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YETI Holdings, Inc. (YETI)

Q3 2025 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good morning, ladies and gentlemen, and welcome to the YETI Holdings Third Quarter 2025 Earnings Conference Call. At this time, all lines are in listen-only mode. Following the presentation, we will conduct a question-and-answer session. This call is being recorded on Thursday, November 6, 2025. I would now like to turn the conference over to Arvind Bhatia, Head of Investor Relations at YETI. Please go ahead.

Arvind Bhatia
Vice President-Investor Relations, YETI Holdings, Inc.

Good morning and thank you for joining us to discuss YETI Holdings third quarter fiscal 2025 results. Leading the call today will be Matt Reintjes, President and CEO, and Mike McMullen, CFO. Following our prepared remarks, we will open the call for your questions.

Before we begin, we would like to remind you that some of the statements that we make today on this call may be considered forward-looking, and such forward -looking statements are subject to various risks and uncertainties that could cause our actual results to differ materially from these statements. For more information, please refer to the risk factors detailed in our most recently filed Form 10-K and subsequent Form 10-Qs. We undertake no obligation to revise or update any forward-looking statements made today as a result of new information, future events, or otherwise, except as required by law.

Unless otherwise stated, our financial measures discussed on this call will be on a non-GAAP basis. We use non-GAAP measures as we believe they more accurately represent the true operational performance and underlying results of our business. Reconciliations of these non-GAAP measures to their most directly comparable GAAP measures are included in the press release or in the presentation and posted this morning to the Investor Relations section of our website at YETI.com.

I would now like to turn the call over to Matt.

Matthew J. Reintjes

President, Chief Executive Officer & Director, YETI Holdings, Inc.

Thanks, Arvind, and good morning. YETI's third quarter performance highlights growing momentum from consistent and strong execution against our long-standing strategic priorities; driving product innovation, broadening our brand and addressable market, and expanding our global presence. These initiatives are yielding meaningful results and building towards what we believe is a long-term top line growth range of high-single to low double-digits.

Our product innovation pipeline has never been more robust extending and deepening our portfolio. Our brand is connecting with both legacy and new customers domestically and abroad. Our international growth is accelerating with exceptional performance in the UK and Europe, robust consumer demand in Australia and Canada, and a great early read in Asia with more opportunity to come. Strong consumer demand for our products across channels and geographies, combined with recent innovation, continues to reinforce the durability and growing relevance of the YETI brand.

This demand translated into top line growth, fueled by robust double digit gains in our Coolers & Equipment category and our international markets. These results were achieved despite softer US e-commerce performance and significant caution in wholesale selling, which created a notable gap compared to very strong double digit sell through across both Drinkware and Coolers, as reported in that channel. The quarter underscores the strength of our diversified go to market strategy, our ability to meet consumers where they shop, and the accelerating impact of our international expansion.

Turning to growth and starting with product innovation. Our products continue to set the standard for durability, design, and performance. Our two core categories, Drinkware and Coolers & Equipment, anchor a dynamic portfolio built on 13 scalable product platforms fueling innovation and long term growth. These platforms are featured in our updated quarterly highlights presentation available on our Investor Relations website.

Across these platforms, we are on track to launch more than 30 new products in 2025, even as we navigate strategic trade-offs to advance supply chain diversification. Importantly, we have a robust pipeline that is aligned with the continued momentum of our brand and positions us for sustained expansion. As we stoke the brand globally, we create natural opportunity for product innovation, expansion and vitality.

Within Drinkware, the strength of our core portfolio and our up-tempo focus on innovation is driving accelerated momentum despite ongoing wholesale inventory pressure and promotional intensity in the US market. Even as overall sell-in was down year-over-year in the US wholesale, sell-through strength highlights the underlying momentum of YETI, in particular the durability of our Drinkware business in that highly contested market. It reinforces our global strategy of building a sound foundation through diversification to set up for growth in Drinkware in Q4 and beyond.

Our innovation this year has spanned across several Drinkware platforms, showcasing the diversity and range of our portfolio. Recent launches include our insulated food jars, travel bottles, updated Rambler jug, ceramic-lined drinkware, and a cast iron expansion with our [indiscernible] (00:05:35) Ranch Pan. Within the last two weeks, we launched our silo jug, built for everything from sports to job sites, and outdoor adventures. This is a great product that works not only for athletes but for anyone looking for large capacity, easy to access hydration with YETI cold holding power. We believe this launch continues to position YETI as a go to brand across a wide range of use environments and very naturally fits with our expanding focus on sports.

Looking at the remainder of the year and into 2026, we're energized by feedback we've received from our partners about the innovation ahead in Drinkware, including the upcoming release of our YETI shaker bottle, featuring a patented design that improves upon the standard shaker, providing an incredible mix experience while removing the traditional wire ball. This speed to launch is enabled by the acquisition of the design, tooling, and IP we communicated in our second quarter call.

With the shaker bottle, which will be manufactured in the United States, we are targeting a roughly $2.5 billion market fueled by the rapid growing demand for hydration powders, protein supplements, and wellness products, aligning with YETI's expansion into sport, health, and wellness. Early feedback from wholesale sports and health partners has been very positive. The acquired design and IP comes from Helimix, which will cease operations as we relaunch an updated design to build upon the market awareness and momentum from Helimix's over 39,000 4.5-star reviews on Amazon. This quick turn launch represents a compelling opportunity to drive organic growth going into 2026 and deliver a margin-accretive product line with a strong ROI. Importantly, this further deepens our connection with consumers in new and existing markets. The breadth of innovation across our Drinkware portfolio is demonstrating clear traction and setting us up for continued success in long-term category leadership.

In Coolers & Equipment, our double-digit growth for the quarter underscores the broad demand we're seeing across the portfolio. On the innovation front, our Daytrip soft coolers saw significant demand. Additionally, we have several highly anticipated Daytrip line expansions planned in the coming months to address an even wider market opportunity.

In bags and packs, we continue to see strength across new and legacy products with notable performance in backpacks, totes, and doubles. Following strong demand for Camino totes, which sold out across channels a number of times, we've worked to replenish inventory through limited rereleases and are partnering with our retailers to capture some of the anticipated holiday demand and sustained momentum of this iconic product. In hard coolers, our Roadie and Tundra families continue to extend reach even as we lap the significant debut of the Roadie 15 and Roadie 32 in the prior year.

The recent additions of customization capabilities on a range of our coolers unlocks significant opportunities, particularly among our existing partnerships and sports relationships. Last month, we launched an expansion of our storage and protective case platform with the GoBox 1, which comes at a giftable price point right in time for the holiday shopping season. We expect to see much broader expansion here in 2026.

I'm also very excited about the buildout of our global innovation capabilities. Our Thailand Innovation Center, focused on hard goods, is now fully operational and already driving impact, giving us the capability to significantly increase our speed and capacity for product development. In addition, I'm pleased to announce a new development and innovation office in Vietnam to open in early 2026, dedicated to the design and development of bags and soft cooler bags. This will complement our existing product talent, and capabilities in Austin, Denver, Bozeman, and Thailand.

Together, these innovation centers will enable a 24/7 global cycle across both current and future products, and provide us with the ability to respond with even greater agility to market opportunities, fueling long-term growth and competitive advantage. It's clear that our product expansion and innovation are working. And as we look forward with our pipeline stronger than ever and significant white space ahead, we're well-positioned to execute.

Our second strategic growth priority focuses on broadening our brand and our global customer base through brand awareness, community engagement, and a unique omni-channel strategy that enables us to reach consumers where and how they shop. We're amplifying our brand marketing as we approach YETI's 20th anniversary. Starting later this month, we will release our largest -ever US brand campaign around major sporting events in the run up to peak holiday shopping, partnering with the incredible talent at Wieden+Kennedy, we're on the front end of shaping the next decade of our brand. This brand campaign will span linear, connected, and digital media. Additionally, to amplify our reach, particularly on social platforms like TikTok, we've added a new media partner to drive this effort. These initiatives mark a significant step towards elevating YETI's always-on brand presence and impact, connecting to our powerful foundational audience while broadening our reach.

In terms of engagement at the local level, in Q3, YETI activated at over 80 events worldwide, deepening connections with consumers across diverse passions and communities. To that end, our sports presence has never been higher. Following the launch of our strategic partnership with Fanatics, we are now licensed with the NBA, rounding out major league relationships across NFL, NHL, MLS and MLB. We're also proud to have recently signed on as an exclusive partner, including courtside presence, for League One Volleyball, a fast-growing women's professional volleyball league and parent to roughly 2,000 youth and junior teams and 24,000 players.

Internationally, YETI's footprint is expanding through continued partnerships with top clubs and teams, including Tottenham Hotspur, now featuring YETI on the front of the women's team training kit, the New Zealand All Blacks, Oracle Red Bull Racing, and more to come. Our limited edition team, product launches and Signature Cup programs continue to power these partnerships into consumers' hands. At the collegiate level, YETI has outfitted over 50 NCAA schools and 80-plus Division One teams covering almost 4,000 athletes, including a strong combination of both women's and men's sports.

As we continue to grow our sport relationships, we see further exciting potential to expand our channels to market from youth up to professional. These initiatives highlight YETI's accelerating momentum in sports from grassroots to the global stage, supporting athletes with high-performance products and driving brand growth across new audiences and markets. As we execute our brand building strategy, YETI is unlocking significant opportunities for global growth, leveraging strategic partnerships and a refreshed media approach to expand our reach and our influence.

Shifting to our channel performance, the continued expansion of our product portfolio, combined with our diversified presence across channels, is a key part of our strategy to broaden our audience. Our wholesale channel demonstrated very strong momentum despite a continuation of more cautious ordering and tighter inventory management from our retail partners, particularly in the US. Sell-through trends remained strong, reflecting healthy consumer demand throughout the quarter. As we enter year-end, we're well-positioned from a channel inventory perspective and feel great about our setup heading into 2026.

Last month, we started a new wholesale partnership with Nordstrom where YETI is being featured in their holiday gift activation across 91 doors and online, and permanent placement in 70 Nordstrom home doors. This new retail partnership underscores our focus on adding complementary distribution channels to support our diverse product portfolio.

In our direct-to-consumer channels, we continue to leverage our omni-channel approach to meet evolving shopping behaviors with speed and agility. YETI's Amazon Marketplace continues to see strong performance, and our corporate sales business once again exceeded expectations supported by expanded customization capabilities across hard coolers and select bags, as well as our growing partnerships in sports and hospitality.

Notably, our collaboration with Fanatics, a leading global digital sports platform, is off to an exceptional start. This partnership significantly expands YETI's presence in the sports licensing market and is already driving strong engagement across fan communities. We're incredibly excited about the momentum we're seeing and the opportunities ahead as we build on this performance, and further accelerate growth across our consumer and commercial channels.

On YETI.com traffic and average order value grew in Q3 with strong engagement around new product launches. Conversion rates remain pressured in the quarter, impacting our overall performance and reflecting a greater prevalence of deal shopping by consumers. In response, we focused on effective deployment of performance marketing spend, prioritized higher quality traffic, and launched targeted initiatives to improve conversion efficiency. In the near-term, we're optimistic about our upcoming Gear Garage event, which is expected to further elevate customer engagement and drive traffic and purchase intent. These efforts are laying a strong foundation for YETI.com in 2026.

In retail, we remain focused on maximizing the performance of our existing stores. During the quarter, we launched localized branded apparel and accessories in 16 stores to add a unique impulse purchase moment. We also introduced immersive walkthroughs on YETI.com to showcase the YETI retail experience. With more initiatives planned for Q4, we're building upon our retail foundation to support the next phase of growth and continued impact on the rest of our channels to market.

Our third key growth driver is expanding our global presence. The YETI brand continues to build as we execute our proven go-to-market strategy across our international markets. I recently spent time in the UK and Europe with a number of iconic global brand partners. I walked away from those meetings incredibly energized about the mutual brand respect, passion, and creativity for working together. Mike will talk further about the performance in the quarter and the setup for Q4, but suffice it to say, we're on the front of the global wave.

Europe continues to show outstanding growth, led by excellent performance in the UK and continued traction across key European markets. In addition to the recent partner meetings in the UK and Europe, I also joined partners across Asia earlier this year. The energy and momentum is undeniable. Combined, these markets echo the early surge we saw during YETI's rapid US expansion and again in Canada and Australia. What's unfolding is not just market growth; it's a product-led, brand-endorsed movement. We're confident in the trajectory ahead and energized by the opportunity it represents.

In Japan, our presence continues to scale quickly, with over 270 doors opened to-date and 400-plus stores expected by year-end. Looking ahead, with our core leadership team in place, our priority is consistent execution of our go-to-market strategy, leveraging the strong fit between YETI's premium positioning and the Japanese consumers' appreciation for quality. We see the broader Asia region as a key long-term driver of international growth potential. This year, complementing our launch directly in Japan, we added distribution in Thailand. In addition, we've signed distributor partners and are planning launches in three Asian markets next year; Malaysia, Singapore, and the Philippines. We're also making progress against our plans and potential partnerships in Korea, China, Indonesia, Taiwan, and Hong Kong.

In Canada, end consumer demand for YETI products continues to be robust, even as our wholesale partners remain cautious during the third quarter. Seasonal colorways and innovation across categories are resonating in Canada, highlighting the relevance of our diverse product offering and the impact of our localized brand strategy. In Australia, we delivered growth across all channels and core categories during the quarter, and we anticipate further acceleration in Q4. Brand enthusiasm remains strong, positioning us for sustained momentum through the end of the year and into 2026. Going into 2026 and beyond, we continue to see attractive opportunities for further global expansion across the Middle East and South America.

In terms of supply chain transformation, our diversification plan is well on track with key factory partners now live across multiple geographies. These partners are consistently meeting our high standards for quality and cost. We continue to expect that by year-end on a go-forward basis, less than 5% of our total cost of goods sold will be exposed to US tariffs on goods sourced from China. And importantly, our multi-country sourcing strategy will be fully operational. As we look ahead to 2026, we're extremely well-positioned with a more resilient, flexible, and diversified supply base that strengthens our ability to scale globally while mitigating geopolitical and operational risks.

As we navigate a dynamic macro, our fortressed balance sheet and very robust free cash flow generation continue to underpin strategic investments in growth and innovation. At the same time, it enables us to execute our growth-oriented capital allocation priorities in addition to creating value through share buybacks. With $173 million in share repurchases year-to-date, we're upsizing our 2025 plan from $200 million, now targeting $300 million by year-end, bringing our total repurchase to $500 million across 2024 and 2025, representing approximately 14% of our shares outstanding.

Alongside our growth in disciplined capital allocation, we're making investments and focusing resources on potentially transformative technologies, including artificial intelligence, to unlock new growth opportunities, enhance consumer engagement, and drive efficiency. We're early on the journey but committed to it. Our AI strategy spans high-impact applications from automated custom image moderation, reducing the necessity for manual processes; customer support; site search; advanced marketing analytics and back office automation tests. We're also leveraging AI to amplify brand visibility in the evolving search landscape.

Recent initiatives include AI-enabled product customization, including a launch of a Gen AI photo-to-line art feature to elevate consumer creativity and the launch of Ranger, a conversational shopping assistant designed to boost conversion on YETI.com. Our efforts around AI-driven content optimization helped secure YETI, the number one share of voice across major AI discovery platforms over the past quarter. And we've modernized our marketing measurement with AI-powered ROAS modeling. These initiatives not only differentiate YETI, but also deepen consumer insights, enable data-driven decisions, and create the potential to strengthen long-term margins.

As it relates to our full year 2025 outlook, we remain confident in our disciplined execution against a well-established strategy, and we believe we're well-positioned to continue our momentum into year-end. I'm incredibly encouraged by the global feedback we're receiving, underscoring growing passion for the YETI brand, strong enthusiasm for our products, and anticipation for the innovation ahead. As mentioned last quarter, we plan to hold our Investor Day in the first half of next year. Today, we're excited to announce that we'll be hosting the event in Austin, Texas, to fully showcase YETI and where we are going. We will be providing additional details on the event in the near future.

Looking ahead, we're entering an incredibly exciting chapter for YETI, driven by immense passion for our brand, the amazing quality and innovation in our products, and the scalable nature of the business model with strong foundation to build off as we advance the business toward the global growth potential for YETI, with a clear focus on execution against our strategic priorities. I'll finish by thanking our team and partners for their commitment to building this brand the right way, setting us up for the incredible potential in front of us.

With that, I'll now turn the call over to Mike.

Michael McMullen

Senior Vice President, Chief Financial Officer & Treasurer, YETI Holdings, Inc.

Thanks, Matt, and good morning, everyone. I appreciate you all joining us today. I'll start by reviewing our third quarter 2025 performance, then share our outlook for the full year. Following that, we look forward to taking your questions. As a reminder, all results presented on today's call will be on a non-GAAP basis to better focus on the operating performance of the business during the quarter.

Let's begin with the top line. In the third quarter, we delivered sales growth of 2%, reaching $487.8 million, which was above our expectations. This performance was driven by double-digit growth in both our Coolers & Equipment category and in our international business. In addition, we are incredibly encouraged by the underlying momentum we are seeing across the business. Consumer demand is strong and our recent innovation is resonating even as caution persists among consumers and wholesale partners.

Looking at our product categories, Drinkware sales declined 4% to $263.8 million, which was in line with our expectations. The US Drinkware market remains challenged during Q3 with similar levels of promotional activity as compared to the prior quarter. However, there was real strength within key pieces of our broad and diversified Drinkware portfolio. And outside the US, Drinkware continued its growth trend. As we said last quarter, we believe that our global Drinkware business will return to growth in Q4, driven by innovation, international growth, and as we lap the more challenging market dynamics that began in the fourth quarter of last year.

Coolers & Equipment had a strong quarter globally, with sales up 12% to $215.4 million. Bags had a fantastic quarter across the full portfolio of products, and we saw strong growth from soft coolers. Both categories benefited from recent innovation, and we believe that there is tremendous opportunity for growth in each category going forward.

Diving into performance by channel, direct-to-consumer sales grew 3% to $288.7 million. Our Amazon Marketplace continued its strong performance, even in the face of a softer Prime Day event as compared to last year, underscoring consistently strong consumer demand for the YETI brand within this channel. Corporate sales continued to deliver solid growth, and we are excited about the growing number of strategic partnerships that we are developing around the world. When combined with an expanding portfolio of customization capabilities, we believe this will enable us to capture demand while at the same time growing our brand on a global basis.

As for e-commerce, while we were pleased with the performance of our international sites, in the US, YETI.com saw a continuation of trends from Q2. Traffic and average order values grew year-over-year, but conversion continued to be a challenge, which we believe is a sign of a discerning consumer.

In the wholesale channel, sales increased 1% to $199 million in the third quarter. Our international wholesale business delivered good growth both on a sell-in and sell-through basis. In the US wholesale channel, strong C&E performance was offset by a decline in the Drinkware category, stemming from a continuation of trends seen in the second quarter: elevated promotional intensity, coupled with conservative ordering from some of our wholesale partners.

But we believe the underlying trends and sell-through are incredibly important. We observed double-digit sell-through growth in the US for both C&E and Drinkware. This accelerated the trend we saw in the prior quarter where sell-through growth is exceeding sell-in growth and has resulted in a reduction in our channel inventory levels versus the prior year. We believe this positions us well for the future, especially when combined with the exciting new US distribution opportunities that we have announced this year, including Fanatics and Nordstrom.

Moving to our international business, sales outside the US grew 14% to $100.4 million, representing approximately 21% of total sales in the third quarter. This reflects growth in every region; Europe, Australia/New Zealand, and Canada as well as very early contribution from our launch of Japan. Europe was the real growth highlight in Q3, continuing the trends that we have seen this year. We have tremendous momentum in the UK where we continue to benefit from growing brand awareness, strong consumer engagement, and increasing interest from wholesale partners. Also, we are pleased with the progress we are making in Japan. This is a foundational year for us in Japan hiring the team, establishing relationships, and building the infrastructure that we need to capitalize on what we believe is a tremendous opportunity.

Now moving down the P&L. Adjusted gross profit decreased 2% to $272.5 million, or 55.9% of adjusted sales, compared to 58.2% of adjusted sales in the third quarter of last year. This 230-basis-point year-over-year decline was driven by a 320-basis-point unfavorable impact from higher tariff costs. In addition, a lower mix of Drinkware sales in the quarter had an 80-basis-point unfavorable impact on gross margin. These were partially offset by a 60-basis-point benefit from continued product cost savings, a 50-basis-point benefit from selective price increases executed early this year, and a 60-basis-point benefit from a number of other smaller factors.

Adjusted SG&A expenses in the third quarter increased 3% to $205.9 million, or 42.2% of sales, compared to 41.7% in the prior year period. We continue to make strategic investments to drive future growth in key areas such as product development and technology, while at the same time taking a disciplined approach to managing our operating expenses.

On an adjusted basis, operating income decreased 16% to $66.6 million, or 13.7% of sales; and net income decreased 18% to $49.6 million, or 10.2% of sales. Adjusted net income per share decreased 14% to $0.61 versus $0.71 in the prior-year period. Our EPS this quarter includes a $0.14 net impact from incremental costs associated with tariffs announced in 2025.

Turning to our balance sheet, we ended the quarter with $164.5 million in cash as compared to $280.5 million in the prior-year quarter. During the third quarter, we repurchased 4.3 million shares of YETI's common stock on the open market for $150 million, bringing the year-to-date total to 5 million shares for $173 million.

Total debt, excluding finance leases and unamortized deferred financing fees was $74.9 million compared to $79.1 million at the end of last year's third quarter. From a total liquidity standpoint, we ended Q3 in a substantial net cash position and with our $300 million revolving credit facility fully available. Inventory decreased 12% year-over-year to $324 million, reflecting strategic management of our inventory purchases and continued supply constraints related to our supply chain transformation.

Now turning to our updated fiscal 2025 outlook. We now expect full year sales to increase between 1% and 2% versus fiscal 2024's adjusted net sales, and as compared to our prior outlook of flat to up 2%. This updated guidance continues to include an approximately 300-basis-point unfavorable impact related to our supply chain diversification efforts and subsequent inventory supply disruptions, which is consistent with our previous outlook.

From a product perspective, we expect C&E to be up mid-single digits and Drinkware to be down slightly for the full year fiscal 2025. As I mentioned earlier, for the fourth quarter, we continue to expect positive growth in Drinkware, reflecting the impact of recent innovation, growth outside the United States, and the lapping of market dynamics that we began to see in Q4 of 2024.

From a channel standpoint, we expect DTC growth to be slightly above wholesale growth in fiscal 2025. Geographically, we are maintaining our outlook for our international business as we continue to expect growth of between 15% and 20% in fiscal 2025. This implies an acceleration in international growth in Q4, reflecting the timing of order patterns that we mentioned last quarter and the continued strong consumer demand that we have seen throughout this year.

In the US, we anticipate a low-single digit decline for the year, largely due to the dynamics within the Drinkware category that we have discussed. That said, we remain encouraged by the resilience of our US Drinkware business, and we anticipate improving growth trends in the fourth quarter.

We continue to expect gross margins for the year to be between 56.5% and 57%. As was the case last quarter, this reflects an approximately $40 million or 220-basis-point net impact from tariffs. Trade policy discussions are ongoing, and the ultimate outcome regarding tariff rates remains uncertain. In our guidance, we are assuming that the latest tariff rates as announced remain through the end of the year. But given the late timing in the year and our successful efforts to transition our supply chain, the recent reduction in the tariff rate on goods imported from China will not have a material impact on our gross margins in 2025.

We continue to expect operating expense growth of between 2% and 4% versus the prior year. This reflects the impact of ongoing investment in our growth initiatives, partially offset by continued cost optimization. We continue to expect operating income for the full year to be between 14% and 14.5% of adjusted sales, reflecting a net unfavorable impact of approximately 220 basis points from higher tariff costs versus the prior year.

Below the operating line, we continue to expect an effective tax rate of approximately 25.5%. We now expect full year 2025 diluted shares outstanding of approximately 81.5 million versus our previous outlook of 82 million. This reflects the impact of our increased share repurchase target through fiscal year-end to $300 million versus $200 million in our prior outlook. Reflecting the narrowing of our sales guidance and the impact of our increased share repurchase target, we now expect adjusted earnings per diluted share of between $2.38 and $2.49, including an approximately $0.40 net unfavorable impact from higher tariff costs versus the prior year.

Consistent with our previous outlook, our capital expenditures for the year are projected to be approximately $50 million. Our capital spending remains focused on advancing our technology, launching innovative products, and strengthening our supply chain. We now expect free cash flow of approximately $200 million in 2025 compared to the prior outlook of $150 million to $200 million. As it relates to year-end inventory, we continue to expect a decline year-over-year.

We are proud of the results we delivered and the growing momentum we created in the third quarter, especially against the backdrop of a persistently dynamic macroeconomic environment and heightened overall consumer caution. This performance reflects our unwavering commitment to executing on our strategic growth priorities. At the same time, we continue to focus on fortifying our supply chain, exercising cost discipline and capital management, and driving operational excellence. These efforts are designed to support sustainable, long-term global growth and deliver value to our shareholders.

Now I will turn the call over to the operator to take your questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. [Operator Instructions] Due to time constraints, we ask that you please limit yourself to one question. [Operator Instructions] Our first question comes from Randy Konik of Jefferies. Please go ahead.

Randal J. Konik
Analyst, Jefferies LLC

Q

Hey. What's up guys? Thanks for taking my questions. I guess, Matt, you let off the call this morning and you said something to the effect of we see this business long-term having a growth algo potential of high single-digits to low double-digit, I believe. So maybe kind of think about – I don't need necessarily need the timing of that, but maybe kind of think about or give us kind of the building blocks you think about to kind of get back towards that that growth algo in time. How do you kind of put all those pieces together? Obviously on the product side and the geo side, just give us a little more framing up of how you think about that. That'll be helpful. Thanks.

Matthew J. Reintjes
President, Chief Executive Officer & Director, YETI Holdings, Inc.

A

Hey. Thanks, Randy. Good morning. Appreciate the question. I think as people have followed along with this story since our IPO, everything in this business is built on product and making great product. And I look at where we were a year ago growing 9%. I look at where we've been since the IPO, low double-digit growth CAGR. I look at the setup that we have across innovation, both the strength of our existing portfolio. I think you started to hear that on the call today, the things that we saw in the third quarter, the buildup for the rest of the year in US in particular, the expansion opportunity, the drive we've seen in C&E which is really driven by both legacy products and new expansions and the things that we're seeing that are really exciting in the bags.

The second big one is the brand reach. And I think as this brand continues to grow globally, we reach new audiences, we have new interactions with consumers, we create more opportunities to bring YETI products into different parts of their life. And then the third one is, as I said on the call, I think we're – from a global perspective, we're on the front end of the wave. And so when you step back and think about what the growth algorithm going forward for YETI is, it's going to be built on innovation, both the performance of the products we have today and the expansion. It's going to be built on the continued brand relevance and deep connection and the reach that we have with the brand. And the third one is the global opportunity we have in front of us. And I think that, as we started to see in Q3, I think we've indicated the things that we'll see in Q4 is what we're excited about as we go into 2026 and beyond.

Randal J. Konik
Analyst, Jefferies LLC

Q

That's great. And then I guess my follow-up, on the wholesale side, can you just kind of elaborate a little bit more? It sounds like the sell-through is very strong; sell-in is more subdued [indiscernible] (00:38:17) talking about the United States market and the wholesale. Should we expect that that the sell-in start improve as inventories get worked down into 2026? And then on the on the direct-to-consumer side, I know you talked about, I believe a conversion downs, but traffic and AOV, I believe, up. As you launch more things like the silo jug, and my eight-year-old thanks you because I bought it for him. He loves it. As you kind of keep pushing out more and more newness and the consumer gets more and more attention to it, do you think that these traffic level and AOV continue to rise and conversion starts to improve as we head into 2026 on the DTC side? Just want to get your perspective there. Thanks.

Matthew J. Reintjes
President, Chief Executive Officer & Director, YETI Holdings, Inc.

A

Great question, Randy. Thanks for your eight-year-old. It is an incredible product that we're really excited about. And I think it exemplifies the strategy we have in Drinkware. And I think it's why we've had the results and why we continue to be bullish on what's happening in Drinkware, particularly in the US. And we're building on that incredible foundation we have and really think that the forward look and the opportunity in that categories is great.

I think when you talk about the US wholesale, the sell-in/sell-through dynamic, I think we always start with looking at sell-through, where is the consumer demand. And that importance of wholesale to us, that importance of that moment to sell to and interact with consumers and see their demand for YETI is outstanding, and we're really excited about what we see there. The sell-in dynamic is sensitive to what's happening from an inventory position. I think it's disproportionately a Drinkware story. And we've said this for the last number of quarters, we expected the Drinkware category to settle out. We work very closely with our wholesale partners on what their inventory is. And we've seen, we believe, categorical destocking happening around drinkware. The great news is we're seeing the strength on the consumer demand. We're seeing the strength from the innovation. We're seeing the strength of the opportunity go forward as we talk about the portfolio that we have coming in Drinkware in particular.

As it relates to DTC, we always we always want to look for strength, and that traffic and AOV are both really positive signs I think in our dot-com. The conversion rate is really something that we're focused on, how do we drive more efficiency, more productivity, higher conversion of the people that are showing up on our dot-com site. But I think what the results show is it exemplifies the power of our omni-channel strategy. And we talk a lot about, we want to be where consumers are shopping. We're thrilled the performance we've seen on the Amazon Marketplace. We love to see our wholesale partners showing really strong sell-through growth and consumer demand. And we continue to invest behind making a YETI.com a flagship place for discovery, consideration, and ultimately purchase which should continue to improve the conversion.

Randal J. Konik
Analyst, Jefferies LLC

Q

Super helpful. Thank you.

Operator: Thank you. Our next question today comes from Brooke Roach, Goldman Sachs. Please go ahead.

Brooke Roach
Analyst, Goldman Sachs & Co. LLC

Q

Good morning and thank you for taking our question. Matt, Mike, I was hoping you could help us understand the scaling opportunity of some of the new sport-focused launches that you are putting into the marketplace in the back half of this year. Whether that is the co-branded Drinkware with Fanatics, or also the sport jug and some of the blender bottles that you're putting into the marketplace. What kind of contribution do you expect from that as you scale over the course of the next year? And will that be the driver of the return to growth? What's the forecast for your core business of legacy products? Thank you.

Matthew J. Reintjes
President, Chief Executive Officer & Director, YETI Holdings, Inc.

A

Hey. Thanks, Brooke. I'll take the front end of that, and Mike can step in on the forecast topic. What I would say largely is we feel really good as we look at our Drinkware portfolio, and the innovation our team has been driving and the diversification. We've had these conversations over a number of quarters as that category had a lot of attention around it. And we said our strategy has been diversify, be relevant, build a strong foundation in base, and then grow off of it.

And I think that – when we look across the portfolio we have today, it isn't about leaving behind the things we've done. We're really excited about the innovation we have coming in, in bottles and jugs. We're really excited about the tumblers and cups. We just had a release yesterday of a large format straw and you could see what the social response to that was, an elite proof large handle tumbler. And so, we're really excited about that travel mug. But when we look to sport and where we're going, we believe we can play from the sideline to the home to the outdoors, to the job site. And I think the jug is an incredible, versatile, very YETI product in that way.

I think where the sports partnerships come into play is that connection of fandom and connecting brands. The channels to market that Fanatics offers, the licensing partnerships that go through existing wholesale partners that we have, and provide a direct-to-consumer opportunity I think are really exciting. You'll see us continue to innovate in that category because we believe that sports on top of our outdoor legacy, on top of our historical fishing legacy is an incredible way of expanding our audience through innovation, through connection to consumers. And so, we're really excited about where this is going.

Michael McMullen A

Senior Vice President, Chief Financial Officer & Treasurer, YETI Holdings, Inc.

Hey, Brooke. It's Mike. So in terms of the forecast, I mean, I'd say it's all part of what we talked about as why we believe Drinkware will return to growth in Q4. I mean, we said it was driven by innovation. This is obviously a piece of that. The sport jug we talked about, Silo. We talked about the shaker bottle launching this quarter. It'll be late in the quarter, not a huge amount, but it's all just part of that overall innovation story. And then the second thing we talked about is why we believe that Drinkware can return to growth in Q4 is just the international growth story and the opportunities that we see to continue to grow drinkware as we expand internationally. So, it's all part of the overall story.

Brooke Roach Q

Analyst, Goldman Sachs & Co. LLC

Great. Thanks so much. I'll pass it on.

Operator: Thank you. Our next question today comes from Peter Benedict, Baird. Please go ahead.

Peter Sloan Benedict Q

Analyst, Robert W. Baird & Co., Inc.

Hi. Good morning, guys. Thanks for taking my question. I think I guess I'll ask about the promotional environment. As you think about the double-digit sell-through US wholesale for Drinkware, how much are promotions driving that? And then how do we square that with kind of the lower conversion happening on YETI.com? Is there just a higher promotional cadence in wholesale and not as much on your site? Just trying to understand that and understand how you think about the promotional cadence in the holiday and going forward, how much you do and how much your partners do? Thank you.

Matthew J. Reintjes A

President, Chief Executive Officer & Director, YETI Holdings, Inc.

Good morning, Peter. Thanks. Thanks for the question. I would say a couple of things. We've been talking for a number of quarters that not only did we expect Drinkware in the US in particular to be promotional in nature, but it's been consistent and we've seen that, and that's across brands. You go out and do market surveys, you'll see that out there. I think for us, we've had a really nice combination of sell-through driven by the innovation that we've launched. And when we look at it, we've talked about our Wetlands Camo when we look at this new launch of the Silo Jug, we've got this travel straw that just announced yesterday. We go back over the quarters and look at the innovation that we brought to market in our material finish, in form factors, we really believe that innovation, expansion, brand relevance is the thing that drives YETI, not a – and really drives it in an environment that is highly promotional and continues to be that way.

From our promotional posture, our promotions are consistent with things that we've done in the past, as we transition out of colors, transition out of styles, and we'll continue to do that. As we get bigger and the portfolio gets bigger, there may be incremental ones we do just based on the numbers. But I think largely what we're focused on is how do we drive the premium nature of YETI, the desire for the innovation, the looking to YETI for what's new. And I think that's what our team has done an extraordinary job this year amidst an incredibly complex supply chain transition, of which I'm really proud of the work we've done and the setup that we have, both in innovation and the posture of our global supply base for 2026.

I think as it gets to YETI.com and the conversion, I really think that there's – we're continuing to watch where consumers want to shop as some changing and shifting behaviors. I think that ties in a little bit to some of our comments on the call about how we're looking at AI and what that does to search and how we play into it. And so, it's an area we're really focused on, but the overall display is the power of having our diverse omni-channel to market from wholesale through our diverse D2C all the way to our dot-com and our retail stores. I think we want to be where YETI can win.

Peter Sloan Benedict
Analyst, Robert W. Baird & Co., Inc.

Q

Got you. Thanks so much, guys. Good luck.

Operator: Our next question today comes from Phillip Blee from William Blair. Please go ahead.

Phillip Blee
Analyst, William Blair & Co. LLC

Q

Matt, Mike, Arvind, good morning. So, just wanted to talk a little bit about the fourth quarter. The implied guide assumes a bit of a sales acceleration. Can you maybe just provide a bit more color on your confidence there? A lot of retailers are calling out consumer demand has been increasingly choppy. Are you seeing any of that, or have you – already seeing some of that improvement, sell-in or sell-through, quarter-to-date? And then just a clarification question on Drinkware, the category should inflect positive in the fourth quarter, but do you see the potential for the US market to return to growth; or is it going to be more of an international story? Thank you.

Michael McMullen
Senior Vice President, Chief Financial Officer & Treasurer, YETI Holdings, Inc.

A

Yeah. Hey, Phillip, good morning. Thanks for the question. So, I'd say both your questions are related. So as we look at Q4 and where we sit today, I mean, we've been all year long, we've talked about strength in C&E and we saw that in Q3, we had a really good bags quarter, really strong soft coolers quarter and an overall really strong C&E quarter in both the US and International.

In Drinkware, really strong outside the US in Q3 and then in the US it played out about like we expected. But as we've consistently said, when we look at the innovation we have coming, when we look at the growth outside the US that we think it continue and we start to comp some of those [ph] when (00:49:50) the market dynamics really started in Q4 of last year, we expect to see a stabilization of the Drinkware market in the US. So, those are all the factors that sort of combine to say that, hey, we believe we can get Drinkware back to growth in Q4. We believe we can continue the growth we've seen in C&E and that should lead to a better outcome in the US market.

When you run the math, it kind of says the US, based on our guide, will definitely improve, as we look to from Q3 to Q4. And I think it's all those factors that we've talked about. You mentioned consumer demand being choppy. I mean, really, like Matt mentioned, consumer demand at a sell-through level was strong in Q3. And we feel good about that as we head into Q4. On the DTC side, I think the choppiness comes from across channels. So Amazon and corporate sales have been strong. US e-commerce has been a little more challenged. But overall, we feel good about where we are as we head into Q4.

Phillip Blee
Analyst, William Blair & Co. LLC

Q

Great. Very helpful. Thank you, guys.

Operator: [Operator Instructions] Our next question comes from Peter Keith, Piper Sandler. Please go ahead.

Alexia Morgan
Analyst, Piper Sandler & Co.

Q

Hi. This is Alexia Morgan on for Peter. Thanks for taking our question. I was wanting to follow up on the previous question. So, international in Q4 implies a pretty big step-up just to get to the 15% to 20% guidance for the year. I was wondering what gives you confidence there on that step-up and then also what level of international growth is sustainable to support your provided long-term algo for high-single to low double-digit sales growth? Thank you.

Michael McMullen
Senior Vice President, Chief Financial Officer & Treasurer, YETI Holdings, Inc.

A

Yeah. Hi, Alexia. Thanks for the question. So I'd say you are correct. So, the guide would imply a step-up from Q3 to Q4, but I'd say a couple of things. One, the step-up is in around the level of growth that we have seen over the last six quarters or so, last year and in the first quarter of this year. So it's not like we're not getting back to levels where we've been before, number one. Number two, all year long, we talked about some timing differences related to international wholesale that growth is going to move around a bit. You saw the return of us back to double-digit growth in Q3, and we expect that momentum to continue as we go into Q4.

But also, just like in the US, we have some consumer demand reporting that gives – that has remained strong outside the US. And so, when we combine all those factors together, it gave us confidence that we can get back to the levels that we would need in Q4 in order to hold our guide for the year.

In terms of long-term international, I mean, obviously not giving any guidance beyond 2025 this year or this quarter. But what I'd say is, we believe when we look at the opportunities that we have in Europe, that we have in Asia, both in Japan and beyond that, based on some of the comments that Matt made this morning, we still believe we have a significant opportunity in front of us. And the word we've used is we believe we're on the front of the wave in terms of what we think the opportunity is outside the US.

Alexia Morgan
Analyst, Piper Sandler & Co.

Q

Okay. Thank you. I'll pass it on.

Operator: Thank you. Our next question today comes from Joe Altobello, Raymond James. Please go ahead.

Joseph Altobello
Analyst, Raymond James & Associates, Inc.

Q

I want to quickly touch on tariffs. You have a net tariff impact this year, about $0.40 per share. I realize you're not giving any kind of guidance for next year, but just trying to get an idea of what that might look like going forward?

Michael McMullen
Senior Vice President, Chief Financial Officer & Treasurer, YETI Holdings, Inc.

A

Yeah. Good morning. Thanks for the question. So, I mean, you're right. We're not giving any kind of guidance beyond 2025 on this call. There are also a lot of moving pieces. So on one hand, you've got the rate on imports into the US from China coming down recently. Won't have a material impact on 2025 given the timing. Like we've said, for most of this year, China has been at 30%. And by the end of this year, we will largely be out of China for goods imported into the US.

We will see an annualization of the full year impact of tariffs and other countries outside of China. I'd say the other thing is, given how we diversified our supply chain, we now have the opportunity to look at where we produce and optimize our sourcing based on where tariff rates sits. I mean, there's some countries in which we source that do not currently pay a tariff. So I think next, we'll look for ways to optimize our costs, continue to partner with our suppliers. And then lastly, we'll also look at price.

And so there are a lot of pieces moving around, and there's work for us to go do that we're going to continue to go do. So not giving guidance specifically beyond this year other than to say it's something that we're watching closely and it remains a significant priority for us. And we'll have – and we'll continue to work it.

Joseph Altobello
Analyst, Raymond James & Associates, Inc.

Q

No, that's helpful. And just kind of quickly looking at this quarter, were US sales up if you exclude Drinkware?

Michael McMullen
Senior Vice President, Chief Financial Officer & Treasurer, YETI Holdings, Inc.

A

Well, I think yeah. I mean, we didn't give the specific number, but we talked about C&E strength in the US and international. So I think it's fair to say that that US sales were up, if you exclude Drinkware, correct.

Matthew J. Reintjes
President, Chief Executive Officer & Director, YETI Holdings, Inc.

A

The only thing I would add to that is if you really think about and you'll see it in our revised investor deck, a more blown out view of our product portfolio. But, really, the drag in our Drinkware business is pretty concentrated around that trend driven last couple of years style. And the overall strength in our Drinkware business is what gives us confidence in the expansionary strategy, the innovation, the growth we're driving, the relevance to consumers. So, I think that's why we feel good about the forward look.

Joseph Altobello
Analyst, Raymond James & Associates, Inc.

Q

Great. Thank you and good luck.

Matthew J. Reintjes
President, Chief Executive Officer & Director, YETI Holdings, Inc.

A

Thank you.

Michael McMullen
Senior Vice President, Chief Financial Officer & Treasurer, YETI Holdings, Inc.

A

Thank you.

Operator: Thank you. Our next question today comes from Molly Baum, Morgan Stanley. Please go ahead.

Molly Baum
Analyst, Morgan Stanley & Co. LLC

Q

Hi. Thanks so much for taking our question. I want to follow up on your thoughts around 4Q, specifically the holiday season. I know you mentioned that you had a softer Prime Day versus last year. So, can you maybe give a little bit more detail on what drove this and if there's any read through there on what we might expect for some of these key holiday selling periods?

Michael McMullen
Senior Vice President, Chief Financial Officer & Treasurer, YETI Holdings, Inc.

A

Yeah. Hey, Molly. So, yeah, we mentioned overall strength on Amazon despite a softer July Prime Day versus the prior year and from what we saw [indiscernible] (00:58:03) we weren't alone in sort of seeing that. So, I think the holiday time period is different. It's not one event. It's over a longer period of time, which I think plays to our advantage a little bit because that's what we saw in Q3 was that just sort of sustained demand, strong consumer demand on Amazon. But it's just one piece of our overall growth story in Q4.

Obviously, our dot-com business and what we have planned around Gear Garage is always an important piece of our Q4 business and we feel good about where things stand and what we have planned. Obviously, we believe given the overall strength on Amazon, we're set up for a good holiday season. And then – we're just talking to US, obviously. I mean, we feel really good about where our international business is, the acceleration that we have planned in Q4. So, I don't think you can take a direct read-through from Prime Day and apply it to the holiday season because I think there's just too many other factors at play.

Molly Baum
Analyst, Morgan Stanley & Co. LLC

Q

Got it. That makes sense. Thanks so much.

Operator: Thank you. Our next question today comes from Noah Zatzkin, KeyBanc Capital Markets. Please go ahead.

Noah Zatzkin
Analyst, KeyBanc Capital Markets, Inc.

Q

Hi. Thanks for taking my question. I guess just on kind of the M&A front, I think there was kind of a thought some time ago that maybe tuck-ins would kind of play a role in how you're thinking about the long-term algo. So, how kind of tuck-in acquisitions factor the high single-digit to low double-digit long-term growth rate? And then just in general, kind of how are you thinking about M&A more near-term? Thanks.

Matthew J. Reintjes
President, Chief Executive Officer & Director, YETI Holdings, Inc.
A

Thanks, Noah. Appreciate the question. A couple of things I would say. We obviously talked a lot on the call and you have seen over the last couple of years our capital allocation priorities. And disproportionally, it's been a really strong sign in the buybacks that we've completed. As we communicated on the call with the upsized target for this year, it would be $500 million over the last two years in buybacks. And I think that shows the conviction we have in what we're doing at YETI and what's in front of us.

As it relates to acquisitions in that what I call very targeted deployment of capital around technologies, designs, IP is really all innovation focused. And so if you go back and look at the types of things that we've done, it's not tuck-in in the traditional sense of a tuck-in of a business or a brand. It's really about access to capabilities so that we can accelerate the innovation pipeline. We did it with the expansion we've had in bags underneath the YETI brand, and you saw that starting earlier this year. And we're excited about what's coming 2026 and beyond. In the cast iron, we had an opportunity to get a small niche design, make it a YETI design, enhance it, bring it to market and really set a marker out there in the market for what we can do in this expanding cookware and culinary world.

And then the shaker bottle, similarly, we got a chance to get something that was unique in the market from a design perspective, enhance the product, and it back to the market, which is what we communicated will happen in Q4. And so, those opportunities, I look at them as adjuncts to the investment we make in the people, technologies, processes we have inside the business. And so, we'll continue to look for those which sort of jump the curve on getting product to market, jump the curve on technology, expand sort of our open innovation, our acqui-hire thought process. But suffice it to say that our forward look on this business is driving growth underneath the YETI brand that we think complements our channels to market, complements our brand extension strategy, and really addresses consumer needs and consumer opportunities we see.

Noah Zatzkin
Analyst, KeyBanc Capital Markets, Inc.
Q

Thank you. Very helpful.

Operator: Our next question today comes from John Kernan, TD Cowen. Please go ahead.

Krista Zuber
Analyst, TD Cowen
Q

Good morning. This is Krista Zuber on for John. Thanks for taking our questions. Just on the international sort of bigger picture, with the double-digit growth you've demonstrated much of this year and the international mix of sales now around roughly 20%. How are you thinking about the margin profile of this business relative to the US or the company average overall? And then just secondly, on the product launches, you've talked about the opening of the Thailand Innovation Center, complementing the Austin Center. Now you're adding Vietnam. You're on track to see roughly 30 new product launches this year. Is that how we and how are you thinking about the run rate of launches going forward? Thanks.

Michael McMullen
Senior Vice President, Chief Financial Officer & Treasurer, YETI Holdings, Inc.
A

Good morning. Appreciate the question. I'll take the first question, and then I'll pass it to Matt for the innovation question. So international margins, so what we've said is that there's some channel and product mix differences across the different regions, but from a gross margin perspective, when you normalize for that, our gross margins are pretty similar to the US, outside the US versus the US.

And so from an operating margin standpoint, I really think it kind of varies by where the region is and its maturity. So regions where we've been in for a while, Canada, Australia, have really strong profitability. Places like Europe and Asia where we're building, where we're growing brand awareness, we're investing, obviously it's a little different. So I think you'll start to see, as you know, Europe continues to grow and become a more mature piece of our business like Australia and Canada that I think you'll see that start to – Europe start to sort of progress toward where Australia and Canada are. But then you've got, our efforts in Asia where we're going to be investing as well.

So that's kind of how I would think about it. There are a lot of moving parts in there, but it's really from a gross margin perspective at a channel level, they're very similar.

Matthew J. Reintjes
President, Chief Executive Officer & Director, YETI Holdings, Inc.

A

Hey. Good morning, Krista. What I would add is...

Krista Zuber
Analyst, TD Cowen

Q

Good morning.

Matthew J. Reintjes
President, Chief Executive Officer & Director, YETI Holdings, Inc.

A

...as we think about the cadence and pace of innovation, it's really less about 30 this year versus 35 next year versus 25 or whatever the numbers may be last year. It's really about opportunity we see product market fit opportunity to merchandise in our existing channels to market, opportunity to expand our channels to market, intercept the consumer at a new buying occasion. But what I think Thailand, Vietnam, Bozeman, Denver, Austin offer us is immense capabilities to respond to market opportunities we see to bring innovative products to market, to control our innovation, to partner with the best contract manufacturers around the world, to bring it to the consumer and our partners in the most efficient and effective manner.

And so I, think everything from ideation to the innovation to the development, to ultimately the sourcing and execution, we're building capabilities to take advantage of the global opportunity that we see. And that includes the continued penetration growth, deepening of our relationships in the US, which is incredibly important market to us; and the expansionary opportunities that the rest of the world offers.

Krista Zuber
Analyst, TD Cowen

Q

Thank you. Best of luck.

Matthew J. Reintjes
President, Chief Executive Officer & Director, YETI Holdings, Inc.

A

Thank you.

Operator: Our next question today comes from Anna Glaessgen from B. Riley Securities. Please go ahead.

Anna Glaessgen
Analyst, B. Riley Securities, Inc.

Q

Good morning, guys. Thanks for taking my questions. I had kind of a bigger picture question thinking through the long term algo, kind of why reiterate that high single-digit to low double-digit growth now? And to what extent is [indiscernible] (01:06:55) balancing the investments required to drive the innovation required to get to that growth versus maybe seeing some more OpEx leverage in the out-years or years beyond? Thanks.

Matthew J. Reintjes
President, Chief Executive Officer & Director, YETI Holdings, Inc.

A

Hi, Anna. Thanks for the question. I'm going to do my best. I think I got most of that, but let me kind of take a crack at it. And if you have a quick follow-up, we'll address it. The timing is when you really think about we're building this brick-by-brick. We've always been product focused. We've always been brand expansionary focused. We've always talked about the international opportunity.

I think what we have seen build over the last number of quarters and really kind of came together in Q3 is the kind of foundational opportunity we continue to see in the US, the global opportunity we're seeing outside of the US, the proof points of the reach the brand's getting in this next evolution and connection as we talked a about a lot about sport; and the innovation, both the investment we've made, which we think is a very scalable investment that has a high return, but the strength of our existing portfolio to continue to drive us forward and the impact of the expansionary growth.

And so, it was a great time for us to start that build towards this moment. And then we'll go into our 2026 guide in the Q4 call when we're back together and then we'll go into an Investor Day. And all along what I expect from YETI is what we have seen since we went public in 2018, which is we just continue to execute. We continue to build this brand the right way. We continue to innovate and lead the market, and we continue to find new market opportunities around the world. And I think that's as simple as the rationale is, and we think the algorithm builds into that.

Anna Glaessgen
Analyst, B. Riley Securities, Inc.

Q

Got it. Thanks.

Operator: Thank you. There are no further questions at this time. I will now turn the call over to CEO, Matt Reintjes. Please go ahead.

Matthew J. Reintjes
President, Chief Executive Officer & Director, YETI Holdings, Inc.

Thanks, everyone, for joining us. We look forward to connecting on our fourth quarter call. Have a wonderful rest of the week.

Operator: Ladies and gentlemen, this concludes today's conference call. Thank you for your participation. You may now disconnect.