

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 March 30, 2024

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 85,238,498 shares of Common Stock (\$0.01 par value) outstanding as of May 3, 2024.

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 our future expectations relating to our recent acquisitions, expected market or macroeconomic environment, 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 economic conditions or consumer confidence in future economic conditions; our ability to maintain and strengthen our brand and generate and maintain ongoing demand and prices for our products; our ability to successfully design, develop and market new products; our ability to accurately forecast demand for our products and our results of operations; our ability to effectively manage our growth and supply chain; our ability to expand into additional consumer markets, and our success in doing so; the success of our international expansion plans; our ability to compete effectively in the outdoor and recreation market and protect our brand; the level of customer spending for our products, which is sensitive to general economic conditions and other factors; our ability to attract and retain skilled personnel and senior management, and to maintain the continued efforts of our management and key employees; our ability to protect our intellectual property; claims by third parties that we have infringed on their intellectual property rights; our involvement in legal or regulatory proceedings or audits; product recalls, warranty liability, product liability, or other claims against us; problems with, or loss of, our third-party contract manufacturers and suppliers, or an inability to obtain raw materials; our ability to timely obtain shipments and deliver products; risks related to manufacturer concentrations; fluctuations in the cost and availability of raw materials, equipment, labor, and transportation and subsequent manufacturing delays or increased costs; legal, regulatory, economic, political and public health risks associated with international trade; risks associated with tariffs; the impact of currency exchange rate fluctuations; our ability to appropriately address emerging environmental, social and governance matters and meet our environmental, social and governance goals; our and our suppliers’ and partners’ ability to comply with applicable laws and regulations; our relationships with our national, regional, and independent retail partners, who account for a significant portion of our sales; seasonal and quarterly variations in our business; financial difficulties facing our retail partners; the impact of catastrophic events or failures of our information systems, including due to cybersecurity incidents, on our operations and the operations of our manufacturing partners; our ability to raise additional capital on acceptable terms; the impact of our indebtedness on our ability to invest in the ongoing needs of our business; impairment to our goodwill or other intangible assets; changes in tax laws or unanticipated tax liabilities; changes to our estimates or judgments; our ability to successfully execute our share repurchase program and its impact on stockholder value and the volatility of the price of our common stock; strategic transactions targeting us; the impact of stockholder activism, takeover proposals, proxy contests or short sellers; disruptions or diversions of our management’s attention due to acquisitions or investments in other companies; and the risks and uncertainties described in detail in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 30, 2023, 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.

WEBSITE REFERENCES

In this Quarterly Report on Form 10-Q, we make references to our website at YETI.com. References to our website through this Form 10-Q are provided for convenience only and the content on our website does not constitute a part of, and shall not be deemed incorporated by reference into, this Quarterly Report on Form 10-Q.

TRADEMARKS AND SERVICE MARKS

Solely for convenience, certain trademark and service marks referred to in this Quarterly Report on Form 10-Q appear without the ® or ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and service marks. This Quarterly Report on Form 10-Q may also contain additional trademarks or service marks of other companies, which are the property of their respective owners.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

YETI HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except shares and par value)

	March 30, 2024	December 30, 2023
ASSETS		
Current assets		
Cash	\$ 173,911	\$ 438,960
Accounts receivable, net	108,350	95,774
Inventory	363,919	337,208
Prepaid expenses and other current assets	57,005	42,463
Total current assets	703,185	914,405
Property and equipment, net	129,941	130,714
Operating lease right-of-use assets	77,171	77,556
Goodwill	72,894	54,293
Intangible assets, net	133,927	117,629
Other assets	2,686	2,595
Total assets	<u>\$ 1,119,804</u>	<u>\$ 1,297,192</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 139,133	\$ 190,392
Accrued expenses and other current liabilities	97,359	130,026
Taxes payable	29,151	33,489
Accrued payroll and related costs	11,057	23,141
Current operating lease liabilities	15,703	14,726
Current maturities of long-term debt	6,367	6,579
Total current liabilities	298,770	398,353
Long-term debt, net of current portion	77,379	78,645
Operating lease liabilities, non-current	75,398	76,163
Other liabilities	21,358	20,421
Total liabilities	472,905	573,582
Commitments and contingencies (Note 10)		
Stockholders' Equity		
Common stock, par value \$0.01; 600,000,000 shares authorized; 88,906,143 and 85,231,091 shares issued and outstanding at March 30, 2024, respectively, and 88,592,761 and 86,916,210 shares issued and outstanding at December 30, 2023, respectively	889	886
Treasury stock, at cost; 3,675,052 shares at March 30, 2024 and 1,676,551 at December 30, 2023	(180,702)	(100,025)
Preferred stock, par value \$0.01; 30,000,000 shares authorized; no shares issued or outstanding	—	—
Additional paid-in capital	373,697	386,377
Retained earnings	454,291	438,436
Accumulated other comprehensive loss	(1,276)	(2,064)
Total stockholders' equity	646,899	723,610
Total liabilities and stockholders' equity	<u>\$ 1,119,804</u>	<u>\$ 1,297,192</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	
	March 30, 2024	April 1, 2023
Net sales	\$ 341,394	\$ 302,796
Cost of goods sold	146,581	140,926
Gross profit	194,813	161,870
Selling, general, and administrative expenses	168,996	146,772
Operating income	25,817	15,098
Interest income (expense), net	659	(594)
Other (expense) income, net	(4,101)	6
Income before income taxes	22,375	14,510
Income tax expense	(6,520)	(3,946)
Net income	\$ 15,855	\$ 10,564
Net income per share		
Basic	\$ 0.18	\$ 0.12
Diluted	\$ 0.18	\$ 0.12
Weighted-average common shares outstanding		
Basic	86,355	86,529
Diluted	87,157	87,086

See Notes to Unaudited Condensed Consolidated Financial Statements

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

	Three Months Ended	
	March 30, 2024	April 1, 2023
Net income	\$ 15,855	\$ 10,564
Other comprehensive income (loss)		
Foreign currency translation adjustments	788	(197)
Total comprehensive income	\$ 16,643	\$ 10,367

See Notes to Unaudited Condensed Consolidated Financial Statements

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

Three Months Ended March 30, 2024								
	Common Stock		Additional Paid-In Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balance, December 30, 2023	88,593	\$ 886	\$ 386,377	(1,677)	(100,025)	\$ 438,436	\$ (2,064)	\$ 723,610
Stock-based compensation	—	—	8,497	—	—	—	—	8,497
Common stock issued under employee benefit plans	343	3	(3)	—	—	—	—	—
Common stock withheld related to net share settlement of stock-based compensation	(30)	—	(1,174)	—	—	—	—	(1,174)
Repurchase of common stock, including excise tax	—	—	(20,000)	(1,998)	(80,677)	—	—	(100,677)
Other comprehensive income	—	—	—	—	—	—	788	788
Net income	—	—	—	—	—	15,855	—	15,855
Balance, March 30, 2024	<u>88,906</u>	<u>\$ 889</u>	<u>\$ 373,697</u>	<u>(3,675)</u>	<u>\$ (180,702)</u>	<u>\$ 454,291</u>	<u>\$ (1,276)</u>	<u>\$ 646,899</u>

Three Months Ended April 1, 2023								
	Common Stock		Additional Paid-In Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balance, December 31, 2022	88,108	\$ 881	\$ 357,490	(1,677)	(100,025)	\$ 268,551	\$ (420)	\$ 526,477
Stock-based compensation	—	—	6,775	—	—	—	—	6,775
Common stock issued under employee benefit plans	252	2	677	—	—	—	—	679
Common stock withheld related to net share settlement of stock-based compensation	(44)	—	(1,737)	—	—	—	—	(1,737)
Other comprehensive loss	—	—	—	—	—	—	(197)	(197)
Net income	—	—	—	—	—	10,564	—	10,564
Balance, April 1, 2023	<u>88,316</u>	<u>\$ 883</u>	<u>\$ 363,205</u>	<u>(1,677)</u>	<u>\$ (100,025)</u>	<u>\$ 279,115</u>	<u>\$ (617)</u>	<u>\$ 542,561</u>

See Notes to Unaudited Condensed Consolidated Financial Statements

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

	Three Months Ended	
	March 30, 2024	April 1, 2023
Cash Flows from Operating Activities:		
Net income	\$ 15,855	\$ 10,564
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Depreciation and amortization	11,474	11,402
Amortization of deferred financing fees	163	138
Stock-based compensation	8,497	6,775
Deferred income taxes	(7)	6,832
Impairment of long-lived assets	2,025	—
Other	3,117	(303)
Changes in operating assets and liabilities:		
Accounts receivable	(9,480)	(16,114)
Inventory	(11,090)	23,988
Other current assets	(10,425)	(10,930)
Accounts payable and accrued expenses	(106,536)	(69,655)
Taxes payable	(8,032)	(8,512)
Other	765	(873)
Net cash used in operating activities	(103,674)	(46,688)
Cash Flows from Investing Activities:		
Purchases of property and equipment	(10,644)	(10,082)
Business acquisition, net of cash acquired	(36,164)	—
Additions of intangibles, net	(11,197)	(3,165)
Net cash used in investing activities	(58,005)	(13,247)
Cash Flows from Financing Activities:		
Repayments of long-term debt	(1,055)	(5,625)
Taxes paid in connection with employee stock transactions	(1,174)	(1,737)
Proceeds from employee stock transactions	—	679
Finance lease principal payment	(586)	(710)
Repurchase of common stock	(100,000)	—
Net cash used in financing activities	(102,815)	(7,393)
Effect of exchange rate changes on cash	(555)	428
Net decrease in cash	(265,049)	(66,900)
Cash, beginning of period	438,960	234,741
Cash, end of period	\$ 173,911	\$ 167,841

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, which includes our 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. In the first quarter of 2024, we acquired Mystery Ranch, LLC, which is a designer and manufacturer of durable load-bearing backpacks, bags, and pack accessories.

The terms “we,” “us,” “our,” “YETI” 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 balances and 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. The consolidated balance sheet as of December 30, 2023 is derived from the audited financial statements included in our Annual Report on Form 10-K filed with the SEC for the year ended December 30, 2023, which should be read in conjunction with these unaudited consolidated financial statements and notes thereto.

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- or 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 28, 2024 (“2024”) is a 52-week period. The first quarter of our fiscal year 2024 ended on March 30, 2024, the second quarter ends on June 29, 2024, and the third quarter ends September 28, 2024. Our fiscal year ended December 30, 2023 (“2023”) was also 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 March 30, 2024 and April 1, 2023.

Accounts Receivable

Accounts receivable are recorded net of estimated credit losses. Our allowance for credit losses was \$0.6 million as of March 30, 2024 and \$0.5 million as of December 30, 2023, respectively.

Business Combinations

We account for business combinations using the acquisition method of accounting. We allocate the purchase consideration to the identifiable assets acquired and liabilities assumed in a business combination based on their acquisition-date fair values. We use our best estimates and assumptions to determine the fair value of tangible and intangible assets acquired and liabilities assumed, as well as the uncertain tax positions and tax-related valuation allowances that are initially recorded in connection with a business combination. These estimates are reevaluated and adjusted, if needed, during the measurement period of up to one year from the acquisition date, and are recorded as adjustments to goodwill. Any adjustments to the acquired assets and liabilities assumed that are identified subsequent to the measurement period are recorded in earnings.

Inventory

Inventories are comprised primarily of finished goods and are carried at the lower of cost (primarily using weighted-average cost method) or market (net realizable value). At March 30, 2024 and December 30, 2023, inventory reserves were \$2.7 million and \$2.2 million, respectively.

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 our senior secured credit facility (the "Credit Facility") carries a variable interest rate that is based on the Secured Overnight Financing Rate ("SOFR").

Supplier Finance Program Obligations

We have a supplier finance program ("SFP") with a financial institution which provides certain suppliers the option, at their sole discretion, to participate in the program and sell their receivables due from us for early payment. Participating eligible suppliers negotiate the terms directly with the financial institution and we have no involvement in establishing those terms nor are we a party to these agreements. Our payments associated with the invoices from the suppliers participating in the SFP are made to the financial institution according to the original invoice. The outstanding payment obligations under the SFP program recorded within accounts payable in our condensed consolidated balance sheets at March 30, 2024 and December 30, 2023 were \$63.5 million and \$77.3 million, respectively.

Recently Adopted Accounting Pronouncements

In September 2022, the Financial Accounting Standards Board ("FASB") issued ASU 2022-04, *Liabilities-Supplier Finance Programs (Topic 405-50) - Disclosure of Supplier Finance Program Obligations*, which requires disclosures intended to enhance the transparency of supplier finance programs. The ASU requires buyers in a supplier finance program to disclose sufficient information about the program to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. The ASU is effective for fiscal years beginning after December 15, 2022, including interim

periods within those fiscal years, except for the amendment on rollforward information, which is effective for our Annual Report on Form 10-K for fiscal years beginning after December 15, 2023. We adopted provisions of this ASU in the first quarter of 2023, with the exception of the amendment on rollforward information, which we adopted in the first quarter of 2024. Adoption of the new standard did not have a material impact on our consolidated financial statements.

Recent Accounting Guidance Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The new standard requires enhanced disclosures about significant segment expenses and other segment items and requires companies to provide all annual disclosures about segments in interim periods. All disclosure requirements under ASU 2023-07 are also required for public entities with a single reportable segment. The ASU is effective for the Company's Annual Report on Form 10-K for the fiscal year ending December 28, 2024, and subsequent interim periods, with early adoption permitted. We are currently evaluating the impact of adopting this ASU on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in this update are intended to enhance the transparency and decision usefulness of income tax disclosures primarily through changes to the rate reconciliation and income taxes paid information. This update is effective for annual periods beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the ASU to determine its impact on our consolidated financial statements and related disclosures.

2. ACQUISITIONS

Mystery Ranch Acquisition

On February 2, 2024, we completed the acquisition of all of the equity interests of Mystery Ranch, LLC ("Mystery Ranch"), a designer and manufacturer of durable load-bearing backpacks, bags, and pack accessories. The total purchase price consideration was \$36.2 million, net of a preliminary working capital adjustment and cash acquired of \$2.1 million. We plan to integrate the Mystery Ranch operations and products into our business to further expand our capabilities in our bags category. The acquisition was funded with cash on hand.

We accounted for the acquisition as a business combination using the acquisition method of accounting which requires, among other things, assets acquired and liabilities assumed be recognized at fair value as of the acquisition date. The purchase price allocation is preliminary and based upon valuation information available to determine the fair value of certain assets and liabilities, including goodwill, and is subject to change, primarily for final adjustments to net working capital as additional information is obtained about the facts and circumstances that existed at the valuation date.

The following table summarizes the preliminary amounts recorded for acquired assets and assumed liabilities at the acquisition date (in thousands):

Cash	\$	2,051
Accounts receivable, net		3,940
Inventory ⁽¹⁾		17,164
Prepaid expenses and other current assets		3,858
Property and equipment		512
Operating lease right-of-use assets		1,087
Goodwill		18,600
Intangible assets		5,500
Total assets acquired		<u>52,712</u>
Current liabilities		(13,744)
Non-current liabilities		(753)
Total liabilities assumed		<u>(14,497)</u>
Net assets acquired	\$	<u>38,215</u>

(1) Includes a \$4.8 million step up of inventory to fair value, which will be expensed as the related inventory is sold.

The goodwill recognized is attributable to the expansion of our backpack and bag offerings and expected synergies from integrating Mystery Ranch's products into our product portfolio. The goodwill will be deductible for income tax purposes. The intangible assets recognized consist of a trade name and customer relationships and have useful lives which range from 8 to 15 years.

Pro forma results are not presented as the impact of this acquisition is not material to our consolidated financial results. The net sales and earnings impact of this acquisition was not significant to our consolidated financial results for the three months ended March 30, 2024.

Butter Pat Acquisition

During the three months ended March 30, 2024, we acquired substantially all of the assets of Butter Pat Industries, LLC ("Butter Pat"), a designer and manufacturer of cast iron cookware. We plan to integrate Butter Pat products into our product portfolio to further expand our capabilities in the cookware category. This transaction was accounted for as an asset acquisition and is not material to our consolidated financial statements.

3. 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 credit losses.

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 include advance cash deposits received from customers for certain customized product orders and unredeemed gift card liabilities. As products are shipped and control transfers, we recognize contract liabilities as revenue.

During the second quarter of 2023, we began issuing gift cards as remedies in connection with our voluntary recalls. We recognize sales from gift cards as they are redeemed for products. As of March 30, 2024, \$4.0 million of our contract liabilities represented unredeemed gift card liabilities.

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

	March 30, 2024	December 30, 2023
Accounts receivable, net	\$ 108,350	\$ 95,774
Contract liabilities	\$ (11,084)	\$ (22,437)

For the three months ended March 30, 2024, we recognized \$19.7 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	
	March 30, 2024	April 1, 2023
Net Sales by Channel		
Wholesale	\$ 153,568	\$ 135,829
Direct-to-consumer	187,826	166,967
Total net sales	<u>\$ 341,394</u>	<u>\$ 302,796</u>
Net Sales by Category		
Coolers & Equipment	\$ 119,906	\$ 104,354
Drinkware	214,580	190,287
Other	6,908	8,155
Total net sales	<u>\$ 341,394</u>	<u>\$ 302,796</u>
Net Sales by Geographic Region		
United States	\$ 275,796	\$ 252,986
International	65,598	49,810
Total net sales	<u>\$ 341,394</u>	<u>\$ 302,796</u>

For the three months ended March 30, 2024 and April 1, 2023, no single customer represented over 10% of gross sales.

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	March 30, 2024	December 30, 2023
Prepaid expenses	\$ 34,191	\$ 21,165
Prepaid taxes	14,939	15,089
Other	7,875	6,209
Total prepaid expenses and other current assets	<u>\$ 57,005</u>	<u>\$ 42,463</u>

5. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following (in thousands):

	March 30, 2024	December 30, 2023
Product recall reserves ⁽¹⁾	\$ 9,176	\$ 13,090
Accrued freight and other operating expenses	27,017	45,228
Contract liabilities	11,084	22,437
Customer discounts, allowances, and returns	11,130	11,515
Advertising and marketing	8,446	9,945
Warranty reserve	8,891	9,808
Interest payable	157	159
Accrued capital expenditures	1,140	590
Other	20,317	17,254
Total accrued expenses and other current liabilities	<u>\$ 97,359</u>	<u>\$ 130,026</u>

(1) See Note 10 for further discussion of our product recall reserves.

6. INCOME TAXES

Income tax expense was \$6.5 million and \$3.9 million for the three months ended March 30, 2024 and April 1, 2023, respectively. The increase in income tax expense is due to a higher income before income taxes. The effective tax rate for the three months ended March 30, 2024 was 29% compared to 27% for the three months ended April 1, 2023. The higher effective tax rate was primarily due to higher discrete tax expenses, including an unfavorable tax impact related to stock compensation in the three months ended March 30, 2024.

Deferred tax liabilities were \$4.2 million as of March 30, 2024 and \$4.0 million as of December 30, 2023, which is presented in other liabilities on our unaudited condensed consolidated balance sheet.

The Organization for Economic Co-operation and Development enacted model rules for a new global minimum tax framework, also known as Pillar Two, and certain governments globally have enacted, or are in the process of enacting, legislation to address Pillar Two. For the three months ended March 30, 2024, the impact of Pillar Two on our consolidated financial statements was not material.

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.

7. 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, as amended and restated on June 20, 2018 (the "2012 Plan"). Any remaining shares available for issuance under the 2012 Plan as of 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.

For the three months ended March 30, 2024 and April 1, 2023, we recognized stock-based compensation expense of \$8.5 million and \$6.8 million, respectively. At March 30, 2024, total unrecognized stock-based compensation expense of \$75.4 million for all stock-based compensation plans is expected to be recognized over a weighted-average period of 2.3 years.

Stock-based activity for the three months ended March 30, 2024 is summarized below (in thousands, except per share data):

	Stock Options		Performance-Based Restricted Stock Awards and Units		Restricted Stock Units, Restricted Stock Awards, and Deferred Stock Units	
	Number of Options	Weighted Average Exercise Price	Number of PBRs and PRSUs	Weighted Average Grant Date Fair Value	Number of RSUs, RSAs, and DSUs	Weighted Average Grant Date Fair Value
Balance, December 30, 2023	578	\$ 19.62	398	\$ 48.14	1,312	\$ 41.99
Granted	—	—	202	41.21	715	39.19
Exercised/released	—	—	(48)	79.66	(295)	43.65
Performance adjustment ⁽¹⁾	—	—	6	79.66	—	—
Forfeited/expired	—	—	(6)	50.93	(62)	42.55
Balance, March 30, 2024	578	\$ 19.62	552	\$ 43.13	1,670	\$ 40.48

(1) Represents adjustment due to the actual achievement of performance-based awards.

8. 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 other stock-based 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	
	March 30, 2024	April 1, 2023
Net income	\$ 15,855	\$ 10,564
Weighted-average common shares outstanding—basic	86,355	86,529
Effect of dilutive securities	802	557
Weighted-average common shares outstanding—diluted	87,157	87,086
Earnings per share		
Basic	\$ 0.18	\$ 0.12
Diluted	\$ 0.18	\$ 0.12

Effects of potentially dilutive securities are presented only in periods in which they are dilutive. For the three months ended March 30, 2024 and April 1, 2023, outstanding stock-based awards representing less than 0.1 million and 0.3 million shares of common stock, respectively, were excluded from the calculation of diluted earnings per share, because their effect would be anti-dilutive.

9. STOCKHOLDERS' EQUITY

On February 1, 2024, our Board of Directors authorized the repurchase of up to \$300 million of the Company's common stock (the "Share Repurchase Program"). As of March 30, 2024, \$200 million remained under the Share Repurchase Program.

As part of the Share Repurchase Program, on February 27, 2024, we entered into an accelerated share repurchase agreement (the "ASR Agreement") with Goldman Sachs & Co. LLC ("Goldman Sachs") to repurchase \$100 million of YETI's common stock. Pursuant to the ASR Agreement, we made a payment of \$100 million to Goldman Sachs and received an initial delivery of 1,998,501 shares of YETI's common stock (the "Initial Shares"), representing 80% of the total shares that we expected to receive under the ASR Agreement based on the market price of \$40.03 per share at the time of delivery of the Initial Shares. The ASR Agreement was accounted for as an equity transaction. The fair value of the Initial Shares were recorded as a treasury stock transaction. The remaining \$20.0 million was recorded as a reduction to additional paid-in capital. Upon delivery of the Initial Shares, there was an immediate reduction in the weighted average common shares calculation for basic and diluted earnings per share.

On April 25, 2024, we settled the transactions contemplated by the ASR Agreement, resulting in a final delivery of 642,674 shares, with a fair value of \$23.6 million. The total number of shares repurchased under the ASR Agreement was 2,641,175 at an average cost per share of \$37.86, based on the volume-weighted average share price of YETI's common stock during the calculation period of the ASR Agreement.

10. 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.

Product Recall Reserves

In January 2023, we notified the U.S. Consumer Product Safety Commission ("CPSC") of a potential safety concern regarding the magnet-lined closures of our Hopper M30 Soft Cooler, Hopper M20 Soft Backpack Cooler, and SideKick Dry gear case (the "affected products") and initiated a global stop sale of the affected products. In February 2023, we proposed a voluntary recall of the affected products to the CPSC, and other relevant global regulatory authorities, which we refer to as the "voluntary recalls" herein unless otherwise indicated. In March 2023, we announced separate, voluntary recalls of the affected products in collaboration with the CPSC and subsequently began processing recall claims and returns.

The reserve for the estimated product recall costs is included within accrued expenses and other current liabilities on our consolidated balance sheets. The reserve for the estimated product recall costs is based on i) expected consumer participation rates; and ii) the estimated costs of the consumer's elected remedy in the recalls, including the estimated cost of either product replacements or gift card elections, logistics costs, and other recall-related costs. The following table summarizes the activity of the reserve for the estimated product recall expenses (in thousands):

	March 30, 2024
Balance, December 30, 2023	\$ 13,090
Actual product refunds, replacements and recall-related costs	(2,488)
Gift card issuances ⁽¹⁾	(1,437)
Balance, March 30, 2024	<u>\$ 9,165</u>

(1) As of March 30, 2024, we had \$4.0 million in unredeemed recall-related gift card liabilities, which are included in contract liabilities within accrued expenses and other current liabilities on our consolidated balance sheet. For the three months ended March 30, 2024, we recognized net sales of \$2.0 million from redeemed recall-related gift cards.

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

The following discussion and analysis contains forward-looking statements within the meaning of the federal securities laws, and should be read in conjunction with the disclosures we make concerning risks and other factors that may affect our business and operating results, including those described in more detail in Part I “Item 1A. Risk Factors” included in our Annual Report on Form 10-K for the year ended December 30, 2023. The information contained in this section should also be read in conjunction with our consolidated financial statements and related notes and the information contained elsewhere in this Report. See also “Cautionary Note Regarding Forward-Looking Statements” immediately prior to Part I, Item I in this Quarterly Report on Form 10-Q.

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

Business Overview

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, Scheels, and Tractor Supply Company. We sell our products in our DTC channel to customers through our websites and YETI Authorized on the Amazon Marketplace, as well as in our retail stores. Additionally, we offer customized products with licensed trademarks and original artwork through our websites and our corporate sales program. Our corporate sales program offers customized products to corporate customers for a wide-range of events and activities, and in certain instances may also offer products to re-sell. In the first quarter of 2024, we acquired Mystery Ranch, LLC, which is a designer and manufacturer of durable load-bearing backpacks, bags, and pack accessories.

Product Introductions and Updates

During the first quarter of 2024, we expanded our drinkware offerings with the launch of a new stackable 16 oz. Rambler cup, and introduced new seasonal colorways.

Acquisitions

During the first quarter of 2024, we completed the acquisitions of Mystery Ranch, LLC (“Mystery Ranch”), a designer and manufacturer of durable load-bearing backpacks, bags, and pack accessories, and Butter Pat Industries, LLC (“Butter Pat”), a designer and manufacturer of cast iron cookware. We plan to integrate Mystery Ranch and Butter Pat operations and products into our business to further expand our capabilities in the bags and cookware categories. See Note 2— Acquisitions of the Notes to Consolidated Financial Statements included herein for additional information about these acquisitions.

Macroeconomic Conditions

There is significant uncertainty regarding how macroeconomic trends, including sustained high levels of inflation and higher interest rates, will impact consumer demand. While some of these conditions have negatively impacted consumer discretionary spending behavior, we continue to see strong overall demand for our products. We have, however, seen instances of consumer sensitivity to higher price points, which has negatively impacted our financial results.

In addition, recent disruptions of container shipping traffic through the Red Sea and surrounding waterways are negatively affecting transit times and freight costs for goods manufactured in Asia and destined to Europe and to a smaller extent the Americas. As a result, we have experienced shipping delays and moderately higher freight costs. Although such effects have not materially impacted our business to date, such conditions could worsen.

A worsening of any of the macroeconomic trends or uncertainties discussed herein may adversely impact our business, operations, and financial results in the future. We will continue to monitor and, if necessary, strive to mitigate the effects of the macroeconomic environment on our business.

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 DTC channel. 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 is primarily composed of 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, tooling, and equipment, and the cost of customizing 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 variable SG&A costs are generally higher as a percentage of net sales than our wholesale channel distribution costs.

Fiscal Year. We have a 52- or 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 28, 2024 (“2024”) is a 52-week period. The first quarter of our fiscal year 2024 ended on March 30, 2024, the second quarter ends on June 29, 2024, and the third quarter ends on September 28, 2024. Our fiscal year ended December 30, 2023 (“2023”) was also 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 March 30, 2024 and April 1, 2023.

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 contained elsewhere in this Report. 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				
	March 30, 2024		April 1, 2023		
<i>Statement of Operations</i>					
Net sales	\$	341,394	100 %	\$ 302,796	100 %
Cost of goods sold		146,581	43 %	140,926	47 %
Gross profit		194,813	57 %	161,870	53 %
Selling, general, and administrative expenses		168,996	50 %	146,772	48 %
Operating income		25,817	8 %	15,098	5 %
Interest income (expense)		659	— %	(594)	— %
Other (expense) income, net		(4,101)	1 %	6	— %
Income before income taxes		22,375	7 %	14,510	5 %
Income tax expense		(6,520)	2 %	(3,946)	1 %
Net income	\$	15,855	5 %	\$ 10,564	3 %

Comparison of the Three Months Ended March 30, 2024 and April 1, 2023

	Three Months Ended		Change	
	March 30, 2024	April 1, 2023	\$	%
(dollars in thousands)				
Net sales	\$ 341,394	\$ 302,796	\$ 38,598	13 %
Gross profit	\$ 194,813	\$ 161,870	\$ 32,943	20 %
Gross margin (gross profit as a % of net sales)	57.1 %	53.5 %	360 basis points	
Selling, general, and administrative expenses	\$ 168,996	\$ 146,772	\$ 22,224	15 %
SG&A as a % of net sales	49.5 %	48.5 %	100 basis points	

Net Sales

Net sales increased \$38.6 million to \$341.4 million for the three months ended March 30, 2024, compared to the three months ended April 1, 2023. Sales and adjusted net sales for the first quarter of 2024 include \$2.0 million of sales related to gift card redemptions in connection with recall remedies.

Net sales in our channels were as follows:

- DTC channel net sales increased \$20.9 million, or 12%, to \$187.8 million, compared to \$167.0 million in the prior year quarter, due to growth in both Drinkware and Coolers & Equipment. DTC channel mix remained at 55% for both the first quarter of 2024 and 2023.
- Wholesale channel net sales increased \$17.7 million, or 13%, to \$153.6 million, compared to \$135.8 million in the same period last year, due to growth in both Drinkware and Coolers & Equipment.

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

- Drinkware net sales increased by \$24.3 million, or 13%, to \$214.6 million, compared to \$190.3 million in the prior year quarter, driven by the continued expansion and innovation of our Drinkware product offerings and new seasonal colorways.
- Coolers & Equipment net sales increased by \$15.6 million, or 15%, to \$119.9 million, compared to \$104.4 million in the same period last year, driven by strong performance in bags, soft coolers, and hard coolers.

Gross Profit

Gross profit increased \$32.9 million, or 20%, to \$194.8 million, compared to \$161.9 million in the prior year quarter. Gross margin rate increased 360 basis points to 57.1% from 53.5% in the prior year quarter. The increase in gross margin was primarily driven by:

- lower inbound freight rates, which favorably impacted gross margin by 370 basis points;
- lower product costs, which favorably impacted gross margin by 190 basis points;

These were partially offset by:

- the unfavorable impact of the amortization of inventory fair value step-up in connection with the Mystery Ranch acquisition, which unfavorably impacted gross margin by 50 basis points;
- the unfavorable impact of a favorable inventory reserve adjustment in the prior year quarter associated with our voluntary product recalls, which unfavorably impacted gross margin in the current year quarter by 40 basis points;
- the unfavorable impact of strategic price decreases on certain hard cooler products implemented during the first quarter of 2024, which unfavorably impacted gross margin by 20 basis points;
- the unfavorable impact of customization costs, on higher customization sales mix, which unfavorably impacted gross margin by 60 basis points; and
- other impacts, which unfavorably impacted gross margin by 30 basis points.

Selling, General, and Administrative Expenses

SG&A expenses increased \$22.2 million, or 15%, to \$169.0 million for the three months ended March 30, 2024, compared to \$146.8 million for the three months ended April 1, 2023. As a percentage of net sales, SG&A expenses increased 100 basis points to 49.5% for the three months ended March 30, 2024 from 48.5% for the three months ended April 1, 2023. The increase in SG&A expenses was primarily driven by:

- an increase in variable expenses of \$5.4 million (decreasing SG&A as a percent of net sales by 10 basis points) primarily associated with higher net sales, and comprised of higher distribution costs including higher outbound freight rates, online marketplace fees, and third-party logistics fees; and
- an increase in non-variable expenses of \$16.8 million (increasing SG&A as a percent of net sales by 110 basis points) comprised of higher employee costs, mainly due to investments in headcount to support future growth and non-cash stock-based compensation expense, investments in marketing expenses, asset impairments, acquisition-related transition costs, and organizational realignment costs, partially offset by lower warehousing costs.

Non-Operating Expenses

Interest income, net was \$0.7 million for the three months ended March 30, 2024, compared to interest expense of \$0.6 million for the three months ended April 1, 2023, primarily due to an increase in interest income more than offsetting higher interest expense.

Other expense was \$4.1 million for the three months ended March 30, 2024, primarily due to foreign currency losses on intercompany balances. Other income was nominal for the three months ended April 1, 2023.

Income tax expense was \$6.5 million for the three months ended March 30, 2024, compared to \$3.9 million for the three months ended April 1, 2023. The increase in income tax expense was due to higher income before income taxes. The effective tax rate for the three months ended March 30, 2024 was 29%, compared to 27% for the three months ended April 1, 2023. The higher effective tax rate was primarily due to higher discrete tax expenses, including an unfavorable tax impact related to stock compensation in the three months ended March 30, 2024.

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, which primarily consists of inventory and accounts receivable, and our capital investments from cash flows from operating activities, cash on hand, and borrowings available under our revolving credit facility (the “Revolving Credit Facility”). Pursuant to our new share repurchase plan described below, we also plan to use cash to repurchase shares of our common stock. We believe that our current operating performance, operating plan, our strong cash position, 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 March 30, 2024, we had a cash balance of \$173.9 million, working capital (excluding cash) of \$230.5 million, and \$300.0 million of borrowings available under the Revolving Credit Facility.

Credit Facility

Our Credit Facility provides for a \$300.0 million Revolving Credit Facility and an \$84.4 million term loan (“Term Loan A”).

On February 26, 2024, we amended the Credit Facility, leaving the material terms of the Credit Facility substantially unchanged, with the exception of a definitional update and a change to make a Hedging Agreement (as defined in the Credit Facility) entered into in connection with an accelerated share purchase program a permitted Hedging Agreement under the Credit Facility.

At March 30, 2024, we had \$81.2 million principal amount of indebtedness outstanding under the Term Loan A under the Credit Facility and no outstanding borrowings under the Revolving Credit Facility. Borrowings under the Term Loan A and the Revolving Credit Facility bear interest at Term Secured Overnight Financing Rate (“SOFR”) or the Alternate Base Rate (each as defined in the Credit Agreement) plus an applicable rate ranging from 1.75% to 2.50% for Term SOFR-based loans and from 0.75% to 1.50% for Alternate Base Rate-based loans, depending upon our total Net Leverage Ratio (as defined in the Credit Agreement). Additionally, a commitment fee ranging from 0.200% to 0.300%, determined by reference to a pricing grid based on our net leverage ratio, is payable on the average daily unused amounts under the Revolving Credit Facility. The weighted-average interest rate for borrowings under Term Loan A was 7.09% during the three months ended March 30, 2024.

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 March 30, 2024, we were in compliance with all covenants and expect to remain in compliance with all covenants under the Credit Facility.

Share Repurchase Program

On February 1, 2024, our Board of Directors authorized the repurchase of up to \$300 million (exclusive of fees and commissions) of YETI’s common stock (the “Share Repurchase Program”). The common stock may be repurchased from time to time at prevailing prices in the open market, through various methods, including, but not limited to, open market, privately negotiated, or accelerated share repurchase transactions. Repurchases under the share repurchase program may also be made pursuant to a plan adopted under Rule 10b5-1 promulgated under the Exchange Act. The timing, manner, price, and actual amount of share repurchases will be determined by management based on various factors, including, but not limited to, stock price, economic and market conditions, other capital allocation needs and opportunities, and corporate and regulatory considerations. YETI has no obligation to repurchase any amount of our common stock, and such repurchases may be suspended or discontinued at any time. As of March 30, 2024, \$200 million remained available under the Share Repurchase Program.

As part of the Share Repurchase Program, on February 27, 2024, we entered into an accelerated share repurchase agreement (the “ASR Agreement”) with Goldman Sachs & Co. LLC (“Goldman Sachs”) to repurchase \$100 million of YETI’s common stock. Pursuant to the ASR Agreement, we made a payment of \$100 million to Goldman Sachs and received an initial share delivery of 1,998,501 shares of our common stock. We received a final delivery of an additional 642,674 shares on April 25, 2024. The ASR resulted in the total repurchase of 2,641,175 shares. See Note 7-Stockholders’ Equity of the Unaudited Condensed Consolidated Financial Statements for additional information about the Share Repurchase Program.

Material Cash Requirements

Other than as disclosed above, 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 December 30, 2023 filed with the 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	
	March 30, 2024	April 1, 2023
Cash flows provided by (used in):		
Operating activities	\$ (103,674)	\$ (46,688)
Investing activities	\$ (58,005)	\$ (13,247)
Financing activities	\$ (102,815)	\$ (7,393)

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 by operating activities during the three months ended March 30, 2024 compared to cash used by operating activities during the three months ended April 1, 2023 is primarily due to an increase in cash used for working capital, partially offset by an increase in net income, adjusted for non-cash items for the periods compared. The increase in cash used for working capital was primarily due to a decrease in accounts payable and other accrued expenses, and an increase in inventory, partially offset by an increase in accounts receivable.

Investing Activities

The increase in cash used in investing activities during the three months ended March 30, 2024 was primarily related to the acquisition of Mystery Ranch and increased purchases of intangible assets.

Financing Activities

The increase in cash used by financing activities during the three months ended March 30, 2024 was primarily driven by repurchases of common stock in connection with our \$100 million ASR Agreement.

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 December 30, 2023 filed with the SEC. Other than as described below, there have been no significant changes to our critical accounting policies.

Business Combinations

We account for business combinations using the acquisition method of accounting. We allocate the purchase consideration to the identifiable assets acquired and liabilities assumed in a business combination based on their acquisition-date fair values. We use our best estimates and assumptions to determine the fair value of tangible and intangible assets acquired and liabilities assumed, as well as the uncertain tax positions and tax-related valuation allowances that are initially recorded in connection with a business combination. These estimates are reevaluated and adjusted, if needed, during the measurement period of up to one year from the acquisition date, and are recorded as adjustments to goodwill. Any adjustments to the acquired assets and liabilities assumed that are identified subsequent to the measurement period are recorded in earnings.

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 December 30, 2023.

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, as amended (“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 March 30, 2024.

Changes in Internal Control over Financial Reporting

During the quarter ended March 30, 2024, 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

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 “Recently Adopted Accounting Pronouncements” in Note 1 of the Unaudited Condensed Consolidated Financial Statements.

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

There have been no material changes to the risk factors contained in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 30, 2023.

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

Issuer Purchases of Equity Securities

The following table sets forth the repurchases of our common stock during the three months ended March 30, 2024:

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) (1)
December 31, 2023 - February 3, 2024	—	\$ —	—	\$ —
February 4 - March 2, 2024 ⁽²⁾	1,998,501	40.03	1,998,501	200,000,000
March 3 - March 30, 2024	—	—	—	—
	<u>1,998,501</u>		<u>1,998,501</u>	

- (1) In February 2024, YETI’s Board of Directors approved a \$300.0 million share repurchase program (the “Share Repurchase Program”). As of March 30, 2024, \$200.0 million remained under the Share Repurchase Program. See Note 9-Stockholders’ Equity of the Unaudited Condensed Consolidated Financial Statements for additional information about the Share Repurchase Program.
- (2) On February 27, 2024, YETI entered into an accelerated share repurchase agreement (the “ASR Agreement”) with Goldman Sachs & Co. LLC to repurchase \$100.0 million of YETI’s common stock, and received an initial delivery of 1,998,501 shares of YETI’s common stock. In April 2024, the ASR Agreement was completed and we received an additional 624,674 shares of YETI’s common stock. See Note 9-Stockholders’ Equity of the Unaudited Condensed Consolidated Financial Statements for additional information about the ASR Agreement.

Item 5. Other Information

Insider Trading Arrangements

During the three months ended March 30, 2024, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or constituted a “non Rule 10b5-1 trading arrangement.”

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 3.1 to the Company's Current Report on Form 8-K on February 7, 2024 and incorporated herein by reference)
10.1*	Fifth Amendment to Credit Agreement, dated as of February 26, 2024, by and among YETI Holdings, Inc., the subsidiaries of YETI Holdings, Inc. party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent
10.2*	Master Confirmation, dated as of February 27, 2024, between YETI Holdings, Inc. and Goldman Sachs & Co. LLC
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 March 30, 2024, 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.

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 9, 2024

By: /s/ Matthew J. Reintjes

Matthew J. Reintjes
President and Chief Executive Officer, Director
(Principal Executive Officer)

Dated: May 9, 2024

By: /s/ Michael J. McMullen

Michael J. McMullen
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

FIFTH AMENDMENT TO CREDIT AGREEMENT

THIS FIFTH AMENDMENT TO CREDIT AGREEMENT (this “Amendment”), dated as of February 26, 2024 (the “Fifth Amendment Effective Date”), is by and among **YETI HOLDINGS, INC.**, a Delaware corporation (the “Borrower”), the Subsidiary Loan Parties party hereto, the Lenders party hereto, and **BANK OF AMERICA, N.A.**, as administrative agent (in such capacity, the “Administrative Agent”). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Existing Credit Agreement (as defined below).

W I T N E S S E T H

WHEREAS, the Borrower, the Lenders from time to time party thereto, the Issuing Banks from time to time party thereto and the Administrative Agent are parties to that certain Credit Agreement, dated as of May 19, 2016 (as amended, restated, amended and restated, modified, extended, replaced or supplemented from time to time prior to the Fifth Amendment Effective Date, the “Existing Credit Agreement”; the Existing Credit Agreement, as amended by this Amendment, the “Amended Credit Agreement”);

WHEREAS, the Borrower has requested that the Lenders amend certain provisions of the Existing Credit Agreement; and

WHEREAS, the Lenders party hereto are willing to make such amendments to the Existing Credit Agreement, in accordance with and subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

Article I

AMENDMENTS TO EXISTING CREDIT AGREEMENT

I.1 Amendments to Existing Credit Agreement.

(a) The definition of “U.S. Government Securities Business Day” set forth in Section 1.01 of the Existing Credit Agreement is amended and restated in its entirety to read as follows:

“U.S. Government Securities Business Day” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

(b) Section 6.06 of the Existing Credit Agreement is amended to (i) replace the “and” at the end of clause (a) thereof with “,”, and (ii) add the following text immediately following the end of clause (b) thereof to read as follows:

, and (c) Hedging Agreements entered into by the Borrower for the purpose of consummating repurchases of the Borrower’s Equity Interests that are permitted pursuant to Section 6.07 (including in connection with any accelerated share purchase program)

Article II

CONDITION TO EFFECTIVENESS

II.1 Condition to Effectiveness. This Amendment shall become effective on the Fifth Amendment Effective Date upon receipt by the Administrative Agent of counterparts of this Amendment duly executed by the Borrower, the Subsidiary Loan Parties, the Required Lenders, and the Administrative Agent.

Article III

MISCELLANEOUS

III.1 Representations and Warranties of Loan Parties. Each Loan Party represents and warrants as follows:

- (a) It has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of this Amendment.
- (b) This Amendment has been duly executed and delivered by such Person and constitutes such Person's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).
- (c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by such Person of this Amendment.
- (d) After giving effect to this Amendment, no event has occurred and is continuing which constitutes a Default or an Event of Default.
- (e) The Obligations are not reduced or modified except as expressly set forth herein by this Amendment and are not subject to any offsets, defenses or counterclaims as of the date hereof.

III.2 Reaffirmation of Obligations. Each Loan Party hereby ratifies each Loan Document to which it is a party and acknowledges and reaffirms (a) that it is bound by all terms of each Loan Document applicable to it to which it is a party (including the terms of the Amended Credit Agreement) and (b) that it is responsible for the observance and full performance of its respective Obligations. Each Loan Party (i) agrees that the Security Documents continue to be in full force and effect and are not impaired or adversely affected in any manner whatsoever, (ii) confirms its grant of security interests pursuant to the Security Documents to which it is a party as Collateral for the Obligations, and (iii) acknowledges that all Liens granted pursuant to the Security Documents remain and continue in full force and effect in respect of, and to secure, the Obligations.

III.3 Loan Document. This Amendment shall constitute a Loan Document under the terms of the Amended Credit Agreement. Except as expressly modified and amended in this Amendment, all of

the terms, provisions and conditions of the Loan Documents shall remain unchanged and in full force and effect. The Loan Documents and any and all other documents heretofore, now or hereafter executed and delivered pursuant to the terms of the Existing Credit Agreement are hereby amended so that any reference to the Existing Credit Agreement shall mean a reference to the Amended Credit Agreement.

III.4 Further Assurances. The Loan Parties agree to promptly take such action, upon the request of the Administrative Agent, as is necessary to carry out the intent of this Amendment.

III.5 Entirety. This Amendment and the other Loan Documents embody the entire agreement among the parties hereto and supersede all prior agreements and understandings, oral or written, if any, relating to the subject matter hereof.

III.6 Counterparts; Electronic Execution. Subject to Section 9.20 of the Existing Credit Agreement, this Amendment may be in the form of an Electronic Record and may be executed using Electronic Signatures (including facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. This Amendment may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Amendment. The authorization under this Section 3.6 may include use or acceptance by the Administrative Agent and each Lender of a manually signed paper copy of this Amendment which has been converted into electronic form (such as scanned into .pdf format), or an electronically signed copy of this Amendment converted into another format, for transmission, delivery and/or retention.

III.7 GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

III.8 Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

III.9 Consent to Jurisdiction; Service of Process; Waiver of Jury Trial. The jurisdiction, service of process and waiver of jury trial provisions set forth in Sections 9.09 and 9.10 of the Existing Credit Agreement are hereby incorporated by reference, *mutatis mutandis*.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have caused this Amendment to be duly executed on the date first above written.

BORROWER: YETI HOLDINGS, INC.

By: /s/ Mike McMullen
Name: Mike McMullen
Title: Senior Vice President, Chief Financial Officer and Treasurer

SUBSIDIARY LOAN PARTIES: YETI COOLERS, LLC

By: /s/ Mike McMullen
Name: Mike McMullen
Title: Senior Vice President, Chief Financial Officer and Treasurer

YETI CUSTOM DRINKWARE LLC

By: /s/ Bryan C. Barksdale
Name: Bryan C. Barksdale
Title: Senior Vice President, General Counsel and Secretary

YETI HOLDINGS, INC.
FIFTH AMENDMENT TO CREDIT AGREEMENT

ADMINISTRATIVE AGENT: **BANK OF AMERICA, N.A.,**
as Administrative Agent

By: /s/ Bridgett J. Manduk Mowry
Name: Bridgett J. Manduk Mowry
Title: Vice President

YETI HOLDINGS, INC.
FIFTH AMENDMENT TO CREDIT AGREEMENT

LENDERS: **BANK OF AMERICA, N.A.,**
as a Lender and an Issuing Bank

By: /s/ John Dorost
Name: John Dorost
Title: Director

YETI HOLDINGS, INC.
FIFTH AMENDMENT TO CREDIT AGREEMENT

CITIZENS BANK, N.A.,
as a Lender

By: /s/ Kenneth D. Stover
Name: Kenneth D. Stover
Title: Vice President

YETI HOLDINGS, INC.
FIFTH AMENDMENT TO CREDIT AGREEMENT

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Robert Corder
Name: Robert Corder
Title: Senior Vice President

YETI HOLDINGS, INC.
FIFTH AMENDMENT TO CREDIT AGREEMENT

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Michael Cuccia
Name: Michael Cuccia
Title: Senior Vice President

YETI HOLDINGS, INC.
FIFTH AMENDMENT TO CREDIT AGREEMENT

CITIBANK, N.A.,
as a Lender

By: /s/ Christine Keating____
Name: Christine Keating
Title: Director

YETI HOLDINGS, INC.
FIFTH AMENDMENT TO CREDIT AGREEMENT

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Priyankush Goswami
Name: Priyankush Goswami
Title: Authorized Signatory

YETI HOLDINGS, INC.
FIFTH AMENDMENT TO CREDIT AGREEMENT

HANCOCK WHITNEY BANK,
as a Lender

By: /s/ William Jochetz
Name: William Jochetz
Title: Senior Vice President

YETI HOLDINGS, INC.
FIFTH AMENDMENT TO CREDIT AGREEMENT

CAMDEN NATIONAL BANK,
as a Lender

By: /s/ Nathan Williams
Name: Nathan Williams
Title: Vice President

YETI HOLDINGS, INC.
FIFTH AMENDMENT TO CREDIT AGREEMENT

GOLDMAN SACHS & CO. LLC | 200 WEST STREET | NEW YORK, NEW YORK 10282-2198 | TEL: 212-902-1000

Opening Transaction

To: YETI Holdings, Inc.
7601 Southwest Parkway
Austin, TX 78735
068350636

A/C: Goldman Sachs & Co. LLC

From: Accelerated Stock Buyback

Re:

Ref. No: As provided in the Supplemental Confirmation

Date: February 27, 2024

This master confirmation (this “**Master Confirmation**”), dated as of **February 27, 2024** is intended to set forth certain terms and provisions of certain Transactions (each, a “**Transaction**”) entered into from time to time between Goldman Sachs & Co. LLC (“**GS&Co.**”) and YETI Holdings, Inc. (“**Counterparty**”). This Master Confirmation, taken alone, is neither a commitment by either party to enter into any Transaction nor evidence of a Transaction. The additional terms of any particular Transaction shall be set forth in a Supplemental Confirmation in the form of Schedule A hereto (a “**Supplemental Confirmation**”), which shall reference this Master Confirmation and supplement, form a part of, and be subject to this Master Confirmation. This Master Confirmation and each Supplemental Confirmation together shall constitute a “Confirmation” as referred to in the Agreement specified below.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the “**Equity Definitions**”), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Master Confirmation. This Master Confirmation and each Supplemental Confirmation evidence a complete binding agreement between Counterparty and GS&Co. as to the subject matter and terms of each Transaction to which this Master Confirmation and such Supplemental Confirmation relate and shall supersede all prior or contemporaneous written or oral communications with respect thereto.

This Master Confirmation and each Supplemental Confirmation supplement, form a part of, and are subject to an agreement in the form of the 2002 ISDA Master Agreement (Multicurrency-Cross Border) (the “**Agreement**”) as if GS&Co. and Counterparty had executed the Agreement on the date of this Master Confirmation (but without any Schedule except for (i) the election of New York law (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law) as the governing law and US Dollars (“**USD**”) as the Termination Currency, (ii) the election that subparagraph (ii) of Section 2(c) will not apply to the Transactions, and (iii) the election that the “Cross Default” provisions of Section 5(a)(vi) shall apply to Counterparty, with a “Threshold Amount” of USD 50 million).

The Transactions shall be the sole Transactions under the Agreement. If there exists any ISDA Master Agreement between GS&Co. and Counterparty or any confirmation or other agreement between GS&Co. and Counterparty pursuant to which an ISDA Master Agreement is deemed to exist between GS&Co. and Counterparty, then notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or

any other agreement to which GS&Co. and Counterparty are parties, the Transactions shall not be considered Transactions under, or otherwise governed by, such existing or deemed ISDA Master Agreement.

All provisions contained or incorporated by reference in the Agreement shall govern this Master Confirmation and each Supplemental Confirmation except as expressly modified herein or in the related Supplemental Confirmation.

If, in relation to any Transaction to which this Master Confirmation and a Supplemental Confirmation relate, there is any inconsistency between the Agreement, this Master Confirmation, any Supplemental Confirmation and the Equity Definitions, the following will prevail for purposes of such Transaction in the order of precedence indicated: (i) such Supplemental Confirmation; (ii) this Master Confirmation; (iii) the Equity Definitions; and (iv) the Agreement.

1. Each Transaction constitutes a Share Forward Transaction for the purposes of the Equity Definitions. Set forth below are the terms and conditions that, together with the terms and conditions set forth in the Supplemental Confirmation relating to any Transaction, shall govern such Transaction.

General Terms:

Trade Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Buyer: Counterparty

Seller: GS&Co.

Shares: Common stock, par value of \$0.01 per share, of Counterparty (Ticker: YETI)

Exchange: New York Stock Exchange

Related Exchange(s): All Exchanges.

Prepayment\Variable

Obligation: Applicable

Prepayment Amount: For each Transaction, as set forth in the related Supplemental Confirmation.

Prepayment Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Valuation:

VWAP Price: For any Exchange Business Day, as determined by the Calculation Agent based on the New York 10b-18 Volume Weighted Average Price per Share for the regular trading session (including any extensions thereof) of the Exchange on such Exchange Business Day (without regard to pre-open or after hours trading outside of such regular trading session for such Exchange Business Day), as published by Bloomberg at 4:15 p.m. New York time (or 15 minutes following the end of any extension of the regular trading session) on such Exchange Business Day, on Bloomberg page "YETI <Equity> AQR_SEC" (or any successor thereto), or if such price is not so reported on such Exchange Business Day for any reason or is, in the Calculation Agent's reasonable discretion, erroneous, such VWAP Price shall be as reasonably determined by the Calculation Agent. For purposes of calculating the VWAP Price, the

Calculation Agent will include only those trades that are reported during the period of time during which Counterparty could purchase its own shares under Rule 10b-18(b)(2) and are effected pursuant to the conditions of Rule 10b-18(b)(3), each under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) (such trades, “**Rule 10b-18 eligible transactions**”).

Forward Price: The average of the VWAP Prices for the Exchange Business Days in the Calculation Period, subject to “Valuation Disruption” below

Forward Price

Adjustment Amount: For each Transaction, as set forth in the related Supplemental Confirmation.

Calculation Period: The period from and including the Calculation Period Start Date to and including the Termination Date.

Calculation Period Start Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Termination Date: The Scheduled Termination Date; *provided* that GS&Co. shall have the right to designate any Exchange Business Day on or after the First Acceleration Date to be the Termination Date for all or a portion (the “**Accelerated Termination Date**”) by delivering notice (the “**Accelerated Termination Notice**”) to Counterparty of any such designation prior to 11:59 p.m. New York City time on the Exchange Business Day immediately following the designated Accelerated Termination Date.

Scheduled Termination Date: For each Transaction, as set forth in the related Supplemental Confirmation, subject to postponement as provided in “Valuation Disruption” below

First Acceleration Date: For each Transaction, as set forth in the related Supplemental Confirmation

Valuation Disruption: The definition of “Market Disruption Event” in Section 6.3(a) of the Equity Definitions is hereby amended by deleting the words “at any time during the one-hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be” and inserting the words “at any time on any Scheduled Trading Day during the Calculation Period or Settlement Valuation Period” after the word “material,” in the third line thereof.

Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term “Scheduled Closing Time” in the fourth line thereof.

Notwithstanding anything to the contrary in the Equity Definitions, to the extent that a Disrupted Day occurs (i) in the Calculation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, postpone the Scheduled Termination Date, or (ii) in the Settlement Valuation Period, the Calculation Agent may extend the Settlement Valuation Period. If any such Disrupted Day is a Disrupted Day because of a Market Disruption Event (or a deemed Market Disruption Event as provided herein), the Calculation Agent shall determine whether (i) such Disrupted Day is a Disrupted Day in full, in which case the VWAP Price for such Disrupted Day shall not be included for purposes of determining the Forward Price or the Settlement Price, as the case may be, or (ii) such Disrupted Day is a Disrupted Day only in part, in which

case the VWAP Price for such Disrupted Day shall be determined by the Calculation Agent based on Rule 10b-18 eligible transactions in the Shares on such Disrupted Day taking into account the nature and duration of the relevant Market Disruption Event, and the weighting of the VWAP Price for the relevant Exchange Business Days during the Calculation Period or the Settlement Valuation Period, as the case may be, shall be adjusted in a commercially reasonable manner by the Calculation Agent for purposes of determining the Forward Price or the Settlement Price, as the case may be, with such adjustments based on, among other factors, the duration of any Market Disruption Event and the volume, historical trading patterns and price of the Shares. Any Exchange Business Day on which, as of the date hereof, the Exchange is scheduled to close prior to its normal close of trading shall be deemed not to be an Exchange Business Day; if a closure of the Exchange prior to its normal close of trading on any Exchange Business Day is scheduled following the date hereof, then such Exchange Business Day shall be deemed to be a Disrupted Day in full.

If a Disrupted Day occurs during the Calculation Period or the Settlement Valuation Period, as the case may be, and each of the nine immediately following Scheduled Trading Days is a Disrupted Day, then the Calculation Agent, in its good faith and commercially reasonable discretion, may deem such ninth Scheduled Trading Day to be an Exchange Business Day that is not a Disrupted Day and determine the VWAP Price for such ninth Scheduled Trading Day using its good faith estimate of the value of the Shares on such ninth Scheduled Trading Day based on the volume, historical trading patterns and price of the Shares and such other factors as it deems appropriate.

Settlement Terms:

Settlement Procedures: If the Number of Shares to be Delivered is positive, Physical Settlement shall be applicable; *provided* that GS&Co. does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by applicable securities laws with respect to any Shares delivered by GS&Co. to Counterparty under any Transaction. If the Number of Shares to be Delivered is negative, then the Counterparty Settlement Provisions in Annex A shall apply.

Number of Shares

to be Delivered: A number of Shares equal to (x)(a) the Prepayment Amount *divided by* (b) the Divisor Amount *minus* (y) the number of Initial Shares.

Divisor Amount: The greater of (i) the Forward Price *minus* the Forward Price Adjustment Amount and (ii) \$1.00.

Excess Dividend Amount: For the avoidance of doubt, all references to the Excess Dividend Amount shall be deleted from Section 9.2(a)(iii) of the Equity Definitions.

Settlement Date: If the Number of Shares to be Delivered is positive, the earlier of (x) the date that is one Settlement Cycle immediately following the Scheduled Termination Date or, (y) the date that is one Settlement Cycle immediately following the date on which GS&Co. delivers the Accelerated Termination Notice.

Settlement Currency: USD

Initial Share Delivery: GS&Co. shall deliver a number of Shares equal to the Initial Shares to Counterparty on the Initial Share Delivery Date in accordance with Section 9.4 of the Equity Definitions, with the Initial Share Delivery Date deemed to be a “Settlement Date” for purposes of such Section 9.4.

Initial Share Delivery Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Initial Shares: For each Transaction, as set forth in the related Supplemental Confirmation.

Share Adjustments:

Potential Adjustment Event: Notwithstanding anything to the contrary in Section 11.2(e) of the Equity Definitions, an Extraordinary Dividend shall not constitute a Potential Adjustment Event.

It shall constitute an additional Potential Adjustment Event if the Scheduled Termination Date for any Transaction is postponed pursuant to “Valuation Disruption” above, in which case the Calculation Agent may, in its commercially reasonable discretion, adjust any relevant terms of any such Transaction as necessary to preserve as nearly as practicable the fair value of such Transaction to GS&Co. prior to such postponement.

Extraordinary Dividend: For any calendar quarter, any dividend or distribution on the Shares with an ex-dividend date occurring during such calendar quarter (other than any dividend or distribution of the type described in Section 11.2(e)(i) or Section 11.2(e)(ii)(A) of the Equity Definitions).

Method of Adjustment: Calculation Agent Adjustment

Extraordinary Events:

Consequences of
Merger Events:

- (a) Share-for-Share: Modified Calculation Agent Adjustment
- (b) Share-for-Other: Cancellation and Payment
- (c) Share-for-Combined: Component Adjustment

Tender Offer: Applicable; *provided* that (i) the definition of “Tender Offer” in Section 12.1 of the Equity Definitions will be amended by replacing “10%” in the third line thereof with “20%”, (ii) Section 12.1(l) of the Equity Definitions shall be amended (x) by deleting the parenthetical in the fifth line thereof, (y) by replacing “that” in the fifth line thereof with “whether or not such announcement” and (z) by adding immediately after the words “Tender Offer” in the fifth line thereof “, and any publicly announced change or amendment to such an announcement (including the announcement of an abandonment of such intention)” and (iii) Sections 12.3(a) and 12.3(d) of the Equity Definitions shall each be amended by replacing each occurrence of the words “Tender Offer Date” by “Announcement Date.”

Consequences of

Tender Offers:

- (a) Share-for-Share: Modified Calculation Agent Adjustment
- (b) Share-for-Other: Modified Calculation Agent Adjustment
- (c) Share-for-Combined: Modified Calculation Agent Adjustment

Composition of Combined

Consideration: Not Applicable; provided that notwithstanding Sections 12.1(f) and 12.5(b) of the Equity Definitions, to the extent that the composition of the consideration for the relevant Shares in connection with a Merger Event or Tender Offer could be determined by a holder of the Shares, the Calculation Agent shall determine in good faith and in a commercially reasonable manner the composition of such consideration for purposes of determining the consequences of such Merger Event or Tender Offer under the Transaction.

Nationalization,

Insolvency or Delisting: Cancellation and Payment; *provided* that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange.

Additional Disruption Events:

- (a) Change in Law: Applicable; *provided* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by (i) replacing the phrase “the interpretation” in the third line thereof with the phrase “, or public announcement of, the formal or informal interpretation”, (ii) replacing the word “Shares” where it appears in clause (X) thereof with the words “Hedge Position” and (iii) immediately following the word “Transaction” in clause (X) thereof, adding the phrase “in the manner contemplated by the Hedging Party on the Trade Date”; *provided further* that (i) any determination as to whether (A) the adoption of or any change in any applicable law or regulation (including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute) or (B) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in each case, constitutes a “Change in Law” shall be made without regard to Section 739 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and (ii) Section 12.9(a)(ii) of the

Equity Definitions is hereby amended by replacing the parenthetical beginning after the word “regulation” in the second line thereof with the words “(including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute)”; and *provided, further*, that any determination to be made by the Hedging Party shall be made in good faith and in a commercially reasonable manner.

- (b) Failure to Deliver: Applicable
- (c) Insolvency Filing: Applicable
- (d) Hedging Disruption: Applicable
- (e) Increased Cost of Hedging: Applicable
- (f) Loss of Stock Borrow: Applicable

Maximum Stock Loan Rate: For each Transaction, as set forth in the related Supplemental Confirmation.

Hedging Party: GS&Co.

- (g) Increased Cost of Stock Borrow: Applicable

Initial Stock Loan Rate: For each Transaction, as set forth in the related Supplemental Confirmation.

Hedging Party: GS&Co.

Determining Party: For all Extraordinary Events, GS&Co.; provided that, when making any election, determination or calculation, the Determining Party shall be bound by the same obligations applicable to the Calculation Agent as set forth in Section 1.40 of the Equity Definitions as if the Determining Party were the Calculation Agent. Following any election, determination or calculation by the Determining Party hereunder, upon a written request by Counterparty, the Determining Party shall promptly (but in any event within five Scheduled Trading Days) provide to Counterparty by e-mail to the e-mail address provided by Counterparty in such request a report (in a commonly used file format for the storage and manipulation of financial data) displaying in reasonable detail the basis for such election, determination or calculation (including any assumptions, quotations, market data or information from internal or external sources used in making such election, determination or calculation), it being understood that the Determining Party shall not be obligated to disclose any proprietary or confidential models used by it for such determination or calculation or any information that may be

proprietary or confidential or subject to an obligation not to disclose such information.

Additional Termination Event(s): Notwithstanding anything to the contrary in the Equity Definitions, if, as a result of an Extraordinary Event, any Transaction would be cancelled or terminated (whether in whole or in part) pursuant to Article 12 of the Equity Definitions, an Additional Termination Event (with such terminated Transaction(s) (or portions thereof) being the Affected Transaction(s) and Counterparty being the sole Affected Party) shall be deemed to occur, and, in lieu of Sections 12.7, 12.8 and 12.9 of the Equity Definitions, Section 6 of the Agreement shall apply to such Affected Transaction(s).

The declaration by the Issuer of any Extraordinary Dividend, the ex-dividend date for which occurs or is scheduled to occur during the Relevant Dividend Period, will constitute an Additional Termination Event, with Counterparty as the sole Affected Party and all Transactions hereunder as the Affected Transactions.

Relevant Dividend Period: The period from and including the Calculation Period Start Date to and including the Relevant Dividend Period End Date.

Relevant Dividend Period

End Date: If the Number of Shares to be Delivered is negative, the last day of the Settlement Valuation Period; otherwise, the Termination Date.

**Non-Reliance/Agreements and
Acknowledgements Regarding
Hedging Activities/Additional
Acknowledgements:** Applicable

Transfer: Notwithstanding anything to the contrary in the Agreement, GS&Co. may assign, transfer and set over all rights, title and interest, powers, privileges and remedies of GS&Co. under any Transaction, in whole or in part, to an affiliate of GS&Co. whose obligations are guaranteed by The Goldman Sachs Group, Inc. without the consent of Counterparty; *provided* that such affiliate's obligations hereunder will be guaranteed, pursuant to the terms of a customary guarantee in a form used by GS&Co. generally for similar transactions, by GS&Co.; and *provided further* that (i) no Event of Default or Termination Event with respect to which GS&Co. is the Defaulting Party or sole Affected Party, as the case may be, has occurred and is continuing at the time of the transfer or will occur as a result therefrom, (ii) as of the date of such assignment or transfer, and giving effect thereto, Counterparty will not be required (A) to pay (including a payment in kind) under Section 2(d)(i)(4) to GS&Co. or such transferee an amount greater than the amount in respect of an Indemnifiable Tax Counterparty would have been required to pay to GS&Co. in the absence of such transfer or (B) to deduct or withhold on account of Tax from any payments under the Agreement or will be required to gross up for such Tax under Section 2(d)(i)(4) of the Agreement, , and (iii) Counterparty would not, at the time and as a result of such transfer or assignment, reasonably be expected to become subject to any registration, qualification, reporting or other requirement under applicable law or

regulation to which it would not otherwise have been subject absent such transfer or assignment.

GS&Co. Payment Instructions: [***]

Counterparty's Contact Details
for Purpose of Giving Notice: To be provided by Counterparty

GS&Co.'s Contact Details for
Purpose of Giving Notice: Goldman Sachs & Co. LLC
[***]

With a copy to:
[***]

And email notification to the following address:
[***]

Calculation Agent. GS&Co.; *provided* that (i) if an Event of Default as a result of Section 5(a)(vii) of the Agreement has occurred and is continuing with respect to GS&Co, then Counterparty shall have the right to designate a Calculation Agent that is a leading recognized dealer in equity derivatives (as determined in good faith by Counterparty) for so long as such Event of Default is continuing. Following any determination, calculation or adjustment by the Calculation Agent hereunder, upon a written request by Counterparty, the Calculation Agent, shall promptly (but in any event within five Scheduled Trading Days) provide to Counterparty by e-mail to the e-mail address provided by Counterparty in such request a report (in a commonly used file format for the storage and manipulation of financial data) displaying in reasonable detail the basis for such determination, calculation or adjustment (including any assumptions, quotations, market data or information from internal or external sources used in making such calculation, determination or adjustment), it being understood that the Calculation Agent shall not be obligated to disclose any proprietary or confidential models used by it for such determination or calculation or any information that may be proprietary or confidential or subject to an obligation not to disclose such information.

2. Additional Mutual Representations, Warranties and Covenants of Each Party. In addition to the representations, warranties and covenants in the Agreement, each party represents, warrants and covenants to the other party that:

Eligible Contract Participant. It is an "eligible contract participant", as defined in the U.S. Commodity Exchange Act (as amended), and is entering into each Transaction hereunder as principal (and not as agent or in any other capacity, fiduciary or otherwise) and not for the benefit of any third party.

Accredited Investor. Each party acknowledges that the offer and sale of each Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(a)(2) thereof. Accordingly, each party represents and warrants to the other that (i) it has the financial ability to bear the economic risk of its investment in each Transaction and is able to bear a total loss of its investment, (ii) it is an "accredited investor" as that term is defined under Regulation D under the Securities Act and (iii) the disposition of each Transaction is restricted under this Master Confirmation, the Securities Act and state securities laws.

3. Additional Representations, Warranties and Covenants of Counterparty. In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to GS&Co. that:

- (a) The purchase or writing of each Transaction and the transactions contemplated hereby will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act.
- (b) It is not entering into any Transaction (i) on the basis of, and is not aware of, any material non-public information with respect to the Shares (ii) in anticipation of, in connection with, or to facilitate, a distribution of its securities, a self tender offer or a third-party tender offer or (iii) to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).
- (c) Each Transaction is being entered into pursuant to a publicly disclosed Share buy-back program and its Board of Directors has approved the use of derivatives to effect the Share buy-back program.
- (d) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that neither GS&Co. nor any of its affiliates is making any representations or warranties or taking any position or expressing any view with respect to the treatment of any Transaction under any accounting standards including ASC Topic 260, *Earnings Per Share*, ASC Topic 815, *Derivatives and Hedging*, or ASC Topic 480, *Distinguishing Liabilities from Equity* and ASC 815-40, *Derivatives and Hedging – Contracts in Entity's Own Equity*.
- (e) As of (i) the date hereof and (ii) the Trade Date for each Transaction hereunder, Counterparty is in compliance with its reporting obligations under the Exchange Act.
- (f) Counterparty shall report each Transaction as required under the Exchange Act and the rules and regulations thereunder.
- (g) The Shares are not, and Counterparty will not cause the Shares to be, subject to a “restricted period” (as defined in Regulation M promulgated under the Exchange Act) at any time during any Regulation M Period (as defined below) for any Transaction unless Counterparty has provided written notice to GS&Co. of such restricted period not later than the Scheduled Trading Day immediately preceding the first day of such “restricted period”; Counterparty acknowledges that any such notice may cause a Disrupted Day to occur pursuant to Section 4 below; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 5 below; “**Regulation M Period**” means, for any Transaction, (i) the Relevant Period (as defined below) and (ii) the Settlement Valuation Period, if any, for such Transaction. “**Relevant Period**” means, for any Transaction, the period commencing on the Calculation Period Start Date for such Transaction and ending on the earlier of (i) the Scheduled Termination Date and (ii) the last Additional Relevant Day (as specified in the related Supplemental Confirmation) for such Transaction, or such earlier day as elected by GS&Co. and communicated to Counterparty on such day (or, if later, the First Acceleration Date without regard to any acceleration thereof pursuant to “Special Provisions for Acquisition Transaction Announcements” below).
- (h) As of the Trade Date, the Prepayment Date, the Initial Share Delivery Date and the Settlement Date for each Transaction, Counterparty is not “insolvent” (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the “**Bankruptcy Code**”)) and Counterparty would be able to purchase a number of Shares with a value equal to the Prepayment Amount in compliance with the laws of the jurisdiction of Counterparty’s incorporation.
- (i) Counterparty is not and, after giving effect to any Transaction, will not be, required to register as an “investment company” as such term is defined in the Investment Company Act of 1940, as amended.
- (j) Counterparty has not entered into and will not enter into agreements similar to the Transactions described herein where any initial hedge period, calculation period, relevant period or settlement valuation period (each however defined) in such other transaction will overlap at any time (including as a result of extensions in such initial hedge period, calculation period, relevant period or settlement valuation period as provided in the relevant

agreements) with any Relevant Period or, if applicable, any Settlement Valuation Period under this Master Confirmation. In the event that the initial hedge period, relevant period, calculation period or settlement valuation period in any other similar transaction overlaps with any Relevant Period or, if applicable, Settlement Valuation Period under this Master Confirmation as a result of any postponement of the Scheduled Termination Date or extension of the Settlement Valuation Period pursuant to “Valuation Disruption” above, Counterparty shall promptly amend such transaction to avoid any such overlap.

(k) Counterparty represents and warrants that it and any of its subsidiaries has not applied, and shall not, until after the first date on which no portion of the Transaction remains outstanding following any final exercise and settlement, cancellation or early termination of the Transaction, apply, for a loan, loan guarantee, direct loan (as that term is defined in the Coronavirus Aid, Relief and Economic Security Act (the “**CARES Act**”)) or other investment, or to receive any financial assistance or relief under any program or facility (collectively “**Financial Assistance**”) that (a) is established under applicable law (whether in existence as of the Trade Date or subsequently enacted, adopted or amended), including without limitation the CARES Act and the Federal Reserve Act, as amended, and (b) (i) requires under applicable law (or any regulation, guidance, interpretation or other pronouncement of a governmental authority with jurisdiction for such program or facility) as a condition of such Financial Assistance, that the Counterparty comply with any requirement not to, or otherwise agree, attest, certify or warrant that it has not, as of the date specified in such condition, repurchased, or will not repurchase, any equity security of Counterparty, and that Counterparty has not, as of the date specified in the condition, made a capital distribution or will **not** make a capital distribution, or (ii) where the terms of the Transaction would cause Counterparty to fail to satisfy any condition for application for or receipt or retention of the Financial Assistance (collectively “**Restricted Financial Assistance**”); provided, that Counterparty or any of its subsidiaries may apply for Restricted Financial Assistance if Counterparty either (a) determines based on the advice of outside counsel of national standing that the terms of the Transaction would not cause Counterparty or any of its subsidiaries to fail to satisfy any condition for application for or receipt or retention of such Financial Assistance based on the terms of the program or facility as of the date of such advice or (b) delivers to GS&Co. evidence or other guidance from a governmental authority with jurisdiction for such program or facility that the Transaction is permitted under such program or facility (either by specific reference to the Transaction or by general reference to transactions with the attributes of the Transaction in all relevant respects).

4. Regulatory Disruption. In the event that GS&Co. determines, in good faith and a commercially reasonable manner and based on the advice of counsel that it is appropriate with respect to any legal, regulatory or self-regulatory requirements or related policies and procedures (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by GS&Co.; *provided*, that such requirements, policies or procedures are applicable to transactions in similar situation as the Transaction hereunder and that GS&Co. shall apply them to the Transaction hereunder in a non-discriminatory manner), for it to refrain from or decrease any market activity on any Scheduled Trading Day or Days during the Calculation Period or, if applicable, the Settlement Valuation Period, GS&Co. may by written notice to Counterparty elect to deem that a Market Disruption Event has occurred and will be continuing on such Scheduled Trading Day or Days, subject to the other provisions under “Valuation Disruption” under Section 1 above. The provisions of the second sentence opposite the caption “Calculation Agent” in Section 1 shall apply to GS&Co.’s determination to make the election contemplated hereby as if such determination had been made by the Calculation Agent. Any such Scheduled Trading Day on which a Market Disruption Event is deemed to have occurred pursuant to this Section 4 shall be a Disrupted Day in full, and not a Disrupted Day only in part.

5. 10b5-1 Plan. Counterparty represents, warrants and covenants to GS&Co. that:

(a) Counterparty is entering into this Master Confirmation and each Transaction hereunder in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 under the Exchange Act (“**Rule 10b5-1**”) or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares. Counterparty acknowledges that its intent and the intent communicated to it by

GS&Co. is that each Transaction entered into under this Master Confirmation comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 and each Transaction entered into under this Master Confirmation shall be interpreted to comply with the requirements of Rule 10b5-1(c).

(b) Counterparty will not seek to control or influence GS&Co.'s decision to make any "purchases or sales" (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3)) under any Transaction entered into under this Master Confirmation, including, without limitation, GS&Co.'s decision to enter into any hedging transactions. Counterparty represents and warrants that it has consulted with its own advisors as to the legal aspects of its adoption and implementation of this Master Confirmation and each Supplemental Confirmation under Rule 10b5-1.

(c) Counterparty acknowledges and agrees that any amendment, modification, waiver or termination of this Master Confirmation or the relevant Supplemental Confirmation must be effected in accordance with the requirements for the amendment or termination of a "plan" as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5, and no such amendment, modification, waiver or termination shall be made at any time at which Counterparty or any officer, director, manager or similar person of Counterparty is aware of any material non-public information regarding Counterparty or the Shares. Counterparty further agrees to act in good faith with respect to this Master Confirmation, each Supplemental Confirmation and the Agreement.

6. Counterparty Purchases. Counterparty (or any "affiliated purchaser" as defined in Rule 10b-18 under the Exchange Act ("Rule 10b-18")) shall not, without the prior written consent of GS&Co., directly or indirectly purchase any Shares (including by means of a derivative instrument), listed contracts on the Shares or securities that are convertible into, or exchangeable or exercisable for Shares (including, without limitation, any Rule 10b-18 purchases of blocks (as defined in Rule 10b-18)) during any Relevant Period or, if applicable, Settlement Valuation Period, except through GS&Co.

7. Special Provisions for Merger Transactions. Notwithstanding anything to the contrary herein or in the Equity Definitions:

(a) Counterparty agrees that it:

(i) will not during the period commencing on the Trade Date through the end of the Relevant Period or, if applicable, the Settlement Valuation Period for any Transaction make, or permit to be made (to the extent within Counterparty's control), any public announcement (as defined in Rule 165(f) under the Securities Act) of any Merger Transaction or potential Merger Transaction (a "**Public Announcement**") unless such Public Announcement is made prior to the opening or after the close of the regular trading session on the Exchange for the Shares;

(ii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) notify GS&Co. following any such Public Announcement that such Public Announcement has been made; and

(iii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) provide GS&Co. with written notice specifying (i) Counterparty's average daily Rule 10b-18 Purchases (as defined in Rule 10b-18) during the three full calendar months immediately preceding the date of such Public Announcement that were not effected through GS&Co. or its affiliates and (ii) the number of Shares purchased pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act for the three full calendar months preceding the date of such Public Announcement. Such written notice shall be deemed to be a certification by Counterparty to GS&Co. that such information is true and correct. In addition, Counterparty shall promptly notify GS&Co. of the earlier to occur of the completion of the relevant Merger Transaction and the completion of the vote by target shareholders.

(b) Counterparty acknowledges that a Public Announcement may cause a deemed Market Disruption Event to occur pursuant to Section 4 above or any Transaction to be terminated pursuant to paragraph (b) of this Section 7 accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 6 above.

(c) In addition to GS&Co.'s rights under Section 4 above, GS&Co may treat the occurrence of such Public Announcement as an Additional Termination Event with Counterparty as the sole Affected Party and the Transactions hereunder as the Affected Transactions and with the amount under Section 6(e) of the Agreement determined taking into account the fact that the Calculation Period or Settlement Valuation Period, as the case may be, had fewer Scheduled Trading Days than originally anticipated.

"Merger Transaction" means any merger, acquisition or similar transaction involving a recapitalization as contemplated by Rule 10b-18(a)(13)(iv) under the Exchange Act.

8. Special Provisions for Acquisition Transaction Announcements.

(a) If an Acquisition Transaction Announcement occurs on or prior to the Settlement Date, the Calculation Agent shall make such adjustment to the exercise, settlement, payment or any of the other terms of the Transaction (including without limitation, the Number of Shares to be Delivered and the Forward Price Adjustment Amount) as the Calculation Agent determines appropriate, at such time or at multiple times as the Calculation Agent determines appropriate (without duplication), to account for the economic effect of the Acquisition Transaction Announcement on the Transaction (and, for the avoidance of doubt, in such event the Number of Shares to be Delivered may be reduced below zero pursuant to the proviso to such definition).

(b) **"Acquisition Transaction Announcement"** means (i) the announcement by Counterparty, any of its subsidiaries or a Valid Third Party Entity of an event that, if consummated, would result in an Acquisition Transaction, (ii) an announcement by Counterparty, any of its subsidiaries or a Valid Third Party Entity that Counterparty or any of its subsidiaries has entered into an agreement, a letter of intent or an understanding designed to result in an Acquisition Transaction, (iii) the announcement by Counterparty, any of its subsidiaries or a Valid Third Party Entity of the intention to solicit or enter into, or to explore strategic alternatives or other similar undertaking that may include, an Acquisition Transaction, (iv) any other announcement by Counterparty, any of its subsidiaries or a Valid Third Party Entity that in the reasonable judgment of the Calculation Agent may result in an Acquisition Transaction or (v) any announcement of any change or amendment to any previous Acquisition Transaction Announcement (including any announcement of the abandonment of any such previously announced Acquisition Transaction, agreement, letter of intent, understanding or intention). **"Valid Third Party Entity"** means, in respect of any transaction or event, any third party (or affiliate or agent thereof) that the Calculation Agent in good faith and in a commercially reasonable manner determines has a bona fide intent to enter into or consummate such transaction or event (it being understood and agreed that in determining whether such third party has such a bona fide intent, the Calculation Agent shall take into consideration the effect of the relevant announcement by such third party on the Shares and/or options relating to the Shares).

(c) **"Acquisition Transaction"** means (i) any Merger Event (for purposes of this definition the definition of Merger Event shall be read with the references therein to "100%" being replaced by "30%" and to "50%" by "75%" and without reference to the clause beginning immediately following the definition of Reverse Merger therein to the end of such definition), Tender Offer or Merger Transaction or any other transaction involving the merger of Counterparty with or into any third party, (ii) the sale or transfer of all or substantially all of the assets of Counterparty, (iii) a recapitalization, reclassification, binding share exchange or other similar transaction, (iv) any acquisition, lease, exchange, transfer, disposition (including by way of spin-off or distribution) of assets (including any capital stock or other ownership interests in subsidiaries) or other similar event by Counterparty or any of its subsidiaries where the aggregate consideration transferable or receivable by or to Counterparty or its subsidiaries exceeds 30% of the market capitalization of Counterparty as of the date of such announcement and (v) any

transaction in which Counterparty or its board of directors has a legal obligation to make a recommendation to its shareholders in respect of such transaction (whether pursuant to Rule 14c-2 under the Exchange Act or otherwise).

9. Acknowledgments. (a) The parties hereto intend for:

each Transaction to be a “securities contract” as defined in Section 741(7) of the Bankruptcy Code, a “swap agreement” as defined in Section 101(53B) of the Bankruptcy Code and a “forward contract” as defined in Section 101(25) of the Bankruptcy Code, and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 546(j), 555, 556, 560 and 561 of the Bankruptcy Code;

the Agreement to be a “master netting agreement” as defined in Section 101(38A) of the Bankruptcy Code;

a party’s right to liquidate, terminate or accelerate any Transaction, net out or offset termination values or payment amounts, and to exercise any other remedies upon the occurrence of any Event of Default or Termination Event under the Agreement with respect to the other party or any Extraordinary Event that results in the termination or cancellation of any Transaction to constitute a “contractual right” (as defined in the Bankruptcy Code); and

all payments for, under or in connection with each Transaction, all payments for the Shares (including, for the avoidance of doubt, payment of the Prepayment Amount) and the transfer of such Shares to constitute “settlement payments” and “transfers” (as defined in the Bankruptcy Code).

(b) Counterparty acknowledges that:

(i) during the term of any Transaction, GS&Co. and its affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to establish, adjust or unwind its hedge position with respect to such Transaction;

(ii) GS&Co. and its affiliates may also be active in the market for the Shares and derivatives linked to the Shares other than in connection with hedging activities in relation to any Transaction, including acting as agent or as principal and for its own account or on behalf of customers;

(iii) GS&Co. shall make its own determination as to whether, when or in what manner any hedging or market activities in Counterparty’s securities shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Forward Price and the VWAP Price;

(iv) any market activities of GS&Co. and its affiliates with respect to the Shares may affect the market price and volatility of the Shares, as well as the Forward Price and VWAP Price, each in a manner that may be adverse to Counterparty; and

(v) each Transaction is a derivatives transaction in which it has granted GS&Co. an option; GS&Co. may purchase shares for its own account at an average price that may be greater than, or less than, the price paid by Counterparty under the terms of the related Transaction.

(c) Counterparty:

is an “institutional account” as defined in FINRA Rule 4512(c);

is capable of evaluating investment risks independently, both in general and with regard to all transactions and investment strategies involving a security or securities, and will exercise independent judgment in evaluating the recommendations of GS&Co. or its associated persons, unless it has otherwise notified GS&Co. in writing; and

will notify GS&Co. if any of the statements contained in clause (i) or (ii) of this Section 9(c) ceases to be true.

10. Credit Support Documents. The parties hereto acknowledge that no Transaction hereunder is secured by any collateral that would otherwise secure the obligations of Counterparty herein or pursuant to the Agreement.

11. No Collateral, Netting or Set-off. Notwithstanding any provision of the Agreement or any other agreement between the parties to the contrary, the obligations of Counterparty hereunder are not secured by any collateral. Obligations under any Transaction shall not be netted, recouped or set off (including pursuant to Section 6 of the Agreement) against any other obligations of the parties, whether arising under the Agreement, this Master Confirmation or any Supplemental Confirmation, or under any other agreement between the parties hereto, by operation of law or otherwise, and no other obligations of the parties shall be netted, recouped or set off (including pursuant to Section 6 of the Agreement) against obligations under any Transaction, whether arising under the Agreement, this Master Confirmation or any Supplemental Confirmation, or under any other agreement between the parties hereto, by operation of law or otherwise, and each party hereto waives any such right of setoff, netting or recoupment.

12. Delivery of Shares. Notwithstanding anything to the contrary herein, GS&Co. may, by prior notice to Counterparty, satisfy its obligation to deliver any Shares or other securities on any date due (an “**Original Delivery Date**”) by making separate deliveries of Shares or such securities, as the case may be, at more than one time on or prior to such Original Delivery Date, so long as the aggregate number of Shares and other securities so delivered on or prior to such Original Delivery Date is equal to the number required to be delivered on such Original Delivery Date.

13. Early Termination. In the event that an Early Termination Date (whether as a result of an Event of Default or a Termination Event) occurs or is designated with respect to any Transaction (except as a result of a Merger Event in which the consideration or proceeds to be paid to holders of Shares consists solely of cash), if either party would owe any amount to the other party pursuant to Section 6(d)(ii) of the Agreement (any such amount, a “**Payment Amount**”), then, in lieu of any payment of such Payment Amount, Counterparty may, no later than the Early Termination Date or the date on which such Transaction is terminated, elect to deliver or for GS&Co. to deliver, as the case may be, to the other party a number of Shares (or, in the case of a Merger Event, a number of units, each comprising the number or amount of the securities or property that a hypothetical holder of one Share would receive in such Merger Event (each such unit, an “**Alternative Delivery Unit**” and, the securities or property comprising such unit, “**Alternative Delivery Property**”)) with a value equal to the Payment Amount, as determined by the Calculation Agent (and the parties agree that, in making such determination of value, the Calculation Agent may take into account a number of factors, including the market price of the Shares or Alternative Delivery Property on the date of early termination and, if such delivery is made by GS&Co., the prices at which GS&Co. purchases Shares or Alternative Delivery Property to fulfill its delivery obligations under this Section 13, *provided* that such prices reflect prevailing market prices in order to unwind its commercially reasonable Hedge Positions as determined by the Calculation Agent in a commercially reasonable manner on any Exchange Business Day to fulfill its delivery obligation under this Section 13); *provided, further*, that in determining the composition of any Alternative Delivery Unit, if the relevant Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash; and *provided further* that Counterparty may make such election only if Counterparty represents and warrants to GS&Co. in writing on the date it notifies GS&Co. of such election that, as of such date, Counterparty is not aware of any material non-public information concerning the Shares and is making such election in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws. If such delivery is made by Counterparty, paragraphs 2 through 7 of Annex A shall apply as if such delivery were a settlement of the Transaction to which Net Share Settlement applied, the Cash Settlement Payment Date were the Early Termination Date and the Forward Cash Settlement Amount were zero (0) *minus* the Payment Amount owed by Counterparty.

14. Reserved.

15. Automatic Termination Provisions. Notwithstanding anything to the contrary in Section 6 of the Agreement, if a Termination Price is specified in any Supplemental Confirmation, then an Additional Termination Event with Counterparty as the sole Affected Party and the Transaction to which such Supplemental Confirmation relates as the Affected Transaction will automatically occur without any notice or action by GS&Co. or Counterparty if the price of the Shares on the Exchange at any time falls below such Termination Price, and the Exchange Business Day that the price of the Shares on the Exchange at any time falls below the Termination Price will be the “Early Termination Date” for purposes of the Agreement.

16. Delivery of Cash. For the avoidance of doubt, nothing in this Master Confirmation shall be interpreted as requiring Counterparty to deliver cash in respect of the settlement of the Transactions contemplated by this Master Confirmation following payment by Counterparty of the relevant Prepayment Amount, except in circumstances where the required cash settlement thereof is permitted for classification of the contract as equity by ASC 815-40, *Derivatives and Hedging – Contracts in Entity’s Own Equity*, as in effect on the relevant Trade Date (including, without limitation, where Counterparty so elects to deliver cash or fails timely to elect to deliver Shares or Alternative Delivery Property in respect of the settlement of such Transactions).

17. Claim in Bankruptcy. GS&Co. acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transactions that are senior to the claims of common stockholders in the event of Counterparty’s bankruptcy; *provided* that nothing herein shall limit or shall be deemed to limit GS&Co.’s right to pursue remedies in the event of a breach by Counterparty of its obligations and agreements with respect to the Transaction; provided further that nothing herein shall limit or shall be deemed to limit GS&Co.’s rights in respect of any transaction other than the Transactions.

18. Amendments to the Equity Definitions.

(a) Section 11.2(a) of the Equity Definitions is hereby amended by (i) replacing the words “a diluting or concentrative” with the words “a material economic” and (ii) adding the phrase “or such Transaction” at the end thereof;

(b) Section 11.2(c) of the Equity Definitions is hereby amended by (i) replacing the words “a diluting or concentrative” with the words “a material economic” in the fifth line thereof, (ii) adding the phrase “or such Transaction” immediately following the word “Shares” in the sixth line thereof, (iii) deleting the words “dilutive or concentrative” in the sixth to last line thereof and (iv) replacing the phrase “(provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share)” with the phrase “(and, for the avoidance of doubt, adjustments may be made to account for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share)”; and

(c) Section 11.2(e)(vii) of the Equity Definitions is hereby amended by (i) replacing the words “a diluting or concentrative” with the words “a material economic” and (ii) adding the phrase “or the relevant Transaction” at the end thereof.

19. Governing Law. The Agreement, this Master Confirmation, each Supplemental Confirmation and all matters arising in connection with the Agreement, this Master Confirmation and each Supplemental Confirmation shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law).

20. Illegality. The parties agree that, for the avoidance of doubt, for purposes of Section 5(b)(i) of the Agreement, “any applicable law” shall include the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, any rules and regulations promulgated thereunder and any similar law or regulation, without regard to Section 739 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and the

consequences specified in the Agreement, including without limitation, the consequences specified in Section 6 of the Agreement, shall apply to any Illegality arising from any such act, rule or regulation.

21. Offices.

(a) The Office of GS&Co. for each Transaction is: 200 West Street, New York, New York 10282-2198.

(b) The Office of Counterparty for each Transaction is: 7601 Southwest Pkwy, Austin, TX 78735 .

22. Rule 10b-18. During any Settlement Valuation Period, GS&Co. shall, or, in the case of purchases made by its affiliate, shall cause such affiliate to effect any purchases of Shares made by GS&Co. or any of its affiliates in connection with such Transaction entered into under this Master Confirmation (other than purchases made by GS&Co. or any affiliate thereof as part of its dynamic adjustment of its hedge of the options, including the duration option, embedded in such Transaction) in a manner that, if such purchases were made by Counterparty, would meet the requirements of paragraphs (b)(1), (2) and (4) of Rule 10b-18 (taking into account any applicable Securities and Exchange Commission or the staff of the Securities and Exchange Commission no-action letters or interpretations as appropriate and subject to any delays between execution and reporting of a trade of the Shares on the applicable securities exchange or quotation system and other circumstances reasonably beyond GS&Co.'s or such affiliate's control).

23. Waiver of Jury Trial. **EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE AGREEMENT, THIS MASTER CONFIRMATION, ANY SUPPLEMENTAL CONFIRMATION, ANY TRANSACTION HEREUNDER AND/OR ALL MATTERS ARISING IN CONNECTION WITH THE AGREEMENT, THIS MASTER CONFIRMATION, ANY SUPPLEMENTAL CONFIRMATION AND/OR ANY TRANSACTION HEREUNDER.**

24. Submission to Jurisdiction. **THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS LOCATED IN THE BOROUGH OF MANHATTAN, IN THE CITY OF NEW YORK, IN ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THE AGREEMENT, THIS MASTER CONFIRMATION, ANY SUPPLEMENTAL CONFIRMATION AND/OR ANY TRANSACTION HEREUNDER.**

25. U.S. Resolution Stay Provisions.

(a) Recognition of the U.S. Special Resolution Regimes

(i) In the event that GS&Co. becomes subject to a proceeding under (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a "U.S. Special Resolution Regime") the transfer from GS&Co. of this Master Confirmation, and any interest and obligation in or under, and any property securing, this Master Confirmation, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Master Confirmation, and any interest and obligation in or under, and any property securing, this Master Confirmation were governed by the laws of the United States or a state of the United States.

(ii) In the event that GS&Co. or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable ("Default Right")) under this Master Confirmation that may be exercised against GS&Co. are permitted to be

exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Master Confirmation were governed by the laws of the United States or a state of the United States.

(b) Limitation on Exercise of Certain Default Rights Related to an Affiliate's Entry Into Insolvency Proceedings. Notwithstanding anything to the contrary in this Master Confirmation, the parties expressly acknowledge and agree that:

(i) Counterparty shall not be permitted to exercise any Default Right with respect to this Master Confirmation or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of the GS&Co. becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an "Insolvency Proceeding"), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and

(ii) Nothing in this Master Confirmation shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of GS&Co. becoming subject to an Insolvency Proceeding, unless the transfer would result in the Counterparty being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to the Counterparty.

(iii) For the purpose of this paragraph:

"Affiliate" is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"Credit Enhancement" means any credit enhancement or credit support arrangement in support of the obligations of GS&Co. under or with respect to this Master Confirmation, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

(c) U.S. Protocol. If Counterparty has previously adhered to, or subsequently adheres to, the ISDA 2018 U.S. Resolution Stay Protocol as published by the International Swaps and Derivatives Association, Inc. as of July 31, 2018 (the "ISDA U.S. Protocol"), the terms of such protocol shall be incorporated into and form a part of this Master Confirmation and the terms of the ISDA U.S. Protocol shall supersede and replace the terms of this section. For purposes of incorporating the ISDA U.S. Protocol, GS&Co. shall be deemed to be a Regulated Entity, Counterparty shall be deemed to be an Adhering Party, and this Master Confirmation shall be deemed to be a Protocol Covered Agreement. Capitalized terms used but not defined in this paragraph shall have the meanings given to them in the ISDA U.S. Protocol.

(d) Pre-existing In-Scope Agreements. GS&Co. and Counterparty agree that to the extent there are any outstanding "in-scope QFCs," as defined in 12 C.F.R. § 252.82(d), that are not excluded under 12 C.F.R. § 252.88, between GS&Co. and Counterparty that do not otherwise comply with the requirements of 12 C.F.R. § 252.2, 252.81–8 (each such agreement, a "Preexisting In-Scope Agreement"), then each such Preexisting In-Scope Agreement is hereby amended to include the foregoing provisions in this section, with references to "this Master Confirmation" being understood to be references to the applicable Preexisting In-Scope Agreement.

26. Counterparts. This Master Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Master Confirmation by signing and delivering one or more counterparts.

CERTAIN INFORMATION IN THIS EXHIBIT HAS BEEN REDACTED BECAUSE IT IS BOTH NOT MATERIAL AND INFORMATION THAT IS PRIVATE OR CONFIDENTIAL. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Counterparty hereby agrees (a) to check this Master Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by GS&Co.) correctly sets forth the terms of the agreement between GS&Co. and Counterparty with respect to any particular Transaction to which this Master Confirmation relates, by manually signing this Master Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Equity Derivatives Documentation Department, Facsimile No. 212-428-1980/83.

Yours faithfully,

GOLDMAN SACHS & CO. LLC

By: _____
Authorized Signatory

Agreed and Accepted By:

YETI HOLDINGS, INC.

By: _____
Name:
Title:

SCHEDULE A

SUPPLEMENTAL CONFIRMATION

To: YETI Holdings, Inc.
[Insert Issuer Address]
Goldman Sachs & Co. LLC

From: Accelerated Stock Buyback

Subject: [Insert Reference No.]

Ref. No: [Insert Date]

Date:

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between Goldman Sachs & Co. LLC (“**GS&Co.**”) and YETI Holdings, Inc. (“**Counterparty**”) (together, the “**Contracting Parties**”) on the Trade Date specified below. This Supplemental Confirmation is a binding contract between GS&Co. and Counterparty as of the relevant Trade Date for the Transaction referenced below.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation dated as of **February 27, 2024** (the “**Master Confirmation**”) between the Contracting Parties, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.
2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date:	☐
Forward Price Adjustment Amount:	USD ☐
Calculation Period Start Date:	☐
Scheduled Termination Date:	☐
First Acceleration Date:	☐
Prepayment Amount:	USD ☐
Prepayment Date:	☐
Initial Shares:	☐ Shares; <i>provided</i> that if, in connection with the Transaction, GS&Co. is unable to borrow or otherwise acquire a number of Shares equal to the Initial Shares for delivery to Counterparty on the Initial Share Delivery Date, the Initial Shares delivered on the Initial Share Delivery Date shall be reduced to such number of Shares that GS&Co. is able to so borrow or otherwise acquire.
Initial Share Delivery Date:	☐
Maximum Stock Loan Rate:	☐
Initial Stock Loan Rate:	☐
Termination Price:	USD ☐ per Share
Additional Relevant Days:	The ☐ Exchange Business Days immediately following the Calculation Period.

3. Counterparty represents and warrants to GS&Co. that neither it nor any “affiliated purchaser” (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act during either (i) the four full calendar weeks immediately preceding the Trade Date or (ii) during the calendar week in which the Trade Date occurs.

4. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

Counterparty hereby agrees (a) to check this Supplemental Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by GS&Co.) correctly sets forth the terms of the agreement between GS&Co. and Counterparty with respect to the Transaction to which this Supplemental Confirmation relates, by manually signing this Supplemental Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Equity Derivatives Documentation Department, facsimile No. 212-428-1980/83.

Yours sincerely,

GOLDMAN SACHS & CO. LLC

By: _____
Authorized Signatory

Agreed and Accepted By:

YETI HOLDINGS, INC.

By: _____
Name:
Title:

ANNEX A

COUNTERPARTY SETTLEMENT PROVISIONS

1. The following Counterparty Settlement Provisions shall apply to the extent indicated under the Master Confirmation:

Settlement Currency: USD

Settlement Method Election: Applicable; *provided* that (i) Section 7.1 of the Equity Definitions is hereby amended by deleting the word “Physical” in the sixth line thereof and replacing it with the words “Net Share” and (ii) the Electing Party may make a settlement method election only if the Electing Party represents and warrants to GS&Co. in writing on the date it notifies GS&Co. of its election that, as of such date, the Electing Party is not aware of any material non-public information concerning Counterparty or the Shares and is electing the settlement method in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws.

Electing Party: Counterparty

Settlement Method

Election Date: The earlier of (i) the Scheduled Termination Date and (ii) the second Exchange Business Day immediately following the Accelerated Termination Date (in which case the election under Section 7.1 of the Equity Definitions shall be made no later than 10 minutes prior to the open of trading on the Exchange on such second Exchange Business Day), as the case may be

Default Settlement Method: Cash Settlement

Forward Cash Settlement

Amount: The Number of Shares to be Delivered *multiplied by* the Settlement Price

Settlement Price: The average of the VWAP Prices for the Exchange Business Days in the Settlement Valuation Period, subject to Valuation Disruption as specified in the Master Confirmation

Settlement Valuation Period: A number of Scheduled Trading Days determined by GS&Co. as being reasonably necessary to close out its Hedge Positions, beginning on the Scheduled Trading Day immediately following the earlier of (i) the Scheduled Termination Date or (ii) the Exchange Business Day immediately following the Termination Date

Cash Settlement: If Cash Settlement is applicable, then Buyer shall pay to Seller the absolute value of the Forward Cash Settlement Amount on the Cash Settlement Payment Date.

Cash Settlement

Payment Date: The date one Settlement Cycle following the last day of the Settlement Valuation Period.

Net Share Settlement

Procedures: If Net Share Settlement is applicable, Net Share Settlement shall be made in accordance with paragraphs 2 through 7 below.

2. Net Share Settlement shall be made by delivery on the Cash Settlement Payment Date of a number of Shares satisfying the conditions set forth in paragraph 3 below (the “**Registered Settlement Shares**”), or a number of Shares not satisfying such conditions (the “**Unregistered Settlement Shares**”), in either case with a value equal to the absolute value of the Forward Cash Settlement Amount, with such Shares’ value based on the value thereof to GS&Co. (which value shall, in the case of Unregistered Settlement Shares, take into account a commercially reasonable illiquidity discount), in each case as determined by the Calculation Agent.

3. Counterparty may only deliver Registered Settlement Shares pursuant to paragraph 2 above if:

(a) a registration statement covering public resale of the Registered Settlement Shares by GS&Co. (the “**Registration Statement**”) shall have been filed with the Securities and Exchange Commission under the Securities Act and been declared or otherwise become effective on or prior to the date of delivery, and no stop order shall be in effect with respect to the Registration Statement; a printed prospectus relating to the Registered Settlement Shares (including any prospectus supplement thereto, the “**Prospectus**”) shall have been delivered to GS&Co., in such quantities as GS&Co. shall reasonably have requested, on or prior to the date of delivery;

(b) the form and content of the Registration Statement and the Prospectus (including, without limitation, any sections describing the plan of distribution) shall be satisfactory to GS&Co.;

(c) as of or prior to the date of delivery, GS&Co. and its agents shall have been afforded a reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for underwritten offerings of equity securities and the results of such investigation are satisfactory to GS&Co., in its discretion; and

(d) as of the date of delivery, an agreement (the “**Underwriting Agreement**”) shall have been entered into with GS&Co. in connection with the public resale of the Registered Settlement Shares by GS&Co. substantially similar to underwriting agreements customary for underwritten offerings of equity securities, in form and substance commercially reasonable to GS&Co., which Underwriting Agreement shall include, without limitation, provisions substantially similar to those contained in such underwriting agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, GS&Co. and its affiliates and the provision of customary opinions, accountants’ comfort letters and lawyers’ negative assurance letters.

4. If Counterparty delivers Unregistered Settlement Shares pursuant to paragraph 2 above:

(a) all Unregistered Settlement Shares shall be delivered to GS&Co. (or any affiliate of GS&Co. designated by GS&Co.) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof;

(b) as of or prior to the date of delivery, GS&Co. and any potential purchaser of any such shares from GS&Co. (or any affiliate of GS&Co. designated by GS&Co.) identified by GS&Co. shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation with respect to Counterparty

customary in scope for private placements of equity securities (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them);

(c) as of the date of delivery, Counterparty shall enter into an agreement (a “**Private Placement Agreement**”) with GS&Co. (or any affiliate of GS&Co. designated by GS&Co.) in connection with the private placement of such shares by Counterparty to GS&Co. (or any such affiliate) and the private resale of such shares by GS&Co. (or any such affiliate), substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance commercially reasonably satisfactory to GS&Co., which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, GS&Co. and its affiliates and the provision of customary opinions, accountants’ comfort letters and lawyers’ negative assurance letters, and shall provide for the payment by Counterparty of all reasonable fees and expenses in connection with such resale, including all reasonable fees and expenses of counsel for GS&Co., and shall contain representations, warranties, covenants and agreements of Counterparty reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales; and

(d) in connection with the private placement of such shares by Counterparty to GS&Co. (or any such affiliate) and the private resale of such shares by GS&Co. (or any such affiliate), Counterparty shall, if so requested by GS&Co., prepare, in cooperation with GS&Co., a private placement memorandum in form and substance reasonably satisfactory to GS&Co.

5. GS&Co., itself or through an affiliate (the “**Selling Agent**”) or any underwriter(s), will sell all, or such lesser portion as may be required hereunder, of the Registered Settlement Shares or Unregistered Settlement Shares and any Makewhole Shares (as defined below) (together, the “**Settlement Shares**”) delivered by Counterparty to GS&Co. pursuant to paragraph 6 below commencing on the Cash Settlement Payment Date and continuing until the date on which the aggregate Net Proceeds (as such term is defined below) of such sales, as determined by GS&Co., is equal to the absolute value of the Forward Cash Settlement Amount (such date, the “**Final Resale Date**”). If the proceeds of any sale(s) made by GS&Co., the Selling Agent or any underwriter(s), net of any fees and commissions (including, without limitation, underwriting or placement fees) customary for similar transactions under the circumstances at the time of the offering, together with carrying charges and expenses incurred in connection with the offer and sale of the Shares (including, but without limitation to, the covering of any over-allotment or short position (syndicate or otherwise)) (the “**Net Proceeds**”) exceed the absolute value of the Forward Cash Settlement Amount, GS&Co. will refund, in USD, such excess to Counterparty on the date that is three (3) Currency Business Days following the Final Resale Date, and, if any portion of the Settlement Shares remains unsold, GS&Co. shall return to Counterparty on that date such unsold Shares.

6. If the Calculation Agent determines that the Net Proceeds received from the sale of the Registered Settlement Shares or Unregistered Settlement Shares or any Makewhole Shares, if any, pursuant to this paragraph 6 are less than the absolute value of the Forward Cash Settlement Amount (the amount in USD by which the Net Proceeds are less than the absolute value of the Forward Cash Settlement Amount being the “**Shortfall**” and the date on which such determination is made, the “**Deficiency Determination Date**”), Counterparty shall on the Exchange Business Day next succeeding the Deficiency Determination Date (the “**Makewhole Notice Date**”) deliver to GS&Co., through the Selling Agent, a notice of Counterparty’s election that Counterparty shall either (i) pay an amount in cash equal to the Shortfall on the day that is one (1) Currency Business Day after the Makewhole Notice Date, or (ii) deliver additional Shares. If Counterparty elects to deliver to GS&Co. additional Shares, then Counterparty shall deliver additional Shares in compliance with the terms and conditions of paragraph 3 or paragraph 4 above, as the case may be (the “**Makewhole Shares**”), on the first Clearance System Business Day which is also an Exchange Business Day following the Makewhole Notice Date in such number as the Calculation Agent reasonably believes would have a market value on that Exchange Business Day equal to the Shortfall. Such Makewhole Shares shall be sold by GS&Co. in accordance with the provisions above; *provided* that if the sum of the

Net Proceeds from the sale of the originally delivered Shares and the Net Proceeds from the sale of any Makewhole Shares is less than the absolute value of the Forward Cash Settlement Amount then Counterparty shall, at its election, either make such cash payment or deliver to GS&Co. further Makewhole Shares until such Shortfall has been reduced to zero.

7. Notwithstanding the foregoing, in no event shall the aggregate number of Settlement Shares and Makewhole Shares be greater than the Reserved Shares *minus* the amount of any Shares actually delivered by Counterparty under any other Transaction(s) under this Master Confirmation (the result of such calculation, the “**Capped Number**”). Counterparty represents and warrants (which shall be deemed to be repeated on each day that a Transaction is outstanding) that the Capped Number is equal to or less than the number of Shares determined according to the following formula:

A – B

Where A = the number of authorized but unissued shares of the Counterparty that are not reserved for future issuance on the date of the determination of the Capped Number; and

B = the maximum number of Shares required to be delivered to third parties if Counterparty elected Net Share Settlement of all transactions in the Shares (other than Transactions in the Shares under this Master Confirmation) with all third parties that are then currently outstanding and unexercised.

“**Reserved Shares**” means initially, [] Shares. The Reserved Shares may be increased or decreased in a Supplemental Confirmation.

**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 9, 2024

/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, Michael J. McMullen, 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 9, 2024

/s/ Michael J. McMullen

Michael J. McMullen

Senior Vice President, Chief Financial Officer and Treasurer

(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 March 30, 2024, 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 9, 2024

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

I, Michael J. McMullen, 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 March 30, 2024, 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 9, 2024

By:	<u>/s/ Michael J. McMullen</u>
Name:	Michael J. McMullen
Title:	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)