

Blackstone to invest US\$200m in Crocs shoes

NEW YORK, USA: Crocs Inc announced that the Blackstone Group is making a \$200m investment that will give it preferred stock and a 13% stake in the US-based shoe company.



Crocs has received a US\$200m investment from Blackstone so it can buy back its stock. Image: Crocs

"The stock will have a six percent cash dividend rate and at any time after three years from the issuance date, if the closing price of Crocs common stock equals or exceeds US\$29.00 for a period of 20 consecutive trading days, then the preferred stock shares will convert into shares of common stock," the statement read.

The investment allows the private equity group to have two seats on the board of the foam resin shoe company.

Crocs, the leisure shoe company, founded in 1999 in Niwot, Colorado, is valued at US\$1.2bn.

The Blackstone investment will allow Crocs to finance a US\$350m stock repurchase programme, which once complete, will allow the company to reduce its publicly traded stock by 30%.

"We expect these initiatives to reduce volatility in both our common stock price and our shareholder base and provide a strong foundation to unlock long-term value for our shareholders," said Crocs chief financial officer Jeff Lasher.

Company chief executive John McCarvel, who will retire in April, said Blackstone's investment is a vote of confidence in the company and its brand.

Since its founding Crocs has grown substantially and now employs 4,500 people and sells more than 55m shoes a year in more than 90 countries.

Source: AFP via I-Net Bridge

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