-2024
	(in thousands, except per share, margin, and average selling price data)					
Revenues	$ 996,301	$ 1,062,200	$ 3,083,007	$ 3,112,335	(6.2) %	(0.9) %
Cost of sales	413,293	428,861	1,249,614	1,275,003	3.6 %	2.0 %
Gross profit	583,008	633,339	1,833,393	1,837,332	(7.9) %	(0.2) %
Selling, general and administrative expenses	375,348	363,510	1,092,160	991,255	(3.3) %	(10.2) %
Goodwill impairment	—	—	307,000	—	— %	(100.0) %
Asset impairments	—	—	431,115	24,081	— %	(1,690.3) %
Income from operations	207,660	269,829	3,118	821,996	(23.0) %	(99.6) %
Foreign currency gains (losses), net	2,957	(332)	8,264	(3,928)	990.7 %	310.4 %
Interest income	531	1,366	1,235	2,908	(61.1) %	(57.5) %
Interest expense	(21,711)	(26,203)	(67,000)	(85,927)	17.1 %	22.0 %
Other income (expense), net	(9)	237	143	302	(103.8) %	(52.6) %
Income (loss) before income taxes	189,428	244,897	(54,240)	735,351	(22.6) %	(107.4) %
Income tax expense	43,612	45,096	132,123	154,189	3.3 %	14.3 %
Net income (loss)	$ 145,816	$ 199,801	$ (186,363)	$ 581,162	(27.0) %	(132.1) %
Net income (loss) per common share:						
Basic	$ 2.72	$ 3.38	$ (3.38)	$ 9.69	(19.5) %	(134.9) %
Diluted	$ 2.70	$ 3.36	$ (3.38)	$ 9.62	(19.6) %	(135.1) %
Gross margin [(1)]	58.5 %	59.6 %	59.5 %	59.0 %	(110)bp	50 bp
Operating margin [(1)]	20.8 %	25.4 %	0.1 %	26.4 %	(460)bp	(2,630)bp

[(1)] Changes for gross margin and operating margin are shown in basis points ("bp").

Revenues By Channel

	Three Months Ended September 30,		Nine Months Ended September 30,		% Change		Constant Currency % Change [(1)]	
					Favorable (Unfavorable)			
	2025	2024	2025	2024	Q3 2025-2024	YTD 2025-2024	Q3 2025-2024	YTD 2025-2024
	(in thousands)							
Crocs Brand:								
Wholesale	$ 364,356	$ 395,564	$ 1,305,839	$ 1,292,847	(7.9)%	1.0 %	(8.4)%	1.3 %
Direct-to-consumer	471,873	462,534	1,251,588	1,223,056	2.0 %	2.3 %	1.2 %	2.1 %
Total Crocs Brand	836,229	858,098	2,557,427	2,515,903	(2.5)%	1.7 %	(3.2)%	1.7 %
HEYDUDE Brand:								
Wholesale	69,402	113,018	279,855	361,600	(38.6)%	(22.6)%	(38.7)%	(22.6)%
Direct-to-consumer	90,670	91,084	245,725	234,832	(0.5)%	4.6 %	(0.7)%	4.5 %
Total HEYDUDE Brand	160,072	204,102	525,580	596,432	(21.6)%	(11.9)%	(21.7)%	(11.9)%
Total consolidated revenues	$ 996,301	$ 1,062,200	$ 3,083,007	$ 3,112,335	(6.2)%	(0.9)%	(6.8)%	(0.9)%

[(1)] 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 September 30, 2025, revenues decreased compared to the same period in 2024, primarily due to lower volume of $116.6 million, or 11.0%, driven by both brands. The overall decrease in revenues was partially offset by higher ASP of $44.8 million, or 4.2%, driven by favorable channel mix in both brands and reduced discounting for the

HEYDUDE Brand. Net favorable foreign currency fluctuations of $5.9 million, or 0.6%, primarily in the Euro, also increased revenues.

Revenues also decreased in the nine months ended September 30, 2025, primarily due to lower volume of $36.6 million, or 1.2%, driven by the HEYDUDE Brand, partially offset by higher volume in the Crocs Brand. The overall decrease in revenues was partially offset by higher ASP of $8.2 million, or 0.3%, mainly due to favorable channel mix in both brands and reduced discounting in the HEYDUDE Brand. This was offset in part by unfavorable product mix in both brands and increased discounting in the Crocs Brand.

Gross margin. Gross margin decreased in the three months ended September 30, 2025, to 58.5% compared to 59.6% in the same period in 2024, primarily due to incremental duties of 230 basis points and higher distribution and logistics costs of 80 basis points, partially offset by lower product costs of 60 basis points, favorable brand mix of 50 basis points, and higher ASP in the HEYDUDE brand of 50 basis points.

Gross margin in the nine months ended September 30, 2025, was 59.5% compared to 59.0% in 2024. This was primarily driven by lower product costs of 50 basis points, favorable brand mix of 30 basis points, and favorable customer mix of 30 basis points in the Crocs Brand, partially offset by unfavorable duties of 70 basis points.

Selling, general and administrative expenses. SG&A increased $11.8 million, or 3.3%, in the three months ended September 30, 2025, compared to the same period in 2024, driven by increased investment in talent of $17.6 million, higher DTC costs, driven by investment in the channel, of $9.4 million, reduced marketing costs, primarily in variable marketing, of $6.2 million, lower professional services fees, including consulting, of $5.0 million, and net decreases in other costs of $4.0 million.

SG&A expenses increased $100.9 million, or 10.2%, during the nine months ended September 30, 2025, compared to the same period in 2024, primarily driven by increased investment in talent and marketing of $52.4 million and $18.0 million, respectively, higher DTC costs, including investment in the channel and variable costs, of $33.0 million, and net decreases in other costs of $2.5 million.

Goodwill and Asset impairments. In the three months ended September 30, 2025 and 2024, there were no asset impairments. Asset impairments increased $714.0 million during the nine months ended September 30, 2025, compared to the same period in 2024, primarily due to non-cash impairment charges in the current year of $430.0 million related to the indefinite-lived HEYDUDE trademark and $307.0 million for HEYDUDE Brand reporting unit goodwill. The increase in asset impairments was partially offset by prior year non-cash impairment charges of $18.2 million for information technology systems related to the HEYDUDE integration, $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, none of which recurred in the current year. For additional information, refer to Note 3 — Goodwill and Intangible Assets, Net 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.

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 September 30, 2025, we recognized realized and unrealized net foreign currency gains of $3.0 million compared to losses of $0.3 million during the three months ended September 30, 2024.

During the nine months ended September 30, 2025, we recognized realized and unrealized net foreign currency gains of $8.3 million compared to losses of $3.9 million during the nine months ended September 30, 2024.

Interest expense. Interest expense during the three months ended September 30, 2025, decreased $4.5 million, or 17.1%, compared to the three months ended September 30, 2024. Interest expense during the nine months ended September 30, 2025, decreased $18.9 million, or 22.0%, compared to the nine months ended September 30, 2024. The decrease in interest expense for the three and nine months ended September 30, 2025, was due to lower outstanding borrowings and lower weighted average interest rates on the Term Loan B Facility (as defined herein) and the Revolving Facility (as defined herein) in the current year.

Income tax expense. During the three months ended September 30, 2025, income tax expense decreased $1.5 million compared to the same period in 2024. The effective tax rate for the three months ended September 30, 2025, was 23.0% compared to an effective tax rate of 18.4% for the same period in 2024, a 4.6% increase. This increase in the effective tax rate was primarily driven by a shift in the mix of our 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.

During the nine months ended September 30, 2025, income tax expense decreased $22.1 million compared to the same period in 2024. The effective tax rate for the nine months ended September 30, 2025, was (243.6)% compared to an effective tax rate of 21.0% for the same period in 2024, a 264.6% decrease. The effective tax rate was impacted by the HEYDUDE impairments in 2025, as described above, which are not deductible for tax purposes. As a result of a prior year intra-entity transaction, the value of the intellectual property for tax purposes is subject to revaluation and therefore there are not similar impacts for tax as a result of the intellectual property impairment. 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 September 30,		Nine Months Ended September 30,		% Change		Constant Currency % Change [1]	
					Favorable (Unfavorable)			
	2025	2024	2025	2024	Q3 2025-2024	YTD 2025-2024	Q3 2025-2024	YTD 2025-2024
	(in thousands)							
Revenues:								
Crocs Brand revenues	$ 836,229	$ 858,098	$ 2,557,427	$ 2,515,903	(2.5)%	1.7 %	(3.2)%	1.7 %
HEYDUDE Brand revenues	160,072	204,102	525,580	596,432	(21.6)%	(11.9)%	(21.7)%	(11.9)%
Total consolidated revenues	$ 996,301	$ 1,062,200	$ 3,083,007	$ 3,112,335	(6.2)%	(0.9)%	(6.8)%	(0.9)%
Income (loss) from operations:								
Crocs Brand income from operations	$ 272,719	$ 313,264	$ 904,718	$ 932,921	(12.9)%	(3.0)%	(12.8)%	(2.5)%
HEYDUDE Brand income (loss) from operations	6,750	26,191	(675,952)	108,704	(74.2)%	(721.8)%	(73.2)%	(721.5)%
Enterprise corporate	(71,809)	(69,626)	(225,648)	(219,629)	(3.1)%	(2.7)%	(3.0)%	(2.7)%
Total consolidated income (loss) from operations	$ 207,660	$ 269,829	$ 3,118	$ 821,996	(23.0)%	(99.6)%	(22.7)%	(98.9)%

[1] 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 decreased in the three months ended September 30, 2025, compared to the same period in 2024, primarily due to lower volume. The overall decrease was partially offset by higher ASP, driven by favorable channel mix. Net favorable foreign currency fluctuations, primarily in the Euro, also increased revenues.

The increase in Crocs Brand revenues in the nine months ended September 30, 2025, compared to the same period in 2024 was due to higher volume. The overall increase in Crocs Brand revenues was offset in part by lower ASP, mainly due to unfavorable product mix and increased discounting, partially offset by favorable channel mix.

Income from Operations. Income from operations for our Crocs Brand segment was $272.7 million for the three months ended September 30, 2025, a decrease of $40.5 million, or 12.9%, compared to the same period in 2024. Gross margin was 61.8%, a decrease of 70 basis points, primarily due to unfavorable duties, partially offset by lower product costs.

SG&A for our Crocs Brand segment increased $21.1 million, or 9.5%, during the three months ended September 30, 2025, compared to the same period in 2024. This increase was primarily due to higher costs in the DTC channel, including investment in the channel and variable costs, and increased investments in talent and marketing.

During the nine months ended September 30, 2025, income from operations for our Crocs Brand was $904.7 million, a decrease of $28.2 million, or 3.0%, compared to the same period in 2024. Gross margin was 62.3%, an increase of 50 basis points, primarily due to lower product costs and favorable customer mix, partially offset by unfavorable duties.

SG&A, including asset impairments, for our Crocs Brand increased $67.4 million, or 10.8%, during the nine months ended September 30, 2025, compared to the same period in 2024, primarily due to higher costs in the DTC channel, including investment in the channel and variable costs, and increased investments in talent and marketing.

HEYDUDE Brand

Revenues. For the three months ended September 30, 2025, HEYDUDE Brand revenues decreased compared to the same period in 2024, primarily due to lower volume. The overall decrease in revenues was partially offset by higher ASP, primarily due to favorable channel mix as we expand our retail footprint and reduced discounting.

During the nine months ended September 30, 2025, revenues decreased compared to the same period in 2024, primarily due to lower volume. The overall decrease in revenues was partially offset by higher ASP, primarily due to favorable channel mix and reduced discounting, slightly offset by unfavorable product mix.

Income (Loss) from Operations. Income from operations for the HEYDUDE segment was $6.8 million for the three months ended September 30, 2025, a decrease of $19.4 million, or 74.2%, compared to income from operations in the same period in 2024. Gross margin was 42.3%, a decrease of 560 basis points, primarily due to unfavorable duties and higher distribution and logistics costs, partially offset by higher ASP.

SG&A for the HEYDUDE Brand segment decreased $10.6 million, or 14.8%, during the three months ended September 30, 2025, compared to the same period in 2024. This decrease was primarily due to reduced marketing costs, primarily in variable marketing.

Loss from operations for the HEYDUDE segment was $676.0 million for the nine months ended September 30, 2025, a decrease of $784.7 million, or 721.8%, compared to income from operations in the same period in 2024. Gross margin was 46.6%, a decrease of 110 basis points, primarily due to unfavorable duties and unfavorable channel mix.

SG&A, including asset impairments, for the HEYDUDE Brand segment increased $744.9 million, or 423.4%, during the nine months ended September 30, 2025, compared to the same period in 2024. This is primarily due to the partial impairment of the indefinite-lived HEYDUDE trademark and HEYDUDE Brand reporting unit goodwill, as discussed above, which was partially offset by prior year impairments costs of the right-of-use assets for our former HEYDUDE Brand warehouses in Las Vegas, Nevada, that did not recur in the current year. SG&A also increased overall for the HEYDUDE Brand due to higher costs in the DTC channel, including investment in the channel and variable costs.

Enterprise Corporate

During the three months ended September 30, 2025, total net costs within ‘Enterprise corporate’ increased $2.2 million, or 3.1%, compared to the same period in 2024. This increase was primarily due to an increased investment in talent and higher information technology costs, partially offset by lower professional services fees, including consulting.

During the nine months ended September 30, 2025, total net costs within ‘Enterprise corporate’ increased $6.0 million, or 2.7%, compared to the same period in 2024. This was primarily due to an increased investment in talent and higher information technology costs, partially offset by a prior year non-cash impairment charge for information technology systems related to the HEYDUDE integration that did not recur in the current year.

Store Locations

As of September 30, 2025, we had 427 company-operated retail locations for the Crocs Brand, inclusive of 199 retail locations in North America and 228 retail locations internationally. As of September 30, 2025, we had 75 company-operated retail locations for the HEYDUDE Brand. As of September 30, 2024, we had 372 company-operated retail locations for the Crocs Brand, inclusive of 173 retail locations in North America and 199 retail locations internationally. As of September 30, 2024, we had 43 company-operated retail locations for the HEYDUDE Brand.

Financial Condition, Capital Resources, and Liquidity

Liquidity

Our liquidity position as of September 30, 2025, was:

		September 30, 2025
		(in thousands)
Cash and cash equivalents	$	153,970
Available borrowings		862,416

As of September 30, 2025, we had $154.0 million in cash and cash equivalents and up to $862.4 million of available borrowings, including $847.4 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 September 30, 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 and Cash Equivalents

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 September 30, 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 September 30, 2025, we held $152.2 million of our total $154.0 million in cash and cash equivalents 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 $152.2 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 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 September 30, 2025, we were in compliance with all financial covenants under the Credit Agreement.

As of September 30, 2025, the total commitments available from the lenders under the Revolving Facility were $1.0 billion. At September 30, 2025, we had $152.0 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 September 30, 2025, and December 31, 2024, we had $847.4 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 September 30, 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 September 30, 2025, we were in compliance with all financial covenants under the Term Loan B Credit Agreement.

Asia Revolving Credit Facility

During the nine months ended September 30, 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 September 30, 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 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 September 30, 2025, we were in compliance with all financial covenants under the Notes.

Cash Flows

	Nine Months Ended September 30,		$ Change	% Change
	2025	2024	Favorable (Unfavorable)	
	(in thousands)			
Cash provided by operating activities	$ 457,901	$ 670,549	$ (212,648)	(31.7)%
Cash used in investing activities	(45,120)	(50,857)	5,737	11.3 %
Cash used in financing activities	(444,398)	(583,673)	139,275	23.9 %
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	5,462	429	5,033	1,173.2 %
Net change in cash, cash equivalents, and restricted cash	$ (26,155)	$ 36,448	$ (62,603)	(171.8)%

Operating Activities. Cash provided by operating activities consists of net income (loss) adjusted for non-cash items and changes in working capital. Cash provided by operating activities decreased $212.6 million for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024, driven by decreases in operating assets and liabilities of $181.1 million, primarily due to the change in income taxes and a larger increase in inventory units compared to the prior period, as well as higher unit cost as a result of incremental duties. Additionally, lower net income (loss), adjusted for non-cash items, of $31.5 million contributed to the decrease.

Investing Activities. There was a $5.7 million decrease in cash used in investing activities for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024. This was due to a decrease in purchases of property, equipment, and software.

Financing Activities. Cash used in financing activities decreased by $139.3 million in the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024. The decrease in cash used in financing activities was primarily due to a decrease in repayments, net of borrowings, of $210.2 million. There were other decreases in cash used of $5.1 million. The overall decrease in cash used in financing activities was partially offset by an increase of $76.0 million in repurchases of common stock, including excise tax.

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 Revolving Facility.

Off-Balance Sheet Arrangements

We had no material off-balance sheet arrangements as of September 30, 2025, other than certain purchase commitments, which are described in Note 13 — 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.

Impairment of Goodwill and Indefinite-Lived Intangible Assets

We evaluate the carrying value of our indefinite-lived intangible assets and goodwill at least annually or when an interim triggering event has occurred indicating potential impairment. During the second quarter of the fiscal year ended 2025, there was a triggering event for the HEYDUDE Brand indefinite-lived intangible assets (which consists solely of the HEYDUDE trademark) (the "trademark") and the HEYDUDE Brand reporting unit (the "reporting unit") goodwill. The triggering event was due to downward revisions, during the second quarter of the fiscal year ended 2025, to our internal HEYDUDE Brand forecast as a result of the extended time we believed it would take us to stabilize the HEYDUDE Brand and return it to growth. This was partly due to the current and projected impact of a weak U.S. consumer and the disproportionate impact of tariffs on HEYDUDE Brand products, which became evident in the second quarter of the fiscal year ended 2025. As a result, we completed quantitative assessments for the trademark and the reporting unit goodwill in the second quarter of the fiscal year ended 2025, and recognized non-cash impairment charges of $430.0 million and $307.0 million, respectively. For more detailed information about our accounting conclusions and key assumptions used, refer to Note 3 — Goodwill and Intangible Assets, Net 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.

Our goodwill balance as of September 30, 2025 and December 31, 2024, was $404.7 million and $711.5 million, respectively. As of September 30, 2025, a goodwill amount of $403.0 million was assigned to the HEYDUDE Brand segment.

Our impairment evaluations represent a critical accounting policy as they require significant judgments and assumptions that we believe to be reasonable but that are inherently uncertain and unpredictable. The primary assumptions developed by management and used in the quantitative assessments included annual revenue growth rates, averaging approximately 8% for both the trademark and reporting unit goodwill, projected earnings before interest, taxes, depreciation, and amortization ("EBITDA") margins, averaging approximately 20% for both the trademark and reporting unit goodwill, and a market-based discount rate of 15% for both the trademark and reporting unit goodwill, which was based on, most significantly, a risk-free rate of return, an equity market risk premium, and a company-specific risk premium. Changes in the assumptions used to estimate the fair value of our goodwill and indefinite-lived intangible assets could result in additional impairment charges in future periods as the key assumptions are inherently uncertain, require significant judgment and are subject to change based on, among others, industry and geopolitical conditions, our ability to navigate changing macroeconomic conditions and trends as well as the timing and success of strategic initiatives.

Certain factors, such as failure to achieve forecasted revenue growth rates, EBITDA margins, or increases in the discount rates, have the potential to create variances in the estimated fair values of our goodwill and indefinite-lived intangible assets that could result in additional impairment charges in future periods. Refer to 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.

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 and Note 3 — Goodwill and Intangible Assets, Net 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, except as described above.

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 September 30, 2025, we had borrowings with a face value of $1.4 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 September 30, 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 $6.5 million based on the balances outstanding for these borrowings as of September 30, 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 operations 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 September 30, 2025, by $4.2 million and $0.5 million, respectively. During the nine months ended September 30, 2025, an increase of 1% of the value of the U.S. Dollar relative to foreign currencies would have decreased our revenues and income before taxes by $14.1 million and $3.0 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 7 — 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 September 30, 2025, the U.S. Dollar notional value of our total derivatives was $83.3 million. The fair value of these contracts at September 30, 2025, was an insignificant asset and an insignificant liability.

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 September 30, 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 $1.3 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 operations for the three and nine months ended September 30, 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 September 30, 2025. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 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 September 30, 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 15 — 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 2025, the United States ("U.S.") has imposed tariffs on foreign imports from multiple countries, including, a total tariff of 20%, 30%, 19%, 50%, and 19% on all imports from Vietnam, China, Indonesia, India, and Cambodia, respectively, the countries in which our product is primarily manufactured. These tariffs have increased and will continue to 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. There is potential for future price increases in response to tariffs, which could cause the demand for our products to go down, and thus 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 these and any other 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.

In connection with the acquisition of HEYDUDE, we allocated approximately $710.0 million and $1,780.0 million to goodwill and definite- and indefinite-lived intangible assets, respectively. We evaluate the carrying value of our indefinite-lived intangible assets and goodwill at least annually or when an interim triggering event has occurred indicating potential impairment. During the second quarter of the fiscal year ended 2025, there was a triggering event for the HEYDUDE Brand indefinite-lived intangible assets (which consists solely of the HEYDUDE trademark) (the "trademark") and the HEYDUDE Brand reporting unit (the "reporting unit") goodwill, which resulted in non-cash impairment charges of $430.0 million for the trademark and $307.0 million for the reporting unit goodwill. The triggering event was due to downward revisions during the second quarter of the fiscal year ended 2025, to our internal HEYDUDE Brand forecast as a result of the extended time we believed it would take us to stabilize the HEYDUDE Brand and return it to growth. This was partly due to the current and projected impact of a weak U.S. consumer and the disproportionate impact of tariffs on HEYDUDE Brand products, which became evident in the second quarter of the fiscal year ended 2025. Our impairment evaluations represent a critical accounting policy as they require significant judgments and assumptions that we believe to be reasonable but that are inherently uncertain and unpredictable. Changes in the assumptions used to estimate the fair value of our goodwill and indefinite-lived intangible assets could result in impairment charges in future periods as the key assumptions are inherently uncertain, require significant judgment and are subject to change based on, among others, industry and geopolitical conditions, our ability to navigate changing macroeconomic conditions and trends as well as the timing and success of strategic initiatives. In addition, certain factors, such as failure to achieve forecasted revenue growth rates, earnings before interest, taxes, depreciation, and amortization, or increases in the discount rates, have the potential to create variances in the estimated fair values of our goodwill and indefinite-lived intangible assets that could result in additional impairment charges in future periods. Refer to Note 3 — Goodwill and Intangible Assets, Net for additional information.

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 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 (1)	Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (1)
July 1 - 31, 2025	188,215	$ 104.96	188,215	$ 1,110,008,716
August 1 - 31, 2025	1,655,414	80.85	1,655,414	976,209,075
September 1 - 30, 2025	599,671	82.19	599,671	926,934,924
Three months ended September 30, 2025	2,443,300	83.03	2,443,300	926,934,924

(1) On February 10, 2025, the Board approved an increase to our then-existing common stock repurchase authorization program up to approximately $1.3 billion of our common stock. As of September 30, 2025, approximately $926.9 million 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 oblige 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 September 30, 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.

ITEM 6. Exhibits

Exhibit Number	Description
3.1	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).
3.2	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).
3.3	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).
3.4	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).
4.1	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).
10.1*	Employment Offer Letter, dated August 26, 2025, between Crocs, Inc. and Patraic Reagan (incorporated herein by reference to Exhibit 10.1 to Crocs, Inc.'s Current Report on Form 8-K, filed on August 29, 2025).
31.1†	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.
31.2†	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.
32+	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.
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 and contained in Exhibit 101).

* Compensatory plan or arrangement.
† 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: October 30, 2025

By: /s/ Patraic Reagan

Name: Patraic Reagan

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

EXHIBIT 31.1

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: October 30, 2025

/s/ Andrew Rees
Andrew Rees
Chief Executive Officer

EXHIBIT 31.2

SECTION 302 CERTIFICATION

I, Patraic Reagan, 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: October 30, 2025

/s/ Patraic Reagan
Patraic Reagan
Executive Vice President and Chief Financial Officer

EXHIBIT 32

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 September 30, 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: October 30, 2025

/s/ Andrew Rees
Andrew Rees
Chief Executive Officer

/s/ Patraic Reagan
Patraic Reagan
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.