

Crocs, Inc. (CROX)

\$90.70 (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$100.00**

Long Term: 6-12 Months

Zacks Recommendation:

Outperform

(Since: 12/01/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

Zacks Rank: (1-5)

1-Strong Buy

Zacks Style Scores:

VGM: C

Value: A

Growth: D

Momentum: F

Summary

Shares of Crocs have outperformed the industry in the past six months. Crocs is driving growth through strategic collaborations and product innovations, staying on course with its long-term plan to deliver sustainable and profitable expansion. Management is refreshing HEYDUDE's lineup and prioritizing brand health. Moreover, the company has identified \$100 million of incremental gross cost savings, which is likely to benefit in 2026. On the innovation front, Crocs is refreshing its iconic silhouettes with updated materials, colors, and comfort features, while introducing new product lines in sandals, boots, and seasonal footwear. The company is building momentum with innovations like the Echo and In-Motion franchises. Sandals remain a key growth driver, with management expecting a fourfold increase in category sales by 2026.

Data Overview

52 Week High-Low	\$122.84 - \$73.21
20 Day Average Volume (sh)	1,351,310
Market Cap	\$4.7 B
YTD Price Change	-17.9%
Beta	1.54
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Textile - Apparel
Zacks Industry Rank	Top 17% (40 out of 243)

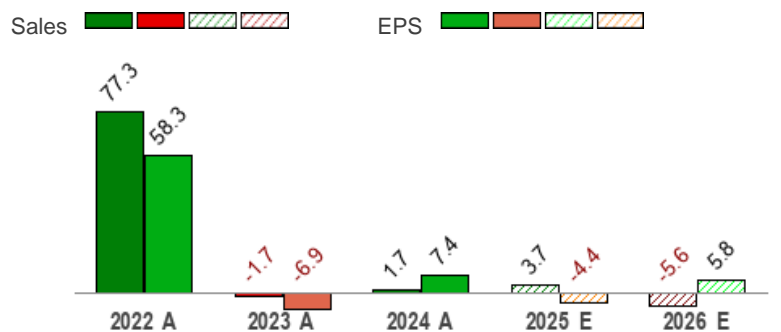
Last EPS Surprise	22.2%
Last Sales Surprise	2.9%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/12/2026
Earnings ESP	0.0%

P/E TTM	7.1
P/E F1	7.4
PEG F1	13.0
P/S TTM	1.2

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026					4,015 E
2025	937 A	1,149 A	996 A		4,253 E
2024	939 A	1,112 A	1,062 A	990 A	4,102 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026					13.32 E
2025	3.00 A	4.23 A	2.92 A		12.59 E
2024	3.02 A	4.01 A	3.60 A	2.52 A	13.17 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/15/2025.

(2) The report's text and the price target are as of 12/02/2025.

Overview

Founded in 1999 and based in Broomfield, CO, Crocs, Inc. is one of the leading footwear brands with its focus on comfort and style. Famous for its iconic clog material, Crocs' simple design and great comfort was an instant hit among consumers. The company offers a wide variety of footwear products including sandals, wedges, flips and slide that cater to people of all age.

Most of the company's shoes are made up of Croslite, which comes with qualities including soft, comfortable, lightweight, non-marking and odor-resistant. Its other iconic product "The Classic Clog" for adults and children offers all-day comfort. It is now using the Croslite technology in its LiteRide collection, which features proprietary foam and is soft, lightweight and resilient.

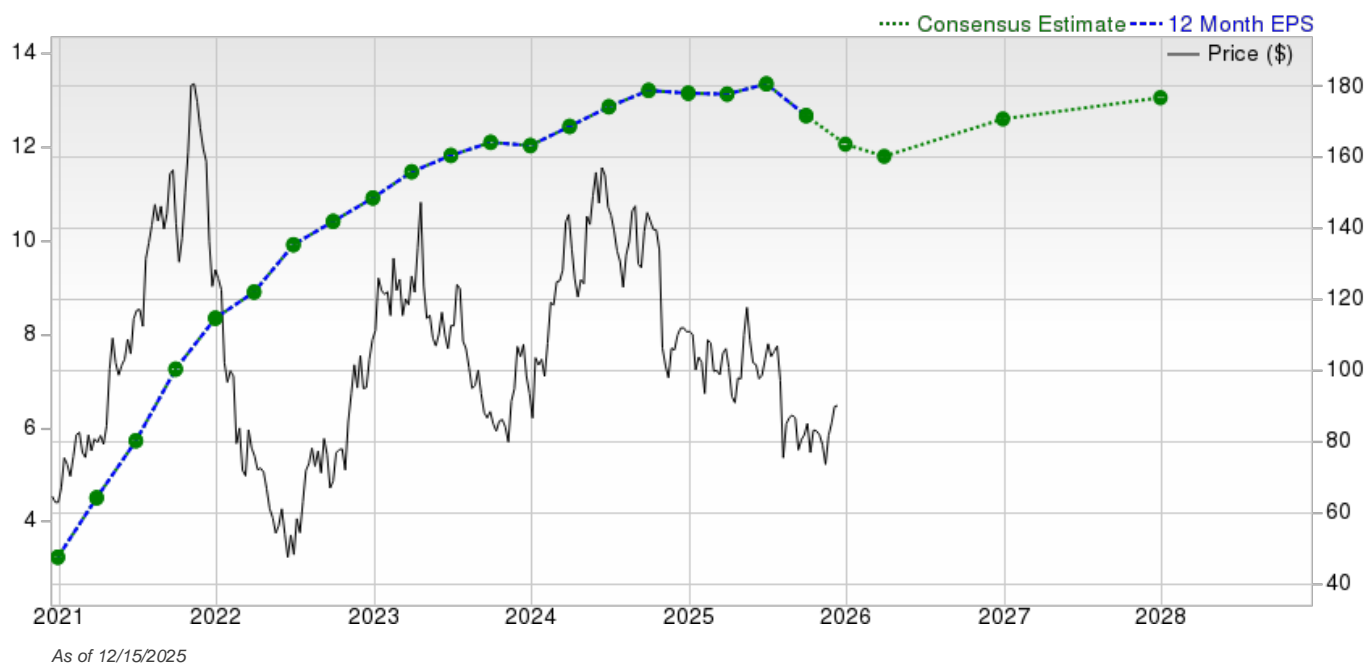
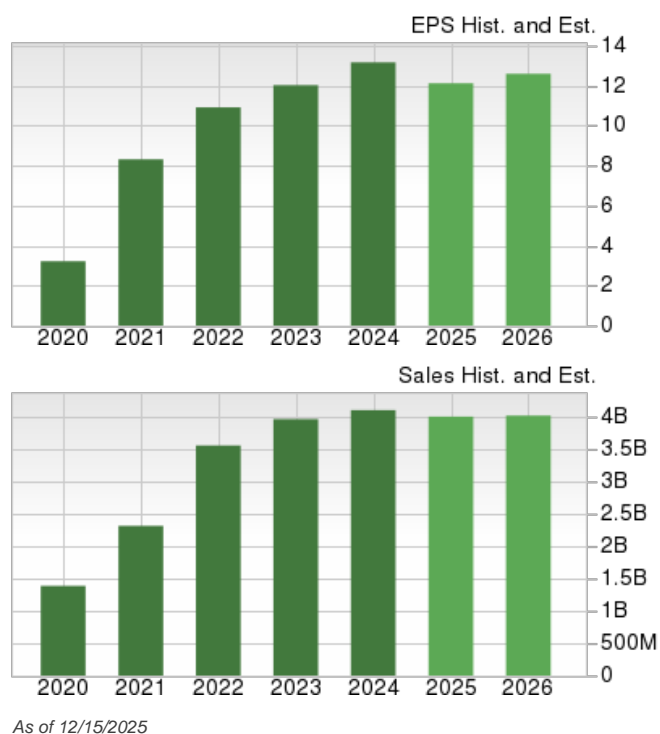
The company reports in two operating segments (i) Crocs Brand and (ii) HEYDUDE Brand.

Crocs Brand (81% of Q3 revenues): The brand is well recognized for its unmistakable iconic molded clog silhouette, offering simple design aesthetic, along with modern comfort. It has expanded into a wide variety of casual footwear products.

HEYDUDE Brand (19% of Q3 revenues): The brand offers shoes with a versatile silhouette with many wearing occasions that focus on casualization, comfort-led functionality and personalization. It uses leading technologies like flex-and-fold outsole and ergonomic insole.

Crocs' products are available in more than 80 countries and are distributed via wholesale, retail and e-commerce platforms. The wholesale channel consists of domestic and international multi-brand retailers, e-tailers and distributors while the retail channel includes company-operated stores. Lastly, websites and third-party marketplaces form its e-commerce operations.

Crocs has entered into licensing partnerships with Disney, including Marvel and Lucasfilm, Universal Studios, Nintendo and Warner Bros, which further enhances its reach and popularity.



Reasons To Buy:

▲ **Strategic Collaborations and Innovations:** Crocs has achieved remarkable growth in global brand awareness and desirability through collaborations and product innovations. The brand's partnerships with high-profile designers, global entertainment franchises, and pop culture icons have generated significant consumer buzz and broadened its appeal across demographics. Limited-edition drops and co-branded collections have driven urgency and sell-through, while expanding the brand's relevance beyond its core clog category. Some recent collaborations include a Bath & Body Works collection featuring the Classic Clog and cozy sandal paired with mystery-scent Jibbitz charms, along with themed partnerships inspired by Batman, Squishmallows, and McDonald's Happy Meal.

Crocs drives growth through strategic collaborations and product innovations, staying on course with its long-term plan to deliver sustainable and profitable expansion.

On the innovation front, Crocs is refreshing its iconic silhouettes with updated materials, colors, and comfort features, while introducing new product lines in sandals, boots, and seasonal footwear. Crocs is building momentum with innovations like the Echo and In-Motion franchises, along with upcoming launches such as the Echo Wave, Molded Mule, and Echo Search. The debut of Pet Crocs, created in collaboration with BARK, is also generating positive buzz. HEYDUDE is also undergoing a product evolution, with refreshed versions of its top sellers and entirely new styles aimed at attracting younger and more fashion-conscious consumers. By blending creativity with consumer insights, Crocs is strengthening brand heat, enhancing direct-to-consumer engagement, and reinforcing its position in the global casual footwear market, setting the stage for sustained growth and market share gains. Although shares of Crocs have lost 9.2% in the past six months, they have fared the industry's 17.4% decline.

▲ **Other Strengths:** Crocs is already benefiting from its earlier-acted \$50 million of gross cost-savings in 2025. The company has identified \$100 million of incremental gross cost savings, likely to benefit in 2026. These savings encompass simplifying its organizational structure, deliberately lowering spend in non-critical areas and further bolstering the supply chain. It remains focused on managing its adjusted SG&A base to aid operating leverage in 2026 alongside creating higher flexibility across the P&L. It has undertaken various strategic and tactical efforts to boost momentum of its brands. Crocs is making efforts to drive flexibility in its cost structure, delivering consistent growth in the future. In the fourth quarter, management expects acceleration in Crocs' international business from a mid-single digit in Q3 to a low double-digit rate in Q4. The adjusted operating margin view excludes nearly \$10 million of cost-reduction initiatives.

▲ **Long-term Strategy and Key Initiatives:** Crocs remains firmly on track with the long-term growth strategy it unveiled in September 2021, aimed at delivering sustainable, profitable expansion. The strategy centers on three priorities: first, igniting its iconic products across both brands to strengthen consumer awareness and relevance; second, investing in Tier 1 markets to drive share gains through enhanced talent, marketing, digital, and retail capabilities; and third, broadening its product portfolio to attract a wider customer base. The company's long-term targets include surpassing \$5 billion in annual revenues by 2026, representing a five-year compounded annual growth rate (CAGR) of more than 17%.

Sandals are a key growth driver, with management expecting a fourfold increase in category sales by 2026. Asia, particularly China, represents a major opportunity, with plans for significant expansion. Management had earlier forecast revenue growth at a CAGR of 25% in 2026. Crocs also expects the digital channels to contribute at least half of total revenues by 2026. Alongside revenue growth, the company expects improved profitability, with adjusted operating margins above 26% and strong annual free cash flow generation of more than \$1 billion, supporting reinvestment and shareholder returns.

▲ **Financial Health:** Crocs has maintained its focus on debt reduction, enhancing financial flexibility to support long-term growth initiatives. In third-quarter 2025, CROX repaid \$63 million of debt. As of Sept. 30, 2025, the company's long-term borrowings stood at \$1.32 billion, down from \$1.42 billion in the prior-year quarter, keeping it at the lower end of its net leverage target range of 1-1.5 times. Strong profitability and free cash flow enable the company boost shareholders' value through buybacks and debt paydown. Liquidity remains solid, with \$154 million in cash and cash equivalents and roughly \$850 million of available borrowing capacity under its \$1 billion revolving credit facility. In the third quarter, Crocs repurchased approximately 2.4 million shares for \$203 million at an average price of \$102. The company ended the quarter with roughly \$927 million remaining under its share repurchase authorization, providing ample capacity for future buybacks while continuing to invest in growth and innovation.

Risks⁽²⁾

- **Softness at the HEYDUDE Brand:** Crocs' HEYDUDE brand continues to face headwinds, with softness driven by a cautious U.S. consumer, elevated tariffs and wholesale channel pressures. The brand is navigating a prolonged reset in North America, marked by incremental inventory returns, wholesale cleanups and a pullback in performance marketing to improve profitability. In third-quarter 2025, HEYDUDE brand's revenues dropped 21.6% year over year owing to a 38.6% decrease in wholesale revenues and a 0.5% dip in direct-to-consumer (DTC) revenues. On a constant-currency basis, revenues for the HEYDUDE brand declined 11.9%, with a 22.6% decrease in wholesale, offset by a 4.5% rise in the DTC business.

In response, Crocs is refreshing HEYDUDE's product lineup, introducing updated icons like the Wally and Wendy, and launching new offerings such as the Paul Pro and HEY2.0. While these initiatives are showing promise, management expects near-term revenue softness for the brand. For the fourth quarter, HEYDUDE brand's revenues are likely to drop in the mid-20s range, reflecting the impact of lower performance marketing spend in the DTC channel and the investments in the wholesale marketplace cleanup.

- **Bleak Outlook:** Crocs has been struggling with a tough macroeconomic landscape, as business and consumer uncertainty is high. The outlook for Crocs appears challenging as the company navigates evolving global trade policies, including elevated tariffs that continue to pressure costs and weigh on profitability. For the fourth quarter of 2025, management anticipates revenues to decline roughly 8% year over year at currency rates as of Oct. 27, 2025. Revenues at Crocs brand is likely to drop approximately 3% versus fourth-quarter 2024, while HEYDUDE brand revenues are projected to be down mid-20%. North America revenues are likely to decline low double digits versus the prior year, indicating a wider range of outcomes with a competitive holiday season and lower inventory receipts in the wholesale channel.

Adjusted operating margin is forecast to be approximately 15.5% while the adjusted effective tax rate is likely to come at 16%. Gross margin is likely to decrease roughly 300 basis points, mainly due to tariff headwinds. Adjusted earnings per share are envisioned to be in the \$1.82-\$1.92 band, not assuming any impacts of potential future share repurchases. This reflects a decline from \$2.52 earned in the year-earlier quarter.

- **Weak Margins:** Crocs' margins softened in the third quarter, pressured by a combination of higher expenses and other dynamics. Elevated costs from tariffs were a notable drag. The adjusted gross profit dipped 7.9% year over year to \$583 million while the adjusted gross margin contracted 110 basis points (bps) to 58.5%. This included a 230-bps of tariff headwinds. The tariff impacts in the quarter were 60-bps based on increased receipts and country mix. Crocs' brand adjusted gross margin of 61.8% fell 70 bps year over year, driven by tariff woes. HEYDUDE brand adjusted gross margin of 42.3% plunged 560 bps versus the prior year, thanks to tariff woes and fixed cost to leverage, which was somewhat offset by higher ASPs.

Adjusted selling, general and administrative (SG&A) expenses, as a percentage of revenues, increased 350 bps to 37.7%. Adjusted SG&A dollars rose 3% versus the prior year, owing to the investments in talent, DTC and marketing, offset by cost savings under the \$50-million initiative unveiled this year. Adjusted operating income fell 23% year over year while the adjusted operating margin contracted 460 bps from the year-ago quarter. The pullback in discounting for incremental wholesale inventory cleanups for HEYDUDE, though strategically important, also weighed on near-term margins, underscoring management's focus on long-term brand's profitability.

- **Dip in Consumer Sentiment May Impact Sales:** Any dip in consumer confidence – a key determinant of the economy's health – may have a serious bearing on spending. The company's customers remain sensitive to macroeconomic factors including interest rate hikes, increases in fuel and energy costs, credit availability, unemployment levels and high household debt levels, which may negatively impact their sentiment. For now, the novel coronavirus has wreaked havoc and any untoward incident may severely impact the Consumer Discretionary sector in particular.

Last Earnings Report

Crocs Q3 Earnings Surpass Estimates, Revenues Drop 6.2%

Crocs has reported better-than-expected third-quarter 2025 results, wherein the both earnings and revenues beat the Zacks Consensus Estimate. However, both the metrics decreased year over year.

The company's third-quarter performance was backed by disciplined execution of its brand strategies, and product and go-to-market innovation. Moving forward, the company has recognized an additional \$100 million of gross cost savings next year, in addition to \$50 million in 2025. This demonstrates CROX's strict focus on operating leverage.

Crocs' adjusted earnings of \$2.92 per share beat the Zacks Consensus Estimate of \$2.39 but decreased 18.9% from the prior-year figure.

Insight Into CROX's Q3 Performance

Consolidated revenues dipped 6.2% to \$996 million from the year-ago figure but came above the Zacks Consensus Estimate of \$968 million. On a constant-currency basis, revenues fell 6.8% year over year. DTC revenues jumped 1.6% but wholesale revenues declined 14.7%. On a constant-currency basis, DTC revenues inched up 0.9%, while wholesale revenues dropped 15.1% year over year.

The Crocs brand's revenues dipped 2.5% year over year to \$836 million, including a 7.9% decrease in wholesale revenues, offset by a 2% rise in DTC revenues. On a constant-currency basis, revenues for the Crocs brand fell 3.2%, with a 1.2% rise in the DTC business and an 8.4% decline in wholesale. Revenues for the Crocs brand surpassed the Zacks Consensus Estimate of \$823 million.

The HEYDUDE brand's revenues dropped 21.6% year over year to \$160.1 million. The decline was due to a 38.6% decrease in wholesale revenues and a 0.5% dip in DTC revenues. On a constant-currency basis, revenues for the HEYDUDE brand declined 11.9%, with a 22.6% decrease in wholesale, offset by a 4.5% rise in the DTC business. Revenues for the HEYDUDE brand beat the Zacks Consensus Estimate of \$146 million.

The adjusted gross profit dipped 7.9% year over year to \$583 million. The adjusted gross margin contracted 110 basis points (bps) to 58.5%. Adjusted selling, general and administrative (SG&A) expenses, as a percentage of revenues, increased 350 bps to 37.7%. Adjusted operating income fell 23% year over year to \$207.7 million. The adjusted operating margin contracted 460 bps to 20.8% from the year-ago quarter.

Financial Details of Crocs

The company ended third-quarter 2025 with cash and cash equivalents of \$154 million, long-term borrowings of \$1.32 billion, and stockholders' equity of \$1.36 billion. It incurred a capital expenditure of \$45 million as of Sept. 30, 2025.

In the quarter, CROX repaid \$63 million of debt. The company repurchased 2.4 million shares for \$203 million. It had \$927 million of share repurchase authorization available for future repurchases at the end of the third quarter.

CROX's Q4 2025 Outlook

For the fourth quarter of 2025, management anticipates revenues to decline roughly 8% year over year at currency rates as of Oct. 27, 2025. Revenues at Crocs brand is likely to drop approximately 3% versus fourth quarter 2024, while HEYDUDE brand revenues are projected to be down mid-20%.

The company expects non-GAAP adjustments of \$10 million with respect to cost-reduction initiatives. Adjusted operating margin is forecast to be approximately 15.5% while the adjusted effective tax rate is likely to come at 16%.

Adjusted earnings per share are envisioned to be in the \$1.82-\$1.92 band, not assuming any impacts of potential future share repurchases. It predicts capital expenditures of \$70-\$75 million for 2025.

FY Quarter Ending **12/31/2024**

Earnings Reporting Date	Oct 30, 2025
Sales Surprise	2.92%
EPS Surprise	22.18%
Quarterly EPS	2.92
Annual EPS (TTM)	12.67

Valuation

Crocs shares are down 9.2% in the past six months and nearly 22% for the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Discretionary sector are down 17.4% and 2.8%, respectively, in the six-month period. Over the past year, the Zacks sub-industry and the sector have been down 21.3% and 1.7%, respectively.

The S&P 500 index is up 17% in the past six months and 15.4% in the past year.

The stock is currently trading at 6.9X forward 12-month earnings, which compares to 16.33X for the Zacks sub-industry, 18.76X for the Zacks sector and 23.41X for the S&P 500 index.

Over the past five years, the stock has traded as high as 26.17X and as low as 4.2X, with a 5-year median of 9.04X. Our Outperform recommendation indicates that the stock will perform better than the market. Our \$100 price target reflects 7.38X forward 12-month earnings.

The table below shows summary valuation data for CROX

Valuation Multiples - CROX					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	6.9	16.33	18.76	23.41
	5-Year High	26.17	30.57	39.87	23.82
	5-Year Low	4.2	12.54	15.44	15.73
	5-Year Median	9.04	17.5	19.11	21.19
P/S F12M	Current	1.12	2.19	2.39	5.29
	5-Year High	4.14	3.25	3.48	5.5
	5-Year Low	0.77	1.78	1.68	3.83
	5-Year Median	1.59	2.52	2.3	5.04
EV/EBITDA TTM	Current	7.01	17.73	10.38	18.54
	5-Year High	50.66	33.89	17.33	22.41
	5-Year Low	5.51	13.83	8.06	13.87
	5-Year Median	8.75	17.39	10.28	17.96

As of 12/01/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 17% (40 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Gildan Activewear, I... (GIL)	Outperform	3
Hugo Boss (BOSSY)	Neutral	3
Columbia Sportswear ... (COLM)	Neutral	3
Guess?, Inc. (GES)	Neutral	2
G-III Apparel Group,... (GIII)	Neutral	2
Kontoor Brands, Inc. (KTB)	Neutral	2
Savers Value Village... (SVV)	Neutral	3
Oxford Industries, I... (OXM)	Underperform	5

Industry Comparison⁽¹⁾ Industry: Textile - Apparel

	CROX	X Industry	S&P 500	BOSSY	COLM	GIL
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Neutral	Outperform
Zacks Rank (Short Term)	1	-	-	3	3	3
VGM Score	C	-	-	A	F	D
Market Cap	4.67 B	1.48 B	39.38 B	2.92 B	3.08 B	11.21 B
# of Analysts	5	3	22	1	4	3
Dividend Yield	0.00%	0.00%	1.41%	2.51%	2.10%	1.49%
Value Score	A	-	-	A	C	C
Cash/Price	0.03	0.06	0.04	0.03	0.08	0.01
EV/EBITDA	5.35	5.95	14.60	3.38	8.03	16.52
PEG Ratio	12.87	2.95	2.23	NA	NA	NA
Price/Book (P/B)	3.42	1.10	3.35	1.74	1.86	6.06
Price/Cash Flow (P/CF)	6.11	7.73	15.20	4.30	11.71	14.70
P/E (F1)	7.33	17.64	19.78	10.86	17.80	17.47
Price/Sales (P/S)	1.15	0.75	3.06	0.62	0.90	3.33
Earnings Yield	13.49%	5.23%	4.99%	9.21%	5.61%	5.72%
Debt/Equity	0.97	0.32	0.57	0.00	0.00	0.94
Cash Flow (\$/share)	14.72	1.97	8.99	1.97	4.88	4.12
Growth Score	D	-	-	B	F	C
Hist. EPS Growth (3-5 yrs)	25.56%	3.79%	8.16%	6.54%	4.46%	22.23%
Proj. EPS Growth (F1/F0)	-6.91%	-8.35%	8.57%	16.42%	-15.97%	15.33%
Curr. Cash Flow Growth	7.23%	5.49%	6.75%	4.65%	-14.91%	9.34%
Hist. Cash Flow Growth (3-5 yrs)	43.73%	5.39%	7.43%	1.33%	-8.89%	4.82%
Current Ratio	1.40	1.75	1.19	0.78	2.95	2.01
Debt/Capital	49.17%	24.12%	38.01%	0.00%	0.00%	48.48%
Net Margin	4.48%	4.09%	12.78%	5.31%	5.45%	14.13%
Return on Equity	43.14%	11.35%	17.00%	15.59%	12.45%	35.53%
Sales/Assets	0.87	1.14	0.53	1.16	1.21	0.86
Proj. Sales Growth (F1/F0)	-1.70%	0.00%	5.77%	3.50%	0.00%	4.40%
Momentum Score	F	-	-	D	F	D
Daily Price Chg	0.63%	-0.26%	-1.07%	3.55%	-0.17%	-0.84%
1 Week Price Chg	0.23%	0.00%	-0.63%	5.61%	3.76%	2.94%
4 Week Price Chg	22.51%	0.43%	1.39%	0.59%	6.50%	3.22%
12 Week Price Chg	11.94%	-6.66%	2.45%	-12.32%	7.18%	7.73%
52 Week Price Chg	-19.52%	-12.18%	12.83%	-2.98%	-35.57%	23.97%
20 Day Average Volume	1,351,310	224,710	2,728,366	1,121	524,721	2,329,015
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.00%	-0.64%	-0.13%
(F1) EPS Est 12 week change	4.95%	0.35%	0.69%	1.30%	-3.47%	-0.02%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	-1.53%	0.18%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	A
Growth Score	D
Momentum Score	F
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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