



Topgolf Callaway Brands Corp.

Investor Presentation

June 2023

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NYSE

IMPORTANT NOTICES

Forward-looking Statements. During the presentation, any comments made about future plans, events, financial results, performance, prospects, or growth opportunities, including statements relating to the Company's financial outlook (including, among others, revenues, same venue sales, Adjusted EBITDA, Segment Adjusted EBITDA, 4-wall Adjusted EBITDAR Margins, capital expenditures and construction costs and projected Topgolf venue economics), projected Topgolf venue financing options, strength and demand of the Company's products and services, addressable markets and the consumer base, continued brand momentum, continued investments in the business, consumer trends and behavior, outlook for social and corporate events, competitive positioning and advantages, Topgolf venue openings and development pipeline, growth of digital reservations, the benefits of the PIE system, capital allocation priorities and statements of belief and any statement of assumptions underlying any of the foregoing, are forward-looking statements as defined under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are often characterized by the use of words such as "estimate," "expect," "anticipate," "project," "plan," "intend," "seek," "believe," "forecast," "foresee," "likely," "may," "should," "goal," "target," "might," "will," "could," "predict," "continue" and the negative or plural of these words and other comparable terminology. Such statements reflect the Company's best judgment as of the time made based on then current market trends and conditions. Actual results could differ materially from those as a result of certain risks, unknowns and uncertainties applicable to the Company and its business. For additional details concerning these and other risks and uncertainties that could affect these statements and the Company's business, see the Company's Annual Report on Form 10-K for the year ended December 31, 2022, as well as other risks and uncertainties detailed from time to time in the Company's reports on Forms 10-Q and 8-K subsequently filed with the SEC from time to time. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Regulation G. In addition, in order to assist you with period-over-period comparisons on a consistent and comparable basis, today's presentation includes certain non-GAAP information, which may include non-GAAP financial measures within the meaning of Regulation G. The Company provided information excluding certain non-cash amortization and depreciation of acquired intangible assets and purchase accounting adjustments. In addition, the Company has provided information excluding certain non-recurring items which are identified in the appendix to this presentation. These non-GAAP measures should not be considered as a substitute for any measure derived in accordance with GAAP. The non-GAAP information may also be inconsistent with the manner in which similar measures are derived or used by other companies. Management uses such non-GAAP information for financial and operational decision-making purposes and as a means to evaluate period-over-period comparisons and in forecasting the Company's business going forward. Management believes that the presentation of such non-GAAP information, when considered in conjunction with the most directly comparable GAAP information, provides additional useful comparative information for investors in their assessment of the underlying performance of the Company's business with regard to these items. The Company has provided reconciliations of such non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP. The reconciliations are included in the appendix to this presentation.

For forward-looking Adjusted EBITDA, Topgolf Adjusted EBITDA, 4-Wall Adjusted EBITDAR, 4-Wall Adjusted EBITDAR margin, payback period, return on gross investment and cash-on-cash return information (collectively, the "Non-GAAP Projections") provided in this presentation, reconciliation of such Non-GAAP Projections to the most closely comparable GAAP financial measure is not provided because the Company is unable to provide such reconciliation without unreasonable efforts. The inability to provide a reconciliation is because the Company is currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact the applicable GAAP financial measure in the future but would not impact the Non-GAAP Projections. These items may include certain non-cash depreciation, which will fluctuate based on the Company's level of capital expenditures, non-cash amortization of intangibles related to the Company's acquisitions, income taxes, which can fluctuate based on changes in the other items noted and/or future forecasts, and other non-recurring costs and non-cash adjustments. Historically, the Company has excluded these items from the Non-GAAP Projections. The Company currently expects to continue to exclude these items in future disclosures of such measures and may also exclude other items that may arise. The events that typically lead to the recognition of such adjustments are inherently unpredictable as to if or when they may occur, and therefore actual results may differ materially. This unavailable information could have a significant impact on the applicable GAAP measure.

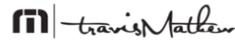
LEADING THE MODERN GOLF EVOLUTION

Unrivaled, tech-enabled golf and active lifestyle company with unmatched scale and consumer reach in the evolving Modern Golf industry



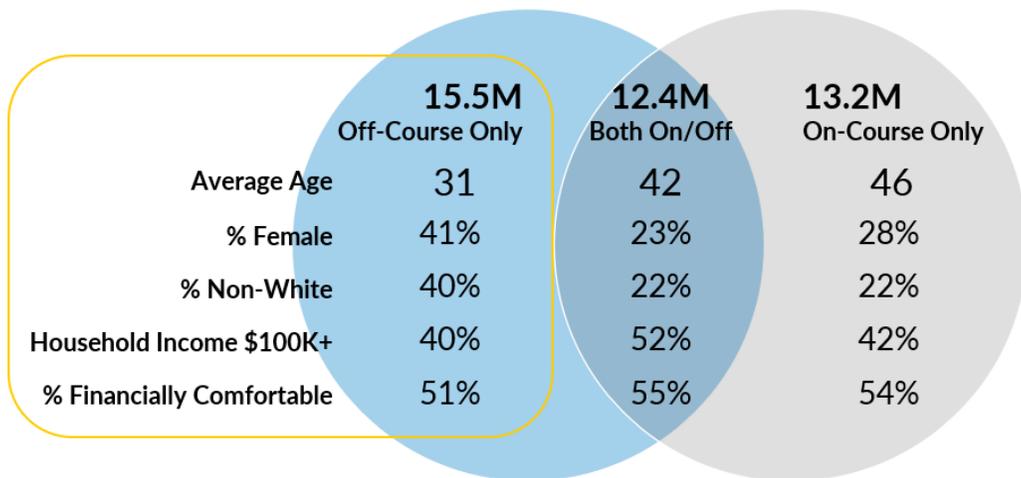
"Modern Golf" is the dynamic and inclusive ecosystem which includes both on-course and off-course golf.

TOPGOLF
CALLAWAY
BRANDS



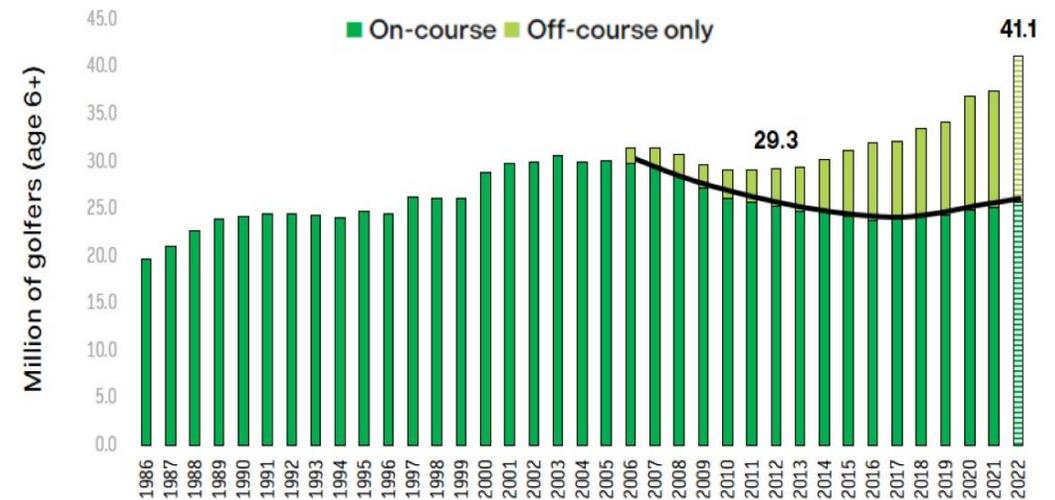
A COMPETITIVE ADVANTAGE IN CONSUMER REACH WITHIN THE GROWING MODERN GOLF ECOSYSTEM

MODERN GOLF ECOSYSTEM¹



Off-course participation is expanding the demographics of golf, attracting younger, more female, and non-white participants.

U.S. GOLF PARTICIPATION¹



For the first time in history, total participation exceeded 40M and off-course surpassed on-course.

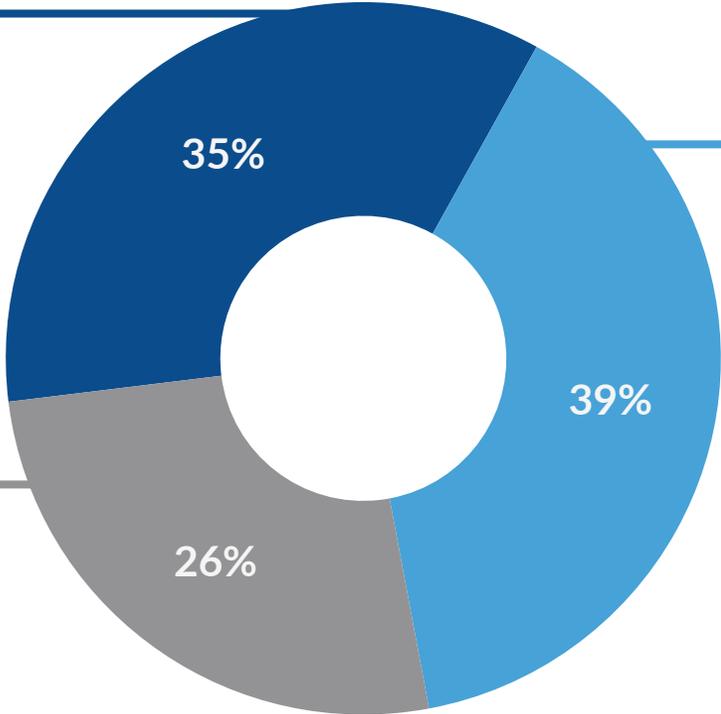
11 NEW TOPGOLF VENUES PER YEAR WILL ADD 3 TO 4 MILLION NEW OFF-COURSE GOLFERS PER YEAR

DIVERSIFIED ACROSS THREE BUSINESS SEGMENTS

GOLF EQUIPMENT



FY'22 REVENUE BY SEGMENT



TOPGOLF



ACTIVE LIFESTYLE



COMPELLING GROWTH TARGETS ACROSS ALL SEGMENTS

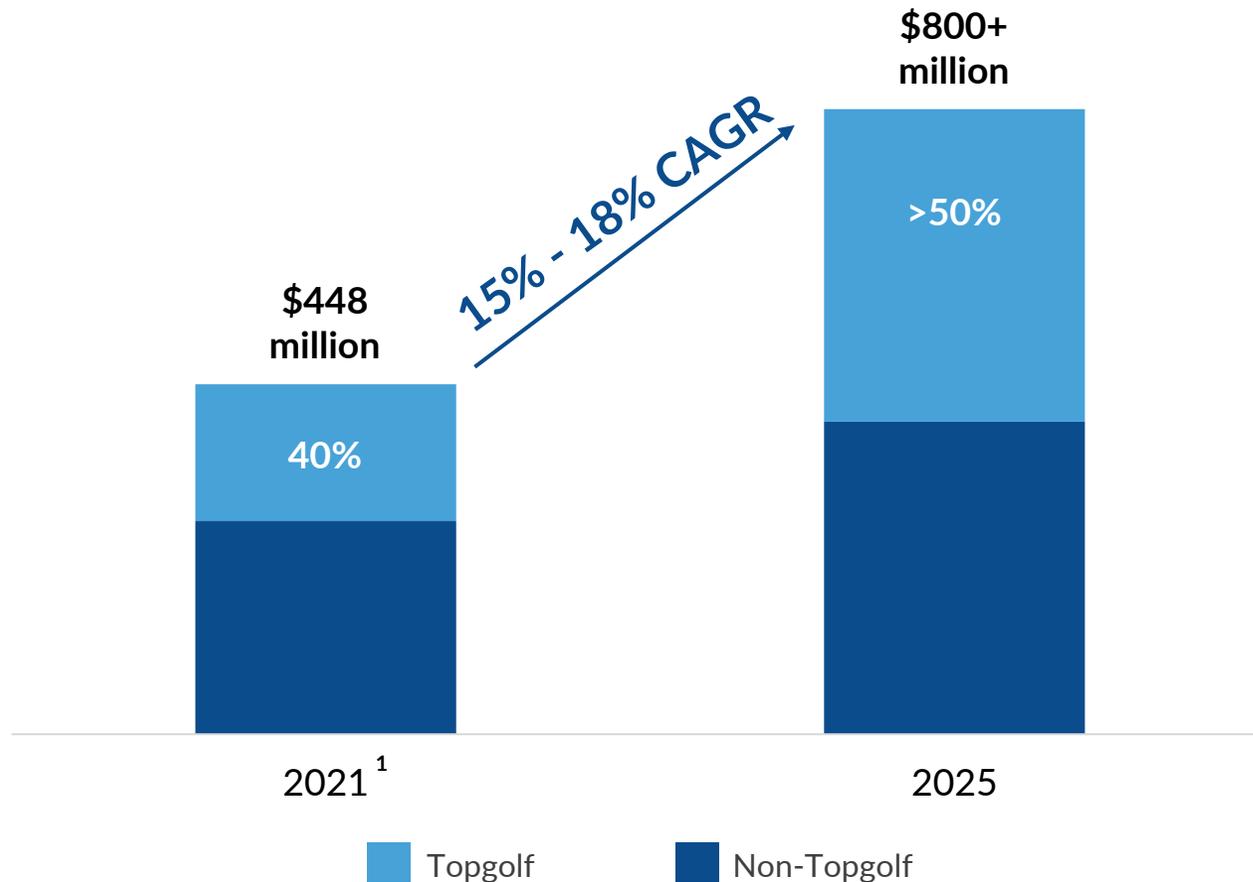
ANNUAL GROWTH PROJECTIONS FROM 2021 TO 2025

	Topgolf	Non-Topgolf ¹	Total Company
Net Revenue Annual Growth	18%+	High Single Digits	10-12%
Adjusted EBITDA Annual Growth	25%+	10%+	15-18%
Adjusted EBITDA Margin	Mid-to-High Teens	Low-to-Mid Teens	Mid-Teens

Significant top line growth and margin expansion expected to occur with investment and extension in high growth segments

1. Includes Golf Equipment, Active Lifestyle, and Corporate.

TOPGOLF EXPECTED TO BE MORE THAN 50% OF ADJUSTED EBITDA BY 2025



GROWTH FUELED BY:



Digital Innovation



Embedded growth



Continued investment



Operational excellence



Focus on cross-segment synergies

UNIQUE AND COMPELLING INVESTMENT OPPORTUNITY



Proven

Demonstrated Results Across All Segments



Scaled

Unmatched Global Reach in Modern Golf



Diversified

Growth Not Determined by Any One Segment



Protected

High Barriers to Entry Create Deep Moats



Growth-Oriented

Positioned for Sustainable Growth

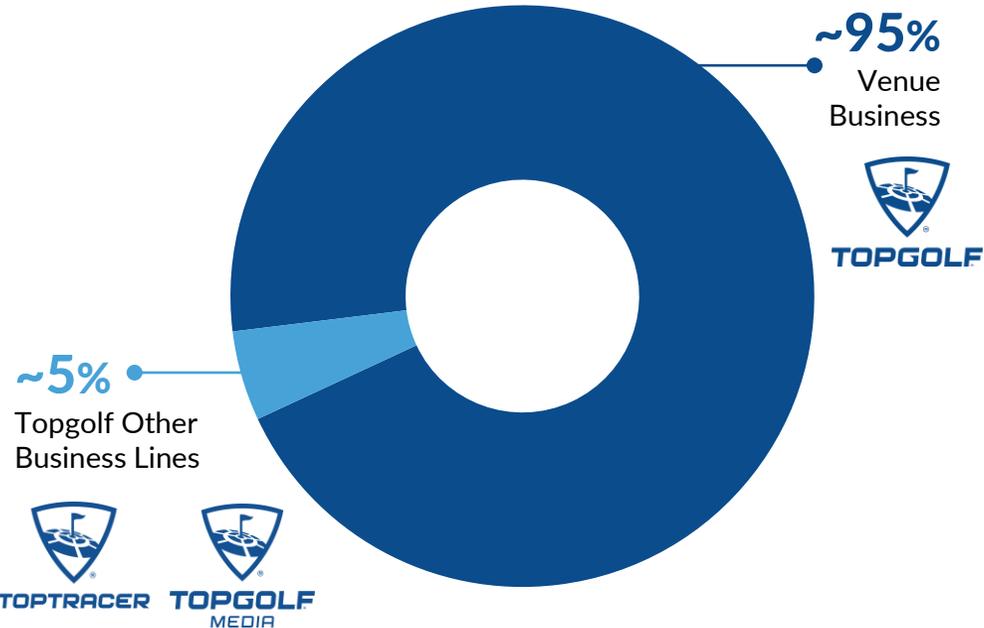
REMAIN ON TRACK TO BE FREE CASH FLOW POSITIVE IN 2023



BUSINESS SEGMENT INFORMATION

VENUE BUSINESS LARGEST AND MOST SIGNIFICANT DRIVER OF TOPGOLF GROWTH

FY 2022 TOPGOLF REVENUE MIX

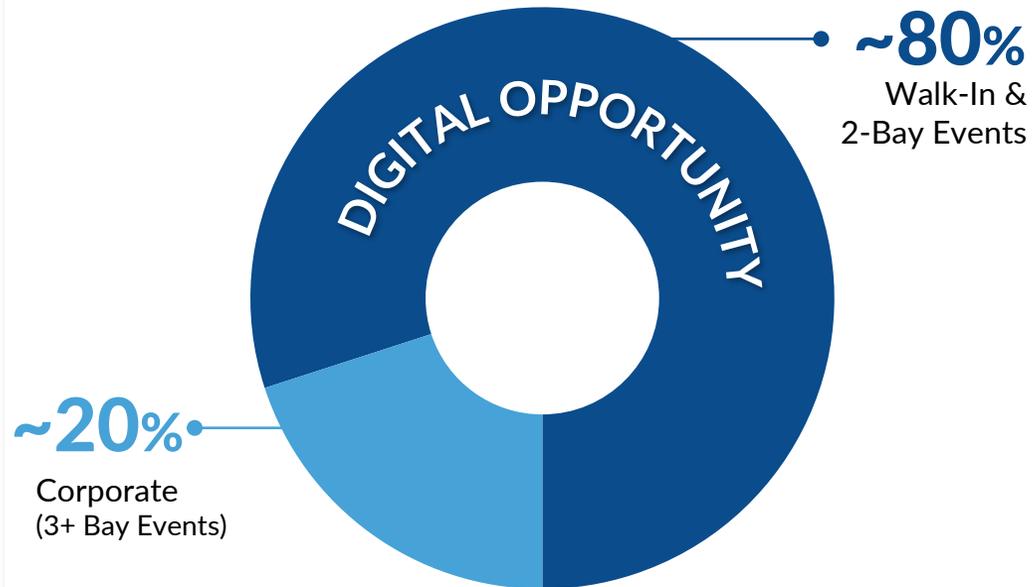


VENUE GROWTH DRIVERS

- ✓ SVS Growth With Long Runway
- ✓ Brand Awareness and Partnerships
- ✓ New Digital Access
- ✓ Margin Expansion
- ✓ Development Pipeline

MULTIPLE SALES CHANNELS PROVIDE DIVERSIFIED REVENUE OPPORTUNITIES

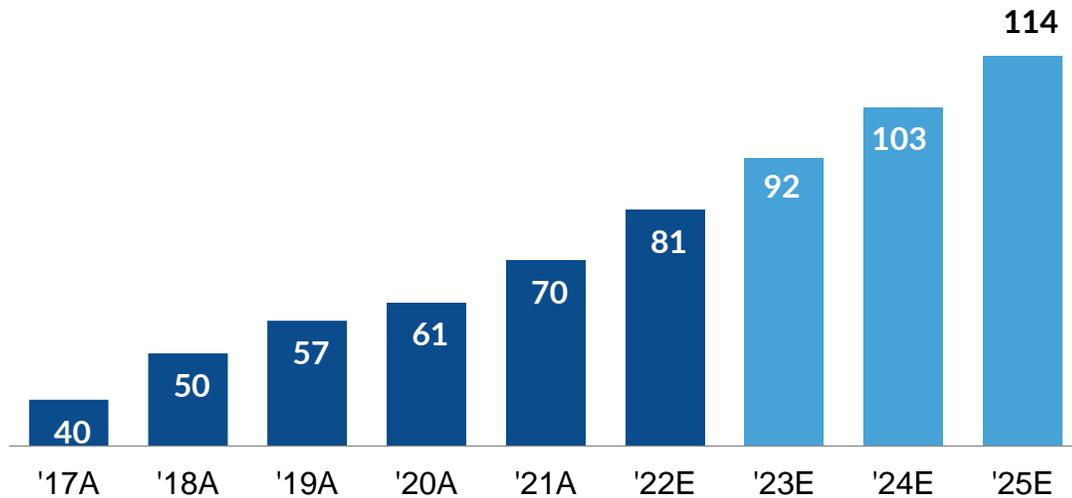
FY 2022 TOPGOLF US VENUE REVENUE MIX



- ✓ Strong social business with large runway for growth
 - Digital sales mix is in the low 30%
 - PIE reservation system engineered to drive bay utilization and more efficient stacking of bays
 - 2-bay event is a new digital social product enabled by PIE that adds another revenue channel
 - Brand awareness opportunity
- ✓ Well established corporate business supported by large-scale sales team
 - National inside sales team for 2-bay events
 - National sales team for large corporate accounts
 - On-premise team for local corporate events at each venue

CLEAR PIPELINE TO DELIVER 11 NEW VENUES PER YEAR

Owned and Operated Venues¹



82

Currently Open Owned & Operated Topgolf Venues¹

Large venue

- 90+ bays
- 55 locations

Medium venue

- 70-90 bays
- 19 locations

Small venue

- 30-60 bays
- 8 locations

1. Includes 78 domestic venues and four owned/operated UK venues. 2023 YTD Openings include Charleston, SC.

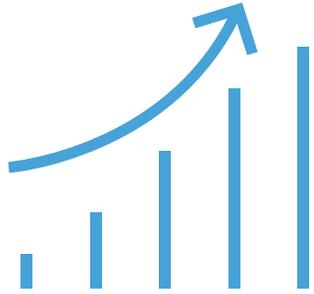
ATTRACTIVE VENUE ECONOMICS WITH HIGH RETURN TARGETS

Target Year-5 Unit Economics (\$ in millions)	Representative Venue Sizes	
	Small to Medium	Medium to Large
Venue Revenue ¹	\$13 - \$18	\$20 - \$28
4-Wall Adjusted EBITDAR Margin ²	~35%	
Total Construction Cost (Before Financing) ³	\$20 - \$27	\$30 - \$40
Estimated Payback Period⁴	~2.5 years	
Target Cash-on-Cash Returns⁵	~50% - 60%	
Target Return on Gross Investment⁶	~18% - 22%	

TARGET RETURNS

1. Representative range of unit economics excludes large flagship venues, which typically outperform the average unit economic targets and can generate over \$40 million in revenue annually.
2. Adjusted EBITDAR is a non-GAAP measure. See slide 2 for additional information regarding use of forward looking non-GAAP measures.
3. Total Construction Cost excludes the cost of the land as typically 100% of the cost of the land is financed. Topgolf typically funds the Total Construction Cost, and the third-party financing partner typically reimburses Topgolf approximately 75%, leaving the remaining 25% as Topgolf's net cash outlay related to construction costs.
4. Payback Period, a non-GAAP metric, represents the time needed to recover the initial investment, which consists of Topgolf's construction cost (after financing) and pre-opening expense. See slide 2 for additional information regarding use of forward looking non-GAAP measures.
5. Cash-on-cash return, a non-GAAP measure, is calculated by taking the 4-wall Adjusted EBITDAR, less the annual building rent, annual ground rent and annual maintenance capex, divided by Topgolf's construction cost after financing. Excludes pre-opening costs, enhancement capex, refresh capex and new technology improvements. See slide 2 for additional information regarding use of forward looking non-GAAP measures.
6. Return on Gross Investment, a non-GAAP measure, is calculated by taking the 4-wall Adjusted EBITDAR, less the annual ground rent and annual maintenance capex, divided by the total construction cost before financing and pre-opening expense. Excludes enhancement capex, refresh capex and new technology improvements. See slide 2 for additional information regarding use of forward looking non-GAAP measures.

STRONG RUNWAY FOR GROWTH BEYOND 2023



Same Venue Sales Growth

- ✓ Brand awareness growth
- ✓ Digital revenue management & personalization
- ✓ Increased bay utilization



Margin Expansion

- ✓ Labor optimization with growth in digital business & implementation of new service model
- ✓ COGS improvement with menu optimization & personalized offerings
- ✓ Scale benefits

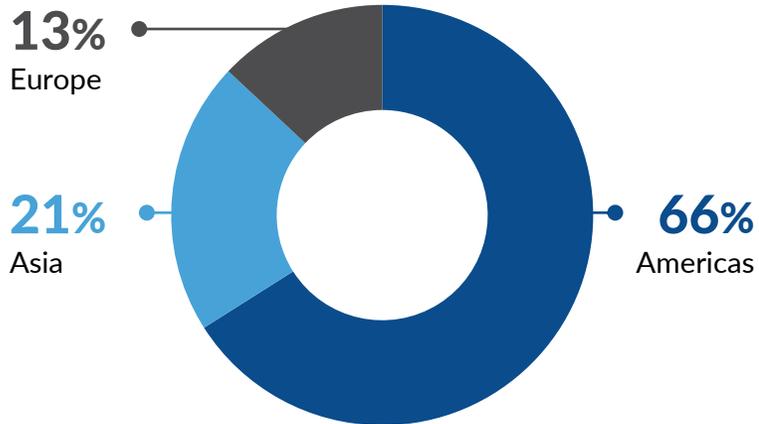


Development Pipeline

- ✓ Proven economics with multiple venue formats
- ✓ Strong success with new venue format increasing TAM
- ✓ Significant whitespace in small to medium markets which tend to have favorable development characteristics

A GLOBAL LEADER IN GOLF EQUIPMENT

Global Reach



\$1,407 million
Global FY 2022 Golf Equipment Revenue

Strong Market Share¹

~24%

Golf Clubs

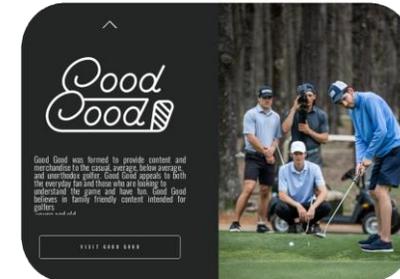


~21%

Golf Balls



Paradym Launch and New Partnerships



Niall Horan

PARADYM DRIVER HAS WON 9 TIMES ON THE PGA TOUR IN 2023, THE MOST OF ANY DRIVER BRAND

GOLF CONTINUES TO EVOLVE IN POSITIVE WAYS

**SPORTS &
LEISURE**
RESEARCH GROUP

Golf Market Trends 2022¹



77%

Golf has become a more welcoming sport



73%

Nine-hole rounds of golf have become more attractive to me of late



69%

The fact that more people are working from home has increased the amount of golf being played



61%

I'm playing more golf with family members than I did a year ago



TOPGOLF



75%

Non-golfers who visited Topgolf said now interested in playing on a course²



20%+

Beginner golfers who played at a golf entertainment venue such as Topgolf are 20% more likely to continue to play golf barring health or financial setbacks³

INCLUDING UNPRECEDENTED MONEY ENTERING THE GAME OF GOLF (LIV, PGA Tour, Off-Course, Retail)

**TOPGOLF
CALLAWAY**
BRANDS

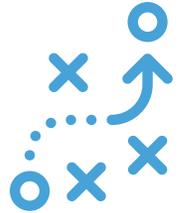
1. Sports and Leisure Golf Market Trends 2022.
2. National Golf Foundation Survey conducted for Topgolf.
3. National Golf Foundation 2022 Graffis Report.

ACTIVE LIFESTYLE: STRONG BRANDS ACROSS THE SEGMENT

Golf Apparel	Golf Accessories	Active Lifestyle	
	 <p>Acquired: 2017</p>	 <p>Acquired: 2017</p>	 <p>Acquired: 2019</p>
<ul style="list-style-type: none"> ✓ Innovative and performance driven apparel 	<ul style="list-style-type: none"> ✓ Golf accessories include products such as gloves, and bags 	<ul style="list-style-type: none"> ✓ TravisMathew has benefited from the movement to casualization 	<ul style="list-style-type: none"> ✓ Jack Wolfskin is well positioned in a growth industry; outdoor
<ul style="list-style-type: none"> ✓ Combo of golf authenticity and classic styling 	<ul style="list-style-type: none"> ✓ Opportunity for Ogio to expand in backpack, travel, and golf 	<ul style="list-style-type: none"> ✓ Investments in DTC & Internationalization 	<ul style="list-style-type: none"> ✓ Expanding into adjacent markets & improving DTC sales
<p>Future Growth Aligned With Golf Equipment</p>		<p>Growth Will Outpace Total Company</p>	

SEGMENT NET SALES SURPASSED \$1B IN 2022

CLEAR PATH TO SUSTAINABLE GROWTH



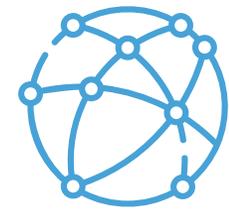
Execute Topgolf domestic and international expansion strategy



Maintain leadership position in golf equipment technology and innovation



Sustain active lifestyle brand momentum and increase direct-to-consumer presence



Leverage global scale and integrated supply chain

CAPITALIZE ON DIGITAL REVENUE AND CROSS-SEGMENT COST SYNERGIES



APPENDIX

Q1 2023 HIGHLIGHTS



Revenue and Adjusted EBITDA results exceeded expectations



Topgolf delivered its 6th consecutive quarter of positive same venue sales growth¹



Completed debt refinancing, lowering cost of debt, extending debt maturities and improving liquidity



Increased Topgolf venue unit economics and return targets to reflect confidence in stronger outlook



Remain on track to be free cash flow positive by year end and raised midpoint of full year 2023 revenue and Adjusted EBITDA guidance

1. Same venue sales growth for 2021 and 2022 were measured in comparison to 2019, given the pandemic impacts in 2020. For Q1 2023, same venue sales growth is measured in comparison to the prior year, 2022.

Q1 2023 SEGMENT HIGHLIGHTS

TOPGOLF



- ✓ 11% SVS growth¹
- ✓ Opened 1 new owned and operated venue
- ✓ Continued to implement digital inventory management system and launched national advertising campaign

GOLF EQUIPMENT



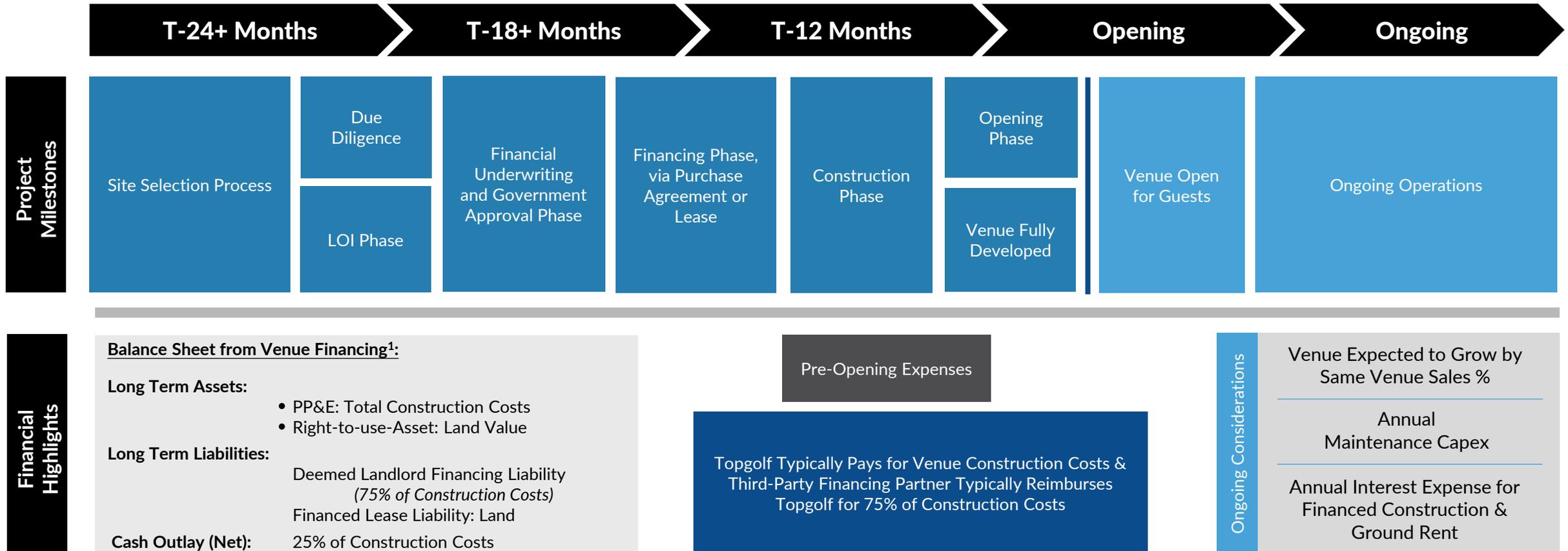
- ✓ Continued strong demand
- ✓ U.S. market share ranks Callaway #1 Driver, #1 Woods, #1 Fairway and Paradym #1 Driver²
- ✓ Delivered 140 bps gross margin improvement YoY, constant currency

ACTIVE LIFESTYLE



- ✓ Brand momentum and strength continued across all brands
- ✓ Strong e-commerce sales growth from TravisMathew and Jack Wolfskin
- ✓ Segment net revenues up 28% year-over-year

VENUE DEVELOPMENT AND FINANCING OVERVIEW



1. Topgolf currently has various types of leases for their venues (DLF, Operating & Financing.)

SHARE COUNT ASSUMPTIONS

As-Converted Diluted EPS Calculation



Adjusted Net Income (for EPS calculations only)

- Add ~\$1.6M per quarter of after-tax convertible debt interest expense



Diluted share count 2023 projection of ~200M shares

- Includes 14.7M of shares related to convertible notes



Capped call protects up to 5M shares based on share price



<200M Diluted shares, taking into account the capped call



For valuation purposes, if using ~200M for your share count, the \$258M debt related to convertible notes should be excluded from the total net debt calculation



CAPITAL ALLOCATION STRATEGY

CAPITAL ALLOCATION PRIORITIES



Reinvest in the business to unlock high ROI embedded growth

Ability to invest in high return Topgolf venues and TravisMathew stores



Maintain healthy balance sheet by prudently managing leverage

2025 target of less than 3.0x Net Leverage



Opportunistically explore investments in complementary areas

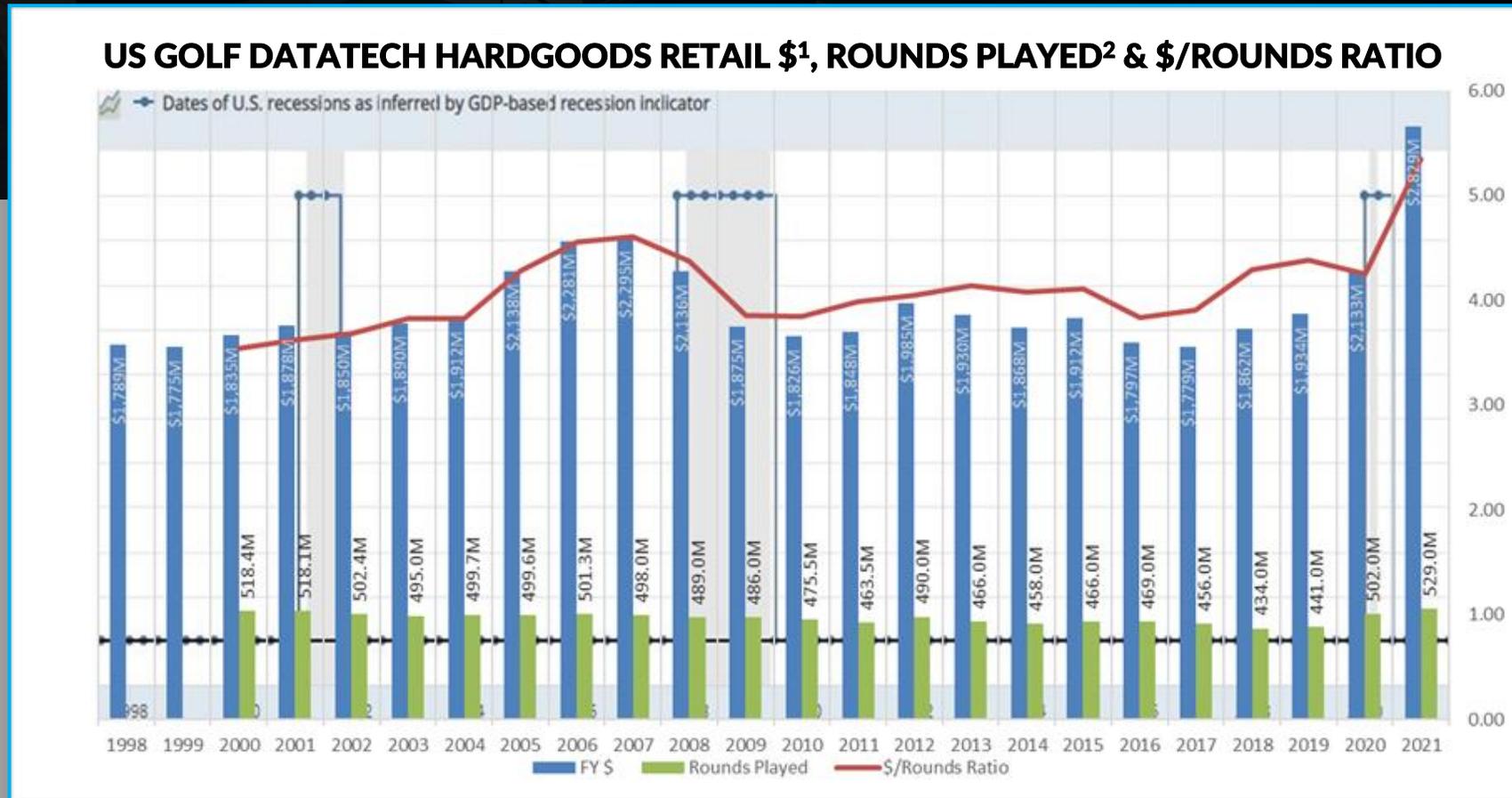
Strong liquidity position provides flexibility



Return capital to shareholders through buybacks



THE CORE GOLFER PROVES TO BE RESILIENT, UNLESS AN ECONOMIC DOWNTURN IS BROAD AND DEEP



1. US Golf Datatech combined channel on-course and off-course, excluding sporting goods, mass channel, club, and some ecommerce, through 12/31/2021.
2. US Golf Datatech and the National Golf Foundation estimated rounds played data through 12/31/2021.

THE TOPGOLF EFFECT

The  TOPGOLF Effect

**~10% of current green grass
golfers credit their Topgolf
introduction for getting them
out on the golf course¹**

ADJUSTED EBITDA RECONCILIATION

Non-GAAP Reconciliation and Supplemental Financial Information

(\$ in millions)

(Unaudited)

	2022 Trailing Twelve Month Adjusted EBITDA					2021 Trailing Twelve Month Adjusted EBITDA				
	Quarter Ended					Quarter Ended				
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	Total	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	Total
Net income (loss)	\$ 86.7	\$ 105.4	\$ 38.5	\$ (72.7)	\$ 157.9	\$ 272.5	\$ 91.7	\$ (16.0)	\$ (26.2)	\$ 322.0
Interest expense, net	31.4	32.5	36.4	42.5	142.8	17.5	28.9	28.7	40.5	115.6
Income tax provision (benefit)	(15.7)	2.9	0.3	(3.5)	(16.0)	47.7	(15.8)	66.2	(69.5)	28.6
Depreciation and amortization expense	42.5	48.9	48.4	53.0	192.8	20.3	43.3	44.4	47.9	155.9
Non-cash stock compensation and stock warrant expense, net	14.5	11.6	10.3	9.7	46.1	4.6	11.0	10.8	12.0	38.4
Non-cash lease amortization expense	3.5	6.6	4.4	4.5	19.0	0.8	2.1	2.8	7.7	13.4
Acquisitions & other non-recurring costs, before taxes ⁽¹⁾	6.9	(0.6)	6.1	3.1	15.5	(235.6)	3.3	1.9	1.9	(228.5)
Adjusted EBITDA	\$ 169.8	\$ 207.3	\$ 144.4	\$ 36.6	\$ 558.1	\$ 127.8	\$ 164.5	\$ 138.8	\$ 14.3	\$ 445.4

(1) In 2022, amounts include \$5.7 million of non-cash asset write-downs, \$5.9 million of implementation costs associated with new ERP systems stemming from acquisitions, \$3.6 million for legal costs and credit agency fees related to a postponed debt refinancing, and \$0.9 million for reorganization expenses. In 2021, amounts include the recognition of a \$252.5 million gain on the Company's pre-merger investment in Topgolf, as well as \$20.2 million in transaction, transition, and other non-recurring costs associated with the merger with Topgolf, and \$3.8 million in expenses related to the implementation of new IT systems for Jack Wolfskin.

TOPGOLF ADJUSTED EBITDA RECONCILIATION

Non-GAAP Reconciliation and Supplemental Financial Information

(\$ in millions)

(Unaudited)

	Twelve Months Ended December 31,	
	2022	2021
Segment operating income ⁽¹⁾ :	\$ 76.8	\$ 58.2
Depreciation and amortization expense	125.2	93.1
Non-cash stock compensation expense	15.2	13.8
Non-cash lease amortization expense	19.6	12.0
Other income (expense)	(1.4)	—
Adjusted segment EBITDA	235.4	177.1
Topgolf pre-merger EBITDA contribution for Jan. and Feb. 2021	—	2.3
Illustrative segment adjusted EBITDA⁽²⁾	\$ 235.4	\$ 179.4

⁽¹⁾ The Company does not calculate GAAP net income at the operating segment level, but has provided Topgolf's segment income from operations as a relevant measurement of profitability. Segment income from operations does not include interest expense and taxes as well as other non-cash and non-recurring items. Segment operating income is reconciled to the Company's consolidated pre-tax income in the Consolidated Net Revenues and Operating Segment Information included in this release.

⁽²⁾ Due to the timing of the merger with Topgolf on March 8, 2021, the Company's reported full year financial results only include 10 months of Topgolf's results in 2021. The 2021 results presented on an illustrative basis include Topgolf's financials for January and February 2021 prior to the closing of the merger.