
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 April 02, 2022

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 number 001-38713

YETI Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

45-5297111

(I.R.S. Employer Identification No.)

7601 Southwest Parkway

Austin, Texas 78735

(Address of principal executive offices) (Zip Code)

(Registrant's telephone number, including area code) (512) 394-9384

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01	YETI	New York Stock Exchange

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 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, 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 ☒

There were 86,160,384 shares of Common Stock (\$0.01 par value) outstanding as of April 28, 2022.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical or current fact included in this Quarterly Report on Form 10-Q are forward-looking statements. Forward-looking statements include statements containing words such as “anticipate,” “assume,” “believe,” “can,” “have,” “contemplate,” “continue,” “could,” “design,” “due,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “likely,” “may,” “might,” “objective,” “plan,” “predict,” “project,” “potential,” “seek,” “should,” “target,” “will,” “would,” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operational performance or other events. For example, all statements made relating to growth strategies, the estimated and projected costs, expenditures, and growth rates, plans and objectives for future operations, growth, or initiatives, or strategies are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that are expected and, therefore, you should not unduly rely on such statements. The risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these forward-looking statements include but are not limited to the risks and uncertainties listed below under “Risk Factors Summary” and further described under the heading “Risk Factors” in Part II, Item 1A of this Quarterly Report on Form 10-Q, as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the United States Securities and Exchange Commission.

These forward-looking statements are made based upon detailed assumptions and reflect management’s current expectations and beliefs. While we believe that these assumptions underlying the forward-looking statements are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect actual results.

The forward-looking statements included herein are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events, or otherwise, except as required by law.

Risk Factors Summary

Investing in our securities involves a high degree of risk. The following is a summary of the principal factors that make an investment in our securities speculative or risky, all of which are further described below in the section titled “Risk Factors” in Part I, Item 1A of this Report. This summary should be read in conjunction with the “Risk Factors” section and should not be relied upon as an exhaustive summary of the material risks facing our business. In addition to the following summary, you should consider the information set forth in the “Risk Factors” section and the other information contained in this Report before investing in our securities.

Risks Related to Our Business, Operations and Industry

- A significant reduction in demand for our products could harm our results of operations.
 - If we are unable to successfully design, develop and market new products, our business may be harmed.
 - Our business could be harmed if we are unable to accurately forecast our results of operations and growth rate.
 - We may not be able to effectively manage our growth.
 - Our marketing strategy may not be successful with existing and future customers.
 - If we fail to attract new customers, or fail to do so in a cost-effective manner, we may not be able to increase sales.
 - We may not be successful in expanding into additional markets.
 - If we fail to compete effectively, we could lose our market position.
 - If we are unable to protect or preserve our brand image and proprietary rights, our business may be harmed.
 - Problems with, or loss of, our suppliers or an inability to obtain raw materials could harm our business and results of operations.
 - If we fail to timely and effectively obtain shipments of products from our manufacturers and deliver products to our retail partners and customers, our business and results of operations could be harmed.
 - Our business is subject to the risk of manufacturer concentrations.
 - Our results of operations could be materially harmed if we are unable to accurately forecast demand for our products.
 - Our business could be harmed if we fail to execute our internal plans to transition our supply chain and certain other business processes to a global scale.
 - If we cannot maintain prices or effectively implement price increases, our margins may decrease.
 - Some of our manufacturing relationships are not exclusive, which means that these manufacturers could produce similar products for our competitors.
 - Fluctuations in the cost and availability of raw materials, equipment, labor, and transportation could cause manufacturing delays or increase our costs.
 - Many of our products are manufactured by third parties outside of the United States, and our business may be harmed by legal, regulatory, economic, political and public health risks associated with international trade and those markets.
 - As current tariffs are implemented, or if additional tariffs or other restrictions are placed on foreign imports or any related counter-measures are taken by other countries, our business and results of operations could be harmed.
 - A significant portion of our sales are to independent retail partners, and if they cease to carry our current products or choose not to carry new products that we develop, our brand as well as our results of operations and financial condition could be harmed.
 - We depend on our retail partners to display and present our products to customers, and our failure to maintain and further develop our relationships with our retail partners could harm our business.
 - If our plans to increase sales through our direct-to-consumer channel are not successful, our business and results of operations could be harmed.
 - If we do not successfully implement our future retail store expansion, our growth and profitability could be harmed.
 - Insolvency, credit problems or other financial difficulties that could confront our retail partners could expose us to financial risk.
 - If our independent suppliers and manufacturing partners do not comply with ethical business practices or with applicable laws and regulations, our reputation, business, and results of operations could be harmed.
 - We are subject to payment-related risks that may result in higher operating costs or the inability to process payments, either of which could harm our business, financial condition and results of operations.
 - Our limited operating experience and limited brand recognition in new markets may make it more difficult to execute our international expansion plan and cause our business and growth to suffer.
 - Our financial results and future growth could be harmed by currency exchange rate fluctuations.
 - We may become involved in legal or regulatory proceedings and audits.
 - Our business involves the potential for product recalls, warranty liability, product liability, and other claims against us, which could adversely affect our reputation, earnings and financial condition.
 - Our business is subject to the risk of catastrophic events, and to interruption by problems such as terrorism, public health crises, cyberattacks, or failure of key information technology systems.
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- Our results of operations are subject to seasonal and quarterly variations, which could cause the price of our common stock to decline.
- We are subject to many hazards and operational risks that can disrupt our business, some of which may not be insured or fully covered by insurance.

Risks Related to Market and Global Economic Conditions

- The COVID-19 pandemic and its effects could result in declines in consumer discretionary spending or continue to adversely affect the global supply chain, which could negatively impact our business, sales, financial condition, results of operations and cash flows, and our ability to access current or obtain new lending facilities.
- Adverse economic conditions, such as a downturn in the economy or inflationary conditions resulting in rising prices, could adversely affect consumer purchases of discretionary items, which could materially harm our sales, profitability, and financial condition.

Risks Related to Information Technology and Security

- We rely significantly on information technology and any failure, inadequacy or interruption of that technology could harm our ability to effectively operate our business.
- We collect, store, process, and use personal and payment information and other customer data, which subjects us to regulation and other legal obligations related to privacy, information security, and data protection.
- Any material disruption or breach of our information technology systems or those of third-party partners could materially damage our customer and business partner relationships, and subject us to significant reputational, financial, legal, and operational consequences.

Risks Related to our Financial Condition and Tax Matters

- We depend on cash generated from our operations to support our growth, and we may need to raise additional capital, which may not be available on terms acceptable to us or at all.
- Our indebtedness may limit our ability to invest in the ongoing needs of our business and if we are unable to comply with the covenants in our current Credit Facility, our liquidity and results of operations could be harmed.
- If our goodwill, other intangible assets, or fixed assets become impaired, we may be required to record a charge to our earnings.
- Changes in tax laws or unanticipated tax liabilities could adversely affect our effective income tax rate and profitability.
- The phase-out of LIBOR may negatively impact our financial results.
- Our results of operations could be harmed if a material number of our retail partners were not able to meet their payment obligations.

Risks Related to Ownership of Our Common Stock

- Any future failure to maintain effective internal control over financial reporting could harm us.
- We cannot guarantee that our share repurchase program will enhance long-term stockholder value.
- Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of the Company more difficult, limit attempts by our stockholders to replace or remove our current management, and limit the market price of our common stock.
- Our Amended and Restated Certificate of Incorporation provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.
- YETI Holdings, Inc. is a holding company with no operations of its own and, as such, it depends on its subsidiaries for cash to fund its operations and expenses, including future dividend payments, if any.

General Risk Factors

- Our future success depends on the continuing efforts of our management and key employees, and on our ability to attract and retain highly skilled personnel and senior management.
 - If our estimates or judgments relating to our critical accounting policies prove to be incorrect or change significantly, our results of operations could be harmed.
 - We may be the target of strategic transactions, which could divert our management's attention and otherwise disrupt our operations and adversely affect our business.
 - We may acquire or invest in other companies, which could divert our management's attention, result in dilution to our stockholders, and otherwise disrupt our operations and harm our results of operations.
 - We may be subject to liability if we infringe upon the intellectual property rights of third parties.
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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

YETI HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except per share data)

	April 2, 2022	January 1, 2022
ASSETS		
Current assets		
Cash	\$ 100,330	\$ 312,189
Accounts receivable, net	82,992	109,530
Inventory	413,037	318,864
Prepaid expenses and other current assets	39,583	29,584
Total current assets	635,942	770,167
Property and equipment, net	123,882	119,044
Operating lease right-of-use assets	55,775	54,971
Goodwill	54,293	54,293
Intangible assets, net	97,090	95,314
Other assets	2,547	2,575
Total assets	<u>\$ 969,529</u>	<u>\$ 1,096,364</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 167,409	\$ 191,319
Accrued expenses and other current liabilities	121,802	132,309
Taxes payable	17,512	14,514
Accrued payroll and related costs	7,442	30,844
Current operating lease liabilities	11,328	10,167
Current maturities of long-term debt	24,574	24,560
Total current liabilities	350,067	403,713
Long-term debt, net of current portion	89,574	95,741
Operating lease liabilities, non-current	55,245	55,940
Other liabilities	28,276	23,147
Total liabilities	523,162	578,541
Commitments and contingencies (Note 8)		
Stockholders' Equity		
Common stock, par value \$0.01; 600,000 shares authorized; 87,836 and 86,159 shares issued and outstanding at April 2, 2022, respectively, and 87,727 shares issued and outstanding at January 2, 2021, respectively	878	877
Treasury stock, at cost; 1,677 shares at April 2, 2022	(100,025)	—
Preferred stock, par value \$0.01; 30,000 shares authorized; no shares issued or outstanding	—	—
Additional paid-in capital	341,208	337,735
Retained earnings	204,517	178,858
Accumulated other comprehensive (loss) income	(211)	353
Total stockholders' equity	446,367	517,823
Total liabilities and stockholders' equity	<u>\$ 969,529</u>	<u>\$ 1,096,364</u>

See Notes to Unaudited Condensed Consolidated Financial Statements

YETI HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share data)

	Three Months Ended	
	April 2, 2022	April 3, 2021
Net sales	\$ 293,628	\$ 247,554
Cost of goods sold	138,768	102,370
Gross profit	154,860	145,184
Selling, general, and administrative expenses	121,570	105,135
Operating income	33,290	40,049
Interest expense	(766)	(854)
Other income (expense)	902	(298)
Income before income taxes	33,426	38,897
Income tax expense	(7,767)	(8,374)
Net income	\$ 25,659	\$ 30,523
Net income per share		
Basic	\$ 0.29	\$ 0.35
Diluted	\$ 0.29	\$ 0.35
Weighted-average common shares outstanding		
Basic	87,368	87,179
Diluted	88,223	88,472

See Notes to Unaudited Condensed Consolidated Financial Statements

YETI HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(in thousands)

	Three Months Ended	
	April 2, 2022	April 3, 2021
Net income	\$ 25,659	\$ 30,523
Other comprehensive income (loss)		
Foreign currency translation adjustments	(564)	329
Total comprehensive income	\$ 25,095	\$ 30,852

See Notes to Unaudited Condensed Consolidated Financial Statements

YETI HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)
(In thousands)

Three Months Ended April 2, 2022

	Common Stock		Additional Paid-In Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balance, January 1, 2022	87,727	\$ 877	\$ 337,735	—	\$ —	\$ 178,858	\$ 353	\$ 517,823
Stock-based compensation	—	—	4,754	—	—	—	—	4,754
Common stock issued under employee benefit plans	128	1	(1)	—	—	—	—	—
Common stock withheld related to net share settlement of stock-based compensation	(19)	—	(1,280)	—	—	—	—	(1,280)
Repurchase of common stock	—	—	—	(1,677)	(100,025)	—	—	(100,025)
Other comprehensive loss	—	—	—	—	—	—	(564)	(564)
Net income	—	—	—	—	—	25,659	—	25,659
Balance, April 2, 2022	<u>87,836</u>	<u>\$ 878</u>	<u>\$ 341,208</u>	<u>(1,677)</u>	<u>\$ (100,025)</u>	<u>\$ 204,517</u>	<u>\$ (211)</u>	<u>\$ 446,367</u>

Three Months Ended April 3, 2021

	Common Stock		Additional Paid-In Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balance, January 2, 2021	87,128	\$ 871	\$ 321,678	—	\$ —	\$ (33,744)	\$ (387)	\$ 288,418
Stock-based compensation	—	—	3,418	—	—	—	—	3,418
Common stock issued under employee benefit plans	135	1	286	—	—	—	—	287
Common stock withheld related to net share settlement of stock-based compensation	(24)	—	(1,700)	—	—	—	—	(1,700)
Other comprehensive income	—	—	—	—	—	—	329	329
Net income	—	—	—	—	—	30,523	—	30,523
Balance, April 3, 2021	<u>87,239</u>	<u>\$ 872</u>	<u>\$ 323,682</u>	<u>—</u>	<u>\$ —</u>	<u>\$ (3,221)</u>	<u>\$ (58)</u>	<u>\$ 321,275</u>

See Notes to Unaudited Condensed Consolidated Financial Statements

YETI HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Three Months Ended	
	April 2, 2022	April 3, 2021
Cash Flows from Operating Activities:		
Net income	\$ 25,659	\$ 30,523
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	8,650	7,556
Amortization of deferred financing fees	158	177
Stock-based compensation	4,754	3,418
Deferred income taxes	5,069	4,642
Impairment of long-lived assets	—	291
Other	(1,607)	1,036
Changes in operating assets and liabilities:		
Accounts receivable	27,403	(1,906)
Inventory	(94,342)	(43,627)
Other current assets	(9,593)	(6,783)
Accounts payable and accrued expenses	(57,064)	(37,514)
Taxes payable	2,979	1,460
Other	(622)	406
Net cash used in operating activities	(88,556)	(40,321)
Cash Flows from Investing Activities:		
Purchases of property and equipment	(12,669)	(13,266)
Additions of intangibles, net	(3,436)	(1,716)
Net cash used in investing activities	(16,105)	(14,982)
Cash Flows from Financing Activities:		
Repayments of long-term debt	(5,625)	(5,625)
Taxes paid in connection with employee stock transactions	(1,280)	(1,700)
Proceeds from employee stock transactions	—	287
Finance lease principal payment	(698)	(48)
Repurchase of common stock	(100,025)	—
Net cash used in financing activities	(107,628)	(7,086)
Effect of exchange rate changes on cash	430	(601)
Net decrease in cash	(211,859)	(62,990)
Cash, beginning of period	312,189	253,283
Cash, end of period	\$ 100,330	\$ 190,293

See Notes to Unaudited Condensed Consolidated Financial Statements

YETI HOLDINGS, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

Headquartered in Austin, Texas, YETI Holdings, Inc. is a global designer, retailer, and distributor of innovative outdoor products. From coolers and drinkware to bags and apparel, YETI products are built to meet the unique and varying needs of diverse outdoor pursuits, whether in the remote wilderness, at the beach, or anywhere life takes you. We sell our products through our wholesale channel, including independent retailers, national, and regional accounts across a wide variety of end user markets, as well as through our direct-to-consumer (“DTC”) channel, primarily on YETI.com, country and region-specific YETI websites, YETI Authorized on the Amazon Marketplace, our corporate sales program, and our retail stores. We operate in the U.S., Canada, Australia, New Zealand, Europe, Hong Kong, China, Singapore, and Japan.

The terms “we,” “us,” “our,” and “the Company” as used herein and unless otherwise stated or indicated by context, refer to YETI Holdings, Inc. and its subsidiaries.

Basis of Presentation and Principles of Consolidation

The unaudited condensed consolidated financial statements and the accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and the rules of the U.S. Securities and Exchange Commission (“SEC”). Accordingly, our financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary for a fair statement of our results of operations for the interim periods. Intercompany transactions are eliminated in consolidation. Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to applicable rules and regulations of the SEC. Certain prior period amounts have been reclassified to conform to the current period presentation. The consolidated balance sheet as of January 1, 2022 is derived from the audited financial statements included in our Annual Report on Form 10-K filed with the SEC for the year ended January 1, 2022, which should be read in conjunction with these unaudited condensed consolidated financial statements and notes thereto.

Out-of-Period Adjustment

During the first quarter of 2022, we recognized \$6.4 million in cost of goods sold for inbound freight expense recorded as an out-of-period adjustment. The adjustment was not considered material to the interim or annual consolidated financial statements for the year ended January 1, 2022 or the financial statements of any previously filed interim or annual periods.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses during the reporting period and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements. Estimates and assumptions about future events and their effects cannot be made with certainty. Estimates may change as new events occur, when additional information becomes available and if our operating environment changes. Actual results could differ from our estimates.

Fiscal Year End

We have a 52-to 53-week fiscal year that ends on the Saturday closest in proximity to December 31, such that each quarterly period will be 13 weeks in length, except during a 53-week year when the fourth quarter will be 14 weeks. Our fiscal year ending December 31, 2022 (“2022”) is a 52-week period. The first quarter of our fiscal year 2022 ended on April 2, 2022, the second quarter ends on July 2, 2022, and the third quarter ends on October 1, 2022. Our fiscal year ended January 1, 2022 (“2021”) was a 52-week period. Unless otherwise stated, references to particular years, quarters, months and periods refer to our fiscal years and the associated quarters, months, and periods of those fiscal years. The unaudited condensed consolidated financial results presented herein represent the three months ended April 2, 2022 and April 3, 2021.

Accounts Receivable

Accounts receivable are carried at original invoice amount less estimated credit losses. Upon initial recognition of a receivable, we estimate credit losses over the contractual term of the receivable and establish an allowance for credit losses based on historical experience, current available information, and expectations of future economic conditions. We mitigate credit loss risk from accounts receivable by assessing customers for credit worthiness, including ongoing credit evaluations and their payment trends. Credit risk is limited due to ongoing monitoring, high geographic customer distribution, and low concentration of risk. As the risk of loss is determined to be similar based on the credit risk factors, we aggregate receivables on a collective basis when assessing credit losses. Accounts receivable are uncollateralized customer obligations due under normal trade terms typically requiring payment within 30 to 90 days of sale. Receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded to income when received. Our allowance for credit losses was \$1.0 million as of April 2, 2022 and \$1.6 million as of January 1, 2022, respectively.

Inventory

Inventories are comprised primarily of finished goods and are carried at the lower of cost (weighted-average cost method) or market (net realizable value).

Fair Value of Financial Instruments

For financial assets and liabilities recorded at fair value on a recurring or non-recurring basis, fair value is the price we would receive to sell an asset, or pay to transfer a liability, in an orderly transaction with a market participant at the measurement date. In the absence of such data, fair value is estimated using internal information consistent with what market participants would use in a hypothetical transaction. In determining fair value, observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions; preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3: Significant inputs to the valuation model are unobservable.

Our financial instruments consist principally of cash, accounts receivable, accounts payable, and bank indebtedness. The carrying amount of cash, accounts receivable, and accounts payable, approximates fair value due to the short-term maturity of these instruments. The carrying amount of our long-term bank indebtedness approximates fair value based on Level 2 inputs since the Credit Facility carries a variable interest rate that is based on LIBOR, the London Interbank Offered Rate.

Recent Accounting Guidance Not Yet Adopted

In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The ASU is intended to ease the potential accounting and financial reporting burden of reference rate reform, including the expected market transition from the LIBOR and other interbank offered rates to alternative reference rates. The guidance provides optional expedients and scope exceptions for transactions if certain criteria are met. These transactions include contract modifications, hedge accounting, and the sale or transfer of debt securities classified as held-to-maturity. The ASU can be adopted no later than December 1, 2022 (fiscal year 2023) with early adoption permitted. We are evaluating the effect of adopting this new accounting guidance. The impact of this guidance on our financial statements and related disclosures will continue to be evaluated through the application period, and is not expected to be material.

No other new accounting pronouncements issued or effective as of April 2, 2022 have had, or are expected to have, a material impact on our consolidated financial statements.

2. REVENUE

Contract Balances

Accounts receivable represent an unconditional right to receive consideration from a customer and are recorded at net invoiced amounts, less an estimated allowance for doubtful accounts.

Contract liabilities are recorded when the customer pays consideration before the transfer of a good to the customer and thus represent our obligation to transfer the good to the customer at a future date. Our contract liabilities relate to advance cash deposits received from customers for certain customized product orders. As products are shipped and control transfers, we recognize contract liabilities as revenue.

The following table provides information about accounts receivable and contract liabilities at the periods indicated (in thousands):

	April 2, 2022	January 1, 2022
Accounts receivable, net	\$ 82,992	\$ 109,530
Contract liabilities	\$ (10,151)	\$ (20,761)

For the three months ended April 2, 2022, we recognized \$20.8 million of revenue that was previously included in the contract liability balance at the beginning of the period.

Disaggregation of Revenue

The following table disaggregates our net sales by channel, product category, and geography (based on end-consumer location) for the periods indicated (in thousands):

	Three Months Ended	
	April 2, 2022	April 3, 2021
Net Sales by Channel		
Wholesale	\$ 137,666	\$ 120,780
Direct-to-consumer	155,962	126,774
Total net sales	<u>\$ 293,628</u>	<u>\$ 247,554</u>
Net Sales by Category		
Coolers & Equipment	\$ 102,958	\$ 93,458
Drinkware	183,998	148,879
Other	6,672	5,217
Total net sales	<u>\$ 293,628</u>	<u>\$ 247,554</u>
Net Sales by Geographic Region⁽¹⁾		
United States	\$ 256,253	\$ 221,739
International	37,375	25,815
Total net sales	<u>\$ 293,628</u>	<u>\$ 247,554</u>

(1) Prior period net sales by geographic region have been reclassified to align with current year presentation which is based on end-consumer location.

For the three months ended April 2, 2022, our largest single customer represented approximately 11% of gross sales. For the three months ended April 3, 2021, no single customer represented over 10% of gross sales.

3. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets include the following (in thousands):

	April 2, 2022	January 1, 2022
Prepaid expenses	\$ 20,784	\$ 16,110
Prepaid taxes	14,657	9,417
Other	4,142	4,057
Total prepaid expenses and other current assets	<u>\$ 39,583</u>	<u>\$ 29,584</u>

4. INCOME TAXES

Income tax expense was \$7.8 million and \$8.4 million for the three months ended April 2, 2022 and April 3, 2021, respectively. The decrease in income tax expense is due to lower income before income taxes. The effective tax rate for the three months ended April 2, 2022 was 23%, compared to 22% for the three months ended April 3, 2021. The higher effective tax rate was primarily due to a lower tax benefit related to stock compensation in the three months ended April 2, 2022.

Deferred tax liabilities were \$16.0 million as of April 2, 2022 and \$10.9 million as of January 1, 2022, respectively, which is presented in other liabilities on our unaudited condensed consolidated balance sheet.

For interim periods, our income tax expense and resulting effective tax rate are based upon an estimated annual effective tax rate adjusted for the effects of items required to be treated as discrete to the period, including changes in tax laws, changes in estimated exposures for uncertain tax positions, and other items.

5. STOCK-BASED COMPENSATION

We award stock-based compensation to employees and directors under the 2018 Equity and Incentive Compensation Plan (“2018 Plan”), which was adopted by our Board of Directors and became effective upon the completion of our initial public offering in October 2018. The 2018 Plan replaced the 2012 Equity and Performance Incentive Plan (the “2012 Plan”), as amended and restated on June 20, 2018. Any remaining shares available for issuance under the 2012 Plan as the date of our initial public offering in October 2018 are not available for future issuance. However, shares subject to stock awards granted under the 2012 Plan (a) that expire or terminate without being exercised or (b) that are forfeited under an award, return to the 2018 Plan.

We recognized non-cash stock-based compensation expense of \$4.8 million and \$3.4 million for the three months ended April 2, 2022 and April 3, 2021, respectively. At April 2, 2022, total unrecognized non-cash stock-based compensation expense of \$42.9 million for all stock-based compensation plans is expected to be recognized over a weighted-average period of 2.4 years.

Stock-based activity for the three months ended April 2, 2022 is summarized below (in thousands, except per share data):

	Stock Options		Performance-Based Restricted Stock Awards and Units ⁽¹⁾		Restricted Stock Units, Restricted Stock Awards, and Deferred Stock Units	
	Number of Options	Weighted Average Exercise Price	Number of PBRs	Weighted Average Grant Date Fair Value	Number of RSUs, RSAs, and DSUs	Weighted Average Grant Date Fair Value
Balance, January 1, 2022	846	\$ 20.05	210	\$ 48.64	433	\$ 55.54
Granted	—	—	113	64.48	294	60.40
Exercised/released	—	—	—	—	(128)	47.64
Forfeited/expired	—	—	—	—	(13)	67.29
Balance, April 2, 2022	<u>846</u>	<u>\$ 20.05</u>	<u>323</u>	<u>\$ 54.18</u>	<u>586</u>	<u>\$ 59.45</u>

(1) Includes performance-based restricted unit awards (“PRSU”) granted to one employee during the three months ended April 2, 2022. The PRSUs have the same terms as our performance-based restricted stock awards and are treated the same.

6. EARNINGS PER SHARE

Basic income per share is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted income per share includes the effect of all potentially dilutive securities, which include dilutive stock options and awards.

The following table sets forth the calculation of earnings per share and weighted-average common shares outstanding at the dates indicated (in thousands, except per share data):

	Three Months Ended	
	April 2, 2022	April 3, 2021
Net income	\$ 25,659	\$ 30,523
Weighted-average common shares outstanding—basic	87,368	87,179
Effect of dilutive securities	855	1,293
Weighted-average common shares outstanding—diluted	88,223	88,472
Earnings per share		
Basic	\$ 0.29	\$ 0.35
Diluted	\$ 0.29	\$ 0.35

Effects of potentially dilutive securities are presented only in periods in which they are dilutive. For both the three months ended April 2, 2022 and April 3, 2021, outstanding stock-based awards representing less than 0.1 million shares of common stock were excluded from the calculation of diluted earnings per share, because their effect would be anti-dilutive.

7. STOCKHOLDERS' EQUITY

On February 27, 2022, the Board of Directors authorized a common stock repurchase program of up to \$100.0 million. During the three months ended April 2, 2022, we repurchased 1,676,551 shares for an aggregate purchase price of \$100.0 million, including fees and commissions, at an average repurchase price of \$59.66 per share. Following the repurchases, no shares remained available for future repurchases under the share repurchase program and all of the common stock repurchased is held as treasury stock.

8. COMMITMENTS AND CONTINGENCIES

Claims and Legal Proceedings

We are involved in various claims and legal proceedings, some of which are covered by insurance. We believe that our existing claims and proceedings, and the potential losses relating to such contingencies, will not have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Cautionary Note Regarding Forward-Looking Statements

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes to those statements included elsewhere in this Quarterly Report on Form 10-Q. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those described in more detail in Part I “Item 1A. Risk Factors” included in this Quarterly Report on Form 10-Q. See also “Cautionary Statement Regarding Forward-Looking Statements” immediately prior to Part I, Item 1 in this Quarterly Report on Form 10-Q.

Overview of Business

Headquartered in Austin, Texas, YETI is a global designer, retailer, and distributor of innovative outdoor products. From coolers and drinkware to bags and apparel, YETI products are built to meet the unique and varying needs of diverse outdoor pursuits, whether in the remote wilderness, at the beach, or anywhere life takes you. By consistently delivering high-performing, exceptional products, we have built a strong following of brand loyalists throughout the world, ranging from serious outdoor enthusiasts to individuals who simply value products of uncompromising quality and design. We have an unwavering commitment to outdoor and recreation communities, and we are relentless in our pursuit of building superior products for people to confidently enjoy life outdoors and beyond.

We distribute our products through a balanced omni-channel platform, consisting of our wholesale and direct-to-consumer (“DTC”) channels. In our wholesale channel, we sell our products through select national and regional accounts and an assemblage of independent retail partners throughout the United States, Canada, Australia, New Zealand, Europe, and Japan, among others. We carefully evaluate and select retail partners that have an image and approach that are consistent with our premium brand and pricing. Our domestic national and regional specialty retailers include Dick’s Sporting Goods, REI, Academy Sports + Outdoors, Bass Pro Shops, Ace Hardware, and Scheels. We sell our products in our DTC channel to customers on YETI.com, country and region specific YETI websites, and YETI Authorized on the Amazon Marketplace, as well as in our retail stores. Additionally, we offer customized products with licensed marks and original artwork through our corporate sales program and at YETI.com. Our corporate sales program offers customized products to corporate customers for a wide-range of related events and activities, and in certain instances may also offer products to re-sell.

The terms “we,” “us,” “our,” and “the Company” as used herein and unless otherwise stated or indicated by context, refer to YETI Holdings, Inc. and its subsidiaries.

COVID-19 Update

The COVID-19 pandemic continues to significantly impact the global economy and cause disruption and volatility. We continue to monitor the situation and our focus remains to prioritize the health and safety of our employees and our consumers. Consistent with its effects across many industries, the COVID-19 pandemic has affected our supply chain, including causing shipping and logistics challenges, as well as manufacturing disruptions. During the first quarter of 2022, we continued to experience extended inventory transit times, primarily due to port congestion and transportation delays as well as labor and container shortages, which has had, and may continue to have, a negative impact on product availability, most prominently in our wholesale channel. We also continue to experience higher inbound freight cost and certain product input costs as a result of the broader industry-wide supply chain challenges, which negatively impacted gross margin during the current period. We expect inbound freight costs and certain product input costs will continue to be elevated throughout the remainder of the fiscal year.

General

Components of Our Results of Operations

Net Sales. Net sales are comprised of wholesale channel sales to our retail partners and sales through our direct-to-consumer DTC. Net sales in both channels reflect the impact of product returns, as well as discounts for certain sales programs or promotions.

We discuss the net sales of our products in our two primary categories: Coolers & Equipment and Drinkware. Our Coolers & Equipment category includes hard coolers, soft coolers, bags, outdoor equipment, and cargo, as well as accessories and replacement parts for these products. Our Drinkware category includes our stainless-steel drinkware products and related accessories. In addition, our Other category is primarily comprised of ice substitutes, and YETI-branded gear, such as shirts, hats, and other miscellaneous products.

Gross profit. Gross profit reflects net sales less cost of goods sold, which primarily includes the purchase cost of our products from our third-party contract manufacturers, inbound freight and duties, product quality testing and inspection costs, depreciation expense of our molds and equipment, and the cost of customizing Drinkware products. We calculate gross margin as gross profit divided by net sales. Our DTC channel generally generates higher gross margin than our wholesale channel due to differentiated pricing between these channels.

Selling, general, and administrative expenses. Selling, general, and administrative (“SG&A”) expenses consist primarily of marketing costs, employee compensation and benefits costs, costs of our outsourced warehousing and logistics operations, costs of operating on third party DTC marketplaces, professional fees and services, non-cash stock-based compensation, cost of product shipment to our customers, depreciation and amortization expense, and general corporate infrastructure expenses. Our variable expenses, including outbound freight, online marketplace fees, third-party logistics fees, and credit card processing fees, will vary as they are dependent on our sales volume and our channel mix. Our DTC channel SG&A costs are generally higher as a percentage of net sales than our wholesale channel distribution costs.

Fiscal Year. We have a 52-to 53-week fiscal year that ends on the Saturday closest in proximity to December 31, such that each quarterly period will be 13 weeks in length, except during a 53-week year when the fourth quarter will be 14 weeks. Our fiscal year ending December 31, 2022 (“2022”) is a 52-week period. The first quarter of our fiscal year 2022 ended on April 2, 2022, the second quarter ends on July 2, 2022, and the third quarter ends on October 1, 2022. Our fiscal year ended January 1, 2022 (“2021”) was a 52-week period. Unless otherwise stated, references to particular years, quarters, months and periods refer to our fiscal years and the associated quarters, months, and periods of those fiscal years. The unaudited condensed consolidated financial results presented herein represent the three months ended April 2, 2022 and April 3, 2021.

Results of Operations

The discussion below should be read in conjunction with the following table and our unaudited condensed consolidated financial statements, and related notes. The following table sets forth selected statement of operations data, and their corresponding percentage of net sales, for the periods indicated (dollars in thousands):

	Three Months Ended			
	April 2, 2022		April 3, 2021	
Statement of Operations				
Net sales	\$ 293,628	100 %	\$ 247,554	100 %
Cost of goods sold ⁽¹⁾	138,768	47 %	102,370	41 %
Gross profit	154,860	53 %	145,184	59 %
Selling, general, and administrative expenses	121,570	41 %	105,135	42 %
Operating income	33,290	11 %	40,049	16 %
Interest expense	(766)	— %	(854)	— %
Other income (expense)	902	— %	(298)	— %
Income before income taxes	33,426	11 %	38,897	16 %
Income tax expense	(7,767)	3 %	(8,374)	3 %
Net income	\$ 25,659	9 %	\$ 30,523	12 %

(1) Includes \$6.4 million of inbound freight expense related to an out-of-period adjustment for the three months ended April 2, 2022. See Note 1-Organization and Significant Accounting Policies of the Unaudited Condensed Consolidated Financial Statements for additional information.

Comparison of the Three Months Ended April 2, 2022 and April 3, 2021

(dollars in thousands)	Three Months Ended		Change	
	April 2, 2022	April 3, 2021	\$	%
Net sales	\$ 293,628	\$ 247,554	\$ 46,074	19 %
Gross profit	\$ 154,860	\$ 145,184	\$ 9,676	7 %
Gross margin (Gross profit as a % of net sales)	52.7 %	58.6 %	(590) basis points	
Selling, general, and administrative expenses	\$ 121,570	\$ 105,135	\$ 16,435	16 %
SG&A as a % of net sales	41.4 %	42.5 %	(110) basis points	

Net Sales

Net sales increased \$46.1 million, or 19%, to \$293.6 million for the three months ended April 2, 2022, compared to \$247.6 million for the three months ended April 3, 2021. The increase in net sales was primarily driven by our faster growing DTC channel and our wholesale channel. Net sales also include the benefit of price increases implemented during the first quarter of 2022. DTC channel net sales increased \$29.2 million, or 23%, to \$156.0 million, compared to \$126.8 million in the prior year quarter, primarily driven by strong performance in Drinkware and Coolers & Equipment categories. Our channel mix continued to shift towards our DTC channel from 51% in the first quarter of 2021 to 53% in the first quarter of 2022. Net sales in our wholesale channel increased \$16.9 million, or 14%, to \$137.7 million, compared to \$120.8 million in the same period last year, primarily driven by both Coolers & Equipment and Drinkware categories.

Net sales in our two primary product categories were as follows:

- Drinkware net sales increased by \$35.1 million, or 24%, to \$184.0 million, compared to \$148.9 million in the prior year quarter, reflecting the continued expansion of our product offerings, including the introduction of new colorways and sizes, and strong demand for customization.
- Coolers & Equipment net sales increased by \$9.5 million, or 10%, to \$103.0 million, compared to \$93.5 million in the same period last year, driven by strong performance in bags, outdoor living products, hard coolers and cargo.

Gross Profit

Gross profit increased \$9.7 million, or 7%, to \$154.9 million, compared to \$145.2 million in the prior year quarter. Gross margin decreased 590 basis points to 52.7% from 58.6% in the prior year quarter. The decrease in gross margin was primarily driven by:

- higher inbound freight inclusive of a 220 basis point impact of an out-of-period adjustment (see Note 1 – Organization and Significant Accounting Policies) for additional information, which in total unfavorably impacted gross margin by 680 basis points;
- the non-renewal of the Global System of Preferences (“GSP”), which impacted import duties primarily on our hard coolers, and unfavorably impacted gross margin by 60 basis points;
- other impacts, which unfavorably impacted gross margin by 50 basis points; and
- higher product costs, which unfavorably impacted gross margin by 30 basis points.

These decreases were partially offset by 140 basis points from price increases and an increase in the mix of higher margin DTC channel net sales, which favorably impacted gross margin by 90 basis points

Selling, General, and Administrative Expenses

SG&A expenses increased \$16.4 million, or 16%, to \$121.6 million for the three months ended April 2, 2022, compared to \$105.1 million for the three months ended April 3, 2021. As a percentage of net sales, SG&A expenses decreased approximately 110 basis points to 41.4% for the three months ended April 2, 2022 from 42.5% for the three months ended April 3, 2021. The increase in SG&A expenses was primarily driven by:

- an increase in variable expenses of \$7.4 million (increasing SG&A as a percent of net sales 60 basis points) driven by our faster growing and higher margin DTC channel, which grew to 53% of net sales during the period. The higher variable expenses were comprised of:
 - higher distribution costs including third-party logistics fees, outbound freight, online marketplace fees and credit card processing fees; and
- an increase in non-variable expenses of \$9.0 million (decreasing SG&A as a percent of net sales 170 basis points) comprised of:
 - an increase in employee costs, non-variable distribution costs and information technology expenses, partially offset by a decline in other operating expenses, including lower professional fees. Marketing expenses remained relatively flat year over year.

Non-Operating Expenses

Interest expense was \$0.8 million for the three months ended April 2, 2022, compared to \$0.9 million for the three months ended April 3, 2021. The decrease in interest expense was primarily due to decreased outstanding long-term debt under our Credit Facility (as defined below).

Income tax expense was \$7.8 million for the three months ended April 2, 2022, compared to \$8.4 million for the three months ended April 3, 2021. The effective tax rate for the three months ended April 2, 2022 was 23%, compared to 22% for the three months ended April 3, 2021. The higher effective tax rate was primarily due to a lower tax benefit related to stock compensation in the three months ended April 2, 2022.

Liquidity and Capital Resources

General

Our cash requirements have principally been for working capital purposes, long-term debt repayments, and capital expenditures. We fund our working capital, primarily inventory and accounts receivable, and capital investments from cash flows from operating activities, cash on hand, and borrowings available under our Revolving Credit Facility (as defined below). As discussed under “—COVID-19 and Operational Update” above, although the potential magnitude and economic impacts of COVID-19 and its effects are highly uncertain, we believe that our current operating performance, operating plan, our strong cash position, including cash generated from operations and borrowings available under our Revolving Credit Facility, will be sufficient to satisfy our foreseeable liquidity needs and capital expenditure requirements, including for at least the next twelve months.

Current Liquidity

As of April 2, 2022, we had a cash balance of \$100.3 million and \$185.5 million of working capital (excluding cash), and \$150.0 million of borrowings available under the Revolving Credit Facility.

Credit Facility

We are party to a senior secured credit agreement (the “Credit Facility”) that provides for a \$150.0 million Revolving Credit Facility maturing on December 17, 2024 (“Revolving Credit Facility”) and a \$300.0 million Term Loan A maturing on December 17, 2024 (the “Term Loan A”). At April 2, 2022, we had \$106.9 million principal amount of indebtedness outstanding related to Term Loan A under the Credit Facility and no outstanding borrowings under the Revolving Credit Facility. The weighted average interest rates for borrowings under Term Loan A was 1.92% during the three months ended April 2, 2022.

The Credit Facility requires us to comply with certain covenants, including financial covenants regarding our total net leverage ratio and interest coverage ratio. Fluctuations in these ratios may increase our interest expense. Failure to comply with these covenants and certain other provisions of the Credit Facility, or the occurrence of a change of control, could result in an event of default and an acceleration of our obligations under the Credit Facility or other indebtedness that we may incur in the future. At April 2, 2022, we were in compliance with all covenants and expect to remain in compliance with all covenants under the Credit Facility.

Share Repurchase

On February 27, 2022, the Board of Directors authorized a common stock repurchase program of up to \$100.0 million. During the three months ended April 2, 2022, we repurchased 1,676,551 shares for an aggregate purchase price of \$100.0 million, including fees and commissions, at an average repurchase price of \$59.66 per share. Following the repurchases, no shares remained available for future repurchases under the share repurchase program. See Note 7-Stockholders' Equity of the Unaudited Condensed Consolidated Financial Statements for additional information about the share repurchase program.

Material Cash Requirements

There have been no material changes in our material cash requirements for contractual and other obligations, including capital expenditures, as disclosed under "Material Cash Requirements" included in Part II, Item 7 of our Annual Report on Form 10-K for the year ended January 1, 2022 filed with the U.S. Securities and Exchange Commission ("SEC").

Cash Flows from Operating, Investing, and Financing Activities

The following table summarizes our cash flows from operating, investing and financing activities for the periods indicated (in thousands):

	Three Months Ended	
	April 2, 2022	April 3, 2021
Cash flows provided by (used in):		
Operating activities	\$ (88,556)	\$ (40,321)
Investing activities	(16,105)	(14,982)
Financing activities	(107,628)	(7,086)

Operating Activities

Cash flows related to operating activities are dependent on net income, non-cash adjustments to net income, and changes in working capital. The increase in cash used in operating activities during the first quarter of 2022 compared to net cash used in operating activities during the first quarter of 2021 is primarily due to an increase in net cash used for working capital and a decrease in net income, adjusted for non-cash items, for the periods compared. The increase in cash used for working capital was primarily due to an increase in inventory and a decrease in accounts payable, partially offset by a decrease in accounts receivable.

Investing Activities

The increase in cash used in investing activities in the first quarter of 2022 primarily related to purchases for intangibles such as patents and trademarks.

Financing Activities

The increase in cash used by financing activities in the first quarter of 2022 was primarily driven by repurchases of common stock.

Off-Balance Sheet Arrangements

At April 2, 2022 and January 1, 2022, we had no off-balance sheet debt or arrangements.

Recent Accounting Pronouncements

For a description of recently issued and adopted accounting pronouncements, including the respective dates of adoption and expected effects on our results of operations and financial condition, see "Recent Accounting Guidance Not Yet Adopted" in Note 1 of the Unaudited Condensed Consolidated Financial Statements.

Critical Accounting Policies and Estimates

Our unaudited condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of these unaudited condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ materially from those estimates. A discussion of the accounting policies that management considers critical in that they involve significant management judgments and assumptions, require estimates about matters that are inherently uncertain and because they are important for understanding and evaluating our reported financial results is included in Part II, Item 7 of our Annual Report on Form 10-K for the year ended January 1, 2022 filed with the SEC. Other than the adoption of recent accounting standards as discussed in Note 1 of our Unaudited Condensed Consolidated Financial Statements, there have been no significant changes to our critical accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to our market risk exposures or management of market risk from those disclosed in Quantitative and Qualitative Disclosures About Market Risk included under Item 7A in our Annual Report on Form 10-K for the year ended January 1, 2022.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)) are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms and to ensure that information required to be disclosed is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding disclosures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of April 2, 2022.

Changes in Internal Control over Financial Reporting

During the quarter ended April 2, 2022, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations in Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures, or our internal controls, will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake or fraud. Additionally, controls can be circumvented by individuals or groups of persons or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements in our public reports due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are involved in various claims and legal proceedings, some of which are covered by insurance. We believe that our existing claims and proceedings, and the probability of losses relating to such contingencies, will not have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

Item 1A. Risk Factors

The risks and uncertainties discussed below update and supersede the risks and uncertainties previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended January 1, 2022, which was filed with the SEC on February 28, 2022. There have been no material changes to the risks and uncertainties previously disclosed in such Annual Report on Form 10-K.

Our business, financial condition and operating results can be affected by a number of risks and uncertainties, whether currently known or unknown, any one or more of which could, directly or indirectly, cause our actual results of operations and financial condition to vary materially from past, or from anticipated future, results of operations and financial condition. The risks discussed below are not the only ones facing our business but do represent those risks that we believe are material to us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also adversely affect our business, financial condition and results of operations.

Risks Related to Our Business, Operations and Industry

Our business depends on maintaining and strengthening our brand to generate and maintain ongoing demand for our products, and a significant reduction in such demand could harm our results of operations.

The YETI name and premium brand image are integral to the growth of our business, as well as to the implementation of our strategies for expanding our business. Our success depends on the value and reputation of our brand, which, in turn, depends on factors such as the quality, design, performance, functionality, and durability of our products, the image of our e-commerce platform and retail partner floor spaces, our communication activities, including advertising, social media, and public relations, and our management of the customer experience, including direct interfaces through customer service. Maintaining, promoting, and positioning our brand are important to expanding our customer base and will depend largely on the success of our marketing and merchandising efforts and our ability to provide consistent, high-quality customer experiences. We intend to continue making substantial investments in these areas in order to maintain and enhance our brand, and such investments may not be successful. Ineffective marketing, ongoing and sustained promotional activities, negative publicity, product diversion to unauthorized distribution channels, product or manufacturing defects, counterfeit products, unfair labor practices, and failure to protect the intellectual property rights in our brand are some of the potential threats to the strength of our brand, and those and other factors could rapidly and severely diminish customer confidence in us. Furthermore, these factors could cause our customers to lose the personal connection they feel with the YETI brand. We believe that maintaining and enhancing our brand image in our current markets and in new markets where we have limited brand recognition is important to expanding our customer base. If we are unable to maintain or enhance our brand in current or new markets, our growth strategy and results of operations could be harmed.

If we are unable to successfully design, develop and market new products, our business may be harmed.

The market for products in the outdoor and recreation products industry is characterized by new product introductions, frequent enhancements to existing products, and changing customer demands, needs and preferences. To maintain and increase sales, we must continue to introduce new products and improve or enhance our existing products on a timely basis to respond to new and evolving consumer preferences. The success of our new and enhanced products depends on many factors, including anticipating consumer preferences, finding innovative solutions to consumer problems, differentiating our products from those of our competitors, and maintaining the strength of our brand. The design and development of our products is costly, and we typically have several products in development at the same time. Problems in the design or quality of our products, or delays in product introduction, may harm our brand, business, financial condition, and results of operations. Any new products that we develop and market may not generate sufficient revenues to recoup their development, production, marketing, selling and other costs.

Our business could be harmed if we are unable to accurately forecast our results of operations and growth rate.

We may not be able to accurately forecast our results of operations and growth rate. Forecasts are particularly challenging as we expand into new markets and geographies, develop and market new products, and face further uncertainty related to the duration and impact of the COVID-19 pandemic and its effects (including the impact of global supply chain constraints) and uncertainty related to interest rates, inflation rates, and geopolitical events (including the ongoing conflict between Russia and Ukraine and its effects). Our historical sales, expense levels, and profitability may not be an appropriate basis for forecasting future results.

Failure to accurately forecast our results of operations and growth rate could cause us to make poor operating decisions and we may not be able to adjust in a timely manner. Consequently, actual results could be materially lower than anticipated. Even if the markets in which we compete expand, we cannot assure you that our business will grow at similar rates, if at all. Furthermore, if we fail to accurately forecast our results of operations and growth rate, we may experience excess inventory levels or a shortage of product to deliver to our customers. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices or in less preferred distribution channels, which could impair our brand image and harm our gross margin. In addition, if we underestimate our growth rate and the demand for our products, our manufacturers may not be able to produce products to meet our customer requirements, and this could result in delays in the shipment of our products and our ability to recognize revenue, lost sales, as well as damage to our reputation and retailer and distributor relationships. For more information regarding the inventory risk related to our potential inability to accurately forecast our results of operations, please see “*Our results of operations could be materially harmed if we are unable to accurately forecast demand for our products.*”

We may not be able to effectively manage our growth.

As we grow our business, slower growing or reduced demand for our products, increased competition, a decrease in the growth rate of our overall market, failure to develop and successfully market new products, or the maturation of our business or market could harm our business. We have made and expect to continue to make significant investments in our research and development and sales and marketing organizations, expand our operations and infrastructure both domestically and internationally, design and develop new products, and enhance our existing products. In addition, in connection with operating as a public company, we will incur significant additional legal, accounting, and other expenses that we did not incur as a private company. If our sales do not increase at a sufficient rate to offset these increases in our operating expenses, our profitability may decline in future periods.

We have expanded our operations rapidly since our inception. Our employee headcount and the scope and complexity of our business have increased substantially over the past several years. We have only a limited history operating our business at its current scale. Our management team does not have substantial tenure working together. Consequently, if our operations continue to grow at a rapid pace, we may experience difficulties in managing this growth and building the appropriate processes and controls. Future rapid growth may increase the strain on our resources, and we could experience operating difficulties, including difficulties in sourcing, logistics, recruiting, maintaining internal controls, marketing, designing innovative products, and meeting consumer needs. If we do not adapt to meet these evolving challenges, the strength of our brand may erode, the quality of our products may suffer, we may not be able to deliver products on a timely basis to our customers, and our corporate culture may be harmed.

Our marketing strategy of associating our brand and products with activities rooted in passion for the outdoors may not be successful with existing and future customers.

We believe that we have been successful in marketing our products by associating our brand and products with activities rooted in passion for the outdoors. To sustain long-term growth, we must continue to successfully promote our products to consumers who identify with or aspire to these activities, as well as to individuals who simply value products of uncompromising quality and design. If we fail to continue to successfully market and sell our products to our existing customers or expand our customer base, our sales could decline, or we may be unable to grow our business.

If we fail to attract new customers, or fail to do so in a cost-effective manner, we may not be able to increase sales.

Our success depends, in part, on our ability to attract customers in a cost-effective manner. In order to expand our customer base, we must appeal to and attract customers ranging from serious outdoor enthusiasts to individuals who simply value products of uncompromising quality and design. We have made, and we expect that we will continue to make, significant investments in attracting new customers, including through the use of corporate partnerships, YETI Ambassadors, traditional, digital, and social media, original YETI films, and participation in, and sponsorship of, community events. Marketing campaigns can be expensive and may not result in the cost-effective acquisition of customers. Further, as our brand becomes more widely known, future marketing campaigns may not attract new customers at the same rate as past campaigns. Inflation and rising product costs may also affect our ability to provide products in a cost-effective manner and hinder us from attracting new customers. If we are unable to attract new customers, or fail to do so in a cost-effective manner, our growth could be slower than we expect and our business will be harmed.

Our growth depends, in part, on expanding into additional consumer markets, and we may not be successful in doing so.

We believe that our future growth depends not only on continuing to reach our current core demographic, but also continuing to broaden our retail partner and customer base. The growth of our business will depend, in part, on our ability to continue to expand our retail partner and customer bases in the United States, as well as in international markets, including Canada, Australia, Europe, and Japan. In these markets, we may face challenges that are different from those we currently encounter, including competitive, merchandising, distribution, hiring, and other difficulties. We may also encounter difficulties in attracting customers due to a lack of consumer familiarity with or acceptance of our brand, or a resistance to paying for premium products, particularly in international markets. We continue to evaluate marketing efforts and other strategies to expand the customer base for our products. In addition, although we are investing in sales and marketing activities to further penetrate newer regions, including expansion of our dedicated sales force, we cannot assure you that we will be successful. If we are not successful, our business and results of operations may be harmed.

The markets in which we compete are highly competitive and include numerous other brands and retailers that offer a wide variety of products that compete with our products; if we fail to compete effectively, we could lose our market position.

The markets in which we compete are highly competitive, with low barriers to entry. Numerous other brands and retailers offer a wide variety of products that compete with our coolers, drinkware, and other products, including our bags, cargo, and outdoor lifestyle products and accessories. Competition in these product markets is based on a number of factors including product quality, performance, durability, styling, brand image and recognition, and price. We believe that we are one of the market leaders in both the U.S. premium cooler and U.S. premium stainless-steel drinkware markets. We believe that we have been able to compete successfully largely on the basis of our brand, superior design capabilities, and product development, as well as on the breadth of our independent retailers, national, and regional retail partners, and growing DTC channel. Our competitors may be able to develop and market higher quality products that compete with our products, sell their products for lower prices, adapt to changes in consumers' needs and preferences more quickly, devote greater resources to the design, sourcing, distribution, marketing, and sale of their products, or generate greater brand recognition than us. In addition, as we expand into new product categories, we have faced, and will continue to face, different and, in some cases, more formidable competition. We believe many of our competitors and potential competitors have significant competitive advantages, including longer operating histories, ability to leverage their sales efforts and marketing expenditures across a broader portfolio of products, global product distribution, larger and broader retailer bases, more established relationships with a larger number of suppliers and manufacturing partners, greater brand recognition, larger or more effective brand ambassador and endorsement relationships, greater financial strength, larger research and development teams, larger marketing budgets, and more distribution and other resources than we do. Some of our competitors may aggressively discount their products or offer other attractive sales terms in order to gain market share, which could result in pricing pressures, reduced profit margins, or lost market share. If we are not able to overcome these potential competitive challenges, effectively market our current and future products, and otherwise compete effectively against our current or potential competitors, our prospects, results of operations, and financial condition could be harmed.

Competitors have imitated and attempted to imitate, and will likely continue to imitate or attempt to imitate, our products and technology. If we are unable to protect or preserve our brand image and proprietary rights, our business may be harmed.

As our business continues to expand, our competitors have imitated or attempted to imitate, and will likely continue to imitate or attempt to imitate, our product designs and branding, which could harm our business and results of operations. Only a portion of the intellectual property used in the manufacture and design of our products is patented, and we therefore rely significantly on trade secrets, trade and service marks, trade dress, and the strength of our brand. We regard our patents, trade dress, trademarks, copyrights, trade secrets, and similar proprietary rights as critical to our success. We also rely on trade secret protection and confidentiality agreements with our employees, consultants, suppliers, manufacturers, and others to protect our proprietary rights. Nevertheless, the steps we take to protect our proprietary rights against infringement or other violation may be inadequate, and we may experience difficulty in effectively limiting the unauthorized use of our patents, trademarks, trade dress, and other intellectual property and proprietary rights worldwide. We also cannot guarantee that others will not independently develop technology with the same or similar function to any proprietary technology we rely on to conduct our business and differentiate ourselves from our competitors. Because a significant portion of our products are manufactured overseas in countries where counterfeiting is more prevalent, and we intend to increase our sales overseas over the long term, we may experience increased counterfeiting of our products. Unauthorized use or invalidation of our patents, trademarks, copyrights, trade dress, trade secrets, or other intellectual property or proprietary rights may cause significant damage to our brand and harm our results of operations.

While we actively develop and protect our intellectual property rights, there can be no assurance that we will be adequately protected in all countries in which we conduct our business or that we will prevail when defending our patent, trademark, and proprietary rights. Additionally, we could incur significant costs and management distraction in pursuing claims to enforce our intellectual property rights through litigation and defending any alleged counterclaims. If we are unable to protect or preserve the value of our patents, trade dress, trademarks, copyrights, or other intellectual property rights for any reason, or if we fail to maintain our brand image due to actual or perceived product or service quality issues, adverse publicity, governmental investigations or litigation, or other reasons, our brand and reputation could be damaged, and our business may be harmed.

We may be subject to liability if we infringe upon the intellectual property rights of third parties.

Third parties may sue us for alleged infringement of their proprietary rights. The party claiming infringement might have greater resources than we do to pursue its claims, and we could be forced to incur substantial costs and devote significant management resources to defend against such litigation, even if the claims are meritless and even if we ultimately prevail. If the party claiming infringement were to prevail, we could be forced to modify or discontinue our products, pay significant damages, or enter into expensive royalty or licensing arrangements with the prevailing party. In addition, any payments we are required to make, and any injunction we are required to comply with as a result of such infringement, could harm our reputation and financial results.

We rely on third-party contract manufacturers, and problems with, or loss of, our suppliers or an inability to obtain raw materials could harm our business and results of operations.

Our products are produced by third-party contract manufacturers. We face the risk that these third-party contract manufacturers may not produce and deliver our products on a timely basis or at all. We have experienced, and will likely continue to experience, operational difficulties with our manufacturers. These difficulties include reductions in the availability of production capacity, errors in complying with product specifications and regulatory and customer requirements, insufficient quality control, failures to meet production deadlines, failure to achieve our product quality standards, increases in costs of materials, and manufacturing or other business interruptions. The ability of our manufacturers to effectively satisfy our production requirements could also be impacted by manufacturer financial difficulty or damage to their operations caused by fire, terrorist attack, riots, natural disaster, public health issues such as the COVID-19 pandemic (or other future pandemics or epidemics), or other events. The failure of any manufacturer to perform to our expectations could result in supply shortages or delays for certain products and harm our business. If we experience significantly increased demand, or if we need to replace an existing manufacturer due to lack of performance, we may be unable to supplement or replace our manufacturing capacity on a timely basis or on terms that are acceptable to us, which may increase our costs, reduce our margins, and harm our ability to deliver our products on time. For certain of our products, it may take a significant amount of time to identify and qualify a manufacturer that has the capability and resources to produce our products to our specifications in sufficient volume and satisfy our service and quality control standards.

The capacity of our manufacturers to produce our products is also dependent upon the availability of raw materials. Our manufacturers may not be able to obtain sufficient supply of raw materials, which could result in delays in deliveries of our products by our manufacturers or increased costs. Any shortage of raw materials or inability of a manufacturer to produce or ship our products in a timely manner, or at all, could impair our ability to ship orders of our products in a cost-efficient, timely manner and could cause us to miss the delivery requirements of our customers. As a result, we could experience cancellations of orders, refusals to accept deliveries, or reductions in our prices and margins, any of which could harm our financial performance, reputation, and results of operations.

If we fail to timely and effectively obtain shipments of products from our manufacturers and deliver products to our retail partners and customers, our business and results of operations could be harmed.

Our business depends on our ability to source and distribute products in a timely manner. However, we cannot control all of the factors that might affect the timely and effective procurement of our products from our third-party contract manufacturers and the delivery of our products to our retail partners and customers.

Our third-party contract manufacturers ship most of our products to our distribution centers in Memphis, Tennessee, and Salt Lake City, Utah. Our reliance on only two geographical locations for our distribution centers makes us more vulnerable to natural disasters, weather-related disruptions, accidents, system failures, public health issues such as the COVID-19 pandemic (or other future pandemics or epidemics), or other unforeseen events that could delay or impair our ability to fulfill retailer orders and/or ship merchandise purchased on our website, which could harm our sales.

We import our products, and we are also vulnerable to risks associated with products manufactured abroad, including, among other things: (a) risks of damage, destruction, or confiscation of products while in transit to our distribution centers; and (b) transportation and other delays in shipments, including as a result of heightened security screening, port congestion, container and labor shortages, and inspection processes or other port-of-entry limitations or restrictions in the United States. In order to meet demand for a product, we have chosen in the past, and may choose in the future, to arrange for additional quantities of the product, if available, to be delivered through air freight, which is significantly more expensive than standard shipping by sea and, consequently, adversely impacts our gross margins. Failure to procure our products from our third-party contract manufacturers and deliver merchandise to our retail partners and DTC channel in a timely, effective, and economically viable manner could reduce our sales and gross margins, damage our brand, and harm our business.

We also rely on the timely and free flow of goods through open and operational ports from our suppliers and manufacturers. Labor disputes or disruptions at ports, our common carriers, or our suppliers or manufacturers could create significant risks for our business, particularly if these disputes result in work slowdowns, lockouts, strikes, or other disruptions during periods of significant importing or manufacturing, potentially resulting in delayed or canceled orders by customers, unanticipated inventory accumulation or shortages, and harm to our business, results of operations, and financial condition.

In addition, we rely upon independent land-based and air freight carriers for product shipments from our distribution centers to our retail partners and customers who purchase through our DTC channel. We may not be able to obtain sufficient freight capacity on a timely basis or at favorable shipping rates and, therefore, may not be able to receive products from suppliers or deliver products to retail partners or customers in a timely and cost-effective manner.

Accordingly, we are subject to the risks, including labor disputes, union organizing activity, inclement weather, public health crises such as the COVID-19 pandemic (or other future pandemics or epidemics), and increased transportation costs, associated with our third-party contract manufacturers' and carriers' ability to provide products and services to meet our requirements. As a result of Russia's invasion of Ukraine in March 2022, the United States and other governments have implemented coordinated sanctions, seizures of assets, and export-control measure packages. These measures, and the global response to the invasion, have resulted in increased fuel prices. Although we do not do business in Ukraine, as the cost of fuel rises, the cost to deliver products may rise, which could harm our profitability.

Our business is subject to the risk of manufacturer concentrations.

We depend on a limited number of third-party contract manufacturers for the sourcing of our products. For hard coolers, soft coolers, Drinkware, bags, cargo, and outdoor living and pet products our two largest manufacturers comprised approximately 89%, 91%, 86%, 86%, 93% and 95% respectively, of our production volume during the first quarter of 2022. As a result of this concentration in our supply chain, our business and operations would be negatively affected if any of our key manufacturers were to experience significant disruption affecting the price, quality, availability, or timely delivery of products. Our manufacturers could also be acquired by our competitors and may become our direct competitors, thus limiting or eliminating our access to manufacturing capacity. The partial or complete loss of our key manufacturers, or a significant adverse change in our relationship with any of these manufacturers, could result in lost sales, added costs, and distribution delays that could harm our business and customer relationships.

Our results of operations could be materially harmed if we are unable to accurately forecast demand for our products.

To ensure adequate inventory supply, we must forecast inventory needs and place orders with our manufacturers before firm orders are placed by our customers. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of product to deliver to our customers. Factors that could affect our ability to accurately forecast demand for our products include: (a) an increase or decrease in consumer demand for our products; (b) our failure to accurately forecast consumer acceptance for our new products; (c) product introductions by competitors; (d) unanticipated changes in general market conditions or other factors, which may result in cancellations of advance orders or a reduction or increase in the rate of reorders or at-once orders placed by retailers; (e) the impact on consumer demand due to unseasonable weather conditions; (f) weakening economic conditions or consumer confidence in future economic conditions or inflationary conditions resulting in rising prices, which could each reduce demand for discretionary items, such as our products; and (g) terrorism or acts of war, or the threat thereof, or political or labor instability or unrest, riots, public health crises such as the COVID-19 pandemic (or other future pandemics or epidemics), or xenophobia resulting therefrom, which could adversely affect consumer confidence and spending or interrupt production and distribution of product and raw materials.

Inventory levels in excess of customer demand may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices or in less preferred distribution channels, which could impair our brand image and harm our gross margin. In addition, if we underestimate the demand for our products, our manufacturers may not be able to produce products to meet our customer requirements, and this could result in delays in the shipment of our products and our ability to recognize revenue, lost sales, as well as damage to our reputation and retailer and distributor relationships.

Difficulty in forecasting demand, which we have encountered as a result of global supply chain constraints associated with the COVID-19 pandemic, also makes it difficult to estimate our future results of operations and financial condition from period to period. A failure to accurately predict the level of demand for our products could adversely impact our profitability or cause us not to achieve our expected financial results.

Our business could be harmed if we fail to execute our internal plans to transition our supply chain and certain other business processes to a global scale.

We are in the process of re-engineering certain of our supply chain management processes, as well as certain other business processes, to support our expanding scale. This expansion to a global scale requires significant investment of capital and human resources, the re-engineering of many business processes, and the attention of many managers and other employees who would otherwise be focused on other aspects of our business. If our globalization efforts fail to produce planned efficiencies, or the transition is not managed effectively, we may experience excess inventories, inventory shortage, late deliveries, lost sales, or increased costs. Any business disruption arising from our globalization efforts, or our failure to effectively execute our internal plans for globalization, could harm our results of operations and financial condition.

If we cannot maintain prices or effectively implement price increases, our margins may decrease.

Increasing demand, supply constraints, inflation, and other market conditions have resulted in increasing shortages and higher costs for the production of some of our products, leading us to implement a price increase for certain of our products effective in February 2022. Our ability to maintain prices or effectively implement price increases, including our recent price increase, may be affected by several factors, including pricing pressure due to intense competition in the retail industry, effectiveness of our marketing programs, the continuing growth of our brand, general economic conditions, and changes in consumer demand. During challenging economic times, consumers may be less willing or able to pay a price premium for our branded products and may shift purchases to lower-priced or other value offerings, making it more difficult for us to maintain prices and/or effectively implement price increases. In addition, our retail partners and distributors may pressure us to rescind price increases we have announced or already implemented, whether through a change in list price or increased promotional activity. If we cannot maintain prices or effectively implement price increases for our products, or must increase promotional activity, our margins may be adversely affected. Furthermore, price increases generally result in volume losses, as consumers purchase fewer units. If such losses are greater than expected or if we lose distribution due to a price increase, our business, financial condition and results of operations may be materially and adversely affected.

We rely on a series of purchase orders with our manufacturers. Some of these relationships are not exclusive, which means that these manufacturers could produce similar products for our competitors.

We rely on a series of purchase orders with our manufacturers. With all of our manufacturers, we face the risk that they may fail to produce and deliver our products on a timely basis, or at all, or comply with our quality standards. In addition, our manufacturers may raise prices in the future, which would increase our costs and harm our margins. Even those manufacturers with whom we have purchase orders may breach these agreements, and we may not be able to enforce our rights under these agreements or may incur significant costs attempting to do so. As a result, we cannot predict with certainty our ability to obtain finished products in adequate quantities, of required quality and at acceptable prices from our manufacturers in the future. Any one of these risks could harm our ability to deliver our products on time, or at all, damage our reputation and our relationships with our retail partners and customers, and increase our product costs thereby reducing our margins.

In addition, except in some of the situations where we have a supply contract, our arrangements with our manufacturers are not exclusive. As a result, our manufacturers could produce similar products for our competitors, some of which could potentially purchase products in significantly greater volume. Further, while certain of our long-term contracts stipulate contractual exclusivity, those manufacturers could choose to breach our agreements and work with our competitors. Our competitors could enter into restrictive or exclusive arrangements with our manufacturers that could impair or eliminate our access to manufacturing capacity or supplies.

Fluctuations in the cost and availability of raw materials, equipment, labor, and transportation could cause manufacturing delays or increase our costs.

The price and availability of key components used to manufacture our products, including polyethylene, polyurethane foam, stainless-steel, polyester fabric, zippers, and other plastic materials and coatings, as well as manufacturing equipment and molds, may fluctuate significantly. Increasing demand, supply constraints, and inflation have resulted in shortages and higher costs for the production of some of our products. In addition, the cost of labor at our third-party contract manufacturers could increase significantly. For example, manufacturers in China have experienced increased costs in recent years due to shortages of labor and fluctuations of the Chinese yuan in relation to the U.S. dollar. Additionally, the cost of logistics and transportation fluctuates in large part due to the price of oil and available capacity. Any fluctuations in the cost and availability of any of our raw materials or other sourcing or transportation costs related to our raw materials or products could harm our gross margins and our ability to meet customer demand. As a result of Russia's invasion of Ukraine in March 2022, the United States and other governments have implemented coordinated sanctions, seizures of assets, and export-control measure packages. These measures, and the global response to the invasion, have resulted in increased oil prices and logistics costs, and may negatively impact the prices of our raw materials we use to manufacture our products. If we are unable to successfully mitigate a significant portion of these product cost increases or fluctuations, our results of operations could be harmed.

Many of our products are manufactured by third parties outside of the United States, and our business may be harmed by legal, regulatory, economic, political and public health risks associated with international trade and those markets.

Many of our core products are manufactured in China, the Philippines, Vietnam, Taiwan, Poland, and Malaysia. In addition, we have third-party manufacturing partners in Mexico and Italy. Our reliance on suppliers and manufacturers in foreign markets creates risks inherent in doing business in foreign jurisdictions, including: (a) the burdens of complying with a variety of foreign laws and regulations, including trade and labor restrictions and laws relating to the importation and taxation of goods; (b) weaker protection for intellectual property and other legal rights than in the United States, and practical difficulties in enforcing intellectual property and other rights outside of the United States; (c) compliance with U.S. and foreign laws relating to foreign operations, including the U.S. Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act 2010 ("Bribery Act"), regulations of the U.S. Office of Foreign Assets Controls ("OFAC"), and U.S. anti-money laundering regulations, which respectively prohibit U.S. companies from making improper payments to foreign officials for the purpose of obtaining or retaining business, operating in certain countries, or maintaining business relationships with certain restricted parties as well as engaging in other corrupt and illegal practices; (d) economic and political instability and acts of terrorism in the countries where our suppliers are located; (e) public health crises, such as pandemics and epidemics, in the countries where our suppliers and manufacturers are located; (f) transportation interruptions or increases in transportation costs; and (g) the imposition of tariffs or non-tariff barriers on components and products that we import into the United States or other markets. For example, the ongoing COVID-19 outbreak has resulted in increased travel restrictions, supply chain disruptions, and extended shutdown of certain businesses around the globe. In particular, YETI experienced an extended shutdown in its Vietnam manufacturing facility during the third quarter of 2021 which resulted in additional supply disruptions. The COVID-19 pandemic or any further political developments or health concerns in markets in which our products are manufactured could result in social, economic and labor instability, adversely affecting the supply of our products and, in turn, our business, financial condition, and results of operations. Further, we cannot assure you that our directors, officers, employees, representatives, manufacturers, or suppliers have not engaged and will not engage in conduct for which we may be held responsible, nor can we assure you that our manufacturers, suppliers, or other business partners have not engaged and will not engage in conduct that could materially harm their ability to perform their contractual obligations to us or even result in our being held liable for such conduct. Violations of the FCPA, the Bribery Act, OFAC restrictions, or other export control, anti-corruption, anti-money laundering, and anti-terrorism laws or regulations may result in severe criminal or civil penalties, and we may be subject to other related liabilities, which could harm our business, financial condition, cash flows, and results of operations.

As current tariffs are implemented, or if additional tariffs or other restrictions are placed on foreign imports or any related counter-measures are taken by other countries, our business and results of operations could be harmed.

Most of our imported products are subject to duties, indirect taxes, quotas and non-tariff trade barriers, any of which may limit the quantity of products that we may import into the U.S. and other countries or may impact the cost of such products. To maximize opportunities, we rely on free trade agreements and other supply chain initiatives, and, as a result, we are subject to government regulations and restrictions with respect to our cross-border activity. For example, we have historically received benefits from duty-free imports on certain products from certain countries pursuant to the Global System of Preferences ("GSP") program. The GSP program expired on December 31, 2020, resulting in additional duties and negatively impacting gross margin. YETI is expecting the GSP program to be renewed and made retroactive; however if this does not occur, it will continue to have a negative impact on our expected results. Additionally, we are subject to government regulations relating to importation activities, including related to U.S. Customs and Border Protection ("CBP") withhold release orders. The imposition of taxes, duties and quotas, the withdrawal from or material modification to trade agreements, and/or if CBP detains shipments of our goods pursuant to a withhold release order could have a material adverse effect on our business, results of operations and financial condition.

The previous administration put into place tariffs and other trade restrictions between the United States and China. In response, China put into place tariffs of its own. It is unknown whether and to what extent new tariffs (or other new laws or regulations) will be adopted in the future, and, while the current administration has continued with tariffs put into place under the previous administration, it is unclear whether the current administration will work to reverse such measures in the future or pursue similar policy initiatives with China and other countries. If additional tariffs or other restrictions are placed on foreign imports, including on any of our products manufactured overseas for sale in the United States, or any related counter-measures are taken by other countries, our business and results of operations may be materially harmed.

Current and additional tariffs have the potential to significantly raise the cost of our products, particularly our Drinkware. In such a case, there can be no assurance that we will be able to shift manufacturing and supply agreements to non-impacted countries, including the United States, to reduce the effects of the tariffs. As a result, we may suffer margin erosion or be required to raise our prices, which may result in the loss of customers, negatively impact our results of operations, or otherwise harm our business. In addition, the imposition of tariffs on products that we export to international markets could make such products more expensive compared to those of our competitors if we pass related additional costs on to our customers, which may also result in the loss of customers, negatively impact our results of operations, or otherwise harm our business.

A significant portion of our sales are to independent retail partners. If these independent retail partners cease to carry our current products or choose not to carry new products that we develop, our brand as well as our results of operations and financial condition could be harmed.

Twelve percent of our gross sales for 2021 and approximately 13% of our gross sales for the three months ended April 2, 2022 were made to independent retail partners. These retail partners may decide to emphasize products from our competitors, to redeploy their retail floor space to other product categories, or to take other actions that reduce their purchases of our products. We do not receive long-term purchase commitments from our independent retail partners, and orders received from our independent retail partners are cancellable. Factors that could affect our ability to maintain or expand our sales to these independent retail partners include: (a) failure to accurately identify the needs of our customers; (b) a lack of customer acceptance of new products or product expansions; (c) unwillingness of our independent retail partners and customers to attribute premium value to our new or existing products or product expansions relative to competing products; (d) failure to obtain shelf space from our retail partners; (e) new, well-received product introductions by competitors; (f) damage to our relationships with independent retail partners due to brand or reputational harm; (g) delays or defaults on our retail partners' payment obligations to us; and (h) store closures, decreased foot traffic, recession or other adverse effects resulting from public health crises such as the COVID-19 pandemic (or other future pandemics or epidemics).

We cannot assure you that our independent retail partners will continue to carry our current products or carry any new products that we develop. If these risks occur, they could harm our brand as well as our results of operations and financial condition. In addition, store closures, decreased foot traffic and recession resulting from the COVID-19 pandemic will adversely affect the performance and will likely adversely affect the financial condition of many of these customers. The foregoing are expected to have a material adverse effect on our business and financial condition.

We depend on our retail partners to display and present our products to customers, and our failure to maintain and further develop our relationships with our retail partners could harm our business.

We sell a significant amount of our products through knowledgeable national, regional, and independent retail partners. Our retail partners service customers by stocking and displaying our products, explaining our product attributes, and sharing our brand story. Our relationships with these retail partners are important to the authenticity of our brand and the marketing programs we continue to deploy. Our failure to maintain these relationships with our retail partners or financial difficulties experienced by these retail partners could harm our business.

We have key relationships with national retail partners. For both 2020 and 2021, one national retail partner accounted for approximately 9% and 10% of our gross sales, respectively. If we lose any of our key retail partners or any key retail partner reduces its purchases of our existing or new products or its number of stores or operations or promotes products of our competitors over ours, our sales would be harmed. Because we are a premium brand, our sales depend, in part, on retail partners effectively displaying our products, including providing attractive space and point of purchase displays in their stores, and training their sales personnel to sell our products. If our retail partners reduce or terminate those activities, we may experience reduced sales of our products, resulting in lower gross margins, which would harm our results of operations.

If our plans to increase sales through our DTC channel are not successful, our business and results of operations could be harmed.

For 2021, our DTC channel accounted for 56% of our net sales, and our sales through the Amazon Marketplace represented approximately 13% of our net sales. Part of our growth strategy involves increasing sales through our DTC channel. However, we have limited operating experience executing the retail component of this strategy. The level of customer traffic and volume of customer purchases through our country and region-specific YETI websites or other e-commerce initiatives are substantially dependent on our ability to provide a content-rich and user-friendly website, a hassle-free customer experience, sufficient product availability, and reliable, timely delivery of our products. If we are unable to maintain and increase customers' use of our website, allocate sufficient product to our website, and increase any sales through our website, our continued DTC channel growth, our business, and results of operations could be harmed. Furthermore, any adverse change in our relationship with Amazon, including restrictions on the ability to offer products on the Amazon Marketplace or termination of the relationship, could adversely affect our continued DTC channel growth, our business, and results of operations.

We currently have a limited number of country and region-specific YETI websites and are planning to expand our e-commerce platform to others. These countries may impose different and evolving laws governing the operation and marketing of e-commerce websites, as well as the collection, storage, and use of information on customers interacting with those websites. We may incur additional costs and operational challenges in complying with these laws, and differences in these laws may cause us to operate our business differently, and less effectively, in different territories. If so, we may incur additional costs and may not fully realize the investment in our international expansion.

If we do not successfully implement our future retail store expansion, our growth and profitability could be harmed.

We have and may continue to expand our existing DTC channel by opening new retail stores. We currently operate nine retail stores across six states. Our ability to open new retail stores in a timely manner and operate them profitably depends on a number of factors, many of which are beyond our control, including:

- our ability to manage the financial and operational aspects of our retail growth strategy, including making appropriate investments in our software systems, information technology, and operational infrastructure;
- our ability to identify suitable locations, including our ability to gather and assess demographic and marketing data to accurately determine customer demand for our products in the locations we select;
- our ability to negotiate favorable lease agreements;
- our ability to properly assess the potential profitability and payback period of potential new retail store locations;
- the availability of financing on favorable terms;
- our ability to secure required governmental permits and approvals and our ability to effectively comply with state and local employment and labor laws, rules, and regulations;
- our ability to hire and train skilled store operating personnel, especially management personnel;
- the availability of construction materials and labor and the absence of significant construction delays or cost overruns;
- our ability to provide a satisfactory mix of merchandise that is responsive to the needs of our customers living in the areas where new retail stores are established;
- our ability to establish a supplier and distribution network able to supply new retail stores with inventory in a timely manner;
- our competitors, or our retail partners, building or leasing stores near our retail stores or in locations we have identified as targets for a new retail store;
- customer demand for our products;
- governmental orders requiring adherence to social distancing practices, temporary store closures, or reduced hours; and
- general economic and business conditions affecting consumer confidence and spending and the overall strength of our business.

We have limited experience in opening retail stores and may not be able to successfully address the risks that they entail. For example, due to the COVID-19 pandemic, which resulted in widespread government mandated temporary store closures or reduced hours during the second quarter of 2020, which may be re-imposed by governmental authorities in certain geographies to reduce the spread of COVID-19, our ability to implement our full retail store strategy, achieve desired net sales growth and maintain consistent levels of profitability in our retail stores has been, and continues to be, disrupted. In order to pursue our retail store strategy, we will be required to expend significant cash resources prior to generating any sales in these stores. We may not generate sufficient sales from these stores to justify these expenses, which could harm our business and profitability. The substantial management time and resources, which any future retail store expansion strategy may require, could also result in disruption to our existing business operations, which may decrease our net sales and profitability.

Insolvency, credit problems or other financial difficulties that could confront our retail partners could expose us to financial risk.

We sell to the large majority of our retail partners on open account terms and do not require collateral or a security interest in the inventory we sell them. Consequently, our accounts receivable with our retail partners are unsecured. Insolvency, credit problems, or other financial difficulties confronting our retail partners could expose us to financial risk. These actions could expose us to risks if they are unable to pay for the products they purchase from us. Financial difficulties of our retail partners could also cause them to reduce their sales staff, use of attractive displays, number or size of stores, and the amount of floor space dedicated to our products. For example, the COVID-19 pandemic caused public health officials to recommend precautions to mitigate the spread of the virus that resulted in widespread temporary store closures or reduced store hours for our retail partners during the second quarter of 2020. These actions had a significant unfavorable impact on our wholesale business during the second quarter of 2020. Significant uncertainty about the ultimate duration and severity of the spread of COVID-19, uncertainties regarding consumer willingness to visit retail stores during the COVID-19 pandemic and in the future, and the overall economic impact of COVID-19 and the related impact on consumer confidence and spending may lead to a material reduction in sales of our products by our retail partners. Any reduction in sales by, or loss of, our current retail partners or customer demand, or credit risks associated with our retail partners, could harm our business, results of operations, and financial condition.

If our independent suppliers and manufacturing partners do not comply with ethical business practices or with applicable laws and regulations, our reputation, business, and results of operations could be harmed.

Our reputation and our customers' willingness to purchase our products depend in part on our suppliers', manufacturers', and retail partners' compliance with ethical employment practices, such as with respect to child labor, wages and benefits, forced labor, discrimination, safe and healthy working conditions, and with all legal and regulatory requirements relating to the conduct of their businesses. We do not exercise control over our suppliers, manufacturers, and retail partners and cannot guarantee their compliance with ethical and lawful business practices. If our suppliers, manufacturers, or retail partners fail to comply with applicable laws, regulations, safety codes, employment practices, human rights standards, quality standards, environmental standards, production practices, or other obligations, norms, or ethical standards, our reputation and brand image could be harmed, and we could be exposed to litigation and additional costs that would harm our business, reputation, and results of operations.

We are subject to payment-related risks that may result in higher operating costs or the inability to process payments, either of which could harm our business, financial condition and results of operations.

For our DTC sales, as well as for sales to certain retail partners, we accept a variety of payment methods, including credit cards, debit cards, electronic funds transfers, electronic payment systems, and gift cards. Accordingly, we are, and will continue to be, subject to significant and evolving regulations and compliance requirements, including obligations to implement enhanced authentication processes that could result in increased costs and liability, and reduce the ease of use of certain payment methods. For certain payment methods, including credit and debit cards, as well as electronic payment systems, we pay interchange and other fees, which may increase over time. We rely on independent service providers for payment processing, including credit and debit cards. If these independent service providers become unwilling or unable to provide these services to us, or if the cost of using these providers increases, our business could be harmed. We are also subject to payment card association operating rules and agreements, including data security rules and agreements, certification requirements, and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, or if our data security systems are breached or compromised, we may be liable for losses incurred by card issuing banks or customers, subject to fines and higher transaction fees, lose our ability to accept credit or debit card payments from our customers, or process electronic fund transfers or facilitate other types of payments. Any failure to comply could significantly harm our brand, reputation, business, financial condition and results of operations.

Our plans for international expansion may not be successful; our limited operating experience and limited brand recognition in new markets may make it more difficult to execute our expansion strategy and cause our business and growth to suffer.

Continued expansion into markets outside the United States, including Canada, Australia, Europe and Japan, is one of our key long-term strategies for the future growth of our business. There are, however, significant costs and risks inherent in selling our products in international markets, including: (a) failure to effectively translate and establish our core brand identity, particularly in markets with a less-established heritage of outdoor and recreational activities; (b) time and difficulty in building a widespread network of retail partners; (c) increased shipping and distribution costs, which could increase our expenses and reduce our margins; (d) potentially lower margins in some regions; (e) longer collection cycles in some regions; (f) increased competition from local providers of similar products; (g) compliance with foreign laws and regulations, including taxes and duties, enhanced privacy laws, rules, and regulations, and product liability laws, rules, and regulations, particularly in the European Union and Japan; (h) establishing and maintaining effective internal controls at foreign locations and the associated increased costs; (i) increased counterfeiting and the uncertainty of protection for intellectual property rights in some countries and practical difficulties of enforcing rights abroad; (j) compliance with anti-bribery, anti-corruption, sanctions, and anti-money laundering laws, such as the FCPA, the Bribery Act, and OFAC regulations, by us, our employees, and our business partners; (k) currency exchange rate fluctuations and related effects on our results of operations; (l) economic weakness, including inflation, or political instability in foreign economies and markets; (m) compliance with tax, employment, immigration, and labor laws for employees living or traveling abroad; (n) workforce uncertainty in countries where labor unrest is more common than in the United States; (o) business interruptions resulting from geopolitical actions, including war and terrorism, such as the invasion of and ongoing conflict in Ukraine, natural disasters, including earthquakes, typhoons, floods, and fires, public health issues, including the outbreak of a pandemic or contagious disease, such as COVID-19, or xenophobia resulting therefrom; (p) the imposition of tariffs on products that we import into international markets that could make such products more expensive compared to those of our competitors; (q) that our ability to expand internationally could be impacted by the intellectual property rights of third parties that conflict with or are superior to ours; and (r) other costs and risks of doing business internationally.

These and other factors could harm our international operations and, consequently, harm our business, results of operations, and financial condition. Further, we may incur significant operating expenses as a result of our planned international expansion, and it may not be successful. We have limited experience with regulatory environments and market practices internationally, and we may not be able to penetrate or successfully operate in new markets. We also have limited operating experience outside of the United States and in our expansion efforts we may encounter obstacles we did not face in the United States, including cultural and linguistic differences, differences in regulatory environments, labor practices and market practices, difficulties in keeping abreast of market, business and technical developments, and preferences of foreign customers. Consumer demand and behavior, as well as tastes and purchasing trends, may differ internationally, and, as a result, sales of our products may not be successful, or the margins on those sales may not be in line with those we anticipate. We may also encounter difficulty expanding into international markets because of limited brand recognition, leading to delayed or limited acceptance of our products by customers in these markets and increased marketing and customer acquisition costs to establish our brand. Accordingly, if we are unable to successfully expand internationally or manage the complexity of our global operations, we may not achieve the expected benefits of this expansion and our financial condition and results of operations could be harmed.

Our financial results and future growth could be harmed by currency exchange rate fluctuations.

As our international business grows, our results of operations could be adversely impacted by changes in foreign currency exchange rates. Revenues and certain expenses in markets outside of the United States are recognized in local foreign currencies, and we are exposed to potential gains or losses from the translation of those amounts into U.S. dollars for consolidation into our financial statements. Similarly, we are exposed to gains and losses resulting from currency exchange rate fluctuations on transactions generated by our foreign subsidiaries in currencies other than their local currencies. In addition, the business of our independent manufacturers may also be disrupted by currency exchange rate fluctuations by making their purchases of raw materials more expensive and more difficult to finance. As a result, foreign currency exchange rate fluctuations may adversely impact our results of operations.

We may become involved in legal or regulatory proceedings and audits.

Our business requires compliance with many laws and regulations, including labor and employment, sales and other taxes, customs, and consumer protection laws and ordinances that regulate retailers generally and/or govern the importation, promotion, and sale of merchandise, and the operation of stores and warehouse facilities. Failure to comply with these laws and regulations could subject us to lawsuits and other proceedings, and could also lead to damage awards, fines, and penalties. We may become involved in a number of legal proceedings and audits, including government and agency investigations, and consumer, employment, tort, and other litigation. The outcome of some of these legal proceedings, audits, and other contingencies could require us to take, or refrain from taking, actions that could harm our operations or require us to pay substantial amounts of money, harming our financial condition and results of operations. Additionally, defending against these lawsuits and proceedings may be necessary, which could result in substantial costs and diversion of management's attention and resources, harming our business, financial condition, and results of operations. Any pending or future legal or regulatory proceedings and audits could harm our business, financial condition, and results of operations.

Our business involves the potential for product recalls, warranty liability, product liability, and other claims against us, which could adversely affect our reputation, earnings and financial condition.

As a designer, marketer, retailer, and distributor of consumer products, we are subject to the United States Consumer Products Safety Act of 1972, as amended by the Consumer Product Safety Improvement Act of 2008, which empowers the Consumer Products Safety Commission to exclude from the market products that are found to be unsafe or hazardous, and similar laws under foreign jurisdictions. Although we extensively and rigorously test new and enhanced products, there can be no assurance we will be able to detect, prevent, or fix all defects. Under certain circumstances, the Consumer Products Safety Commission or comparable foreign agency could require us to repurchase or recall one or more of our products. Additionally, laws regulating consumer products exist in states and some cities, as well as other countries in which we sell our products, and more restrictive laws and regulations may be adopted in the future. Any repurchase or recall of our products, monetary judgment, fine or other penalty could be costly and damaging to our reputation. If we were required to remove, or we voluntarily removed, our products from the market, our reputation could be tarnished and we may have large quantities of finished products that we could not sell. Furthermore, the occurrence of any material defects in our products could expose us to liability for warranty claims in excess of our current reserves, and if our warranty reserves are inadequate to cover future warranty claims on our products, our financial condition and operating results may be harmed.

We also face exposure to product liability claims and unusual or significant litigation in the event that one of our products is alleged to have resulted in bodily injury, property damage, or other adverse effects. In addition to the risk of monetary judgments or other penalties that may result from product liability claims, such claims could result in negative publicity that could harm our reputation in the marketplace, adversely impact our brand, or result in an increase in the cost of producing our products. As a result, these types of claims could have a material adverse effect on our business, results of operations, and financial condition.

Our business is subject to the risk of earthquakes, fire, power outages, floods, and other catastrophic events, and to interruption by problems such as terrorism, public health crises, cyberattacks, or failure of key information technology systems.

Our business is vulnerable to damage or interruption from earthquakes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war, riots, public health crises, human errors, criminal acts, and similar events. For example, a significant natural disaster, such as an earthquake, fire, or flood, could harm our business, results of operations, and financial condition, and our insurance coverage may be insufficient to compensate us for losses that may occur. Our corporate offices, one of our distribution centers, and one of our data center facilities are located in Texas, a state that frequently experiences floods and storms. In addition, the facilities of our suppliers and where our manufacturers produce our products are located in parts of Asia that frequently experience typhoons and earthquakes. Acts of terrorism and public health crises, such as the COVID-19 pandemic (or other future pandemics or epidemics), could also cause disruptions in our or our suppliers', manufacturers', and logistics providers' businesses or the economy as a whole. The COVID-19 pandemic has significantly impacted the global supply chain, with restrictions and limitations on related activities causing disruption and delay, and the likely overall impact of the COVID-19 pandemic is viewed as highly negative to the general economy. These disruptions and delays have strained certain domestic and international supply chains, which have affected and could continue to negatively affect the flow or availability of certain of our products. While our domestic customization operations are open and operating currently, we were forced to temporarily close these operations during the pandemic. We may not have sufficient protection or recovery plans in some circumstances, such as natural disasters affecting Texas or other locations where we have operations or store significant inventory. Our servers are also vulnerable to computer viruses, criminal acts, denial-of-service attacks, ransomware, and similar disruptions from unauthorized tampering with our computer systems, which could lead to interruptions, delays, or loss of critical data. As we rely heavily on our information technology and communications systems and the Internet to conduct our business and provide high-quality customer service, these disruptions could harm our ability to run our business and either directly or indirectly disrupt our suppliers' or manufacturers' businesses, which could harm our business, results of operations, and financial condition.

Our results of operations are subject to seasonal and quarterly variations, which could cause the price of our common stock to decline.

We believe that our sales include a seasonal component. We expect our net sales to be highest in our second and fourth quarters, with the first quarter generating the lowest sales. To date, however, it has been difficult to accurately analyze this seasonality due to fluctuations in our sales. In addition, due to our more recent, and therefore more limited experience, with bags, cargo, and outdoor lifestyle products and accessories, we are continuing to analyze the seasonality of these products. We expect that this seasonality will continue to be a factor in our results of operations and sales.

Our annual and quarterly results of operations may also fluctuate significantly as a result of a variety of other factors, including, among other things, the timing of the introduction of and advertising for our new products and those of our competitors and changes in our product mix. Variations in weather conditions may also harm our quarterly results of operations. In addition, we may not be able to adjust our spending in a timely manner to compensate for any unexpected shortfall in our sales. As a result of these seasonal and quarterly fluctuations, we believe that comparisons of our results of operations between different quarters within a single fiscal year, or across different fiscal years, are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance. In the event that any seasonal or quarterly fluctuations in our net sales and results of operations result in our failure to meet our forecasts or the forecasts of the research analysts that may cover us in the future, the market price of our common stock could fluctuate or decline.

We are subject to many hazards and operational risks that can disrupt our business, some of which may not be insured or fully covered by insurance.

Our operations are subject to many hazards and operational risks inherent to our business, including: (a) general business risks; (b) product liability; (c) product recall; and (d) damage to third parties, our infrastructure, or properties caused by fires, floods and other natural disasters, power losses, telecommunications failures, terrorist attacks, riots, public health crises such as the COVID-19 pandemic (and other future pandemics or epidemics), human errors, and similar events.

Our insurance coverage may be inadequate to cover our liabilities related to such hazards or operational risks. For example, our insurance coverage does not cover us for business interruptions as they relate to the COVID-19 pandemic. In addition, we may not be able to maintain adequate insurance in the future at rates we consider reasonable and commercially justifiable, and insurance may not continue to be available on terms as favorable as our current arrangements. The occurrence of a significant uninsured claim or a claim in excess of the insurance coverage limits maintained by us could harm our business, results of operations, and financial condition.

Risks Related to Market and Global Economic Conditions

The COVID-19 pandemic and its effects could result in declines in consumer discretionary spending or continue to adversely affect the global supply chain, which could negatively impact our business, sales, financial condition, results of operations and cash flows, and our ability to access current or obtain new lending facilities.

Since its emergence in December 2019, COVID-19 has spread globally, including to every state in the United States, and has been declared a pandemic by the World Health Organization. The COVID-19 pandemic and preventative measures taken to contain or mitigate such have caused, and may continue to cause, business slowdowns or shutdowns in affected areas and significant disruption in the financial markets both globally and in the United States, which could lead to a decline in discretionary spending by consumers, and in turn impact, possibly materially, our business, sales, financial condition and results of operations. The impacts include, but are not limited to:

- the possibility of renewed retail store closures or reduced operating hours and/or decreased retail traffic;
- disruption to our distribution centers and our third-party manufacturing partners and other vendors, including the effects of facility closures as a result of outbreaks of COVID-19 or measures taken by federal, state or local governments to reduce its spread, reductions in operating hours, labor shortages, and real time changes in operating procedures, including for additional cleaning and disinfection procedures; and
- significant disruption of global financial markets, which could have a negative impact on our ability to access capital in the future.

The COVID-19 pandemic has significantly impacted the global supply chain, with restrictions and limitations on related activities causing disruption and delay. These disruptions and delays have strained domestic and international supply chains, resulting in port congestion, transportation delays as well as labor and container shortages, and have affected and could continue to negatively affect the flow or availability of certain products. In addition, increased demand for online purchases of products has impacted our fulfillment operations and small parcel network, resulting in potential delays in delivering products to our customers.

The further spread of COVID-19 and its effects, including required actions to help limit the spread of the illness and continued global supply chain disruptions or constraints, could impact our ability to carry out our business as usual and may materially adversely impact global economic conditions, our business, results of operations, cash flows and financial condition. The extent of the impact of COVID-19 on our business and financial results will depend on future developments, including the duration and severity of the outbreak (including the severity and transmission rates of new variants of the virus, such as the Delta and Omicron variants) within the markets in which we operate, the timing, distribution, rate of public acceptance and efficacy of vaccines and other treatments, the related impact on consumer confidence and spending, the effect of governmental regulations imposed in response to the pandemic and the magnitude and duration of global supply chain constraints, all of which are highly uncertain and ever-changing. The sweeping nature of the COVID-19 pandemic makes it extremely difficult to predict how our business and operations will be affected in the future. The overall economic impact of the pandemic could adversely affect the general economy. Any of the foregoing factors, or other cascading effects of the COVID-19 pandemic, could materially increase our costs, negatively impact our sales and damage our results of operations and liquidity, possibly to a significant degree. The severity and duration of any such impacts cannot be predicted.

Our net sales and profits depend on the level of customer spending for our products, which is sensitive to general economic conditions and other factors; adverse economic conditions, such as a downturn in the economy or inflationary conditions resulting in rising prices, could adversely affect consumer purchases of discretionary items, which could materially harm our sales, profitability, and financial condition.

Our products are discretionary items for customers. Therefore, the success of our business depends significantly on economic factors and trends in consumer spending. There are a number of factors that influence consumer spending, including actual and perceived economic conditions, consumer confidence, disposable consumer income, consumer credit availability, unemployment, and tax rates in the markets where we sell our products. Consumers also have discretion as to where to spend their disposable income and may choose to purchase other items or services if we do not continue to provide authentic, compelling, and high-quality products at appropriate price points. As global economic conditions continue to be volatile and economic uncertainty remains, trends in consumer discretionary spending also remain unpredictable and subject to declines. Any of these factors could harm discretionary consumer spending, resulting in a reduction in demand for our premium products, decreased prices, and harm to our business and results of operations. Moreover, consumer purchases of discretionary items, such as our products, tend to decline during recessionary periods when disposable income is lower or during other periods of economic instability or uncertainty, which may slow our growth more than we anticipate. Inflationary conditions resulting in rising prices could also reduce demand for discretionary items, such as our products. Adverse economic conditions in markets in which we sell our products, particularly in the United States, may materially harm our sales, profitability, and financial condition. For example, the continued adverse effects of COVID-19 across geographies and the increased oil costs caused by the ongoing conflict in Ukraine could lead to a decline in discretionary spending by consumers, resulting in a reduction in demand for our products, and in turn may materially impact our sales, profitability, and financial condition.

Risks Related to Information Technology and Security

We rely significantly on information technology, and any failure, inadequacy or interruption of that technology could harm our ability to effectively operate our business.

Our business relies on information technology. Our ability to effectively manage and maintain our inventory and internal reports, and to ship products to customers and invoice them on a timely basis, depends significantly on our enterprise resource planning (“ERP”), warehouse management, and other information systems. We also heavily rely on information systems to process financial and accounting information for financial reporting purposes. Any of these information systems could fail or experience a service interruption for a number of reasons, including computer viruses, programming errors, hacking or other unlawful activities, disasters or our failure to properly maintain system redundancy or protect, repair, maintain or upgrade our systems. We are currently undertaking various technology upgrades and enhancements to support our business growth, including a phased upgrade of our SAP ERP system. The implementation of new software and hardware involves risks and uncertainties that could cause disruptions, delays or deficiencies in the design, implementation or application of these systems. The failure of our information systems to operate effectively or to integrate with other systems, or a breach in security of these systems, could cause delays in product fulfillment and reduced efficiency of our operations, which could negatively impact our financial results. If we experienced any significant disruption to our financial information systems that we are unable to mitigate, our ability to timely report our financial results could be impacted, which could negatively impact our stock price. We also communicate electronically throughout the world with our employees and with third parties, such as customers, suppliers, vendors and consumers. A service interruption or shutdown could have a materially adverse impact on our operating activities. Remediation and repair of any failure, problem or breach of our key information systems could require significant capital investments. Furthermore, the implementation of new information technology systems, such as our SAP upgrade, or any remediation of our key information systems requires investment of capital and human resources, the re-engineering of business processes, and the attention of many employees who would otherwise be focused on other areas of our business. The implementation of new initiatives and remediation of existing systems may not achieve the anticipated benefits and may divert management’s attention from other operational activities, negatively affect employee morale, or have other unintended consequences. Additionally, if we are not able to accurately forecast expenses and capitalized costs related to system upgrades and repairs, our financial condition and operating results may be adversely impacted.

We collect, store, process, and use personal and payment information and other customer data, which subjects us to regulation and other legal obligations related to privacy, information security, and data protection.

We collect, store, process, and use personal and payment information and other customer data, and we rely on third parties that are not directly under our control to manage certain of these operations. Our customers’ personal information may include names, addresses, phone numbers, email addresses, payment card data, and payment account information, as well as other information. Due to the volume and sensitivity of the personal information and data we manage, the security features of our information systems are critical.

Threats to information technology security can take a variety of forms. Individual and groups of hackers and sophisticated organizations, including state-sponsored organizations or nation-states, continuously undertake attacks that may pose threats to our customers and our information technology systems. These actors may use a wide variety of methods, which may include developing and deploying malicious software or exploiting vulnerabilities in hardware, software, or other infrastructure in order to attack our information technology systems or gain access to our systems, using social engineering techniques to induce our employees, users, partners, or customers to disclose passwords or other sensitive information, or take other actions to gain access to our data or our customers’ data, impersonating authorized users, or acting in a coordinated manner to launch distributed denial of service or other coordinated attacks. Although we have taken steps to protect the security of our information systems and the data maintained in those systems, we have, from time to time, experienced threats to our data and systems, including malware and computer virus attacks and it is possible that in the future our safety and security measures will not prevent the systems’ improper functioning or damage, or the improper access or disclosure of personally identifiable information such as in the event of cyber-attacks. For example, system administrators may misconfigure networks, inadvertently providing access to unauthorized personnel or fail to timely remove employee account access when no longer appropriate. Employees or third parties may intentionally compromise our security or systems, or reveal confidential information. There have been media reports regarding increased cyber-security threats and potential breaches because of the increase in numbers of individuals working from home as a result of the COVID-19 pandemic. Cyberthreats are constantly evolving, increasing the difficulty of detecting and successfully defending against them.

Any breach of our data security or that of our service providers could result in an unauthorized release or transfer of customer, consumer, user or employee information, or the loss of valuable business data or cause a disruption in our business. These events could give rise to unwanted media attention, damage our reputation, damage our customer, consumer, employee, or user relationships and result in lost sales, fines or lawsuits. We may also be required to expend significant capital and other resources to protect against or respond to or alleviate problems caused by a security breach, which could harm our results of operations. If we or our independent service providers or business partners experience a breach that compromises our customers' sensitive data, our brand could be harmed, sales of our products could decrease, and we could be exposed to losses, litigation, or regulatory proceedings. Depending on the nature of the information compromised, we may also have obligations to notify users, law enforcement, or payment companies about the incident and may need to provide some form of remedy, such as refunds, for the individuals affected by the incident.

In addition, privacy laws, rules, and regulations are constantly evolving in the United States and abroad and may be inconsistent from one jurisdiction to another. For example, in December 2020, the State of California enacted the California Privacy Rights Act, or CPRA, which becomes effective on January 1, 2023, and substantially amends and expands the current California Consumer Privacy Act bringing the California regulations more in line with the European Union's General Data Protection Regulation, or GDPR. Further, as we expand internationally, we are subject to additional privacy rules, such as the GDPR, many of which are significantly more stringent than those in the United States. Complying with these evolving obligations is costly, and any failure to comply could give rise to unwanted media attention and other negative publicity, damage our customer and consumer relationships and reputation, and result in lost sales, fines, or lawsuits, and may harm our business and results of operations.

Any material disruption or breach of our information technology systems or those of third-party partners could materially damage our customer and business partner relationships and subject us to significant reputational, financial, legal, and operational consequences.

We depend on our information technology systems, as well as those of third parties, to design and develop new products, operate our website, host and manage our services, store data, process transactions, respond to user inquiries, and manage inventory and our supply chain as well as to conduct and manage other activities. Any material disruption or slowdown of our systems or those of third parties that we depend upon, including a disruption or slowdown caused by our or their failure to successfully manage significant increases in user volume or successfully upgrade our or their systems, system failures, viruses, ransomware, security breaches, or other causes, could cause information, including data related to orders, to be lost or delayed, which could result in delays in the delivery of products to retailers and customers or lost sales, which could reduce demand for our products, harm our brand and reputation, and cause our sales to decline. If changes in technology cause our information systems, or those of third parties that we depend upon, to become obsolete, or if our or their information systems are inadequate to handle our growth, particularly as we increase sales through our DTC channel, we could damage our customer and business partner relationships and our business and results of operations could be harmed.

We interact with many of our consumers through our e-commerce platforms, and these systems face similar risks of interruption or attack. Consumers increasingly utilize these services to purchase our products and to engage with our brand. If we are unable to continue to provide consumers a user-friendly experience and evolve our platform to satisfy consumer preferences, the growth of our e-commerce business and our net revenues may be negatively impacted. If this software contains errors, bugs or other vulnerabilities which impede or halt service, this could result in damage to our reputation and brand, loss of users, or loss of revenue.

Risks Related to our Financial Condition and Tax Matters

We depend on cash generated from our operations to support our growth, and we may need to raise additional capital, which may not be available on terms acceptable to us or at all.

We primarily rely on cash flow generated from our sales to fund our current operations and our growth initiatives. As we expand our business, we will need significant cash from operations to purchase inventory, increase our product development, expand our manufacturer and supplier relationships, pay personnel, pay for the increased costs associated with operating as a public company, expand internationally, and further invest in our sales and marketing efforts. If our business does not generate sufficient cash flow from operations to fund these activities and sufficient funds are not otherwise available from our current or future credit facility, we may need additional equity or debt financing. If such financing is not available to us on satisfactory terms, our ability to operate and expand our business or to respond to competitive pressures could be harmed. Moreover, if we raise additional capital by issuing equity securities or securities convertible into equity securities, the ownership of our existing stockholders may be diluted. The holders of new securities may also have rights, preferences or privileges which are senior to those of existing holders of common stock. In addition, any indebtedness we incur may subject us to covenants that restrict our operations and will require interest and principal payments that could create additional cash demands and financial risk for us.

Our indebtedness may limit our ability to invest in the ongoing needs of our business and if we are unable to comply with the covenants in our current Credit Facility, our liquidity and results of operations could be harmed.

As of April 2, 2022, we had \$106.9 million principal amount of indebtedness outstanding under the Credit Facility (as defined in Part I, Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” of this Report). The Credit Facility is jointly and severally guaranteed by certain of our wholly-owned material subsidiaries, including YETI Coolers, LLC, which we refer to as YETI Coolers, and YETI Custom Drinkware LLC, which we refer to as YCD, and any of our future subsidiaries that become guarantors, together, which we refer to as the Guarantors, and is also secured by a first-priority lien on substantially all of our assets and the assets of the Guarantors, in each case subject to certain customary exceptions. We may, from time to time, incur additional indebtedness under the Credit Facility.

The Credit Facility places certain conditions on us, including, subject to certain conditions, reductions and exceptions, requiring us to utilize a portion of our cash flow from operations to make payments on our indebtedness, reducing the availability of our cash flow to fund working capital, capital expenditures, development activity, return capital to our stockholders, and other general corporate purposes. Our compliance with this condition may limit our ability to invest in the ongoing needs of our business. For example, complying with this condition:

- increases our vulnerability to adverse economic or industry conditions;
- limits our flexibility in planning for, or reacting to, changes in our business or markets;
- makes us more vulnerable to increases in interest rates, as borrowings under the Credit Facility bear interest at variable rates;
- limits our ability to obtain additional financing in the future for working capital or other purposes; and
- potentially places us at a competitive disadvantage compared to our competitors that have less indebtedness.

The Credit Facility places certain limitations on our ability to incur additional indebtedness. However, subject to the qualifications and exceptions in the Credit Facility, we may incur substantial additional indebtedness under that facility. The Credit Facility also places certain limitations on our ability to enter into certain types of transactions, financing arrangements and investments, to make certain changes to our capital structure, and to guarantee certain indebtedness, among other things. The Credit Facility also places certain restrictions on the payment of dividends and distributions and certain management fees. These restrictions limit or prohibit, among other things, and in each case, subject to certain customary exceptions, our ability to: (a) pay dividends on, redeem or repurchase our stock, or make other distributions; (b) incur or guarantee additional indebtedness; (c) sell stock in our subsidiaries; (d) create or incur liens; (e) make acquisitions or investments; (f) transfer or sell certain assets or merge or consolidate with or into other companies; (g) make certain payments or prepayments of indebtedness subordinated to our obligations under the Credit Facility; and (h) enter into certain transactions with our affiliates.

The Credit Facility requires us to comply with certain covenants, including financial covenants regarding our total net leverage ratio and interest coverage ratio. Fluctuations in these ratios may increase our interest expense. Failure to comply with these covenants and certain other provisions of the Credit Facility, or the occurrence of a change of control, could result in an event of default and an acceleration of our obligations under the Credit Facility or other indebtedness that we may incur in the future.

If such an event of default and acceleration of our obligations occurs, the lenders under the Credit Facility would have the right to proceed against the collateral we granted to them to secure such indebtedness, which consists of substantially all of our assets. If the debt under the Credit Facility were to be accelerated, we may not have sufficient cash or be able to sell sufficient collateral to repay this debt, which would immediately and materially harm our business, results of operations, and financial condition. The threat of our debt being accelerated in connection with a change of control could make it more difficult for us to attract potential buyers or to consummate a change of control transaction that would otherwise be beneficial to our stockholders.

If our goodwill, other intangible assets, or fixed assets become impaired, we may be required to record a charge to our earnings.

We may be required to record future impairments of goodwill, other intangible assets, or fixed assets to the extent the fair value of these assets falls below their book value. Our estimates of fair value are based on assumptions regarding future cash flows, gross margins, expenses, discount rates applied to these cash flows, and current market estimates of value. Estimates used for future sales growth rates, gross profit performance, and other assumptions used to estimate fair value could cause us to record material non-cash impairment charges, which could harm our results of operations and financial condition.

Changes in tax laws or unanticipated tax liabilities could adversely affect our effective income tax rate and profitability.

We are subject to income taxes in the United States (federal and state) and various foreign jurisdictions. Our effective income tax rate could be adversely affected in the future by a number of factors, including changes in the valuation of deferred tax assets and liabilities, changes in tax laws and regulations or their interpretations and application, and the outcome of income tax audits in various jurisdictions around the world.

The U.S. House of Representatives passed the Build Back Better Act in November 2021 and the U.S. Senate Finance Committee has drafted similar legislation. In addition, member states of the Organization for Economic Co-Operation and Development are continuing discussions surrounding fundamental changes to the taxing rights of governments and allocation of profits among tax jurisdictions in which companies do business, including proposed rules on the implementation of a global minimum tax. Although it is uncertain if some or all of these proposals will be enacted, a significant change in U.S. tax law, or that of other countries where we operate or have a presence, may materially and adversely impact our income tax liability, provision for income taxes and effective tax rate. We regularly assess all of these matters to determine the adequacy of our income tax provision, which is subject to significant judgment.

The phase-out of LIBOR may negatively impact our financial results.

LIBOR, the London interbank offered rate, is the interest rate benchmark used as a reference rate on our variable rate debt, including our Credit Facility. On March 5, 2021, LIBOR's regulator, the Financial Conduct Authority and administrator, ICE Benchmark Administration ("IBA"), announced that the publication of one-week and two-month USD LIBOR maturities and the non-USD LIBOR maturities will cease immediately after December 31, 2021, with the publication of overnight, one-, three-, six-, and 12-month USD LIBOR ceasing immediately after June 30, 2023. On March 15, 2022, the Adjustable Interest Rate (LIBOR) Act (the "LIBOR ACT") was signed into law. Under the LIBOR Act, the Board of Governors of the Federal Reserve System is directed to select the Secured Overnight Financing Rate ("SOFR"), published by the Federal Reserve Bank of New York, as the replacement rate for contracts that reference LIBOR as a benchmark rate and that do not contain either a specified replacement rate or a replacement mechanism after USD LIBOR ceases publication. In addition, recent New York state legislation effectively codified the use of SOFR as the alternative to LIBOR in the absence of another chosen replacement rate, which may affect contracts governed by New York state law, including our Credit Agreement.

Our Credit Facility further provides for the replacement of LIBOR with one or more rates based on the SOFR, or another alternate benchmark rate under certain conditions.

SOFR is calculated differently from LIBOR and the inherent differences between LIBOR and SOFR or any other alternative benchmark rate gives rise to many uncertainties, including the need to amend existing debt instruments and the need to choose alternative reference rates in new contracts. Furthermore, uncertainty regarding whether or when SOFR or other alternative reference rates will be widely accepted by lenders as the replacement for LIBOR may impact the liquidity of the SOFR loan market, and SOFR itself. Since the initial publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in comparable benchmark or market rates, and SOFR over time may bear little or no relation to the historical actual or historical indicative data. It is possible that the volatility of and uncertainty around SOFR as a LIBOR replacement rate and the applicable credit adjustment would result in higher borrowing costs for us, and would adversely affect our liquidity, financial condition, and earnings. The consequences of these developments with respect to LIBOR cannot be entirely predicted and span multiple future periods but could result in an increase in the cost of our variable rate debt which may negatively impact our financial results.

We are subject to credit risk in connection with providing credit to our retail partners, and our results of operations could be harmed if a material number of our retail partners were not able to meet their payment obligations.

We are exposed to credit risk primarily on our accounts receivable. We provide credit to our retail partners in the ordinary course of our business and perform ongoing credit evaluations. While we believe that our exposure to concentrations of credit risk with respect to trade receivables is mitigated by our large retail partner base, and we make allowances for doubtful accounts, we nevertheless run the risk of our retail partners not being able to meet their payment obligations, particularly in a future economic downturn. If a material number of our retail partners were not able to meet their payment obligations, our results of operations could be harmed.

Risks Related to Ownership of Our Common Stock

If we are unable to maintain effective internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our reported financial information and the market price of our common stock may be negatively affected.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act of 2002 requires that we evaluate and determine the effectiveness of our internal control over financial reporting and provide a management report on our internal controls on an annual basis. If we have material weaknesses in our internal control over financial reporting, we may not detect errors on a timely basis and our consolidated financial statements may be materially misstated. We will need to maintain and enhance the systems, processes and documentation necessary to comply with Section 404 of the Sarbanes-Oxley Act as we grow, and we will require additional management and staff resources to do so.

Additionally, even if we conclude our internal controls are effective for a given period, we may in the future identify one or more material weaknesses in our internal controls, in which case our management will be unable to conclude that our internal control over financial reporting is effective. Our independent registered public accounting firm is required to issue an attestation report on the effectiveness of our internal control over financial reporting every fiscal year. Even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may conclude that there are material weaknesses with respect to our internal controls or the level at which our internal controls are documented, designed, implemented or reviewed.

If we are unable to conclude that our internal control over financial reporting is effective or if our auditors were to express an adverse opinion on the effectiveness of our internal control over financial reporting because we had one or more material weaknesses, investors could lose confidence in the accuracy and completeness of our financial disclosures, which could cause the price of our common stock to decline. Irrespective of compliance with Section 404, any failure of our internal control over financial reporting could have a material adverse effect on our reported operating results and harm our reputation. Internal control deficiencies could also result in a restatement of our financial results.

We cannot guarantee that our share repurchase program will enhance long-term stockholder value.

Pursuant to the new share repurchase program authorized by our Board of Directors on February 27, 2022, we were authorized to repurchase up to \$100.0 million of outstanding shares of our common stock through various methods, including, but not limited to, open market, privately negotiated, or accelerated share repurchase transactions. The share repurchase program was completed during the three months ended April 2, 2022, and the Company repurchased 1,676,551 shares for an aggregate purchase price of \$100.0 million, including fees and commissions, at an average price of \$59.66. Following the repurchases, no shares remained available for future repurchases under the share repurchase program. We cannot guarantee that our share repurchase activity will enhance long-term stockholder value because the stock price of our common stock may decline below the levels at which we effected repurchases. See Note 7-Stockholders' Equity of the Unaudited Condensed Consolidated Financial Statements for additional information about the share repurchase program.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of the Company more difficult, limit attempts by our stockholders to replace or remove our current management, and limit the market price of our common stock.

Provisions in our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws may have the effect of delaying or preventing a change in control or changes in our management. Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws:

- provide that our Board of Directors is classified into three classes of directors;
- prohibit stockholders from taking action by written consent;
- provide that stockholders may remove directors only for cause, and only with the approval of holders of at least 66 2/3% of our then outstanding common stock;
- provide that the authorized number of directors may be changed only by resolution of the Board of Directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law or as set forth in the Stockholders Agreement be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner, and also specify requirements as to the form and content of a stockholder's notice;
- restrict the forum for certain litigation against us to Delaware;

- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election);
- provide that special meetings of our stockholders may be called only by the Chairman of the Board of Directors, our CEO, or the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors;
- provide that stockholders will be permitted to amend our Amended and Restated Bylaws only upon receiving at least 66 2/3% of the votes entitled to be cast by holders of all outstanding shares then entitled to vote generally in the election of directors, voting together as a single class; and
- provide that certain provisions of our Amended and Restated Certificate of Incorporation may only be amended upon receiving at least 66 2/3% of the votes entitled to be cast by holders of all outstanding shares then entitled to vote, voting together as a single class.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board of Directors, which is responsible for appointing the members of our management. In addition, we have opted out of the provisions of Section 203 of the General Corporation Law of the State of Delaware (the “DGCL”), which generally prohibit a Delaware corporation from engaging in any of a broad range of business combinations with any interested stockholder for a period of three years following the date on which the stockholder became an interested stockholder. However, our Amended and Restated Certificate of Incorporation provides substantially the same limitations as are set forth in Section 203 but also provides that Cortec Group Fund V, L.P., our controlling stockholder at the time of our initial public offering, and its affiliates and any of their direct or indirect transferees and any group as to which such persons are a party do not constitute “interested stockholders” for purposes of this provision.

Our Amended and Restated Certificate of Incorporation provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our Amended and Restated Certificate of Incorporation provides that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for: (a) any derivative action or proceeding brought on our behalf; (b) any action asserting a claim of breach of fiduciary duty owed by any of our stockholders, directors, officers, or other employees to us or to our stockholders; (c) any action asserting a claim arising pursuant to the DGCL; or (d) any action asserting a claim governed by the internal affairs doctrine. The choice of forum provision does not apply to any actions arising under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction. The exclusive forum provision in the Amended and Restated Certificate of Incorporation will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and stockholders of YETI will not be deemed to have waived our compliance with these laws, rules and regulations. The choice of forum provision may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition.

YETI Holdings, Inc. is a holding company with no operations of its own and, as such, it depends on its subsidiaries for cash to fund its operations and expenses, including future dividend payments, if any.

As a holding company, our principal source of cash flow is distributions from our subsidiaries. Therefore, our ability to fund and conduct our business, service our debt, and pay dividends, if any, depends on the ability of our subsidiaries to generate sufficient cash flow to make upstream cash distributions to us. Our subsidiaries are separate legal entities, and although they are wholly owned and controlled by us, they have no obligation to make any funds available to us, whether in the form of loans, dividends, or otherwise. The ability of our subsidiaries to distribute cash to us is also subject to, among other things, restrictions that may be contained in our subsidiary agreements (as entered into from time to time), availability of sufficient funds in such subsidiaries and applicable laws and regulatory restrictions. Claims of any creditors of our subsidiaries generally have priority as to the assets of such subsidiaries over our claims and claims of our creditors and stockholders. To the extent the ability of our subsidiaries to distribute dividends or other payments to us is limited in any way, our ability to fund and conduct our business, service our debt, and pay dividends, if any, could be harmed.

General Risk Factors

Our future success depends on the continuing efforts of our management and key employees, and on our ability to attract and retain highly skilled personnel and senior management.

We depend on the talents and continued efforts of our senior management and key employees. The loss of members of our management or key employees may disrupt our business and harm our results of operations. Furthermore, our ability to manage further expansion will require us to continue to attract, motivate, and retain additional qualified personnel. Competition for this type of personnel is intense, and we may not be successful in attracting, integrating, and retaining the personnel required to grow and operate our business effectively. There can be no assurance that our current management team or any new members of our management team will be able to successfully execute our business and operating strategies.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect or change significantly, our results of operations could be harmed.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. These estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity and the amount of sales and expenses that are not readily apparent from other sources. Our results of operations may be harmed if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors and could result in a decline in our stock price.

We may be the target of strategic transactions, which could divert our management's attention and otherwise disrupt our operations and adversely affect our business.

Other companies may seek to acquire us or enter into other strategic transactions. We will consider, discuss, and negotiate such transactions as we deem appropriate. The consideration of such transactions, even if not consummated, could divert management's attention from other business matters, result in adverse publicity or information leaks, and could increase our expenses.

We may acquire or invest in other companies, which could divert our management's attention, result in dilution to our stockholders, and otherwise disrupt our operations and harm our results of operations.

In the future, we may acquire or invest in businesses, products, or technologies that we believe could complement or expand our business, enhance our capabilities, or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various costs and expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not they are consummated.

In any future acquisitions, we may not be able to successfully integrate acquired personnel, operations, and technologies, or effectively manage the combined business following the acquisition. We also may not achieve the anticipated benefits from future acquisitions due to a number of factors, including: (a) an inability to integrate or benefit from acquisitions in a profitable manner; (b) unanticipated costs or liabilities associated with the acquisition; (c) the incurrence of acquisition-related costs; (d) the diversion of management's attention from other business concerns; (e) the loss of our or the acquired business' key employees; or (f) the issuance of dilutive equity securities, the incurrence of debt, or the use of cash to fund such acquisitions.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our results of operations based on this impairment assessment process, which could harm our results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of proceeds

Issuer Purchases of Equity Securities

In February 2022, YETI's Board of Directors approved a \$100.0 million share repurchase program. The following table sets forth the repurchases of our common stock during the quarter ended April 2, 2022:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands)
January 2 - February 5, 2022	—	\$ —	—	\$ —
February 6 - March 5, 2022	280,000	61.79	280,000	82,697,465
March 6 - April 2, 2022	1,396,551	59.22	1,396,551	—
	<u>1,676,551</u>		<u>1,676,551</u>	

Following the repurchases, no shares remained available for future repurchases under the share repurchase program. See Note 7-Stockholders' Equity of the Unaudited Condensed Consolidated Financial Statements for additional information about the share repurchase program.

Item 6. Exhibits.

Exhibit Number	Exhibit
3.1	Amended and Restated Certificate of Incorporation of YETI Holdings, Inc. (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K on October 26, 2018 and incorporated herein by reference)
3.2	Amended and Restated Bylaws of YETI Holdings, Inc. (filed as Exhibit 3.2 to the Company's Current Report on Form 8-K on October 26, 2018 and incorporated herein by reference)
10.1*†	Form of Global Restricted Stock Unit Agreement under YETI Holdings, Inc. 2018 Equity and Performance Incentive Plan
10.2*†	Form of Global Performance-Based Restricted Stock Unit Grant Agreement under YETI Holdings, Inc. 2018 Equity and Performance Incentive Plan
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	The following unaudited financial statements from YETI Holdings, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022, formatted in Inline eXtensible Business Reporting Language (XBRL): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Equity, (v) Consolidated Statements of Cash Flows, and (v) Notes to the Unaudited Condensed Consolidated Financial Statements
104*	Cover Page Interactive Data File (embedded within the Exhibit 101 Inline XBRL document)

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan or arrangement.

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.

YETI Holdings, Inc.

Dated: May 11, 2022

By: /s/ Matthew J. Reintjes

Matthew J. Reintjes

President and Chief Executive Officer, Director
(Principal Executive Officer)

Dated: May 11, 2022

By: /s/ Paul C. Carbone

Paul C. Carbone

Senior Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

YETI HOLDINGS, INC.

GLOBAL RESTRICTED STOCK UNIT AGREEMENT

This RESTRICTED STOCK UNIT AGREEMENT (this “*Agreement*”) is made as of [Grant Date], by and between YETI Holdings, Inc., a Delaware corporation (the “*Company*”), and [Participant Name] (the “*Grantee*”).

1. **Certain Definitions.** Capitalized terms used, but not otherwise defined, in this Agreement will have the meanings given to such terms in the Company's 2018 Equity and Incentive Compensation Plan, as may be amended from time to time (the “*Plan*”).

2. **Grant of RSUs.** Subject to and upon the terms, conditions and restrictions set forth in this Agreement, including any additional terms and conditions for the Grantee's jurisdiction (for Grantees outside the United States (“U.S.”) only) set forth in the attached Appendices that form part of this Agreement, and in the Plan, pursuant to authorization under resolutions duly adopted by the Committee, the Company has granted to the Grantee as of [Grant Date] (the “*Date of Grant*”) [Number of Awards Granted] Restricted Stock Units (“*RSUs*”). Each RSU shall represent the right of the Grantee to receive one share of Common Stock subject to and upon the terms and conditions of this Agreement and in the Plan.

3. **Restrictions on Transfer of RSUs.** Subject to Section 15 of the Plan, neither the RSUs evidenced hereby nor any interest therein or in the Common Stock underlying such RSUs shall be transferable prior to payment to the Grantee pursuant to **Section 6** hereof other than by will or the laws of descent and distribution.

4. **Vesting of RSUs.**

- (a) The RSUs covered by this Agreement shall become nonforfeitable and payable to Grantee pursuant to **Section 6** in accordance with the following schedule: one-third of the RSUs shall become nonforfeitable and payable on the first anniversary of the Date of Grant (the “*Initial Vesting Date*”), if the Grantee shall have been in the continuous employ of the Company or any Subsidiary until such date, and an additional one-sixth of the RSUs shall become payable and nonforfeitable on the first four six-month anniversaries of the Initial Vesting Date (each, a “*Subsequent Vesting Date*” and together with the Initial Vesting Date, the “*Vesting Dates*”), if the Grantee shall have been in the continuous employ of the Company or any Subsidiary until each such Vesting Date.

Subject to the terms of the Plan, any RSUs that do not become nonforfeitable in accordance with this Agreement will be forfeited, including if the Grantee ceases to be continuously employed by the Company or a Subsidiary prior to the applicable Vesting Date. For purposes of this Agreement, “continuously employed” (or substantially similar terms) means the absence of any interruption or termination of the Grantee's employment with the Company or a Subsidiary. Continuous employment shall not be considered interrupted or terminated in the case of transfers between locations of the Company and its Subsidiaries.

- (b) Notwithstanding **Section 4(a)** above, the unvested portion of the RSUs (to the extent the RSUs have not been forfeited) shall become immediately nonforfeitable and payable in full if the Grantee should die or become Disabled while continuously employed by the Company or any Subsidiary prior to the final Vesting Date.

5. **Effect of Change in Control.**

- (a) Notwithstanding **Section 4(a)** above, if at any time before the RSUs are fully vested or forfeited, and while the Grantee is continuously employed by the Company or a Subsidiary, a Change in Control occurs, then the unvested portion of the RSUs shall become immediately nonforfeitable and payable, except to the extent that a Replacement Award is provided to the Grantee in accordance with **Section 5(b)** to continue, replace or assume the RSUs covered by the Agreement (the “***Replaced Award***”).
- (b) For purposes of this Agreement, a “***Replacement Award***” means an award (i) of the same type (e.g., time-based restricted stock units) as the Replaced Award, (ii) that has a value at least equal to the value of the Replaced Award, (iii) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control, (iv) the tax consequences of which to such Grantee are not less favorable to such Grantee than the tax consequences of the Replaced Award, and (v) the other terms and conditions of which are not less favorable to the Grantee holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this **Section 5(b)** are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

- (c) If, after receiving a Replacement Award, the Grantee experiences a termination of employment with the Company or a Subsidiary (or any of their successors) (as applicable, the “**Successor**”) by reason of a termination by the Successor without Cause or by the Grantee for Good Reason, in each case within the two-year period following the Change in Control and before the final Vesting Date, the Replacement Award shall become fully nonforfeitable and payable with respect to the restricted stock units covered by such Replacement Award upon such termination.

6. **Form and Time of Payment of RSUs.**

- (a) Payment for the RSUs, after and to the extent they have become nonforfeitable, shall be made in the form of Common Stock. Payment shall be made as soon as administratively practicable following (but no later than thirty (30) days following) the date that the RSUs become nonforfeitable pursuant to **Section 4** or **Section 5** hereof.
- (b) The Company’s obligations to the Grantee with respect to the RSUs will be satisfied in full upon the issuance of Common Stock corresponding to such RSUs.

7. **Definitions.**

- (a) “**Cause**” shall have the meaning set forth for “Termination for Cause” or “Cause” in any employment agreement between the Grantee and the Company or any Subsidiary, or if the Grantee is employed by the Company or any Subsidiary other than pursuant to an employment agreement or the Grantee’s employment agreement does not include a definition of “Termination for Cause” or “Cause”, “Cause” means (i) the Grantee’s indictment (or other criminal charge against the Grantee) for a felony (or crime of comparable magnitude under applicable law), or the Grantee’s commission of fraud against the Company or any of its Subsidiaries or Affiliates, (ii) conduct by the Grantee that brings the Company or any of its Subsidiaries or Affiliates into substantial public disgrace or disrepute, (iii) the Grantee’s gross negligence or gross misconduct with respect to the Company or any of its Subsidiaries or Affiliates, (iv) the Grantee’s insubordination to, or failure to follow the lawful directions of, the Board, the Chief Executive Officer of the Company or the individual to whom the Grantee reports, which, if curable, is not cured within ten (10) days after written notice thereof to the Grantee, (v) the Grantee’s material violation of any restrictive covenant agreement between the Grantee and the Company or any of its Subsidiaries, (vi) the Grantee’s breach of a material employment policy of the Company or any of its Subsidiaries, which, if curable, is not cured within ten (10) days after written notice thereof to the Grantee, or (vii) any other material breach by the Grantee of any agreement with the Company or any of its Subsidiaries or Affiliates, which, if curable, is not cured within thirty (30) days after written notice thereof to the Grantee. Any failure by the Company or a Subsidiary to notify the Grantee after the first occurrence of an event constituting Cause shall not preclude any subsequent occurrences of such event (or a similar event) from constituting Cause.

- (b) “**Disability**” shall mean that the Grantee, because of accident, disability, or physical or mental illness, is incapable of performing the Grantee's duties to the Company or any Subsidiary, as determined by the Board. Notwithstanding the foregoing, the Grantee will be deemed to have become incapable of performing the Grantee's duties to the Company or any Subsidiary, if the Grantee is incapable of so doing for
- (i) a continuous period of 120 days and remains so incapable at the end of such 120 day period or (ii) periods amounting in the aggregate to 180 days within any one period of 365 days and remains so incapable at the end of such aggregate period of 180 days.
- (c) “**Good Reason**” shall have the meaning and conditions set forth for “Termination for Good Reason” or “Good Reason” in any employment agreement between the Grantee and the Company or any Subsidiary, or if the Grantee is employed by the Company or any Subsidiary other than pursuant to an employment agreement or the Grantee's employment agreement does not include a definition of “Termination for Good Reason” or “Good Reason”, “Good Reason” means, with respect to the Grantee, the occurrence of any one or more of the following events at any time during the Grantee's employment with the Company or any of its Subsidiaries:
- (i) a material reduction in either the Grantee's base salary or the Grantee's target annual incentive compensation amount, other than as part of an across-the-board reduction applicable to all Company executives of no greater than 10%;
- (ii) a material diminution in the Grantee's authority, duties or responsibilities;
- (iii) any material breach of the Grantee's severance plan or any equity agreement by the Company or any of its Subsidiaries; or
- (iv) the involuntary relocation of the Grantee's principal place of employment to a location more than thirty-five (35) miles beyond the Grantee's principal place of employment as of the Date of Grant.

Notwithstanding the foregoing no termination shall be deemed to be for Good Reason unless (A) the Grantee provides the Company or the applicable Subsidiary with written notice of the existence of an event described in clause (i), (ii), (iii) or (iv) above, within (60) days following the occurrence thereof, (B) the Company or the applicable Subsidiary does not remedy such event described in clause (i), (ii), (iii) or (iv) above, as applicable, within thirty (30) days following receipt of the notice described in the preceding clause (A), and (C) the Grantee terminates employment within thirty (30) days following the end of the cure period specified in clause (B), above. The Grantee may not invoke termination for Good Reason if Cause exists at the time of such termination.

8. **Dividend Equivalents; Voting and Other Rights.**

- (a) The Grantee shall have no rights of ownership in the Common Stock underlying the RSUs and no right to vote the Common Stock underlying the RSUs until the date on which the Common Stock underlying the RSUs is issued

or transferred to the Grantee pursuant to **Section 6** above.

- (b) From and after the Date of Grant and until the earlier of (i) the time when the RSUs become nonforfeitable and are paid in accordance with **Section 6** hereof or (ii) the time when the Grantee's right to receive Common Stock in payment of the RSUs is forfeited in accordance with **Section 4** hereof, on the date that the Company pays a cash dividend (if any) to holders of Common Stock generally, the Grantee shall be credited with an amount of cash per RSU equal to the amount of such per share dividend. Any amounts credited pursuant to the immediately preceding sentence shall be subject to the same applicable terms and conditions (including vesting, payment and forfeitability) as apply to the RSUs based on which the dividend equivalents were credited, and such amounts shall be paid in cash at the same time as the RSUs to which they relate become nonforfeitable and are paid in accordance with **Section 6** hereof.
- (c) The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver Common Stock in the future, and the rights of the Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

9. **Adjustments.** The RSUs and the number of shares of Common Stock issuable for each RSU, and the other terms and conditions of the grant evidenced by this Agreement, are subject to adjustment as provided in Section 11 of the Plan.

10. **Withholding Taxes.** To the extent that the Company is required to withhold federal, state, local or foreign taxes or other amounts in connection with the delivery to the Grantee of Common Stock or any other payment to the Grantee or any other payment or vesting event under this Agreement, the Grantee agrees that the Grantee will satisfy such requirement in a manner determined by the Committee prior to any payment to the Grantee, including but not limited to a "sell to cover" transaction through a bank or broker. It shall be a condition to the obligation of the Company to make any such delivery or payment that the Grantee has satisfied such requirement in the form or manner specified by the Company. In no event will the market value of the Common Stock to be withheld, sold and/or delivered pursuant to this **Section 10** to satisfy applicable withholding taxes exceed the maximum amount of taxes or other amounts that could be required to be withheld.

11. **Compliance With Law.** The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall not be obligated to issue any Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

12. **Compliance With or Exemption From Section 409A of the Code.** To the extent applicable, it is intended that this Agreement and the Plan comply with or be exempt from the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with or be exempt from Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Grantee).

13. **Interpretation.** Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the U.S. Internal Revenue Service.

14. **No Right to Future Awards or Employment.** The grant of the RSUs under this Agreement to the Grantee is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the RSUs and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained herein will confer upon the Grantee any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate the Grantee's employment or other service at any time.

15. **Relation to Other Benefits.** Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or any of its Subsidiaries and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or any of its Subsidiaries.

16. **Amendments.** Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall materially adversely affect the Grantee's rights under this Agreement without the Grantee's consent, and the Grantee's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code or Section 10D of the Exchange Act.

17. **Severability.** In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

18. **Relation to Plan.** The RSUs granted under this Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan. In the event of any inconsistency between this Agreement and the Plan, the terms of the Plan will govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement. Notwithstanding anything in this Agreement to the contrary, the Grantee acknowledges and agrees that this Agreement and the award described herein are subject to the terms and conditions of the Company's compensation clawback policy in effect as of the Date of Grant and from time to time thereafter, including any amendments thereto specifically to implement Section 10D of the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the shares of Common Stock may be traded).

19. **Electronic Delivery and Participation.** The Company may, in its sole discretion, deliver any documents related to the RSUs and the Grantee's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

20. **Governing Law.** This Agreement shall be governed by and construed with the internal substantive laws of the State of Delaware, without giving effect to any principle of law that would result in the application of the law of any other jurisdiction.

21. **Successors and Assigns.** Without limiting **Section 3** hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

22. **Acknowledgement.** The Grantee acknowledges that the Grantee (a) has received a copy of the Plan, (b) has had an opportunity to review the terms of this Agreement and the Plan, (c) understands the terms and conditions of this Agreement and the Plan and (d) agrees to such terms and conditions.

23. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

24. **Provisions for Non-U.S. Jurisdictions.** If the Grantee is based in a jurisdiction outside the U.S. or is otherwise subject to the laws of a jurisdiction other than the U.S., the RSUs shall be subject to the terms and conditions set forth in Appendix A to this Agreement and to any terms and conditions set forth in Appendix B to this Agreement for the Grantee's jurisdiction. Moreover, if the Grantee relocates while the RSUs are outstanding or while holding any shares of Common Stock acquired upon vesting and settlement of the RSUs, the terms and conditions set forth in Appendices A and B will apply to the Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendices A and B constitute part of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

YETI HOLDINGS, INC.

By:

Name: Matthew J. Reintjes

Title: President and Chief Executive Officer **Grantee Acknowledgment and**

Acceptance By:

[Electronic signature]

APPENDIX A
TO THE GLOBAL RESTRICTED STOCK UNIT AGREEMENT
PROVISIONS FOR ALL GRANTEES BASED OUTSIDE THE U.S.

The following terms and conditions apply to Grantees based outside the U.S. or who are otherwise subject to the laws of a jurisdiction other than the U.S. In general, the terms and conditions in this Appendix A supplement the provisions of the main body of this Agreement, unless otherwise indicated herein.

1. **Nature of Grant.** By acknowledging and accepting this Agreement, the Grantee acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) all decisions with respect to future grants of restricted stock units or other awards, if any, will be at the sole discretion of the Company;

(c) the grant of RSUs and the Grantee's participation in the Plan shall not be interpreted as forming or amending an employment or service contract with the Company, and shall not interfere with any ability the Company or a Subsidiary may have to terminate the Grantee's employment or service relationship (if any);

(d) the Grantee is voluntarily participating in the Plan;

(e) the RSUs and the shares of Common Stock subject to the RSUs, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) the RSUs and the shares of Common Stock subject to the RSUs, and the income from and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) unless otherwise agreed with the Company in writing, the RSUs and the shares of Common Stock subject to the RSUs, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Grantee may provide as a director of any Subsidiary or Affiliate;

(h) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the Grantee ceasing to provide employment or other services to the Company or any Subsidiary (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment or service agreement, if any);

(j) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and

(k) neither the Company nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the U.S. Dollar that may affect the value of the RSUs or of any amounts due to the Grantee pursuant to the settlement of the RSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

2. **Tax Matters.** This Section replaces Section 10 of the main body of this Agreement:

(a) **Responsibility for Taxes.** The Grantee acknowledges that, regardless of any action taken by the Company or, if different, the Grantee's employer (the "***Employer***"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("***Tax-Related Items***") is and remains the Grantee's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee is subject to Tax-Related Items in more than one jurisdiction, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. The Company may refuse to issue or deliver the shares of Common Stock or the proceeds of the sale of shares of Common Stock, if the Grantee fails to comply with his or her obligations in connection with the Tax-Related Items.

(b) **Withholding Generally.** In connection with any relevant taxable or tax withholding event, as applicable, the Grantee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to fulfill any and all liability for Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations or rights with regard to Tax-Related Items by one or a combination of the following: (i) withholding from the Grantee's wages or other cash compensation payable to the Grantee by the Company, the Employer or any other Subsidiary, (ii) withholding from proceeds of the sale of shares of Common Stock acquired upon vesting and settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent), (iii) withholding shares of Common Stock to be issued upon vesting and settlement of the RSUs, (iv) requiring the Grantee to tender a cash payment to the Company, the Employer or another Subsidiary, and/or (v) any other method of withholding determined by the Company to be permitted under the Plan and applicable law and, to the extent required by the Plan or applicable law, approved by the Committee.

(c) Withholding Rates. The Company may withhold for Tax-Related Items by considering statutory or other withholding rates, including up to the maximum applicable rates in the Grantee's jurisdiction(s). In the event the application of such withholding rate leads to over-withholding, the Grantee may receive a refund of any over-withheld amount in cash from the Company or the Employer (and, in no event, will the Grantee have any entitlement to the equivalent amount in shares of Common Stock); alternatively, if not refunded by the Company or the Employer, the Grantee may be able to seek a refund from the local tax authorities. In the event the application of such withholding rate leads to under-withholding, the Grantee may be required to pay any additional Tax-Related Items directly to the applicable tax authorities.

3. Data Privacy. If the Grantee would like to participate in the Plan, the Grantee will need to review the information provided in this Section 3 of Appendix A and, where applicable, declare the Grantee's consent to the processing and/or transfer of personal data as described below.

(a) EEA+ Controller. If the Grantee is based in the European Union ("**EU**"), the European Economic Area or the United Kingdom (collectively, "**EEA+**"), the Grantee should note that the Company, with its registered address at 7601 Southwest Parkway, Austin, Texas, 78735, USA, is the controller responsible for the processing of the Grantee's personal data in connection with this Agreement and the Plan.

(b) Data Collection and Usage. The Company collects, uses and otherwise processes certain personal data about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, which the Company receives from the Grantee, the Employer or otherwise in connection with this Agreement or the Plan ("**Personal Data**"), for the purposes of implementing, administering and managing the Plan and allocating shares of Common Stock pursuant to the Plan.

If the Grantee is based in the EEA+, the legal basis for the processing of Personal Data by the Company is the necessity of the data processing for the Company to (i) perform its contractual obligations under this Agreement, (ii) comply with legal obligations established in the EEA+, or (iii) pursue the legitimate interest of complying with legal obligations established outside of the EEA+.

If the Grantee is based outside of the EEA+, the legal basis, where required, for the processing of Personal Data by the Company is the Grantee's consent, as further described below.

(c) Stock Plan Administration Service Providers. The Company transfers Personal Data to an independent service provider ("**Broker**"), which is assisting the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share Personal Data with such other provider serving in a similar manner. Broker will open an account for the Grantee to receive and trade shares of Common Stock acquired under the Plan. The Grantee may be asked to agree on separate terms and data processing practices with Broker, with such agreement being a condition to the ability to participate in the Plan.

(d) International Data Transfers. Personal Data will be transferred from the Grantee's country to the U.S., where the Company and its service providers are based. The Grantee understands and acknowledges that the U.S. might not provide a level of protection of Personal Data equivalent to the level of protection in the Grantee's country. For example, the U.S. is not subject to an unlimited adequacy finding by the European Commission and, as a result, in the absence of appropriate safeguards such as the standard contractual clauses adopted by the EU Commission, as applicable from time to time (the "*EU Standard Contractual Clauses*"), the processing of Personal Data might not be subject to substantive data processing principles or supervision by data protection authorities. In addition, data subjects might have no or less enforceable rights regarding the processing of their Personal Data.

If the Grantee is based in the EEA+, Personal Data will be transferred from the EEA+ to the Company based on the EU Standard Contractual Clauses (or based on the Grantee's consent to the extent such clauses are not yet in place). The Grantee may request a copy of the applicable safeguards by contacting the Company's Chief Compliance Officer at privacy@yeti.com. The onward transfer of Personal Data from the Company to Broker or, as the case may be, a different service provider of the Company is conducted without such safeguards and is based solely on the Grantee's consent, as further described below.

If the Grantee is based outside of the EEA+, the Company's legal basis, where required, for the transfer of Personal Data from the Grantee's country to the Company and from the Company onward to Broker or, as the case may be, a different service provider of the Company is the Grantee's consent, as further described below.

(e) Data Retention. The Company will hold and use the Personal Data only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax and security laws.

(f) Data Subject Rights. The Grantee may have a number of rights under data privacy laws in his or her jurisdiction. Depending on where the Grantee is based, such rights may include the right to (i) request access or copies of Personal Data the Company processes, (ii) the rectification or amendment of incorrect or incomplete Personal Data, (iii) the deletion of Personal Data, (iv) request restrictions on the processing of Personal Data, (v) object to the processing of Personal Data for legitimate interests, (vi) the portability of Personal Data, (vi) lodge complaints with competent authorities in the Grantee's jurisdiction, and/or to (viii) receive a list with the names and addresses of any potential recipients of Personal Data. To receive additional information regarding these rights or to exercise these rights, the Grantee can contact the Company's Chief Compliance Officer at privacy@yeti.com.

(g) Necessary Disclosure of Personal Data. The Grantee understands that providing the Company with Personal Data is necessary for the performance of this Agreement and that the Grantee's refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect the Grantee's ability to participate in the Plan.

(h) Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Plan is voluntary and the Grantee is providing any consents referred to herein on a purely voluntary basis. The Grantee understands that he or she may withdraw any such consent at any time with future effect for any or no reason. If the Grantee does not consent, or if the Grantee later seeks to withdraw the Grantee's consent, the Grantee's salary from or employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing the Grantee's consent is that the Company would not be able to grant the RSUs or other awards to the Grantee or administer or maintain the RSUs. For more information on the consequences of refusal to consent or withdrawal of consent, the Grantee should contact the Company's Chief Compliance Officer at privacy@yeti.com.

(i) Declaration of Consent. If the Grantee is based in the EEA+, by acknowledging and accepting this Agreement and indicating consent via the Company's online acceptance procedure, the Grantee explicitly declares consent to the onward transfer of Personal Data by the Company to Broker or, as the case may be, a different service provider of the Company in the U.S. as described in **Section 3(d)** above.

If the Grantee is based outside of the EEA+, by acknowledging and accepting this Agreement and indicating consent via the Company's online acceptance procedure, the Grantee explicitly declares consent to the entirety of the Personal Data processing operations described in this **Section 3** including, without limitation, the onward transfer of Personal Data by the Company to Broker or, as the case may be, a different service provider of the Company in the U.S.

4. **Language**. The Grantee acknowledges and represents that the Grantee is proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Grantee to understand the terms of this Agreement, including Appendices A and B, and any other documents related to the Plan or this Agreement. If the Grantee has received this Agreement, including Appendices A and B, or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

5. **Compliance with Law**. Notwithstanding any other provision of the Plan or this Agreement, unless there is an exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock, the Company shall not be required to deliver any of the shares of Common Stock that are otherwise issuable upon settlement of the RSUs prior to the completion or approval of any registration or qualification of the shares of Common Stock under any applicable law or under any rulings or regulations of any governmental regulatory body, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Grantee understands that the Company is under no obligation to register or qualify the shares of Common Stock with any securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares of Common Stock. Further, the Grantee agrees that the Company shall have unilateral authority to amend this Agreement without the Grantee's consent to the extent necessary to comply with securities, exchange control or other laws applicable to issuance of shares of Common Stock.

6. **Choice of Venue.** Any and all disputes relating to, concerning or arising from this Agreement, or relating to, concerning or arising from the relationship between the parties evidenced by the RSUs or this Agreement, shall be brought and heard exclusively in the U.S. District Court for the District of New Delaware or the Delaware Superior Court, New Castle County. Each of the parties hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.

7. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

8. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying shares of Common Stock. The Grantee should consult with the Grantee's own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan.

9. **Insider Trading/Market Abuse Laws.** The Grantee acknowledges that the Grantee may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including (but not limited to) the U.S. and the Grantee's jurisdiction, which may affect the Grantee's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock or rights to shares of Common Stock (e.g., RSUs) or rights linked to the value of shares during such times the Grantee is considered to have "inside information" regarding the Company as defined in the laws or regulations in the applicable jurisdictions). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. The Grantee is responsible for complying with any such restrictions and should speak to the Grantee's personal legal advisor on this matter.

10. **Foreign Asset/Account Reporting and Exchange Control Requirements.** The Grantee acknowledges that there may be foreign asset and/or account reporting and/or exchange control requirements which may affect the Grantee's ability to acquire or hold shares of Common Stock or cash received from participating in the Plan in a brokerage or bank account outside the Grantee's country. The Grantee may be required to report such accounts, balances, assets and/or the related transactions to the tax, exchange control or other authorities in the Grantee's jurisdiction. The Grantee also may be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to the Grantee's jurisdiction through a designated bank or broker and/or within a certain time after receipt. The Grantee is responsible for complying with such regulations and should speak to the Grantee's personal legal advisor on this matter.

APPENDIX B
TO THE GLOBAL RESTRICTED STOCK UNIT AGREEMENT
JURISDICTION-SPECIFIC PROVISIONS FOR GRANTEES BASED OUTSIDE THE U.S.

Terms and Conditions

This Appendix B includes terms and conditions that govern the RSUs and/or the shares of Common Stock subject to the RSUs if the Grantee is a citizen or resident of and/or works in one of the jurisdictions listed below. These terms and conditions are in addition to, or, if so indicated, in place of, the other terms and conditions set forth in this Agreement, including Appendix A.

If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working (or is considered as such for local law purposes) or if the Grantee transfers employment or residency to a different jurisdiction after the grant date, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to the Grantee.

Notifications

This Appendix B also includes notifications relating to exchange control, securities laws and other issues of which the Grantee should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of **January 2022**. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Grantee not rely on the notifications herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the RSUs vest and are settled or shares of Common Stock acquired under the Plan are sold.

In addition, the information contained herein is general in nature and may not apply to the Grantee's particular situation, and the Company is not in a position to assure the Grantee of any particular result. Accordingly, the Grantee should seek appropriate professional advice as to how the relevant laws in the Grantee's country may apply to the Grantee's situation.

If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working (or is considered as such for local law purposes) or if the Grantee transfers employment or residency to a different jurisdiction after the grant date, the information contained herein may not apply to the Grantee in the same manner.

CANADA

Terms and Conditions

Form of Payment of RSUs. This provision supplements Section 6(a) of the main body of this Agreement:

Notwithstanding the discretion set forth in Section 7(a) of the Plan, payment for the RSUs, after and to the extent they have become nonforfeitable, shall be made in the form of Common Stock, as provided in this Section 6(a).

Vesting of RSUs. This provision supplements Section 4(a) of the main body of this Agreement:

For purposes of this Agreement, continuous employment shall be considered terminated as of the later of (i) the date that the Grantee is no longer actually providing services (regardless of the reason for such termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or otherwise rendering services or the terms of the Grantee's employment or service agreement, if any); or (ii) if applicable, the end of Participant's minimum statutory notice period (as set out in the applicable provincial employment standards legislation); and, unless otherwise expressly provided by this Agreement or determined by the Company, the Grantee's right to vest in the RSUs under the Plan, if any, will terminate effective upon that date. For the avoidance of doubt, the Grantee will not earn or be entitled to pro-rated vesting if an applicable Vesting Date falls after such date, nor will the Grantee be entitled to any compensation for lost vesting.

The following provisions will apply to Grantees who are residents of Quebec:

Language Consent. The parties acknowledge that it is their express wish that this Agreement, including Appendices A and B, as well as all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement Relatif à la Langue Utilisée. *Les parties reconnaissent avoir explicitement exigé la rédaction en langue anglaise de cette convention, incluant Annexes A et B, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.*

Data Privacy. This provision supplements Section 3 of Appendix A:

The Grantee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan for purposes that relate to the administration of the Plan. The Grantee further authorizes the Company and any Subsidiary, as well as any third party stock plan service provider, to disclose and discuss the Plan with their advisors. The Grantee acknowledges and agrees that the Grantee's personal information, including any sensitive personal information, may be transferred or disclosed outside of the Province of Quebec, including to the U.S. The Grantee further authorizes the Company and any Subsidiary to record such information and to keep such information in the Grantee's employee file. The Grantee also acknowledges and authorizes the Company and any Subsidiary, and other parties involved in the administration of the Plan to use technology for profiling purposes and to make automated decisions that may have an impact on the Grantee or on the administration of the Plan.

Notifications

Securities Law Information. The Grantee is permitted to sell shares of Common Stock acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of shares of Common Stock acquired under the Plan takes place outside Canada through the facilities of a stock exchange on which the shares of Common Stock are publicly traded, quoted or listed (*i.e.*, the New York Stock Exchange).

Foreign Asset/Account Reporting Information. The Grantee is required to report any specified foreign property (including shares of Common Stock, RSUs and cash) annually on form T1135 (Foreign Income Verification Statement) if the total cost of the Grantee's specified foreign property exceeds C\$100,000 at any time in the year. The form must be filed by April 30 of the following year. RSUs must be reported--generally at a nil cost--if the C\$100,000 cost threshold is exceeded because of other specified foreign property held by the Grantee. When shares of Common Stock are acquired, their cost generally is the adjusted cost base ("**ACB**"). The ACB would ordinarily equal the fair market value of the shares of Common Stock at the time of acquisition, but if the Grantee owns other shares of Common Stock acquired outside the Plan, the ACB of such shares of Common Stock may have to be averaged with the ACB of the shares of Common Stock issued to the Grantee pursuant to the vesting and settlement of the RSUs. *The Grantee should consult with a personal tax advisor to ensure the Grantee complies with the applicable reporting obligations.*

THE NETHERLANDS

There are no country specific provisions.

NOTICE OF GLOBAL PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT
(“Grant Notice”)
YETI HOLDINGS, INC.
2018 EQUITY AND INCENTIVE COMPENSATION PLAN

Name of Grantee: [Participant Name]

Target Number of
Performance-Based Restricted Stock Units: [Grant Custom 2]

Date of Grant: [Grant Date]

Vesting: In general, and with certain exceptions set forth below, the vesting of your Performance-Based Restricted Stock Units is subject to (i) the attainment of the performance measures set forth below, and (ii) to the extent the performance measures are attained, an additional time-based vesting requirement set forth below. These requirements, and the exceptions, are set forth in more detail below. This Performance-Based Restricted Stock Unit award shall be referred to herein as your “Award”.

Performance Period: The performance period for your Award shall commence on [Grant Date] and end on [Vesting Date] (the “Performance Period”).

Performance Vesting: The vesting of your Award shall be subject to two performance measures during the Performance Period: Cumulative Free Cash Flow and relative Total Shareholder Return (as such terms are defined in **Appendix A**). In general, the number of shares of Performance-Based Restricted Stock Units subject to your Award that are eligible to become vested shall be determined by the achievement of Cumulative Free Cash Flow levels, which may be modified for relative Total Shareholder Return performance, all of which are described in further detail below.

Cumulative Free Cash Flow. The target number of Performance-Based Restricted Stock Units subject to your Award set forth above (“Target PRSU”) are subject to a performance vesting requirement based on the achievement of Cumulative Free Cash Flow levels. The percentage of your Target PRSU, which may be modified for relative Total Shareholder Return performance, that will be subject to the time-based vesting requirements described below will be determined with reference to the Company's achievement of threshold, target and maximum Cumulative Free Cash Flow levels that have been approved by the Committee, with potential vesting determined in accordance with the table below:

Cumulative Free Cash Flow Levels	% of Target PRSU Eligible to Become Vested (Before Relative Total Shareholder Return Modification, if any)
Less Than Threshold	0%
Threshold	50%
Target	100%
Maximum or greater	200%

All of your Target PRSU will automatically terminate at the end of the Performance Period without consideration if the Company achieves a Cumulative Free Cash Flow level below the threshold level. If the Company achieves a Cumulative Free Cash Flow level between the threshold and target level or between the target and maximum level, the percentage of your Target PRSU that may be subject to further modification for relative Total Shareholder Return and the time-based vesting requirements described below will be pro-rated on a straight-line basis between the two applicable percentages listed in the table above and rounded to the nearest tenth of a percent. The maximum percentage of your Target PRSU that may become subject to further modification for relative Total Shareholder Return and the time-based vesting requirements described below is the maximum percentage listed in the table above. Any of your Target PRSU that are not eligible to become vested hereunder at the end of the Performance Period based on the achievement of Cumulative Free Cash Flow levels will automatically terminate at the end of the Performance Period for no consideration. The number of Performance-Based Restricted Stock Units subject to your Award that are eligible to become vested based on Free Cash Flow performance are referred to as the “**Free Cash Flow PRSU.**”

Relative Total Shareholder Return. The number of Free Cash Flow PRSU that will be subject to the time-based vesting requirements described below may be modified based on the percentile ranking of the Company's Total Shareholder Return among the Total Shareholder Returns of the companies comprising the Comparison Group (as defined in Appendix A), with performance determined with reference to the goals set forth in the table below:

Total Shareholder Return Percentile Rank	% of Free Cash Flow PRSU Eligible to Become Vested
≤25%	80%
Between 25% and 75%	100% (i.e., no modification)
≥75%	120%

Notwithstanding anything to the contrary in this Award Agreement, the maximum percentage of your Target PRSU that may become subject to the time-based vesting requirements described below is two hundred percent (200%) of your Target PRSU. Any Free Cash Flow PRSU that are not eligible to become vested based on the relative Total Shareholder Return modification at the end of the Performance Period will automatically terminate at the end of the Performance Period for no consideration.

Adjustments. The Committee shall equitably and proportionately adjust Cumulative Free Cash Flow, Total Shareholder Return or the targets or ranking of Cumulative Free Cash Flow or Total Shareholder Return set forth above, as the case may be, to preserve the intended incentives of your Award as necessary to account for the impact of any corporate transaction or event in accordance with Section 11 of the Plan. The Committee shall have the sole discretion to determine the levels of performance achieved and the number of Performance-Based Restricted Stock Units subject to your Award that may become vested under this Global Performance-Based Restricted Stock Unit Agreement.

Time Vesting: Except as provided below, any portion of your Award that becomes eligible for time-based vesting based on the performance measures above will vest if you are continuously employed by or providing services to the Company or any of its Subsidiaries on the last day of the Performance Period. If your employment or service terminates prior to the last day of the Performance Period for any reason other than described below, your Award shall terminate in accordance with the terms and conditions of the Global Performance-Based Restricted Stock Unit Agreement. For purposes of this Grant Notice and the Global Performance-Based Restricted Stock Unit Agreement, “continuously employed by or providing services to” (or substantially similar terms) means the absence of any interruption or termination of your employment with, or services to, the Company or any of its Subsidiaries. Continuous employment or service shall not be considered interrupted or terminated in the case of transfers between locations of the Company and its Subsidiaries.

Death/Disability: If your employment or service with the Company or any of its Subsidiaries terminates prior to the end of the Performance Period due to your death or Disability (as defined in Appendix A), then the Target PRSU will become vested on the date of such death or Disability.

Change in Control. If a Change in Control occurs during the Performance Period while you are continuously employed by, or providing services to, the Company or any of its Subsidiaries, the Performance Period will be deemed to end immediately prior to the consummation of the Change in Control and the Target PRSU (the “**CIC PRSU**”) shall be eligible to become vested pursuant to the terms below.

In connection with a Change in Control, if the CIC PRSU are not continued, replaced or assumed, the CIC PRSU shall become vested as of immediately prior to such Change in Control.

In connection with a Change in Control, if the CIC PRSU are continued, replaced or assumed by providing you a Replacement Award (as defined in Appendix A), the Replacement Award shall not be subject to any performance vesting and will vest on the last day of the Performance Period, subject to your continued employment with, or service to, the Company, a Subsidiary or any successor entity through such date. If, after receiving a Replacement Award, you experience a termination of your employment or service with the Company, a Subsidiary or any successor entity (i) due to death or Disability, or (ii) either by the Company (or Subsidiary or successor entity) without Cause or by you for Good Reason (as such terms are defined in Appendix A) during the two-year period following the date of such Change in Control, then any unvested portion of your Replacement Award shall vest as of such termination date.

By signing your name below, you accept this Award and acknowledge and agree that the Award is granted under and governed by the terms and conditions of the Company's 2018 Equity and Incentive Compensation Plan (the “**Plan**”), the Grant Notice and Global Performance-Based Restricted Stock Unit Agreement (including any additional terms and conditions for your country (if you are located outside of the United States) that the Committee deems necessary to be set forth in an Appendix that would form part of the terms and conditions of the Global Performance-Based Restricted Stock Unit Agreement), both of which are hereby made a part of this document. Capitalized terms are defined in the Plan if not defined herein or in an Appendix.

By: Matthew J. Reintjes
Its: President and Chief Executive Officer

YETI HOLDINGS, INC.,
a Delaware Corporation

“GRANTEE”

[Electronic Signature]

Signature

By: Matthew J. Reintjes
Its: President and Chief Executive Officer

YETI HOLDINGS, INC.

GLOBAL PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

This GLOBAL PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT (this “**Agreement**”) is made as of **[Grant Date]**, by and between YETI Holdings, Inc., a Delaware corporation (the “**Company**”), and **[Participant Name]** (the “**Grantee**”).

1. **Certain Definitions.** Capitalized terms used, but not otherwise defined, in this Agreement will have the meanings given to such terms in the Company's 2018 Equity and Incentive Compensation Plan, as may be amended from time to time (the “**Plan**”) and if applicable the Grant Notice.

2. **Grant of RSUs.** Subject to and upon the terms, conditions and restrictions set forth in this Agreement, including the provisions set forth in the attached Appendix A and any additional terms and conditions for the Grantee's jurisdiction (for Grantees outside the United States (“U.S.”) only) set forth in the attached Appendices B and C , and in the Plan, pursuant to authorization under resolutions duly adopted by the Committee, the Company has granted to the Grantee as of the Date of Grant specified in the Grant Notice, Performance-Based Restricted Stock Units (“**RSUs**”). The RSUs shall represent the right of the Grantee to receive a number of shares of Common Stock subject to and upon the terms and conditions of this Agreement, the Plan and the Grant Notice.

3. **Restrictions on Transfer of RSUs.** Neither the RSUs evidenced hereby nor any interest therein or in the Common Stock underlying such RSUs shall be transferable prior to payment to the Grantee pursuant to **Section 5** hereof other than by will or the laws of descent and distribution.

4. **Vesting of RSUs.** As set forth in the Grant Notice, this Award shall vest based on achievement of certain performance measures at the end of a performance period, subject to earlier termination or acceleration and subject to adjustment as provided in the Agreement and in the Plan. Except as expressly provided in the Grant Notice, no portion of the Award will become vested (regardless of performance) unless the applicable time-based vesting requirement in the Grant Notice is satisfied. The Committee shall determine whether the applicable performance measures have been achieved, and the vesting of the Award is subject to the Committee's determination.

5. **Form and Time of Payment of RSUs.**

- (a) Payment for the RSUs, after and to the extent the Committee has determined that the Award has become vested , shall be made in the form of Common Stock. Payment shall be made as soon as administratively practicable following (but no later than thirty (30) days following) the date the Award has become vested pursuant to the criteria outlined in the Grant Notice and this Agreement.
- (b) The Company's obligations to the Grantee with respect to the RSUs will be satisfied in full upon the issuance of Common Stock corresponding to vested portion of the Award.

6. **Dividend Equivalents; Voting and Other Rights.**

- (a) The Grantee shall have no rights of ownership in the Common Stock underlying the RSUs and no right to vote the Common Stock underlying the RSUs until the date on which the Common Stock underlying the RSUs is issued or transferred to the Grantee pursuant to **Section 5** above.
- (b) From and after the Date of Grant and until the earlier of (i) the time when the Award vests and is paid in accordance with **Section 5** hereof or (ii) the time when the Grantee's right to receive Common Stock in payment of the RSUs is forfeited in accordance with **Section 4** hereof, on the date that the Company pays a cash dividend (if any) to holders of Common Stock generally, the Grantee shall be credited with an amount of cash per RSU equal to the amount of such per share dividend. Any amounts credited pursuant to the immediately preceding sentence shall be subject to the same applicable terms and conditions (including vesting, payment and forfeitability) as apply to the RSUs based on which the dividend equivalents were credited, and such amounts shall be paid in cash at the same time as the RSUs to which they relate vest and become nonforfeitable and are paid in accordance with **Section 5** hereof.
- (c) The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver Common Stock (or cash as provided for in Section 6(b) above) in the future, and the rights of the Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

7. **Adjustments.** The RSUs and the number of shares of Common Stock issuable pursuant to the RSUs, and the other terms and conditions of the grant evidenced by this Agreement, are subject to adjustment as provided in Section 11 of the Plan.

8. **Withholding Taxes.** To the extent that the Company is required to withhold federal, state, local or foreign taxes or other amounts in connection with the delivery to the Grantee of Common Stock or any other payment to the Grantee or any other payment or vesting event under this Agreement, the Grantee agrees that the Grantee will satisfy such requirement in a manner determined by the Committee prior to any payment to the Grantee, including but not limited to a "sell to cover" transaction through a bank or broker. It shall be a condition to the obligation of the Company to make any such delivery or payment that the Grantee has satisfied such requirement in the form or manner specified by the Company. In no event will the market value of the Common Stock to be withheld, sold and/or delivered pursuant to this **Section 8** to satisfy applicable withholding taxes exceed the maximum amount of taxes or other amounts that could be required to be withheld.

9. **Compliance With Law.** The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall not be obligated to issue any Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

10. **Compliance With or Exemption From Section 409A of the Code.** To the extent applicable, it is intended that this Agreement and the Plan comply with or be exempt from the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with or be exempt from Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Grantee).

11. **Interpretation.** Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the U.S. Internal Revenue Service.

12. **No Right to Future Awards or Employment.** The grant of the RSUs under this Agreement to the Grantee is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the RSUs and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained herein will confer upon the Grantee any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate the Grantee's employment or other service at any time.

13. **Relation to Other Benefits.** Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or any of its Subsidiaries and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or any of its Subsidiaries.

14. **Amendments.** Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall materially adversely affect the Grantee's rights under this Agreement without the Grantee's consent, and the Grantee's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code or Section 10D of the Exchange Act.

15. **Severability.** In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

16. **Relation to Plan.** The RSUs granted under this Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan. In the event of any inconsistency between this Agreement and the Plan, the terms of the Plan will govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement. Notwithstanding anything in this Agreement to the contrary, the Grantee acknowledges and agrees that this Agreement and the award described herein are subject to the terms and conditions of the Company's compensation clawback policy in effect as of the Date of Grant and from time to time thereafter, including any amendments thereto specifically to implement Section 10D of the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the shares of Common Stock may be traded).

17. **Electronic Delivery and Participation.** The Company may, in its sole discretion, deliver any documents related to the RSUs and the Grantee's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

18. **Governing Law.** This Agreement shall be governed by and construed with the internal substantive laws of the State of Delaware, without giving effect to any principle of law that would result in the application of the law of any other jurisdiction.

19. **Successors and Assigns.** Without limiting **Section 3** hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

20. **Acknowledgement.** The Grantee acknowledges that the Grantee (a) has received a copy of the Plan, (b) has had an opportunity to review the terms of this Agreement and the Plan, (c) understands the terms and conditions of this Agreement and the Plan and (d) agrees to such terms and conditions.

21. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

22. **Provisions for Non-U.S. Jurisdictions.** If the Grantee is based in a jurisdiction outside the U.S. or is otherwise subject to the laws of a jurisdiction other than the U.S., the RSUs shall be subject to the terms and conditions set forth in Appendix B to this Agreement and to any terms and conditions set forth in Appendix C to this Agreement for the Grantee's jurisdiction. Moreover, if the Grantee relocates while the RSUs are outstanding or while holding any shares of Common Stock acquired upon vesting and settlement of the RSUs, the terms and conditions set forth in Appendices B and C will apply to the Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendices B and C constitute part of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

YETI HOLDINGS, INC.

By: ____
Name: Matthew J. Reintjes

Title: President and Chief Executive Officer **Grantee Acknowledgment and**

Acceptance By: Signed Electronically

APPENDIX A
TO THE GLOBAL PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

DEFINITIONS

“**Cause**” shall have the meaning set forth for “Termination for Cause” or “Cause” in any employment agreement between the Grantee and the Company or any Subsidiary, or if the Grantee is employed by the Company or any Subsidiary other than pursuant to an employment agreement or the Grantee's employment agreement does not include a definition of “Termination for Cause” or “Cause”, “**Cause**” means (i) the Grantee's indictment (or other criminal charge against the Grantee) for a felony, or the Grantee's commission of fraud against the Company, any of its Subsidiaries or Affiliates, (ii) conduct by the Grantee that brings the Company or any of its Subsidiaries or Affiliates into substantial public disgrace or disrepute, (iii) the Grantee's gross negligence or gross misconduct with respect to the Company or any of its Subsidiaries or Affiliates, (iv) the Grantee's insubordination to, or failure to follow the lawful directions of, the Board, the Chief Executive Officer of the Company or the individual to whom the Grantee reports, which, if curable, is not cured within ten (10) days after written notice thereof to the Grantee, (v) the Grantee's material violation of any restrictive covenant agreement between the Grantee and the Company or any of its Subsidiaries or Affiliates, (vi) the Grantee's breach of a material employment policy of the Company or YETI Coolers, LLC which, if curable, is not cured within ten (10) days after written notice thereof to the Grantee, or (vii) any other material breach by the Grantee of any agreement with the Company or any of its Subsidiaries or Affiliates, which, if curable, is not cured within thirty (30) days after written notice thereof to the Grantee. Any failure by the Company or a Subsidiary to notify the Grantee after the first occurrence of an event constituting “Cause” shall not preclude any subsequent occurrences of such event (or a similar event) from constituting “Cause.”

“**Comparison Group**” means the companies in the Russell 2000 Index on the first day of the Performance Period. The Comparison Group shall be subject to reasonable adjustment as set forth below by the Committee in its sole discretion for changes that occur prior to the end of the Performance Period. In the event of a merger or other business combination of two Comparison Group members, the surviving, resulting or successor entity, as the case may be, shall continue to be treated as a member of the Comparison Group so long as its common stock (or similar equity security) is listed or traded on a national securities exchange as of the end of the Performance Period. In the event that a member of the Comparison Group is acquired by a company that is a non-member during the Performance Period, or the common stock (or similar equity security) of such member is not listed or traded on a national securities exchange at the end of the Performance Period, such member shall be excluded from the Comparison Group. In the event that a member of the Comparison Group becomes bankrupt or insolvent during the Performance Period, such member shall not be excluded from the Comparison Group but will be the lowest ranked member of the Comparison Group for purposes of determining percentile ranking of the Company's Total Shareholder Return among the Total Shareholder Returns of the members of the Comparison Group as described in the Grant Notice.

“**Cumulative Free Cash Flow**” means the cumulative amount of Free Cash Flow for each fiscal year during the Performance Period.

“Disability” shall mean that the Grantee, because of accident, disability, or physical or mental illness, is incapable of performing the Grantee's duties to the Company or any Subsidiary, as determined by the Board. Notwithstanding the foregoing, the Grantee will be deemed to have become incapable of performing the Grantee's duties to the Company or any Subsidiary, if the Grantee is incapable of so doing for (i) a continuous period of 120 days and remains so incapable at the end of such 120 day period or (ii) periods amounting in the aggregate to 180 days within any one period of 365 days and remains so incapable at the end of such aggregate period of 180 days.

“Free Cash Flow” equals the Cash Flows from Operating Activities for the applicable fiscal year (calculated using the methodology and GAAP principles in effect at the start of the Performance Period) minus the capital expenditures for the applicable fiscal year, as determined by the Committee. When determining Free Cash Flow, the Committee shall make appropriate adjustments to eliminate the impact of (a) litigation or claim judgments or settlements, (b) the effect of changes in tax laws, accounting principles (other than changes to the methodology and GAAP principles used to calculate Free Cash Flow in effect at the start of the Performance Period), or other laws or provisions affecting reported results, (c) any transformation, reorganization and restructuring program effects, (d) extraordinary, unusual and/or nonrecurring items of gain or loss, (e) foreign exchange impacts, or (f) mergers, acquisitions, and dispositions.

“Good Reason” shall have the meaning and conditions set forth for “Termination for Good Reason” or “Good Reason” in any employment agreement between the Grantee and the Company or any Subsidiary, or if the Grantee is employed by the Company or any Subsidiary other than pursuant to an employment agreement or the Grantee's employment agreement does not include a definition of “Termination for Good Reason” or “Good Reason”, **“Good Reason”** means, with respect to the Grantee, the occurrence of any one or more of the following events at any time during the Grantee's employment with the Company or any of its Affiliates without the Grantee's consent:

- a material reduction in either the Grantee's base salary or the Grantee's target annual incentive compensation amount, other than as part of an across-the-board reduction applicable to all Company executives of no greater than 10%;
- a material diminution in the Grantee's authority, duties or responsibilities;
- any material breach of the Grantee's severance plan or any equity agreement by the Company or any of its Affiliates; or
- the involuntary relocation of the Grantee's principal place of employment to a location more than thirty-five (35) miles beyond the Grantee's principal place of employment as of the Date of Grant.

Notwithstanding the foregoing, no termination shall be deemed to be for Good Reason unless (A) the Grantee provides the Company or the applicable Affiliate with written notice of the existence of an event described above within (60) days following the occurrence thereof, (B) the Company or the applicable Affiliate does not remedy such event within thirty (30) days following receipt of the notice described in the preceding clause (A), and (C) the Grantee terminates employment within thirty (30) days following the end of the cure period specified in clause (B). The Grantee may not invoke termination for Good Reason if Cause exists at the time of such termination.

“Replacement Award” means an award (i) of the same type (e.g., time-based restricted stock units) as the CIC PRSU, (ii) that has a value at least equal to the value of the CIC PRSU, (iii) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control, (iv) the tax consequences of which to such Grantee are not less favorable to such Grantee than the tax consequences of the CIC PRSU, and (v) the other terms and conditions of which are not less favorable to the Grantee holding the Replacement Award than the terms and conditions of the CIC PRSU (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the CIC PRSU or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the CIC PRSU if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions described herein are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

“Total Shareholder Return” means a company's total shareholder return over the Performance Period assuming that any dividends are reinvested in the company's stock on the ex-dividend date, and shall be calculated using (i) the average stock price at the close of regular trading for the relevant stock on the principal exchange on which the relevant stock is listed or traded for the 20-trading-day period ending with the last day on which the applicable exchange is open for trading preceding the first day of the Performance Period, and (ii) the average stock price at the close of regular trading for the relevant stock on the principal exchange on which the relevant stock is listed or traded for the 20-trading-day period ending with the last trading day of the Performance Period .

APPENDIX B
TO THE GLOBAL PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

PROVISIONS FOR ALL GRANTEES BASED OUTSIDE THE U.S.

The following terms and conditions apply to Grantees based outside the U.S. or who are otherwise subject to the laws of a jurisdiction other than the U.S. In general, the terms and conditions in this Appendix B supplement the provisions of the main body of this Agreement, unless otherwise indicated herein.

1. **Nature of Grant.** By acknowledging and accepting this Agreement, the Grantee acknowledges, understands and agrees that:
 - (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
 - (b) all decisions with respect to future grants of restricted stock units or other awards, if any, will be at the sole discretion of the Company;
 - (c) the grant of RSUs and the Grantee's participation in the Plan shall not be interpreted as forming or amending an employment or service contract with the Company, and shall not interfere with any ability the Company or a Subsidiary may have to terminate the Grantee's employment or service relationship (if any);
 - (d) the Grantee is voluntarily participating in the Plan;
 - (e) the RSUs and the shares of Common Stock subject to the RSUs, and the income from and value of same, are not intended to replace any pension rights or compensation;
 - (f) the RSUs and the shares of Common Stock subject to the RSUs, and the income from and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
 - (g) unless otherwise agreed with the Company in writing, the RSUs and the shares of Common Stock subject to the RSUs, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Grantee may provide as a director of any Subsidiary or Affiliate;
 - (h) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty;
 - (i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the Grantee ceasing to provide employment or other services to the Company or any Subsidiary (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment or service agreement, if any);

- (j) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and
- (k) neither the Company nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the U.S. Dollar that may affect the value of the RSUs or of any amounts due to the Grantee pursuant to the settlement of the RSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

2. **Tax Matters.** This Section replaces Section 8 of the main body of this Agreement:

- (a) **Responsibility for Taxes.** The Grantee acknowledges that, regardless of any action taken by the Company or, if different, the Grantee's employer (the "***Employer***"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("***Tax-Related Items***") is and remains the Grantee's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee is subject to Tax-Related Items in more than one jurisdiction, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. The Company may refuse to issue or deliver the shares of Common Stock or the proceeds of the sale of shares of Common Stock, if the Grantee fails to comply with his or her obligations in connection with the Tax-Related Items.
- (b) **Withholding Generally.** In connection with any relevant taxable or tax withholding event, as applicable, the Grantee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to fulfill any and all liability for Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations or rights with regard to Tax-Related Items by one or a combination of the following: (i) withholding from the Grantee's wages or other cash compensation payable to the Grantee by the Company, the Employer or any other Subsidiary, (ii) withholding from proceeds of the sale of shares of Common Stock acquired upon vesting and settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent), (iii) withholding shares of Common Stock to be issued upon vesting and settlement of the RSUs, (iv) requiring the Grantee to tender a cash payment to the Company, the Employer or another Subsidiary, and/or (v) any other method of withholding determined by the Company to be permitted under the Plan and applicable law and, to the extent required by the Plan or applicable law, approved by the Committee.

- (c) **Withholding Rates**. The Company may withhold for Tax-Related Items by considering statutory or other withholding rates, including up to the maximum applicable rates in the Grantee's jurisdiction(s). In the event the application of such withholding rate leads to over-withholding, the Grantee may receive a refund of any over-withheld amount in cash from the Company or the Employer (and, in no event, will the Grantee have any entitlement to the equivalent amount in shares of Common Stock); alternatively, if not refunded by the Company or the Employer, the Grantee may be able to seek a refund from the local tax authorities. In the event the application of such withholding rate leads to under-withholding, the Grantee may be required to pay any additional Tax-Related Items directly to the applicable tax authorities.
3. **Data Privacy**. If the Grantee would like to participate in the Plan, the Grantee will need to review the information provided in this Section 3 of Appendix B and, where applicable, declare the Grantee's consent to the processing and/or transfer of personal data as described below.
- (a) **EEA+ Controller**. If the Grantee is based in the European Union ("**EU**"), the European Economic Area or the United Kingdom (collectively, "**EEA+**"), the Grantee should note that the Company, with its registered address at 7601 Southwest Parkway, Austin, Texas, 78735, USA, is the controller responsible for the processing of the Grantee's personal data in connection with this Agreement and the Plan.
- (b) **Data Collection and Usage**. The Company collects, uses and otherwise processes certain personal data about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, which the Company receives from the Grantee, the Employer or otherwise in connection with this Agreement or the Plan ("**Personal Data**"), for the purposes of implementing, administering and managing the Plan and allocating shares of Common Stock pursuant to the Plan.

If the Grantee is based in the EEA+, the legal basis for the processing of Personal Data by the Company is the necessity of the data processing for the Company to (i) perform its contractual obligations under this Agreement, (ii) comply with legal obligations established in the EEA+, or (iii) pursue the legitimate interest of complying with legal obligations established outside of the EEA+.

If the Grantee is based outside of the EEA+, the legal basis, where required, for the processing of Personal Data by the Company is the Grantee's consent, as further described below.

- (c) Stock Plan Administration Service Providers. The Company transfers Personal Data to an independent service provider (“Broker”), which is assisting the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share Personal Data with such other provider serving in a similar manner. Broker will open an account for the Grantee to receive and trade shares of Common Stock acquired under the Plan. The Grantee may be asked to agree on separate terms and data processing practices with Broker, with such agreement being a condition to the ability to participate in the Plan.
- (d) International Data Transfers. Personal Data will be transferred from the Grantee’s country to the U.S., where the Company and its service providers are based. The Grantee understands and acknowledges that the U.S. might not provide a level of protection of Personal Data equivalent to the level of protection in the Grantee’s country. For example, the U.S. is not subject to an unlimited adequacy finding by the European Commission and, as a result, in the absence of appropriate safeguards such as the standard contractual clauses adopted by the EU Commission, as applicable from time to time (the “***EU Standard Contractual Clauses***”), the processing of Personal Data might not be subject to substantive data processing principles or supervision by data protection authorities. In addition, data subjects might have no or less enforceable rights regarding the processing of their Personal Data.

If the Grantee is based in the EEA+, Personal Data will be transferred from the EEA+ to the Company based on the EU Standard Contractual Clauses (or based on the Grantee’s consent to the extent such clauses are not yet in place). The Grantee may request a copy of the applicable safeguards by contacting the Company’s Chief Compliance Officer at privacy@yeti.com. The onward transfer of Personal Data from the Company to Broker or, as the case may be, a different service provider of the Company is conducted without such safeguards and is based solely on the Grantee’s consent, as further described below.

If the Grantee is based outside of the EEA+, the Company’s legal basis, where required, for the transfer of Personal Data from the Grantee’s country to the Company and from the Company onward to Broker or, as the case may be, a different service provider of the Company is the Grantee’s consent, as further described below.

- (e) Data Retention. The Company will hold and use the Personal Data only as long as is necessary to implement, administer and manage the Grantee’s participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax and security laws.

- (f) Data Subject Rights. The Grantee may have a number of rights under data privacy laws in his or her jurisdiction. Depending on where the Grantee is based, such rights may include the right to (i) request access or copies of Personal Data the Company processes, (ii) the rectification or amendment of incorrect or incomplete Personal Data, (iii) the deletion of Personal Data, (iv) request restrictions on the processing of Personal Data, (v) object to the processing of Personal Data for legitimate interests, (vi) the portability of Personal Data, (vi) lodge complaints with competent authorities in the Grantee's jurisdiction, and/or to (viii) receive a list with the names and addresses of any potential recipients of Personal Data. To receive additional information regarding these rights or to exercise these rights, the Grantee can contact the Company's Chief Compliance Officer at privacy@yeti.com.
- (g) Necessary Disclosure of Personal Data. The Grantee understands that providing the Company with Personal Data is necessary for the performance of this Agreement and that the Grantee's refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect the Grantee's ability to participate in the Plan.
- (h) Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Plan is voluntary and the Grantee is providing any consents referred to herein on a purely voluntary basis. The Grantee understands that he or she may withdraw any such consent at any time with future effect for any or no reason. If the Grantee does not consent, or if the Grantee later seeks to withdraw the Grantee's consent, the Grantee's salary from or employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing the Grantee's consent is that the Company would not be able to grant the RSUs or other awards to the Grantee or administer or maintain the RSUs. For more information on the consequences of refusal to consent or withdrawal of consent, the Grantee should contact the Company's Chief Compliance Officer at privacy@yeti.com.
- (i) Declaration of Consent. If the Grantee is based in the EEA+, by acknowledging and accepting this Agreement and indicating consent via the Company's online acceptance procedure, the Grantee explicitly declares consent to the onward transfer of Personal Data by the Company to Broker or, as the case may be, a different service provider of the Company in the U.S. as described in **Section 3(d)** above.

If the Grantee is based outside of the EEA+, by acknowledging and accepting this Agreement and indicating consent via the Company's online acceptance procedure, the Grantee explicitly declares consent to the entirety of the Personal Data processing operations described in this **Section 3** including, without limitation, the onward transfer of Personal Data by the Company to Broker or, as the case may be, a different service provider of the Company in the U.S.

- 4. **Language**. The Grantee acknowledges and represents that the Grantee is proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Grantee to understand the terms of this Agreement, including Appendices A and B, and any other documents related to the Plan or this Agreement. If the Grantee has received this Agreement, including Appendices A and B, or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

5. **Compliance with Law.** Notwithstanding any other provision of the Plan or this Agreement, unless there is an exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock, the Company shall not be required to deliver any of the shares of Common Stock that are otherwise issuable upon settlement of the RSUs prior to the completion or approval of any registration or qualification of the shares of Common Stock under any applicable law or under any rulings or regulations of any governmental regulatory body, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Grantee understands that the Company is under no obligation to register or qualify the shares of Common Stock with any securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares of Common Stock. Further, the Grantee agrees that the Company shall have unilateral authority to amend this Agreement without the Grantee's consent to the extent necessary to comply with securities, exchange control or other laws applicable to issuance of shares of Common Stock.
6. **Choice of Venue.** Any and all disputes relating to, concerning or arising from this Agreement, or relating to, concerning or arising from the relationship between the parties evidenced by the RSUs or this Agreement, shall be brought and heard exclusively in the U.S. District Court for the District of New Delaware or the Delaware Superior Court, New Castle County. Each of the parties hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.
7. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
8. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying shares of Common Stock. The Grantee should consult with the Grantee's own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan.

9. **Insider Trading/Market Abuse Laws**. The Grantee acknowledges that the Grantee may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including (but not limited to) the U.S. and the Grantee's jurisdiction, which may affect the Grantee's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock or rights to shares of Common Stock (*e.g.*, RSUs) or rights linked to the value of shares during such times the Grantee is considered to have "inside information" regarding the Company as defined in the laws or regulations in the applicable jurisdictions). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. The Grantee is responsible for complying with any such restrictions and should speak to the Grantee's personal legal advisor on this matter.
10. **Foreign Asset/Account Reporting and Exchange Control Requirements**. The Grantee acknowledges that there may be foreign asset and/or account reporting and/or exchange control requirements which may affect the Grantee's ability to acquire or hold shares of Common Stock or cash received from participating in the Plan in a brokerage or bank account outside the Grantee's country. The Grantee may be required to report such accounts, balances, assets and/or the related transactions to the tax, exchange control or other authorities in the Grantee's jurisdiction. The Grantee also may be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to the Grantee's jurisdiction through a designated bank or broker and/or within a certain time after receipt. The Grantee is responsible for complying with such regulations and should speak to the Grantee's personal legal advisor on this matter.

APPENDIX C
TO THE GLOBAL PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT
JURISDICTION-SPECIFIC PROVISIONS FOR GRANTEES BASED OUTSIDE THE U.S.

Terms and Conditions

This Appendix C includes terms and conditions that govern the RSUs and/or the shares of Common Stock subject to the RSUs if the Grantee is a citizen or resident of and/or works in one of the jurisdictions listed below. These terms and conditions are in addition to, or, if so indicated, in place of, the other terms and conditions set forth in this Agreement, including Appendix B.

If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working (or is considered as such for local law purposes) or if the Grantee transfers employment or residency to a different jurisdiction after the grant date, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to the Grantee.

Notifications

This Appendix C also includes notifications relating to exchange control, securities laws and other issues of which the Grantee should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of **February 2022**. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Grantee not rely on the notifications herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the RSUs vest and are settled or shares of Common Stock acquired under the Plan are sold.

In addition, the information contained herein is general in nature and may not apply to the Grantee's particular situation, and the Company is not in a position to assure the Grantee of any particular result. Accordingly, the Grantee should seek appropriate professional advice as to how the relevant laws in the Grantee's country may apply to the Grantee's situation.

If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working (or is considered as such for local law purposes) or if the Grantee transfers employment or residency to a different jurisdiction after the grant date, the information contained herein may not apply to the Grantee in the same manner.

CANADA

Terms and Conditions

Form of Payment of RSUs. This provision supplements Section 5(a) of the main body of this Agreement:

Notwithstanding the discretion set forth in Section 7(a) of the Plan, payment for the RSUs, after and to the extent the Committee has determined that the Award has become vested, shall be made in the form of Common Stock, as provided in this Section 5(a).

Vesting of RSUs. This provision supplements Section 4(a) of the main body of this Agreement:

For purposes of this Agreement, continuous employment shall be considered terminated as of the later of (i) the date that the Grantee is no longer actually providing services (regardless of the reason for such termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or otherwise rendering services or the terms of the Grantee's employment or service agreement, if any); or (ii) if applicable, the end of Grantee's minimum statutory notice period (as set out in the applicable provincial employment standards legislation); and, unless otherwise expressly provided by this Agreement or determined by the Company, the Grantee's right to vest in the RSUs under the Plan, if any, will terminate effective upon that date. For the avoidance of doubt, the Grantee will not earn or be entitled to pro-rated vesting if the vesting date falls after such date, nor will the Grantee be entitled to any compensation for lost vesting.

The following provisions will apply to Grantees who are residents of Quebec:

Language Consent. The parties acknowledge that it is their express wish that this Agreement, including Appendices A and B, as well as all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement Relatif à la Langue Utilisée. *Les parties reconnaissent avoir explicitement exigé la rédaction en langue anglaise de cette convention, incluant Annexes A et B, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.*

Data Privacy. This provision supplements Section 3 of Appendix B:

The Grantee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan for purposes that relate to the administration of the Plan. The Grantee further authorizes the Company and any Subsidiary, as well as any third party stock plan service provider, to disclose and discuss the Plan with their advisors. The Grantee acknowledges and agrees that the Grantee's personal information, including any sensitive personal information, may be transferred or disclosed outside of the Province of Quebec, including to the U.S. The Grantee further authorizes the Company and any Subsidiary to record such information and to keep such information in the Grantee's employee file. The Grantee also acknowledges and authorizes the Company and any Subsidiary, and other parties involved in the administration of the Plan to use technology for profiling purposes and to make automated decisions that may have an impact on the Grantee or on the administration of the Plan.

Notifications

Securities Law Information. The Grantee is permitted to sell shares of Common Stock acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of shares of Common Stock acquired under the Plan takes place outside Canada through the facilities of a stock exchange on which the shares of Common Stock are publicly traded, quoted or listed (*i.e.*, the New York Stock Exchange).

Foreign Asset/Account Reporting Information. The Grantee is required to report any specified foreign property (including shares of Common Stock, RSUs and cash) annually on form T1135 (Foreign Income Verification Statement) if the total cost of the Grantee's specified foreign property exceeds C\$100,000 at any time in the year. The form must be filed by April 30 of the following year. RSUs must be reported--generally at a nil cost--if the C\$100,000 cost threshold is exceeded because of other specified foreign property held by the Grantee. When shares of Common Stock are acquired, their cost generally is the adjusted cost base ("***ACB***"). The ACB would ordinarily equal the fair market value of the shares of Common Stock at the time of acquisition, but if the Grantee owns other shares of Common Stock acquired outside the Plan, the ACB of such shares of Common Stock may have to be averaged with the ACB of the shares of Common Stock issued to the Grantee pursuant to the vesting and settlement of the RSUs. *The Grantee should consult with a personal tax advisor to ensure the Grantee complies with the applicable reporting obligations.*

THE NETHERLANDS

There are no country specific provisions.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew J. Reintjes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of YETI Holdings, 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 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 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: May 11, 2022

/s/ Matthew J. Reintjes

Matthew J. Reintjes

President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Paul C. Carbone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of YETI Holdings, 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 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 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: May 11, 2022

/s/ Paul C. Carbone

Paul C. Carbone

Senior Vice President and Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATIONS OF 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 OF 2002**

I, Matthew J. Reintjes, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of YETI Holdings, Inc. for the quarterly period ended April 2, 2022, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of YETI Holdings, Inc.

Date: May 11, 2022

By:	<u>/s/ Matthew J. Reintjes</u>
Name:	Matthew J. Reintjes
Title:	President and Chief Executive Officer (Principal Executive Officer)

I, Paul C. Carbone, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of YETI Holdings, Inc. for the quarterly period ended April 2, 2022, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of YETI Holdings, Inc.

Date: May 11, 2022

By:	<u>/s/ Paul C. Carbone</u>
Name:	Paul C. Carbone
Title:	Senior Vice President and Chief Financial Officer (Principal Financial Officer)