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 September 28, 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	**45-5297111**
(State or other jurisdiction of incorporation or organization)	(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 84,825,450 shares of Common Stock ($0.01 par value) outstanding as of October 31, 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)

	September 28, 2024	December 30, 2023
ASSETS		
Current assets		
Cash	$ 280,464	$ 438,960
Accounts receivable, net	143,673	95,774
Inventory	370,233	337,208
Prepaid expenses and other current assets	51,949	42,463
Total current assets	846,319	914,405
Property and equipment, net	131,009	130,714
Operating lease right-of-use assets	82,006	77,556
Goodwill	72,894	54,293
Intangible assets, net	137,946	117,629
Other assets	3,013	2,595
Total assets	$ 1,273,187	$ 1,297,192
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 148,174	$ 190,392
Accrued expenses and other current liabilities	117,476	130,026
Taxes payable	16,314	33,489
Accrued payroll and related costs	22,465	23,141
Current operating lease liabilities	17,410	14,726
Current maturities of long-term debt	6,287	6,579
Total current liabilities	328,126	398,353
Long-term debt, net of current portion	74,415	78,645
Operating lease liabilities, non-current	79,932	76,163
Other liabilities	20,733	20,421
Total liabilities	503,206	573,582
Commitments and contingencies (Note 10)		
Stockholders' Equity		
Common stock, par value $0.01; 600,000,000 shares authorized; 89,131,867 and 84,814,141 shares issued and outstanding at September 28, 2024, respectively, and 88,592,761 and 86,916,210 shares issued and outstanding at December 30, 2023, respectively	891	886
Treasury stock, at cost; 4,317,726 shares at September 28, 2024 and 1,676,551 shares at December 30, 2023	(200,810)	(100,025)
Preferred stock, par value $0.01; 30,000,000 shares authorized; no shares issued or outstanding	—	—
Additional paid-in capital	411,245	386,377
Retained earnings	560,971	438,436
Accumulated other comprehensive loss	(2,316)	(2,064)
Total stockholders' equity	769,981	723,610
Total liabilities and stockholders' equity	$ 1,273,187	$ 1,297,192

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		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net sales	$ 478,440	$ 433,561	$ 1,283,333	$ 1,138,920
Cost of goods sold	200,713	182,310	546,487	510,961
Gross profit	277,727	251,251	736,846	627,959
Selling, general, and administrative expenses	208,092	189,374	573,974	500,653
Operating income	69,635	61,877	162,872	127,306
Interest income (expense), net	384	(285)	495	(1,610)
Other income (expense), net	4,061	(4,032)	351	(2,782)
Income before income taxes	74,080	57,560	163,718	122,914
Income tax expense	(17,796)	(14,903)	(41,183)	(31,622)
Net income	$ 56,284	$ 42,657	$ 122,535	$ 91,292
Net income per share				
Basic	$ 0.66	$ 0.49	$ 1.44	$ 1.05
Diluted	$ 0.66	$ 0.49	$ 1.42	$ 1.05
Weighted-average common shares outstanding				
Basic	84,707	86,783	85,285	86,663
Diluted	85,492	87,589	86,039	87,290

See Notes to Unaudited Condensed Consolidated Financial Statements

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

	Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net income	$ 56,284	$ 42,657	$ 122,535	$ 91,292
Other comprehensive (loss) income				
Foreign currency translation adjustments	(982)	1,713	(252)	(54)
Total comprehensive income	$ 55,302	$ 44,370	$ 122,283	$ 91,238

See Notes to Unaudited Condensed Consolidated Financial Statements

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

Three Months Ended September 28, 2024

	Common Stock		Additional Paid-In Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balance, June 29, 2024	88,967	$ 890	$ 402,495	(4,318)	$ (200,878)	$ 504,687	$ (1,334)	$ 705,860
Stock-based compensation	—	—	8,695	—	—	—	—	8,695
Common stock issued under employee benefit plans	171	1	288	—	—	—	—	289
Common stock withheld related to net share settlement of stock-based compensation	(6)	—	(233)	—	—	—	—	(233)
Repurchase of common stock, including excise tax	—	—	—	—	68	—	—	68
Other comprehensive loss	—	—	—	—	—	—	(982)	(982)
Net income	—	—	—	—	—	56,284	—	56,284
Balance, September 28, 2024	89,132	$ 891	$ 411,245	(4,318)	$ (200,810)	$ 560,971	$ (2,316)	$ 769,981

Three Months Ended September 30, 2023

	Common Stock		Additional Paid-In Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balance, July 1, 2023	88,407	$ 884	$ 371,348	(1,677)	$ (100,025)	$ 317,186	$ (2,187)	$ 587,206
Stock-based compensation	—	—	7,805	—	—	—	—	7,805
Common stock issued under employee benefit plans	129	1	(1)	—	—	—	—	—
Common stock withheld related to net share settlement of stock-based compensation	(13)	—	(596)	—	—	—	—	(596)
Other comprehensive income	—	—	—	—	—	—	1,713	1,713
Net income	—	—	—	—	—	42,657	—	42,657
Balance, September 30, 2023	88,523	$ 885	$ 378,556	(1,677)	$ (100,025)	$ 359,843	$ (474)	$ 638,785

See Notes to Unaudited Condensed Consolidated Financial Statements

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

Nine Months Ended September 28, 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	—	—	26,020	—	—	—	—	26,020
Common stock issued under employee benefit plans	575	5	284	—	—	—	—	289
Common stock withheld related to net share settlement of stock-based compensation	(36)	—	(1,436)	—	—	—	—	(1,436)
Repurchase of common stock, including excise tax	—	—	—	(2,641)	(100,785)	—	—	(100,785)
Other comprehensive loss	—	—	—	—	—	—	(252)	(252)
Net income	—	—	—	—	—	122,535	—	122,535
Balance, September 28, 2024	89,132	$ 891	$ 411,245	(4,318)	$ (200,810)	$ 560,971	$ (2,316)	$ 769,981

Nine Months Ended September 30, 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	—	—	21,918	—	—	—	—	21,918
Common stock issued under employee benefit plans	475	4	1,569	—	—	—	—	1,573
Common stock withheld related to net share settlement of stock-based compensation	(60)	—	(2,421)	—	—	—	—	(2,421)
Other comprehensive loss	—	—	—	—	—	—	(54)	(54)
Net income	—	—	—	—	—	91,292	—	91,292
Balance, September 30, 2023	88,523	$ 885	$ 378,556	(1,677)	$ (100,025)	$ 359,843	$ (474)	$ 638,785

See Notes to Unaudited Condensed Consolidated Financial Statements

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

	Nine Months Ended	
	September 28, 2024	September 30, 2023
Cash Flows from Operating Activities:		
Net income	$ 122,535	$ 91,292
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Depreciation and amortization	35,648	34,391
Amortization of deferred financing fees	488	441
Stock-based compensation	26,020	21,918
Deferred income taxes	(2,928)	20,699
Impairment of long-lived assets	2,025	1,963
Loss on modification and extinguishment of debt	—	330
Product recalls	—	8,538
Other	(1,492)	239
Changes in operating assets and liabilities:		
Accounts receivable	(43,858)	(48,836)
Inventory	(15,104)	28,180
Other current assets	(4,022)	(6,505)
Accounts payable and accrued expenses	(65,515)	(36,288)
Taxes payable	(21,057)	(3,323)
Other	3,066	1,730
Net cash provided by operating activities	35,806	114,769
Cash Flows from Investing Activities:		
Purchases of property and equipment	(31,341)	(38,983)
Business acquisition, net of cash acquired	(36,164)	—
Additions of intangibles, net	(19,542)	(19,280)
Net cash used in investing activities	(87,047)	(58,263)
Cash Flows from Financing Activities:		
Repayments of long-term debt	(3,164)	(6,680)
Payments of deferred financing fees	—	(2,824)
Taxes paid in connection with employee stock transactions	(1,436)	(2,421)
Proceeds from employee stock transactions	289	1,573
Finance lease principal payment	(3,206)	(1,579)
Repurchase of common stock	(100,000)	—
Net cash used in financing activities	(107,517)	(11,931)
Effect of exchange rate changes on cash	262	2,044
Net (decrease) increase in cash	(158,496)	46,619
Cash, beginning of period	438,960	234,741
Cash, end of period	$ 280,464	$ 281,360

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 ended on June 29, 2024, and the third quarter ended 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 and nine months ended September 28, 2024 and September 30, 2023.

Accounts Receivable

Accounts receivable are recorded net of estimated credit losses. Our allowance for credit losses was $0.6 million as of September 28, 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 September 28, 2024 and December 30, 2023, inventory reserves were $3.3 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 September 28, 2024 and December 30, 2023 were $89.1 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 for our Annual Report for fiscal year 2024. Adoption of the new standard did not have an 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 the adoption of this ASU will have on our 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 impact the adoption of this ASU will have on our 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 are integrating 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	52,712
Current liabilities	(13,744)
Non-current liabilities	(753)
Total liabilities assumed	(14,497)
Net assets acquired	$ 38,215

(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 material to our consolidated financial results for the three and nine months ended September 28, 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. The acquisition of Butter Pat expanded our capabilities in the cookware category, as shown by the launch of our new YETI-branded Cast Iron Skillet during the three months ended September 28, 2024. 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 September 28, 2024, $3.4 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):

	September 28, 2024	December 30, 2023
Accounts receivable, net	$ 143,673	$ 95,774
Contract liabilities	$ (13,911)	$ (22,437)

For the nine months ended September 28, 2024, we recognized $22.4 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		Nine Months Ended	
	September 28, 2024	September 30, 2023 (1)	September 28, 2024	September 30, 2023 (1)
Net Sales by Channel				
Wholesale	$ 197,629	$ 174,062	$ 564,326	$ 486,066
Direct-to-consumer	280,811	259,499	719,007	652,854
Total net sales	$ 478,440	$ 433,561	$ 1,283,333	$ 1,138,920
Net Sales by Category				
Coolers & Equipment	$ 192,595	$ 171,547	$ 518,443	$ 432,511
Drinkware	274,981	253,274	736,084	676,978
Other	10,864	8,740	28,806	29,431
Total net sales	$ 478,440	$ 433,561	$ 1,283,333	$ 1,138,920
Net Sales by Geographic Region				
United States	$ 390,176	$ 365,695	$ 1,052,858	$ 964,569
International	88,264	67,866	230,475	174,351
Total net sales	$ 478,440	$ 433,561	$ 1,283,333	$ 1,138,920

(1) Includes an unfavorable impact from the recall reserve adjustment. See Note 10 for further discussion of our recalls.

For each of the three and nine months ended September 28, 2024 and September 30, 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):

	September 28, 2024	December 30, 2023
Prepaid expenses	$ 25,205	$ 21,165
Prepaid taxes	18,810	15,089
Other	7,934	6,209
Total prepaid expenses and other current assets	$ 51,949	$ 42,463

5. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

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

	September 28, 2024	December 30, 2023
Product recall reserves[1]	$ 4,023	$ 13,090
Accrued freight and other operating expenses	35,958	45,228
Contract liabilities	13,911	22,437
Customer discounts, allowances, and returns	13,605	11,515
Advertising and marketing	10,238	9,945
Warranty reserve	9,526	9,808
Interest payable	331	159
Accrued capital expenditures	1,239	590
Other	28,645	17,254
Total accrued expenses and other current liabilities	$ 117,476	$ 130,026

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

6. INCOME TAXES

Income tax expense was $17.8 million and $14.9 million for the three months ended September 28, 2024 and September 30, 2023, respectively. The increase in income tax expense was primarily due to higher income before income taxes. The effective tax rate for the three months ended September 28, 2024 was 24% compared to 26% for the three months ended September 30, 2023. The decrease in the effective tax rate was primarily due to a discrete tax expense related to a change in the estimate for an uncertain tax position in the three months ended September 30, 2023.

Income tax expense was $41.2 million and $31.6 million for the nine months ended September 28, 2024 and September 30, 2023, respectively. The increase in income tax expense was primarily due to higher income before income taxes. The effective tax rate for the nine months ended September 28, 2024 was 25% compared to 26% for the nine months ended September 30, 2023. The decrease in the effective tax rate was primarily due to a discrete tax expense related to a change in the estimate for an uncertain tax position in the nine months ended September 30, 2023.

Deferred tax liabilities were $1.2 million as of September 28, 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. Certain governments globally have enacted, or are in the process of enacting, legislation to address Pillar Two. For the nine months ended September 28, 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

In May 2024, the Company's stockholders approved the 2024 Equity and Incentive Compensation Plan ("2024 Plan"), which replaced the 2018 Equity and Incentive Compensation Plan (the "2018 Plan"). The 2024 Plan provides for an aggregate limit of up to 3,500,000 shares (subject to certain equitable adjustments and share counting rules as described in the 2024 Plan) of common stock that may be granted pursuant to awards granted under the 2024 Plan. Following the stockholder approval of the 2024 Plan, no new awards will be granted under the 2018 Plan. Awards outstanding under the 2018 Plan or the 2012 Equity and Incentive Compensation Plan (the "2012 Plan") will continue to remain outstanding according to their terms. Shares subject to stock awards granted under the 2018 Plan or the 2012 Plan (a) that expire or terminate without being exercised or (b) that are forfeited under an award, return to the 2024 Plan.

We recognized non-cash stock-based compensation expense of $8.7 million and $7.8 million for the three months ended September 28, 2024 and September 30, 2023, respectively. For the nine months ended September 28, 2024 and September 30, 2023, we recognized stock-based compensation expense of $26.0 million and $21.9 million, respectively. At September 28, 2024, total unrecognized stock-based compensation expense of $67.6 million for all stock-based compensation plans is expected to be recognized over a weighted-average period of 1.9 years.

Stock-based activity for the nine months ended September 28, 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 PBRSs 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	—	—	208	41.29	921	39.17
Exercised/released	(13)	22.84	(48)	79.66	(514)	43.88
Performance adjustment(1)	—	—	6	79.66	—	—
Forfeited/expired	—	—	(46)	45.86	(204)	41.69
Balance, September 28, 2024	565	$ 19.57	518	$ 43.00	1,515	$ 39.68

(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		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net income	$ 56,284	$ 42,657	$ 122,535	$ 91,292
Weighted-average common shares outstanding—basic	84,707	86,783	85,285	86,663
Effect of dilutive securities	785	806	754	627
Weighted-average common shares outstanding—diluted	85,492	87,589	86,039	87,290
Earnings per share				
Basic	$ 0.66	$ 0.49	$ 1.44	$ 1.05
Diluted	$ 0.66	$ 0.49	$ 1.42	$ 1.05

Effects of potentially dilutive securities are presented only in periods in which they are dilutive. For each of the three and nine months ended September 28, 2024, outstanding stock-based awards representing less than 0.1 million shares of common stock were excluded from the calculation of diluted earnings per share, because their effect would be anti-dilutive. For the three and nine months ended September 30, 2023, outstanding stock-based awards representing 0.1 million and 0.2 million shares of common stock, respectively, were excluded from the calculation of diluted earnings, 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 September 28, 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 of $80.0 million was recorded as a treasury stock transaction. The remaining $20.0 million was recorded as a reduction to additional paid-in capital.

On April 25, 2024, we settled the transactions contemplated by the ASR Agreement, resulting in a final delivery of 642,674 shares (the "Final Shares"). 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 under the ASR Agreement.

At the time they were received, the Initial Shares and Final Shares resulted in an immediate reduction of the outstanding shares used to calculate the weighted average common shares calculation for basic and diluted earnings per share.

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. As a result, we established reserves as of December 31, 2022, for unsalable inventory on-hand as well as expected future returns, the estimated cost of recall remedies for consumers with affected products, and other recall-related costs.

During 2023, we began processing recall returns and claims, and based on such experience and trends, we reevaluated our assumptions and adjusted our estimated recall expense reserve. In the second quarter of 2023, we updated our recall reserve assumptions, which increased the estimated recall expense reserve by $8.5 million.

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 reserve for the estimated product recall expenses was $4.0 million and $13.1 million as of September 28, 2024 and December 30, 2023, respectively.

The following table summarizes the activity of the reserve for the estimated product recall expenses (in thousands):

	September 28, 2024
Balance, December 30, 2023	$ 13,090
Actual product refunds, replacements and recall-related costs	(3,132)
Gift card issuances[(1)]	(5,935)
Balance, September 28, 2024	$ 4,023

(1) As of September 28, 2024, we had $3.4 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 and nine months ended September 28, 2024, we recognized net sales of $2.7 million and $7.1 million, respectively, from redeemed recall-related gift cards.

The product recalls, which include recall reserve adjustments and other incurred costs, had the following effect on our income before income taxes as of the dates indicated (in thousands):

	Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Decrease to net sales[1]	$ —	$ (18)	$ —	$ (24,524)
Decrease to cost of goods sold[2]	—	843	—	7,148
Increase (decrease) to gross profit	—	825	—	(17,376)
Decrease to SG&A expenses[3]	—	—	—	10,549
Increase (decrease) to income before income taxes	$ —	$ 825	$ —	$ (6,827)

(1) For the three and nine months ended September 30, 2023, primarily reflects the unfavorable impact of the recall reserve adjustment related to higher estimated future recall remedies (i.e., estimated gift card elections). Of the total net sales impact, $8.1 million and $16.4 million was allocated to our DTC and wholesale channels, respectively, for the nine months ended September 30, 2023. These amounts were allocated based on the historical channel sell-in basis of the affected products.

(2) For the three months ended September 30, 2023, reflects a benefit of $0.8 million related to lower than anticipated recall-related costs. For the nine months ended September 30, 2023, reflects favorable impacts of $5.0 million primarily due to the recall reserve adjustment related to lower estimated costs of future product replacement remedy elections and logistics costs, $1.3 million from an inventory reserve adjustment, and $0.8 million related to lower recall-related costs.

(3) For the nine months ended September 30, 2023, reflects the favorable recall reserve adjustment primarily related to lower estimated other recall-related costs.

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.

During the second quarter of 2024, we continued the expansion of our drinkware offerings with the launch of our new Rambler French Press in two sizes, the limited release of our Flask and Shot Glasses, and new seasonal colorways. We also expanded our hard cooler offerings with two new sizes within our Roadie cooler family.

During the third quarter of 2024, we expanded our drinkware category with the launch of our new Cast Iron Skillet in three sizes and our new Rambler Pitcher in two sizes as well as the full release of our Flask and Shot Glasses. We also 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 are integrating 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 remains significant uncertainty regarding how macroeconomic conditions, 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.

The recent disruptions of container shipping traffic through the Red Sea and surrounding waterways have continued to negatively affect transit times and freight costs for goods manufactured in Asia and destined to Europe, and to a smaller extent the Americas. In addition to these ongoing disruptions, freight rates have remained elevated industry-wide since their increase in the second quarter of 2024. Although such effects have not materially impacted our business to date, the continuation or worsening of these conditions may materially impact our operations and financial results through the remainder of 2024.

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.

Product Recall Reserves

In January 2023, we notified the Consumer Products 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. Accordingly, we established reserves for unsalable inventory on-hand, as well as expected future returns, the estimated cost of recall remedies for consumers with affected products, and other recall-related costs as of December 31, 2022.

In March 2023, we announced separate, voluntary recalls of the affected products in collaboration with the CPSC. During the second quarter of 2023, we began processing recall returns and claims and based on such experience and trends, we reevaluated our assumptions and adjusted our estimated recall expense reserve. As a result, we updated our recall reserve assumptions, which increased the estimated recall expense reserve by $8.5 million during the second quarter of 2023.

For the three months ended September 30, 2023, we recorded an immaterial reduction to net sales primarily related to higher recall-related returns, and recorded a benefit in cost of goods sold of $0.8 million, primarily related to lower estimated recall-related costs. For the nine months ended September 30, 2023, we recorded a $24.5 million reduction to net sales primarily related to higher estimated future recall-related gift card elections; recorded a benefit in cost of goods sold of $7.1 million, primarily related to lower estimated costs of future product replacement remedy elections and logistics costs and lower recall-related costs; and recorded a benefit in SG&A expenses primarily related to lower estimated other recall-related costs of $10.5 million. The total impact to operating income related to the recalls was a favorable impact of $0.8 million and an unfavorable impact of $6.8 million for the three and nine months ended September 30, 2023, respectively.

In addition, our 2023 sales were materially adversely impacted by the stop sales of the affected products. In the fourth quarter of 2023, we introduced our redesigned and improved versions of the affected products.

During 2024, we have not recorded any adjustments to our recall reserves. As a result, the product recall had no impact to our consolidated financial results for the three and nine months ended September 28, 2024.

The ultimate impact from the recalls may differ materially from our estimates, and may harm our business, financial condition and results of operation.

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 ended on June 29, 2024, and the third quarter ended 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 and nine months ended September 28, 2024 and September 30, 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				Nine Months Ended			
	September 28, 2024		September 30, 2023		September 28, 2024		September 30, 2023	
Statement of Operations								
Net sales	$ 478,440	100 %	$ 433,561	100 %	$ 1,283,333	100 %	$ 1,138,920	100 %
Cost of goods sold	200,713	42 %	182,310	42 %	546,487	43 %	510,961	45 %
Gross profit	277,727	58 %	251,251	58 %	736,846	57 %	627,959	55 %
Selling, general, and administrative expenses	208,092	43 %	189,374	44 %	573,974	45 %	500,653	44 %
Operating income	69,635	15 %	61,877	14 %	162,872	13 %	127,306	11 %
Interest income (expense)	384	— %	(285)	— %	495	— %	(1,610)	— %
Other income (expense), net	4,061	1 %	(4,032)	1 %	351	— %	(2,782)	— %
Income before income taxes	74,080	15 %	57,560	13 %	163,718	13 %	122,914	11 %
Income tax expense	(17,796)	4 %	(14,903)	3 %	(41,183)	3 %	(31,622)	3 %
Net income	$ 56,284	12 %	$ 42,657	10 %	$ 122,535	10 %	$ 91,292	8 %

Comparison of the Three Months Ended September 28, 2024 and September 30, 2023

	Three Months Ended		Change	
(dollars in thousands)	September 28, 2024	September 30, 2023	$	%
Net sales	$ 478,440	$ 433,561	$ 44,879	10 %
Gross profit	$ 277,727	$ 251,251	$ 26,476	11 %
Gross margin (gross profit as a % of net sales)	58.0 %	58.0 %	0 basis points	
Selling, general, and administrative expenses	$ 208,092	$ 189,374	$ 18,718	10 %
SG&A as a % of net sales	43.5 %	43.7 %	(20) basis points	

Net Sales

Net sales increased $44.9 million, or 10%, to $478.4 million for the three months ended September 28, 2024, compared to $433.6 million for the three months ended September 30, 2023. Net sales for the third quarter of 2024 and 2023 also include $2.7 million and $6.3 million, respectively, 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 $21.3 million, or 8%, to $280.8 million, compared to $259.5 million in the prior year quarter, due to growth in both Coolers & Equipment and Drinkware. DTC channel mix was 59% in the third quarter of 2024 compared to 60% in the third quarter of 2023.
- Wholesale channel net sales increased $23.6 million, or 14%, to $197.6 million, compared to $174.1 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 $21.7 million, or 9%, to $275.0 million, compared to $253.3 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 $21.0 million, or 12%, to $192.6 million, compared to $171.5 million in the same period last year, driven by strong performance in bags, hard coolers, and outdoor living products.

Net sales in the U.S. increased $24.5 million, or 7%, to $390.2 million for the three months ended September 28, 2024. Net sales in international locations increased $20.4 million, or 30%, to $88.3 million for the three months ended September 28, 2024. Net sales in international locations represented 18% and 16% of total net sales in the third quarter of 2024 and 2023, respectively.

Gross Profit

Gross profit increased $26.5 million, or 11%, to $277.7 million, compared to $251.3 million in the prior year quarter. Gross profit for the three months ended September 30, 2023 included a favorable impact of $0.8 million related to lower than anticipated recall-related costs. Gross margin rate was flat at 58.0% compared to the prior year quarter, primarily due to the following factors:

- lower inbound freight rates, which favorably impacted gross margin by 160 basis points; and
- lower product costs, which favorably impacted gross margin by 80 basis points;

These were partially offset by:

- higher customization costs, which unfavorably impacted gross margin by 40 basis points;
- supplier transition costs and higher material costs related to product transitions, which unfavorably impacted gross margin by 40 basis points;
- strategic price decreases on certain hard cooler products implemented during the first quarter of 2024, which unfavorably impacted gross margin by 30 basis points;
- the amortization of inventory fair value step-up in connection with the Mystery Ranch acquisition, which unfavorably impacted gross margin by 20 basis points;
- the absence in the current year quarter of a benefit in the prior year quarter associated with our voluntary product recalls, which drove an unfavorable change in gross margin of 20 basis points compared to the prior year quarter; and
- other impacts, which unfavorably impacted gross margin by 90 basis points.

Selling, General, and Administrative Expenses

SG&A expenses increased $18.7 million, or 10%, to $208.1 million for the three months ended September 28, 2024, compared to $189.4 million for the three months ended September 30, 2023. As a percentage of net sales, SG&A expenses decreased 20 basis points to 43.5% for the three months ended September 28, 2024 from 43.7% for the three months ended September 30, 2023. The decrease in SG&A expenses was primarily driven by:

- an increase in variable expenses of $0.8 million (decreasing SG&A as a percent of net sales by 130 basis points) primarily associated with higher net sales, and comprised of higher distribution costs including higher third-party logistics fees and online marketplace fees, partially offset by lower outbound freight; and
- an increase in non-variable expenses of $17.9 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 investments in marketing expenses, partially offset by asset impairments in the prior year.

Non-Operating Expenses

Interest income, net was $0.4 million for the three months ended September 28, 2024. Interest expense, net was $0.3 million for the three months ended September 30, 2023. The change versus the prior year quarter was primarily due to an increase in interest income.

Other income was $4.1 million for the three months ended September 28, 2024, compared to other expense of $4.0 million for the three months ended September 30, 2023. The change versus the prior year quarter was primarily due to foreign currency gains on intercompany balances for the three months ended September 28, 2024 versus foreign currency losses on intercompany balances for the three months ended September 30, 2023.

Income tax expense was $17.8 million for the three months ended September 28, 2024, compared to $14.9 million for the three months ended September 30, 2023. The increase in income tax expense was primarily due to higher income before income taxes. The effective tax rate was 24% for the three months ended September 28, 2024, compared to 26% for the three months ended September 30, 2023. The decrease in the effective tax rate was primarily due to a discrete tax expense related to a change in the estimate for an uncertain tax position in the three months ended September 30, 2023.

Nine Months Ended September 28, 2024 Compared to September 30, 2023

(dollars in thousands)	Nine Months Ended September 28, 2024	Nine Months Ended September 30, 2023	Change $	Change %
Net sales	$ 1,283,333	$ 1,138,920	$ 144,413	13 %
Gross profit	$ 736,846	$ 627,959	$ 108,887	17 %
Gross margin (gross profit as a % of net sales)	57.4 %	55.1 %	230 basis points	
Selling, general, and administrative expenses	$ 573,974	$ 500,653	$ 73,321	15 %
SG&A as a % of net sales	44.7 %	44.0 %	70 basis points	

Net Sales

Net sales increased $144.4 million, or 13%, to $1,283.3 million for the nine months ended September 28, 2024, compared to $1,138.9 million for the nine months ended September 30, 2023. Net sales for the nine months ended September 30, 2023 included an unfavorable impact of $24.5 million related to a recall reserve adjustment. Excluding this recall-related reserve impact from the first nine months of 2023, net sales increased $119.9 million, or 10%, due to growth in both our Wholesale and DTC channels. Net sales for the nine months ended September 28, 2024 and September 30, 2023 include $7.1 million and $18.8 million, respectively, of sales related to gift card redemptions in connection with recall remedies.

Net sales in our two channels were as follows:

- DTC channel net sales increased $66.2 million, or 10%, to $719.0 million, compared to $652.9 million in the prior year period, due to growth in both Coolers & Equipment and Drinkware. DTC channel net sales included an unfavorable impact of $8.1 million in the first nine months of 2023 related to a recall reserve adjustment. DTC channel mix was 56% in the first nine months of 2024 compared to 57% in the first nine months of 2023.
- Wholesale channel net sales increased $78.3 million, or 16%, to $564.3 million, compared to $486.1 million in the same period last year, due to growth in both Drinkware and Coolers & Equipment. Wholesale channel net sales included an unfavorable impact of $16.4 million in the first nine months of 2023 related to a recall reserve adjustment.

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

- Drinkware net sales increased by $59.1 million, or 9%, to $736.1 million, compared to $677.0 million in the prior year period, driven by the continued expansion and innovation of our Drinkware product offerings and new seasonal colorways.
- Coolers & Equipment net sales increased by $85.9 million, or 20%, to $518.4 million, compared to $432.5 million in the same period last year driven by strong performance in bags and soft coolers. Coolers & Equipment net sales included an unfavorable impact of $24.5 million in the first nine months of 2023 related to a recall reserve adjustment.

Net sales in the U.S. increased $88.3 million, or 9%, to $1,052.9 million for the nine months ended September 28, 2024. Net sales in international locations increased $56.1 million or 32%, to $230.5 million for the nine months ended September 28, 2024. For the nine months ended September 30, 2023, net sales in the U.S. and international locations included an unfavorable impact of $23.9 million and $0.6 million, respectively, related to a recall reserve adjustment. Net sales in international locations represented 18% and 15% of total net sales in the first nine months of 2024 and 2023, respectively.

Gross Profit

Gross profit increased $108.9 million, or 17%, to $736.8 million compared to $628.0 million in the prior year period. Gross profit for the nine months ended September 30, 2023 included an unfavorable impact of $17.4 million related to a recall reserve adjustment. Gross margin rate increased 230 basis points to 57.4% from 55.1% in the same period last year. The increase in gross margin was primarily driven by:

- lower inbound freight rates, which favorably impacted gross margin by 280 basis points;
- lower product costs, which favorably impacted gross margin by 110 basis points; and
- the absence in the current year period of an unfavorable reserve adjustment in the prior year period associated with our voluntary product recalls, which drove a favorable change in gross margin of 40 basis points compared to the prior year period;

These were partially offset by:

- the amortization of inventory fair value step-up in connection with the Mystery Ranch acquisition, which unfavorably impacted gross margin by 40 basis points;
- strategic price decreases on certain hard cooler products implemented during the first quarter of 2024, which unfavorably impacted gross margin by 40 basis points;
- higher customization costs, which unfavorably impacted gross margin by 40 basis points; and
- other impacts, which unfavorably impacted gross margin by 80 basis points.

Selling, General, and Administrative Expenses

SG&A expenses increased by $73.3 million, or 15%, to $574.0 million for the nine months ended September 28, 2024 compared to $500.7 million for the nine months ended September 30, 2023. As a percentage of net sales, SG&A expenses increased by 70 basis points to 44.7% for the nine months ended September 28, 2024 compared to 44.0% for the nine months ended September 30, 2023. The increase in SG&A expenses was primarily driven by:

- an increase in variable expenses of $13.9 million (decreasing SG&A as a percent of net sales by 60 basis points) primarily associated with higher net sales, and comprised of higher distribution costs, including higher third-party logistics fees and online marketplace fees;
- an increase in non-variable expenses of $48.9 million (increasing SG&A as a percent of net sales by 40 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, higher information technology expenses, and asset impairments, partially offset by lower warehousing costs; and
- the absence in the current year period of a favorable $10.5 million reserve adjustment in the prior year period associated with our voluntary product recalls, increased SG&A as a percent of net sales by 90 basis points compared to the prior year period.

Non-Operating Expenses

Interest income, net was $0.5 million for the nine months ended September 28, 2024. Interest expense, net was $1.6 million for the nine months ended September 30, 2023. The change versus the prior year period was primarily due to an increase in interest income.

Other income was $0.4 million for the nine months ended September 28, 2024, compared to other expense of $2.8 million for the nine months ended September 30, 2023. The change versus the prior year period was primarily due to foreign currency gains on intercompany balances for the nine months ended September 28, 2024 versus foreign currency losses on intercompany balances for the nine months ended September 30, 2023.

Income tax expense was $41.2 million for the nine months ended September 28, 2024, compared to $31.6 million for the nine months ended September 30, 2023. The increase in income tax expense was primarily due to higher income before income taxes. The effective tax rate was 25% for the nine months ended September 28, 2024, compared to 26% for the nine months ended September 30, 2023. The decrease in the effective tax rate was primarily due to a discrete tax expense related to a change in the estimate for an uncertain tax position in the nine months ended September 30, 2023.

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 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 Share Repurchase Program described below, we may also use cash to repurchase shares of our common stock. We believe that our current operating performance, existing cash position, and borrowings available under our Revolving Credit Facility, will be sufficient to satisfy our liquidity needs and cash requirements over the next twelve months and foreseeable future.

Current Liquidity

As of September 28, 2024, we had a cash balance of $280.5 million, working capital (excluding cash) of $237.7 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 September 28, 2024, we had $79.1 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 7.10% during the three months ended September 28, 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 September 28, 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 September 28, 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 9-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):

	Nine Months Ended	
	September 28, 2024	September 30, 2023
Cash flows provided by (used in):		
Operating activities	$ 35,806	$ 114,769
Investing activities	$ (87,047)	$ (58,263)
Financing activities	$ (107,517)	$ (11,931)

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 decrease in cash provided by operating activities during the nine months ended September 28, 2024 compared to cash provided by operating activities during the nine months ended September 30, 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 an increase in inventory.

Investing Activities

The increase in cash used in investing activities during the nine months ended September 28, 2024 was primarily related to the acquisition of Mystery Ranch and increased purchases of property and equipment.

Financing Activities

The increase in cash used by financing activities during the nine months ended September 28, 2024 was primarily driven by repurchases of common stock in connection with our $100 million ASR Agreement.

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.

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 September 28, 2024.

Changes in Internal Control over Financial Reporting

During the quarter ended September 28, 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

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 are not material.

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 5. Other Information

Insider Trading Arrangements

During the three months ended September 28, 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)
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 September 28, 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: November 7, 2024	By:	/s/ Matthew J. Reintjes
		Matthew J. Reintjes President and Chief Executive Officer (Principal Executive Officer)
Dated: November 7, 2024	By:	/s/ Michael J. McMullen
		Michael J. McMullen Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

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: November 7, 2024

/s/ Matthew J. Reintjes

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

Exhibit 31.2

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: November 7, 2024

/s/ Michael J. McMullen

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

Exhibit 32.1

**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 September 28, 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: November 7, 2024

By:	/s/ Matthew J. Reintjes
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 September 28, 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: November 7, 2024

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