Crocs reports record-breaking $3.96bn revenue

Crocs recently reported another record year of earnings with revenue reaching nearly $3.96bn. That's up 11.5% from $3.55bn a year ago. Net income for the year was $792.6m, up nearly 47% year over year from $540.2m.

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"Consumer demand for the Crocs and Heydude brands has been exceptional, fuelling record 2022 revenues for both brands at a combined $3.6bn and top-tier adjusted operating margin of 28%. We anticipate another record year in 2023 with growth expected to be led by sandals and international for the Crocs Brand and increased US market penetration for Heydude", commented Andrew Rees, chief executive officer of Crocs.

Breaking the results by brand. Last year, the Crocs brand registered a revenue increase of 14.9%, or 19.4% on a constant currency basis, year-over-year, which generated $2.66bn. Its wholesale revenue was up by 17.3%, or 23.4% on a constant currency, while the brand's DTC revenue rose by 12.5%, or 15.3% on a constant currency, as compared to the previous year.

Furthermore, in 2022, the Crocs brand revenue rose by 6.0% on a constant currency basis in North America, totalling $1.64m, by 47.0% on a constant currency basis in the Asia Pacific region, reaching $473.9m, and by 46.8% on a constant currency basis in the Europe, Middle East, Africa, and Latin America region (EMEALA), amounting to $540.5m, on a comparable basis to 2021.

“Crocs Brand grew across all regions and channels, highlighting the power of our strategy and disciplined execution,” said Rees.

The Heydude brand, in turn, posted $895.5m in revenue in the period following the closing of the acquisition on the 17 February 2022, with wholesale revenue reaching $574.1m and DTC revenue adding $321.7m to the total revenue.

“We made good progress in the fourth quarter towards returning our Heydude brand to a pull-market position resulting in improved gross margins and healthy inventory levels exiting the year.”

For this year, the company forecasts group revenue to grow between 3-5%. The Crocs brand’s revenue is estimated to increase 4-6%t while the Heydude brand’s revenue may remain flat or slightly go up.