INVESTOR PRESENTATION

FEBRUARY 2019

IMPORTANT NOTICES

Forward-looking Statements: During the presentation, any comments made about future performance, events, prospects or circumstances, including estimated 2019 net sales, gross margins, operating expenses, and earnings per share (including estimated tax rate and share count), future growth or profitability, the creation of shareholder value, future industry or market conditions, future reinvestment or capital deployment, the impact of the OGIO, TravisMathew, and Jack Wolfskin acquisitions, and the estimated capital expenditures and depreciation and amortization expenses, are forward-looking statements, subject to the Safe Harbor provisions of 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 our best judgment as of the time made based on then current market trends and conditions. Actual results could differ materially from those projected in the forward-looking statements as a result of certain risks and uncertainties applicable to the Company and its business. For details concerning these and other risks and uncertainties, you should consult our earnings release issued on February 6, 2019, as well as Part I, Item 1A of our most recent Annual Report on Form 10-K, together with the Company's other reports subsequently filed with the SEC from time to time. 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. This information, as applicable, excludes the non-recurring transaction and transition-related expenses related to the OGIO, TravisMathew, and Jack Wolfskin acquisitions. The Company also provides certain information excluding interest, taxes, depreciation and amortization expenses, the non-recurring impacts of the 2017 Tax Cuts and Jobs Act and other non-recurring tax adjustments. This non-GAAP information may include non-GAAP financial measures within the meaning of Regulation G. 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 without regard to these items. The Company has provided a reconciliation of such non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP. The reconciliations are included in this presentation or in the schedules to the Company's February 6, 2019 earnings release, which is available on the Investor Relations section of the Company's website located at http://ir.callawaygolf.com/.

CALLAWAY OVERVIEW

2018 KEY ELY TAKEAWAYS

- Premium golf equipment and active lifestyle company with a portfolio of global brands
- Manufacture and sell premium golf clubs and golf balls, golf and lifestyle bags, golf and lifestyle apparel and other accessories under the Callaway Golf®, Odyssey®, OGIO®, Travis Mathew® and Jack Wolfskin® brands worldwide

Market cap: $1.5B(1)

Employees: ~2,100(2)

Net Sales: $1,243M(3)

Gross Margin: 46.5%(3)

Leadership: Chip Brewer

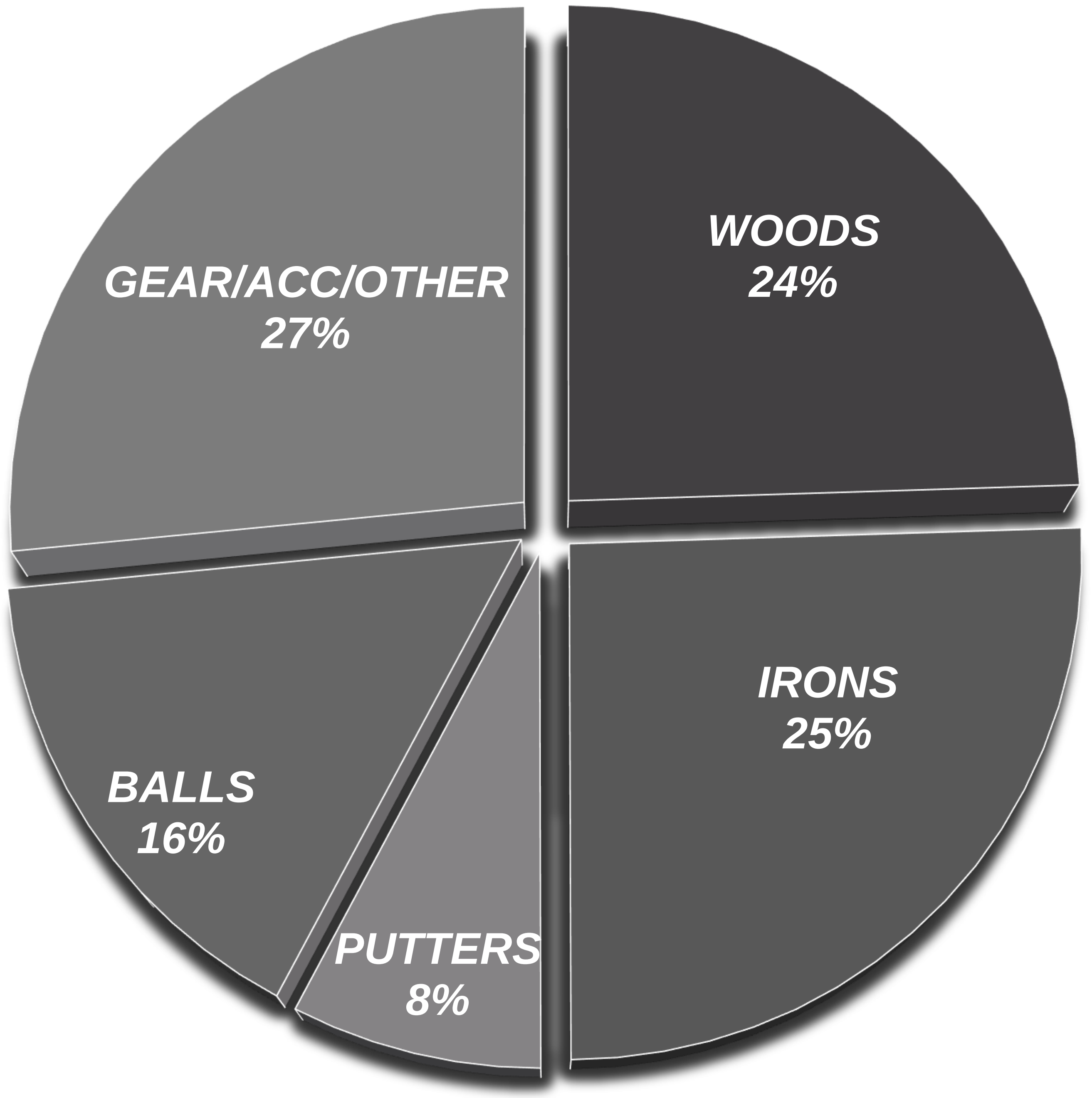
- Successfully executed turnaround to reinvigorate brand
- Now pivoting to a growth strategy
- Continue investments in both core and complementary areas
- Strong executive team with deep industry experience

PREMIUM BRAND BUILDERS

1) Market capitalization as of February 1, 2019
2) As of December 31, 2018
3) 2018 Full Year GAAP Results

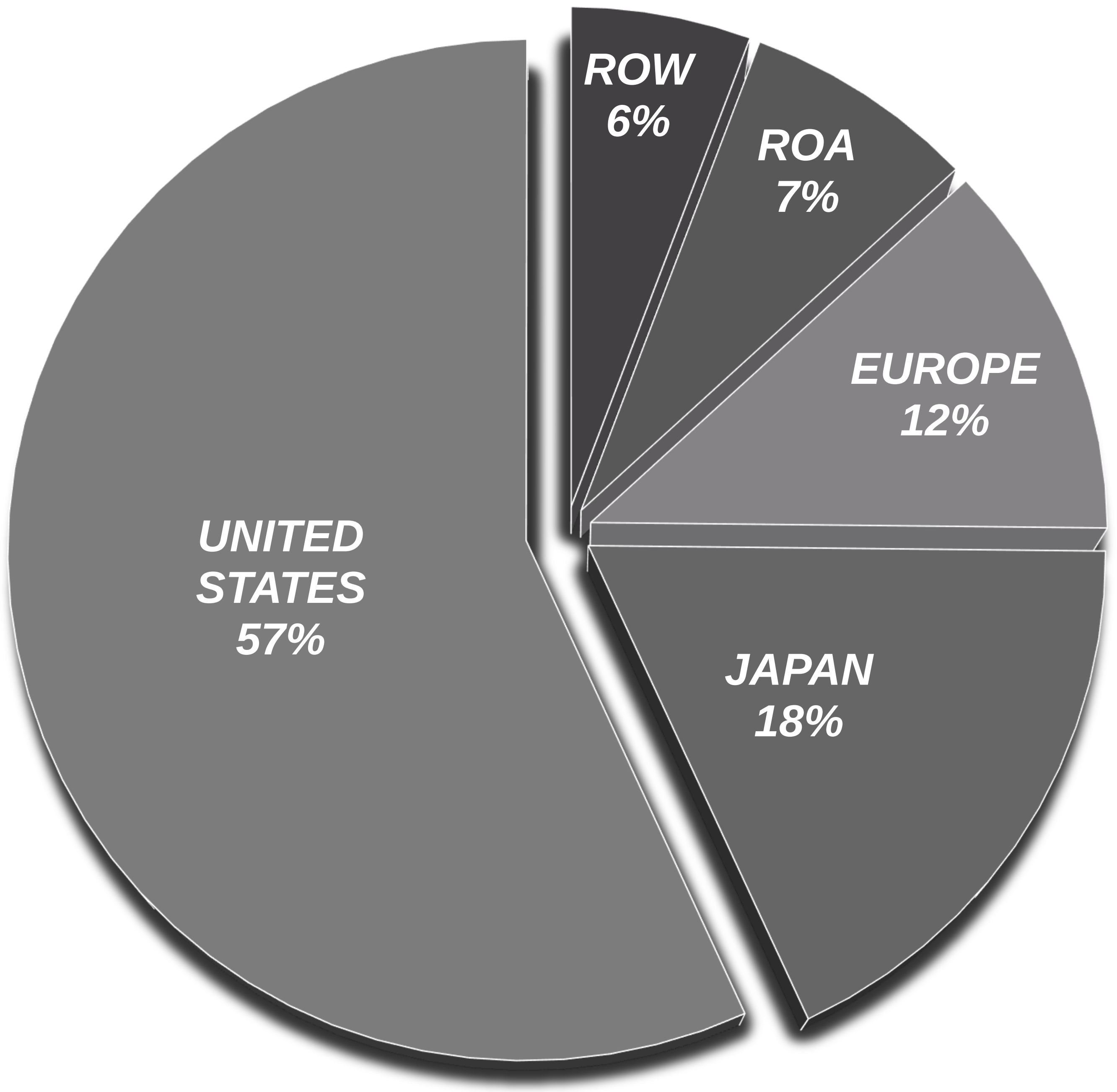
2018 NET SALES BY PRODUCT AND BY REGION

PRODUCT



Gear/Accessories/Other grew significantly over the last three years due to the Japan Apparel Joint Venture (July 2016), the OGIO acquisition (January 2017) and the TravisMathew acquisition (August 2017)

REGION

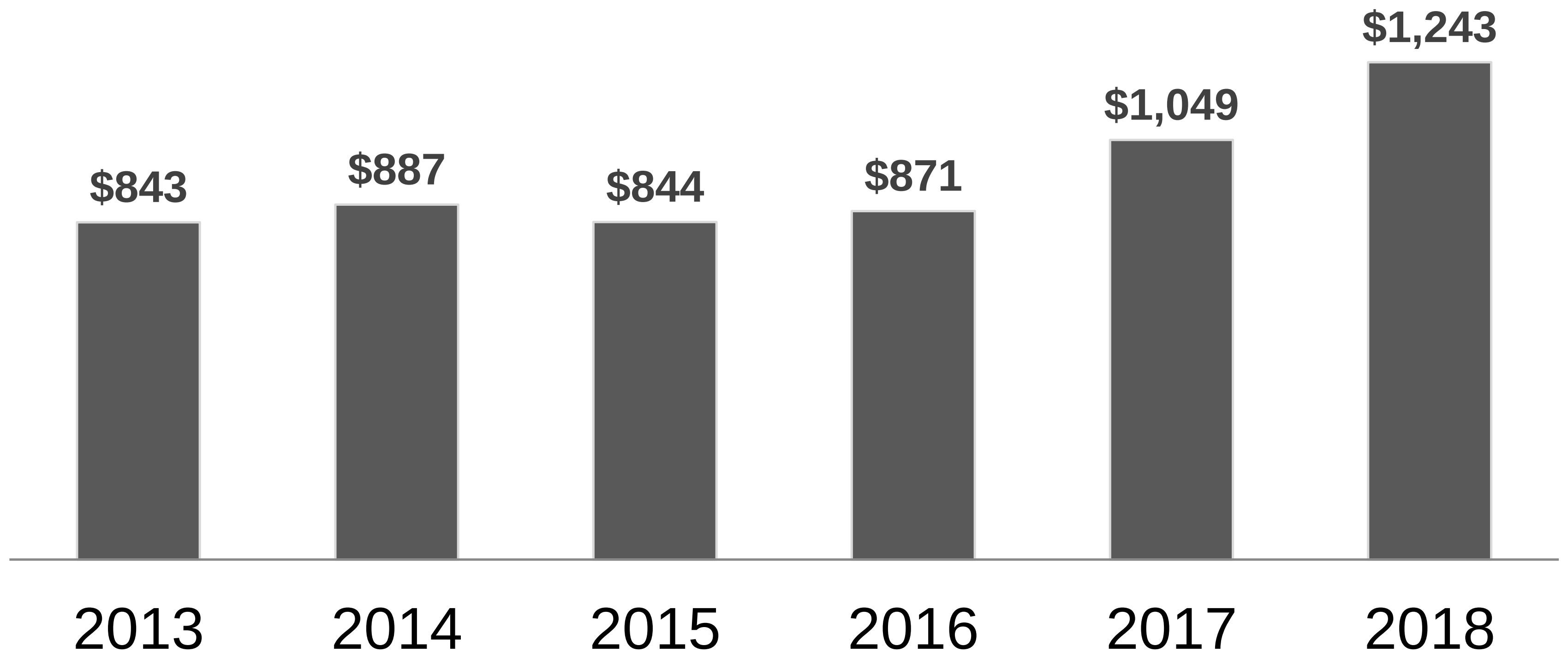


United States grew disproportionally in 2018 as OGIO and TravisMathew, who are predominantly U.S. businesses, continue to grow faster than the other businesses

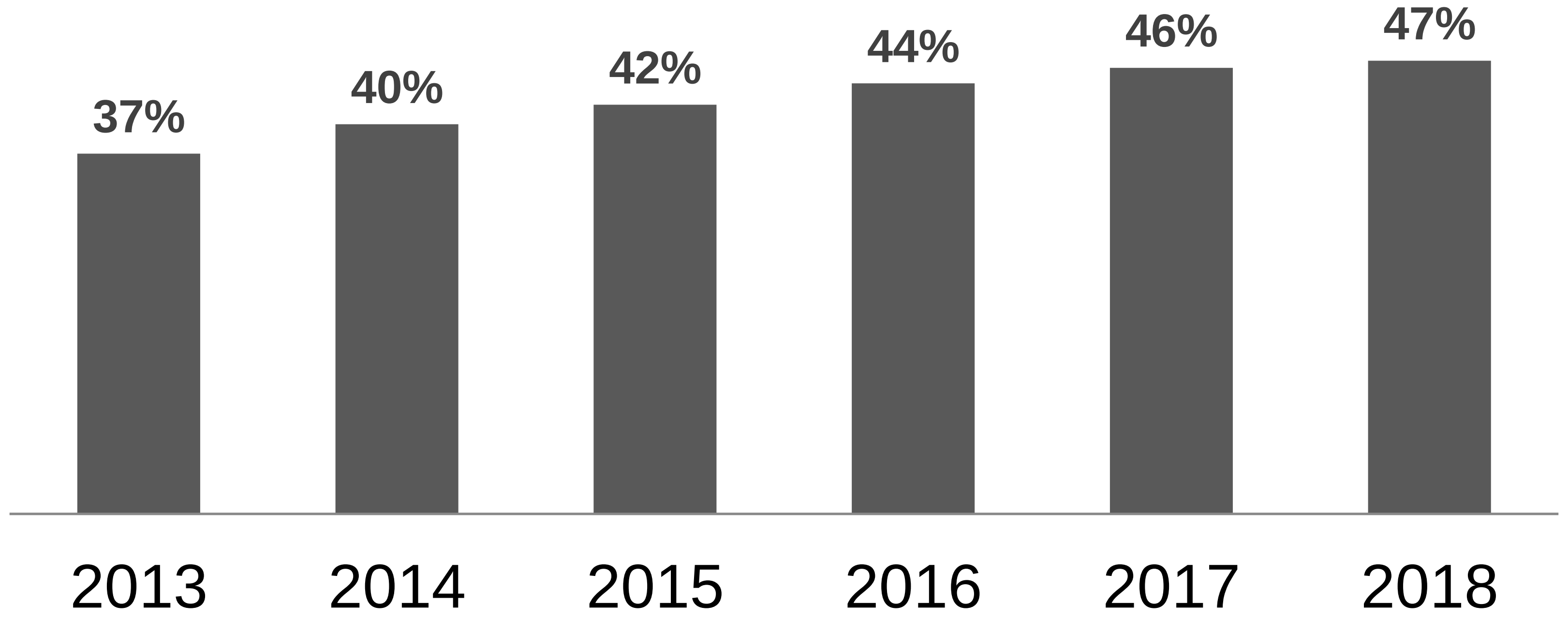
DIVERSE BUSINESS FROM A PRODUCT AND REGION PERSPECTIVE

HISTORICAL PERFORMANCE

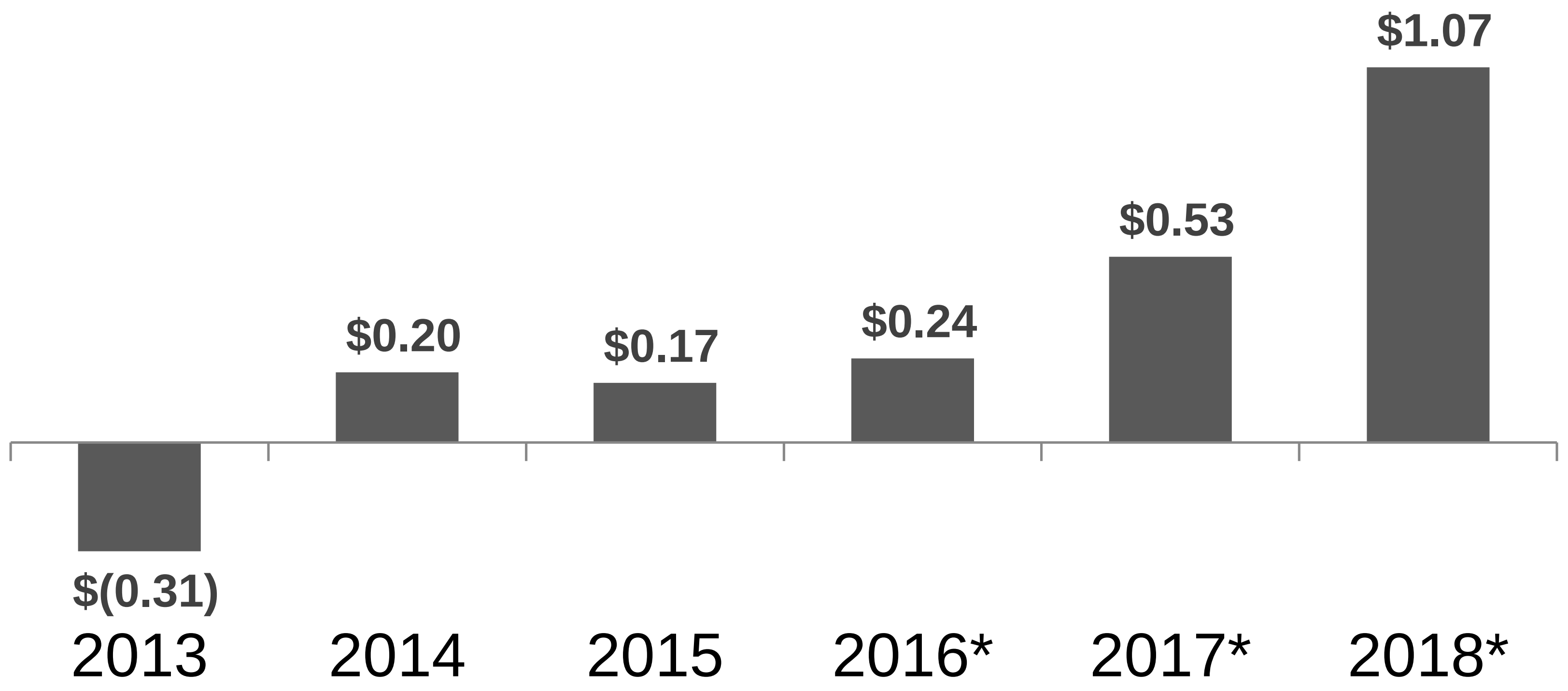
Net Sales (M)



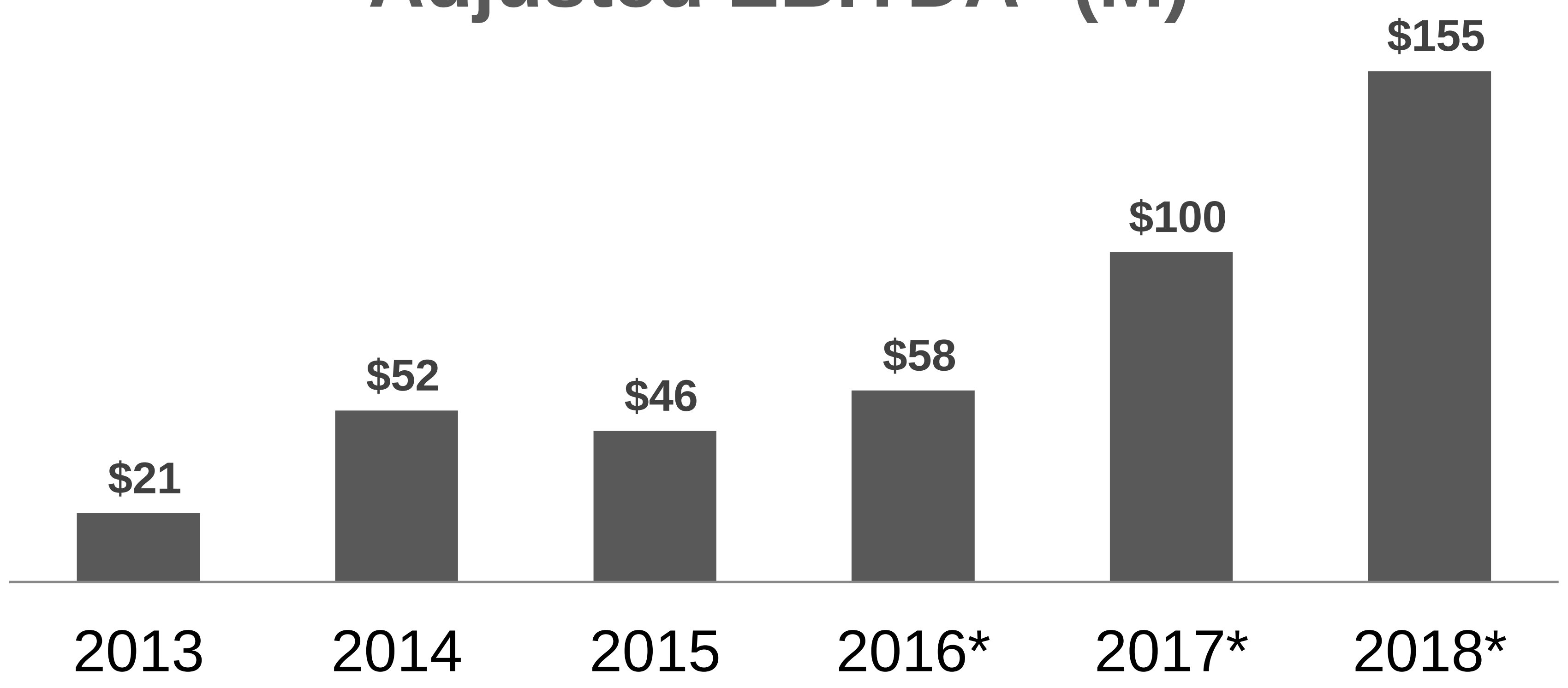
Gross Margin



Adjusted EPS*



Adjusted EBITDA* (M)



FURTHER STRENGTHENING OUR FINANCIAL POSITION

* Refer to the appendix for a reconciliation of these non-GAAP measures to their most directly comparable GAAP measures.

2018 GOLF MARKETS BY REGION

EUROPE

#1 in Hard Goods
22.7% Hard Goods Market Share

US

#1 in Total Clubs
24.0% Hard Goods Market Share

JAPAN

#1 in Total Clubs
17.4% Hard Goods Market Share

KOREA

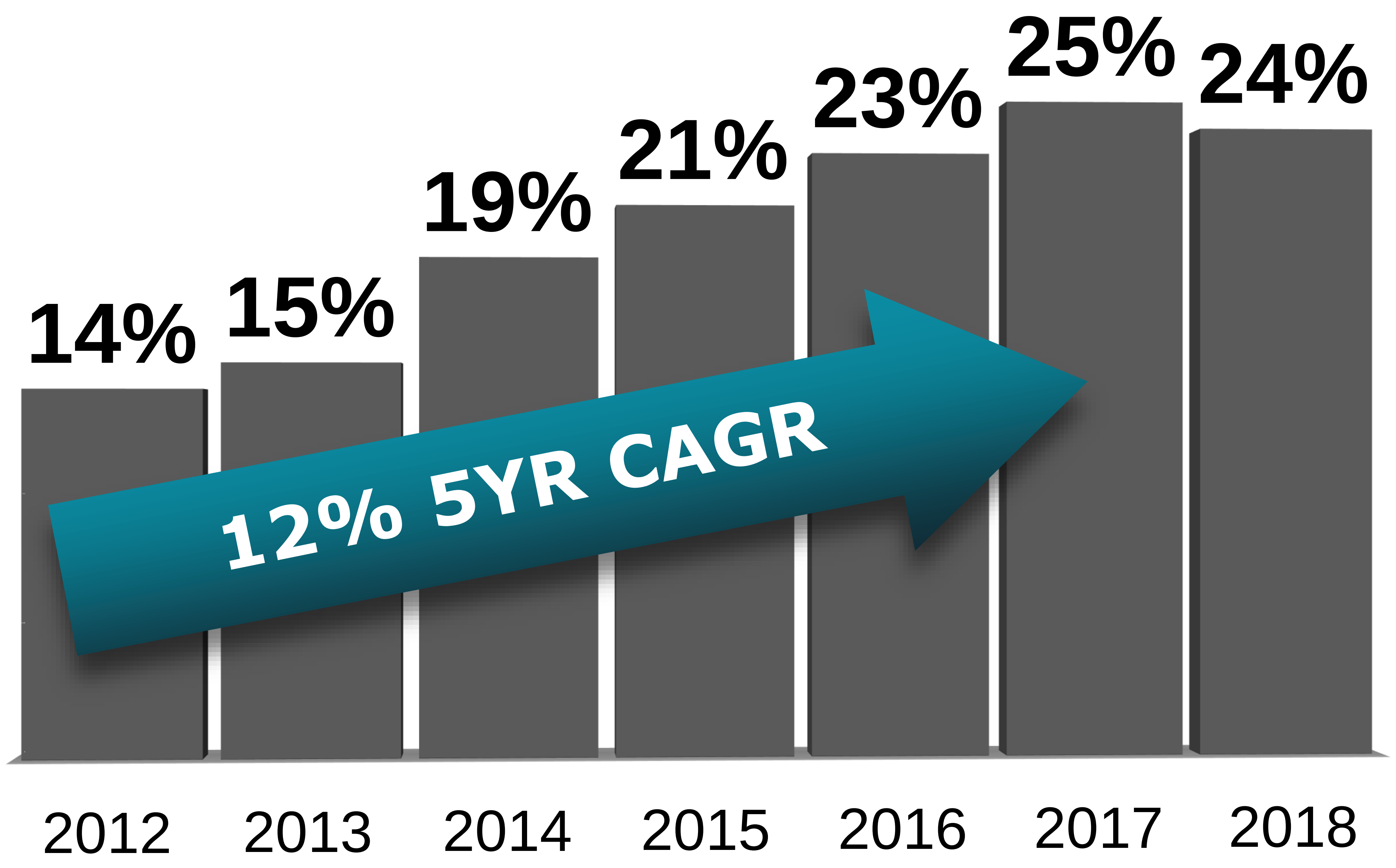
#1 Golf Brand in 2018

DOMINANT MARKET SHARE ACROSS ALL MAJOR REGIONS

Market share data sources: For U.S. and Europe, provided by Golf Datatech; for Japan, provided by GFK.
Korea brand survey conducted by Seoul Economy Golf Magazine.

OVER 75% MARKET SHARE GROWTH SINCE 2012

U.S. Retail Hard Goods Market Share



2018 Callaway U.S. Retail Dollar Market Share Rankings

1 STICKS
WOODS
IRONS

2 PUTTER
GOLF BALLS

STONG MARKET SHARES IN THE U.S.

Source: Golf Datatech, on- and off-course combined

BALANCE SHEET AND CASH FLOW

(in millions, except percentages)	As of Dec 31, 2018	As of Dec 31, 2017	Percentage Change
Available Liquidity[1]	$256	$239	+7%
Net Accounts Receivable	$71	$95	-25%
Inventory	$338	$262	+29%

	12 months ended Dec 31, 2018	12 months ended Dec 31, 2017
Cap Ex	$37	$26
D&A	$20	$18

	12 months ended Dec 31, 2018	12 months ended Dec 31, 2017
Share Repurchase	$22	$17

Inventory higher due to product development timing and Accounts Receivable down due to timing of Q4 launches

1) Available liquidity includes cash on hand, total capacity less outstanding balances under the ABL facilities and letters of credit

INDUSTRY OVERVIEW

U.S. GOLF MARKET

Approximately 24M golfers in U.S.

- # of US Golfers in 2017 was flat year over year
- 82% of golfers are committed

Mixed rounds-played data

- 2015: +1.8%
- 2016: +0.6%
- 2017: -2.7%
- 2018: -4.8%

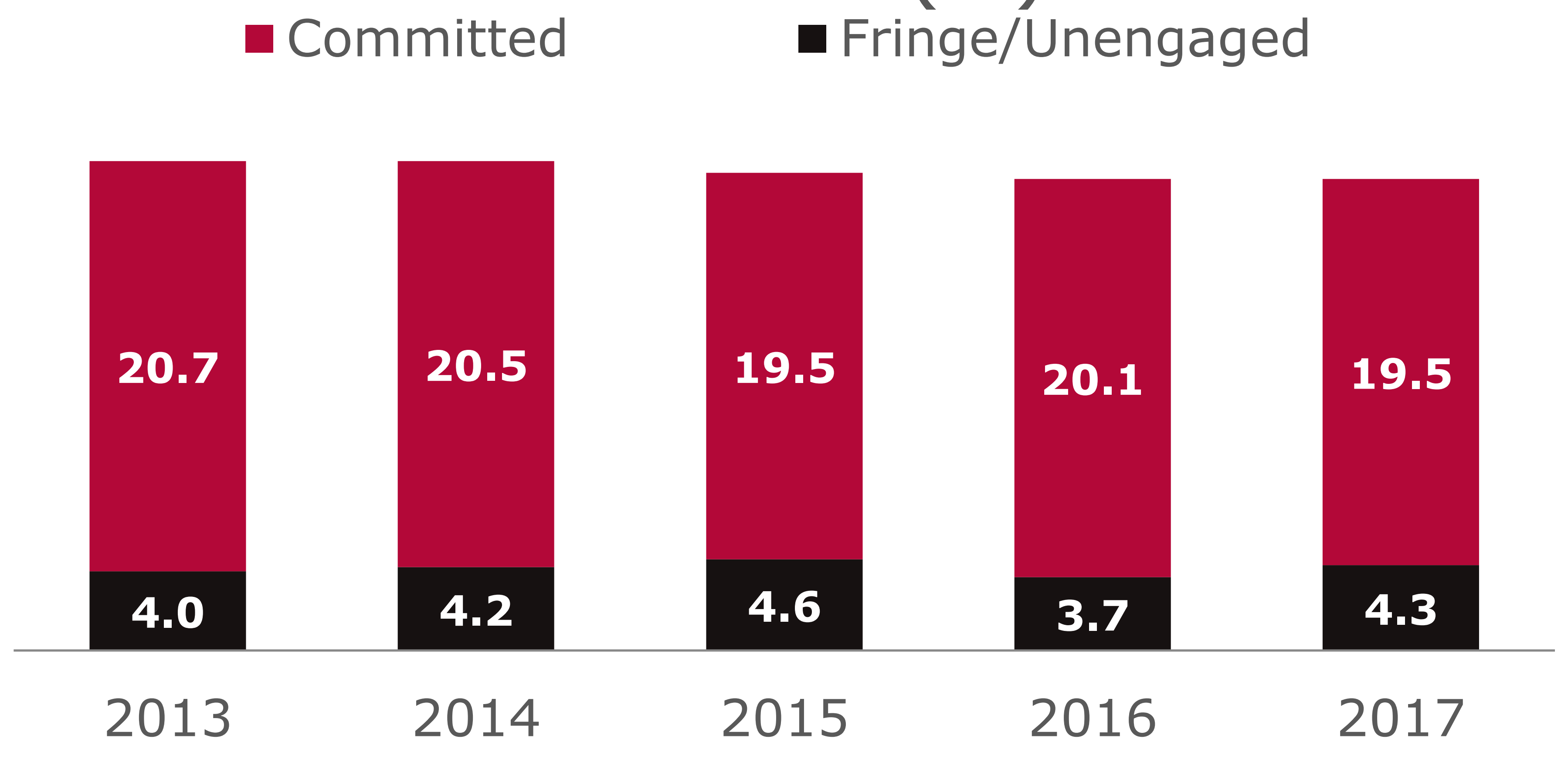
People new to the sport trying it in record numbers

- Number of new golfers increased to 2.6M in 2017
- Up 73% since 2011

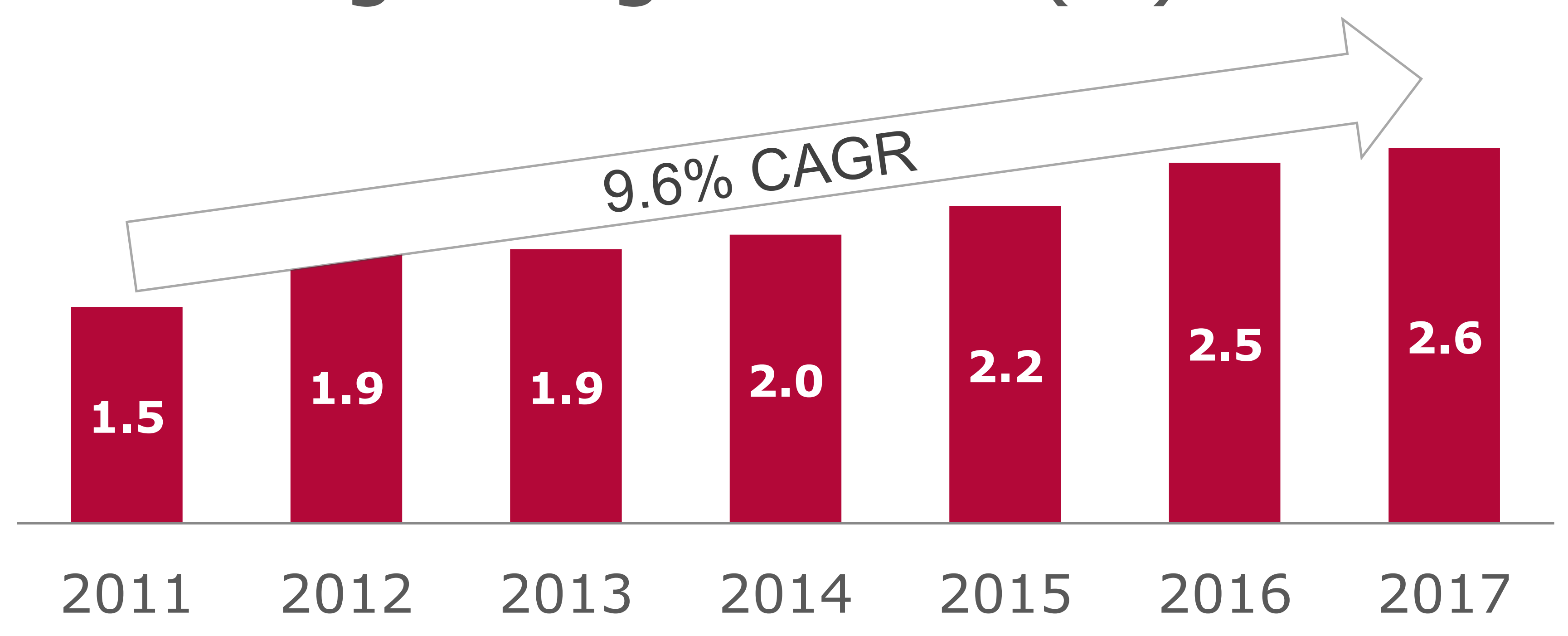
Planned purchase intent continues to increase (3)

- Each club category increasing to new 3-year highs

U.S. Golfers (M)(1)



Beginning Golfers (M)(2)



STABILIZING MARKET WITH 24M GOLFERS IN THE U.S.

1) People age 6+ who played at least one round of golf; The Fringe group often chooses other ways to spend their recreational time.
2) Source: National Golf Foundation, 2017 report
3) Source: Golf Datatech GPAU Spring '18 study, combining Yes & Maybe responses

KEY INDUSTRY TRENDS

Improving industry fundamentals is the overarching theme

- US market up 4.7% in 2018
- Japan market up 0.5% in 2018
- European market down 1.7% thru Nov ‘18 after a strong year in 2017
- Healthy field inventory levels

Healthier retail channel is exemplified in a number of positive trends

- Average selling prices have been increasing
- Product life cycles have lengthened
- Less overall unplanned promotional activity

Clear trend toward industry consolidation

- At retail and among equipment manufacturers
- Realizing economies of scale for large OEMs
- Presenting opportunities for market participants willing and able to invest

CAUTIOUS OPTIMISM CHARACTERIZES RECENT INDUSTRY TRENDS

CURRENT STRATEGY

2019 STRATEGY

1) Invest in the core business to drive growth

- New Technology, particularly Artificial Intelligence
- Golf Ball
- Tour
- Marketing

2) Continue to improve operational efficiency

- Stringent cost management
- Drive continued productivity improvement

3) Effectively deploy free cash flow

- First priority is to invest in high ROI projects (core business or complementary areas)
- Begin paying down recently incurred debt related to the Jack Wolfskin acquisition
- Return capital to shareholders via buybacks and dividends

TRANSFORMATION IS COMPLETE; PIVOTED TO GROWTH STRATEGY

TECHNOLOGY LEADING PRODUCT LINE IN 2019

Very Strong Product Lineup

<u>Golf Equipment</u>

- **Epic Flash Driver** featuring Flash Face Technology created by Artificial Intelligence to help golfers get more ball speed for more distance

- **Apex Irons** is our flagship iron brand with a complete technology overhaul making it the ultimate forged player distance iron

- **ERC Golf Balls** is our longest golf ball with soft feel, designed with Triple Track Technology and named after our founder, Ely Reeves Callaway

- **Stroke Lab Putters** with proprietary new shaft technology that actually improves your stroke

<u>Exciting new product from OGIO and TravisMathew</u>

INVESTMENT IN BALL MANUFACTURING PLANT

Callaway making a significant investment in our Chicopee Ball Manufacturing Plant to ensure continued success in our Ball Business

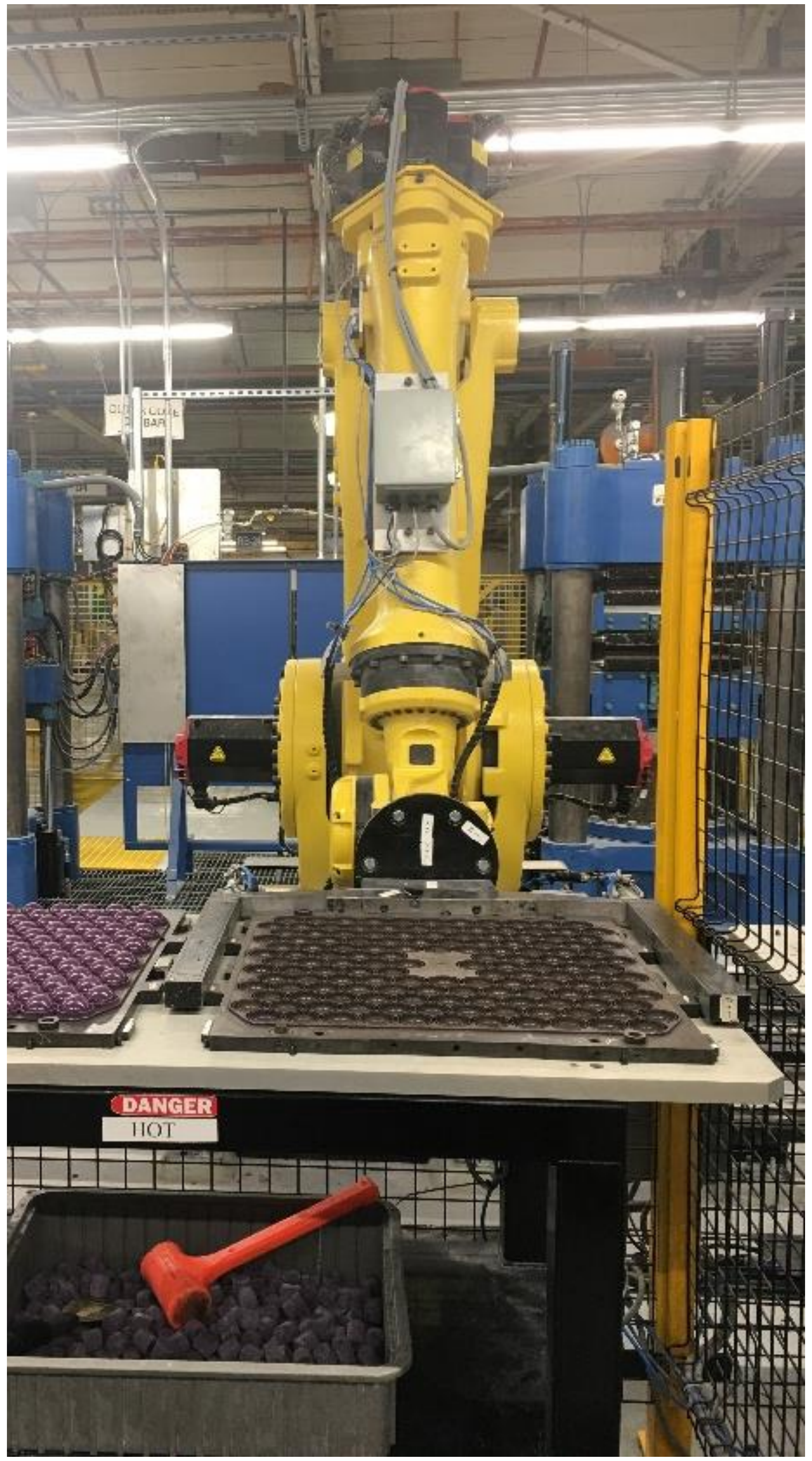
- Planning to invest approximately $35mm over a three period starting in 2016
- Ball revenues grew just over 6% in 2016, just over 7% in 2017, just over 20% in 2018

Investments intended primarily to increase the quality and capability

- Enables new core designs
- Improves core compression and COR processes to allow more efficient transfer of energy
- Improvement in rubber mixing capabilities
- Improvements in Truvis design/printing capabilities
- Investments for continued improvement in consistency and quality for premium balls

Capacity Related

- Investments to expand Truvis and custom ball business
- Investments in TPU/Injection molding and rubber mixing to add overall capacity in premium ball business

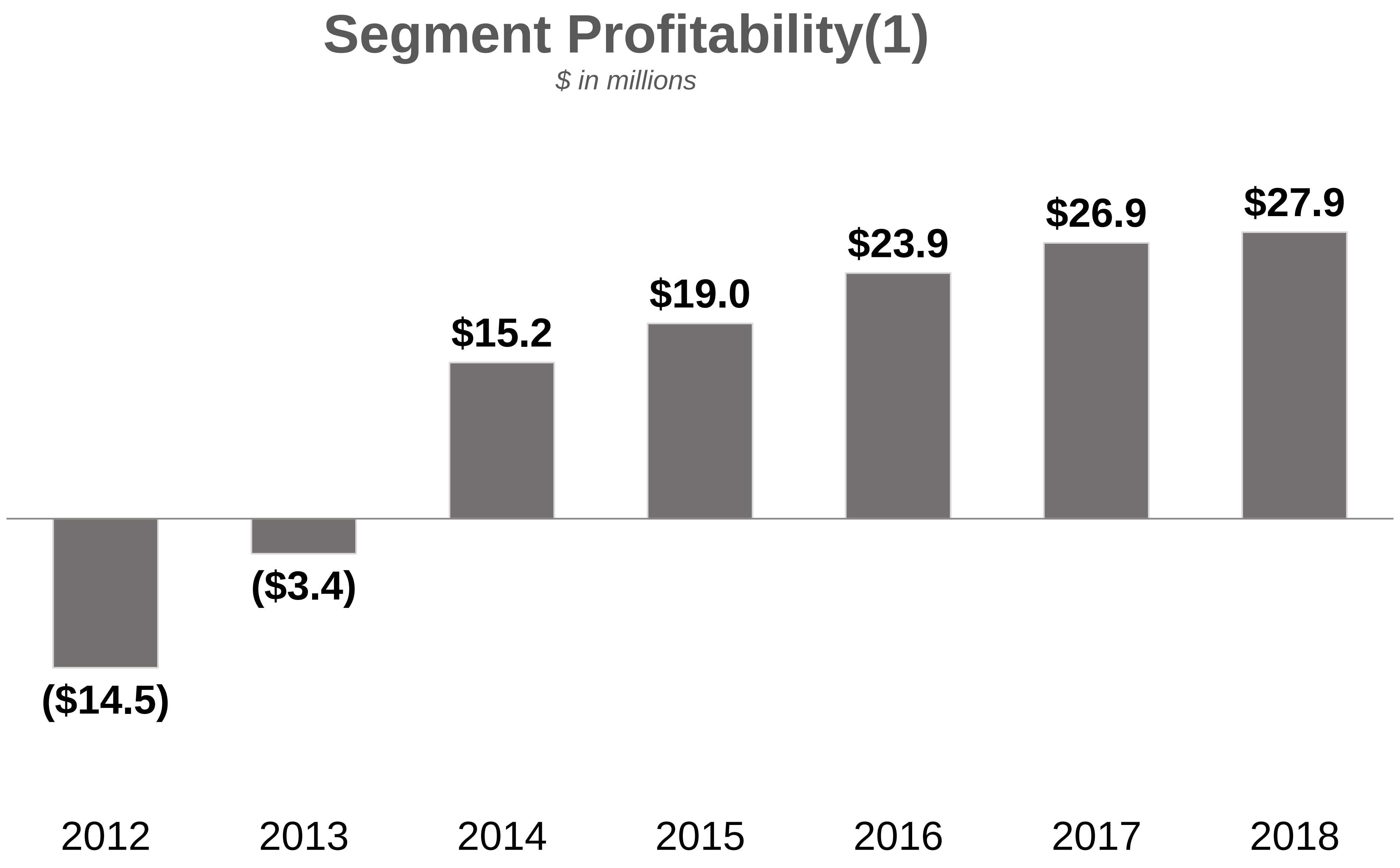


WITH OTHERS PULLING BACK OR EXITING, WE ARE FINDING INVESTMENT OPPORTUNITIES

GOLF BALL SEGMENT

- Road to profitability
  - Eliminated excess capacity and reduced overhead
  - Rationalized supplier base
  - Revamped supply chain
  - Executed on plant optimization strategy

- Continues to be a significant growth opportunity and expected to contribute substantially to the company's future profitability



TURNAROUND IN PROFITABILITY

(1) Excludes Corporate G&A expenses and Other Income/Expenses not utilized by management in determining segment profitability.

GOLF BALL GROWTH OPPORTUNITY

2015

- Chrome Soft ball introduced
- Callaway achieved constant currency sales growth of 10% over prior year[(1)]

2016

- Dual SoftFast Core technology introduced
- Callaway achieved sales growth of 6% over prior year

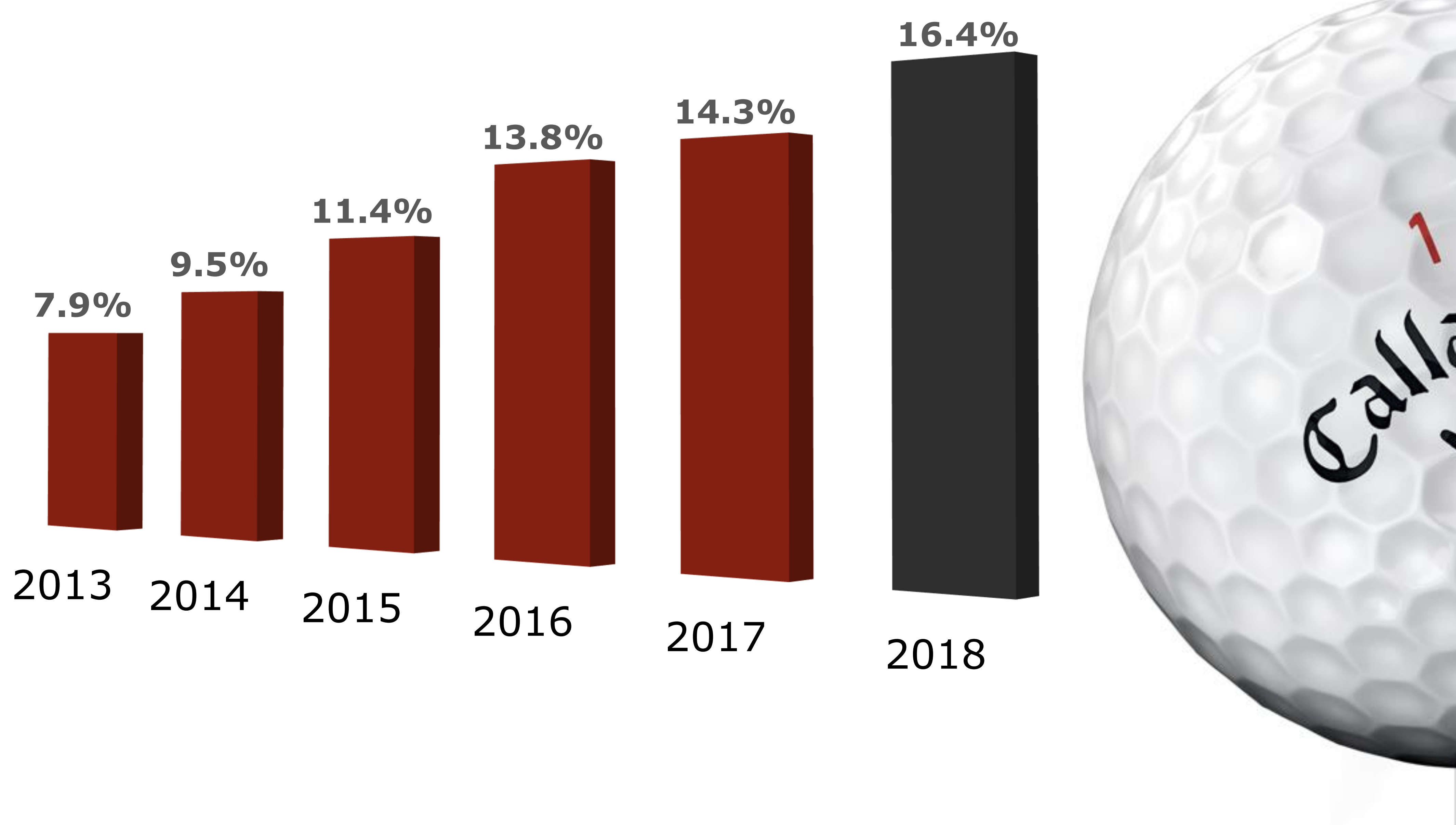
2017

- Launched Chrome Soft X with Dual SoftFast Core technology
- Callaway achieved sales growth of 7% over prior year

2018

- Launched next generation Chrome Soft with a new and larger Graphene infused inner core
- Consumer demand for Truvis continues to increase
- Callaway Net Sales up 20% over prior year

U.S. Retail Dollar Ball Market Share



MOMENTUM AND DIFFERENTIATED TECHNOLOGY HAVE LED TO GROWTH

Market Share Source: Golf Datatech (Golf Datatech includes only green grass channel and certain off-course specialty outlets).
(1) The reconciliation for this item can be found in the 2015 year-end earnings release, available in the Investor Relations section on the company website - www.callawaygolf.com

Tour and Player Development

- Added promising young and established players to our staff
  - Sergio Garcia
  - Xander Schauffele (2017 PGA Tour Rookie of the Year)
  - Aaron Wise (2018 PGA Rookie of the Year)
  - Sam Burns (College Player of the Year)
  - Maverick McNealy (Former #1 World Amateur)
  - Si Woo Kim
- Develop pipeline in Junior, High School and College programs
- Continue to invest in Tour to drive shareholder value

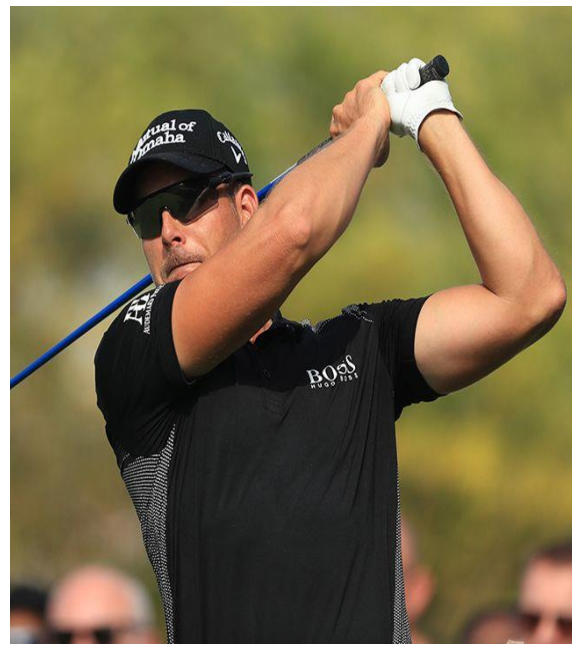
CONTINUE TO INVEST IN YOUNGER GOLFERS

PRO TOUR: AUTHENTICATES THE CALLAWAY BRAND

Callaway

Phil
Mickelson

Sergio
Garcia



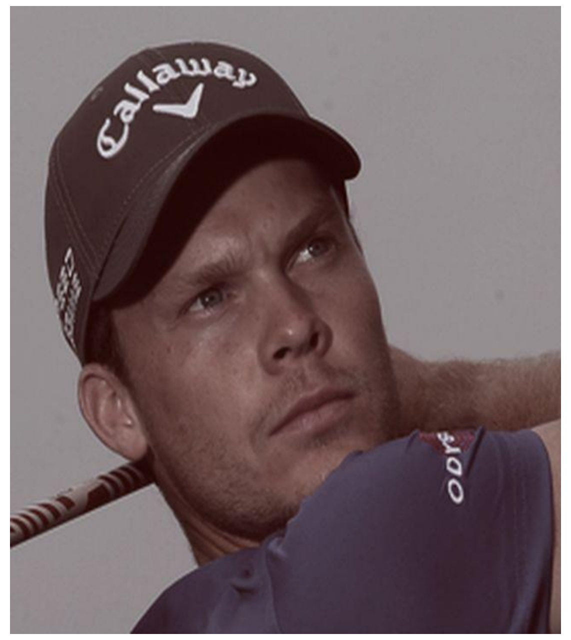
Henrik
Stenson

Xander
Schauffele

Marc
Leishman

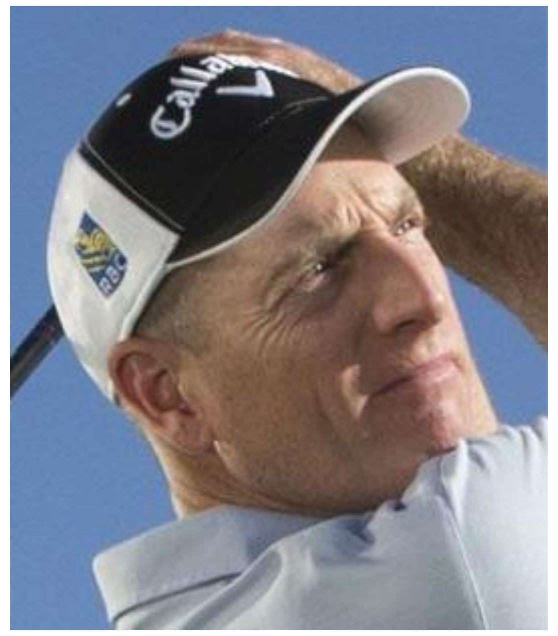
Michelle
Wie

Morgan
Pressel

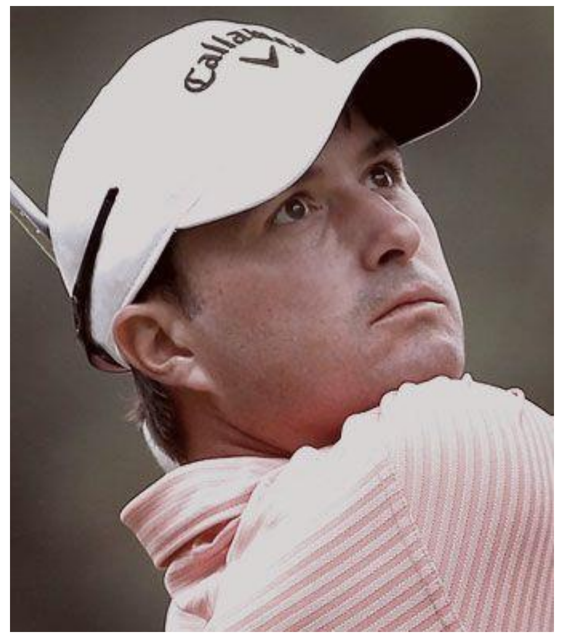


Danny
Willett

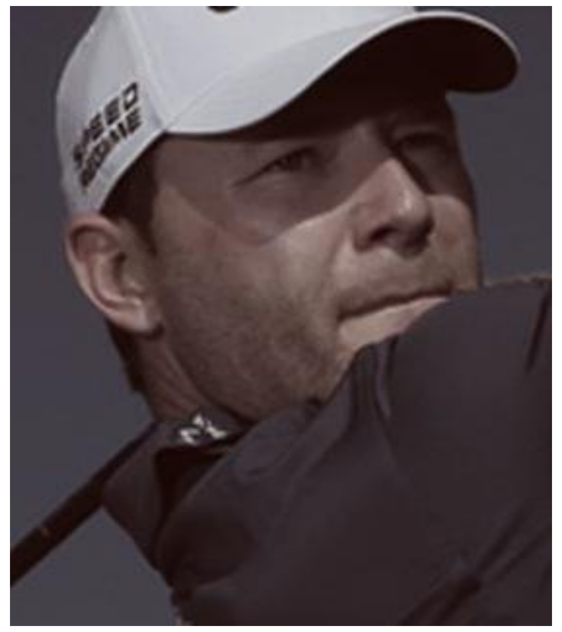
Tom
Watson



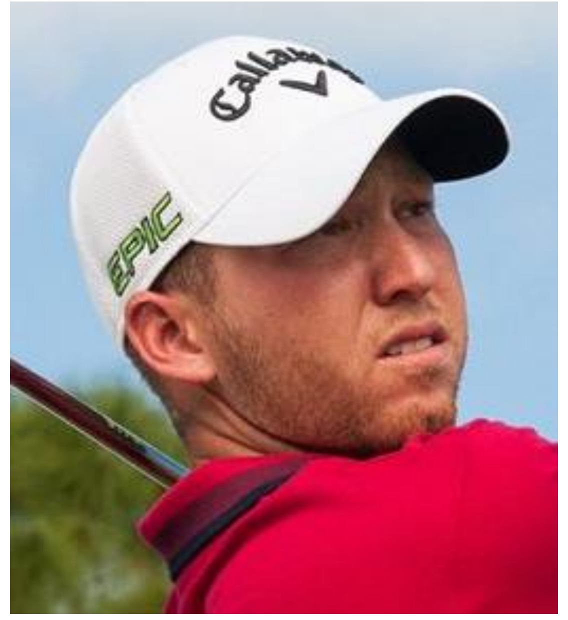
Jim
Furyk



Kevin
Kisner



Branden
Grace



Daniel
Berger

Ollie
Schniederjans

Aaron
Wise

Marketing mix includes:

- Print
- Television
- Video
- Social/Digital

OPTIMIZING MARKETING MIX TO REACH TODAY’S CONSUMER

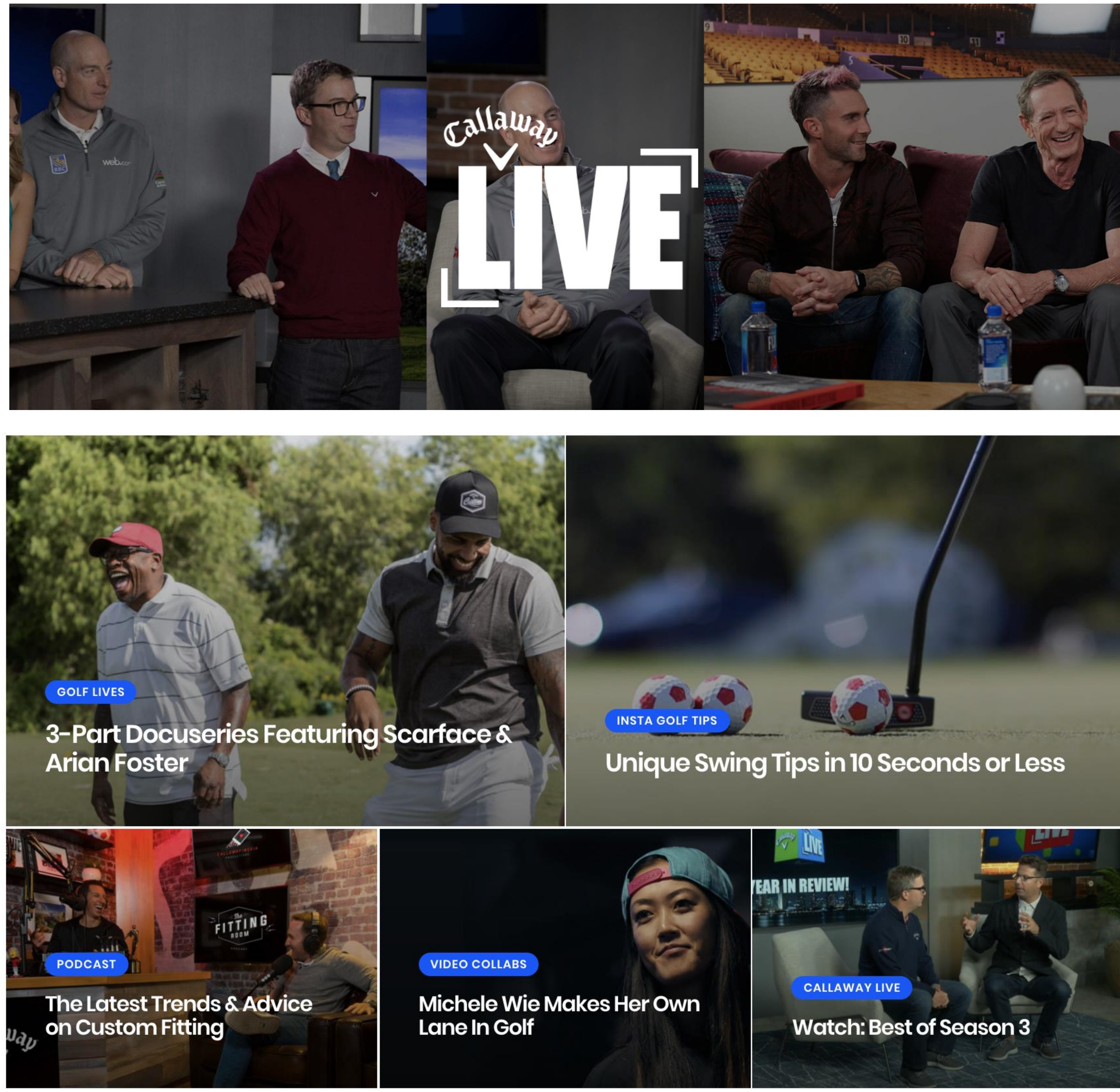
INDUSTRY – LEADING DIGITAL MEDIA STRATEGY

- In-house studio producing professional, original content
  - Ability to produce more content faster and at a lower cost than outsourcing

- Deliver across multiple social media platforms
  - Reach wide yet targeted audience on their time, their channels
  - Make what is largely viewed as an aspirational brand more accessible

- Measurable and targeted beyond traditional marketing capabilities

- Adding Direct to Consumer capabilities in Japan and Europe



ENGAGING CONSUMERS

OPERATIONAL EFFICEINCY CONTINUES TO BE A FOCUS

S&OP System Maturing

- Process has been implemented globally
- Continued investment in systems and process

✓ Fill rates up
✓ Inventory turns improvement
✓ Lower freight-in from suppliers and freight-out to customers

Custom Assembly Execution

- Making investments in Made-to-Order (MTO) systems and processes

✓ Fill rates up on custom orders
✓ Custom clubs 4-year revenue CAGR of 20% in North America
✓ That business accounted for approximately 30% of our U.S. sticks' business in 2018

Improving Quality System

- HD camera inspection
- Vendor quality systems
- Global Statistical Process Control (SPC)

✓ Enhanced brand perception
✓ Higher quality

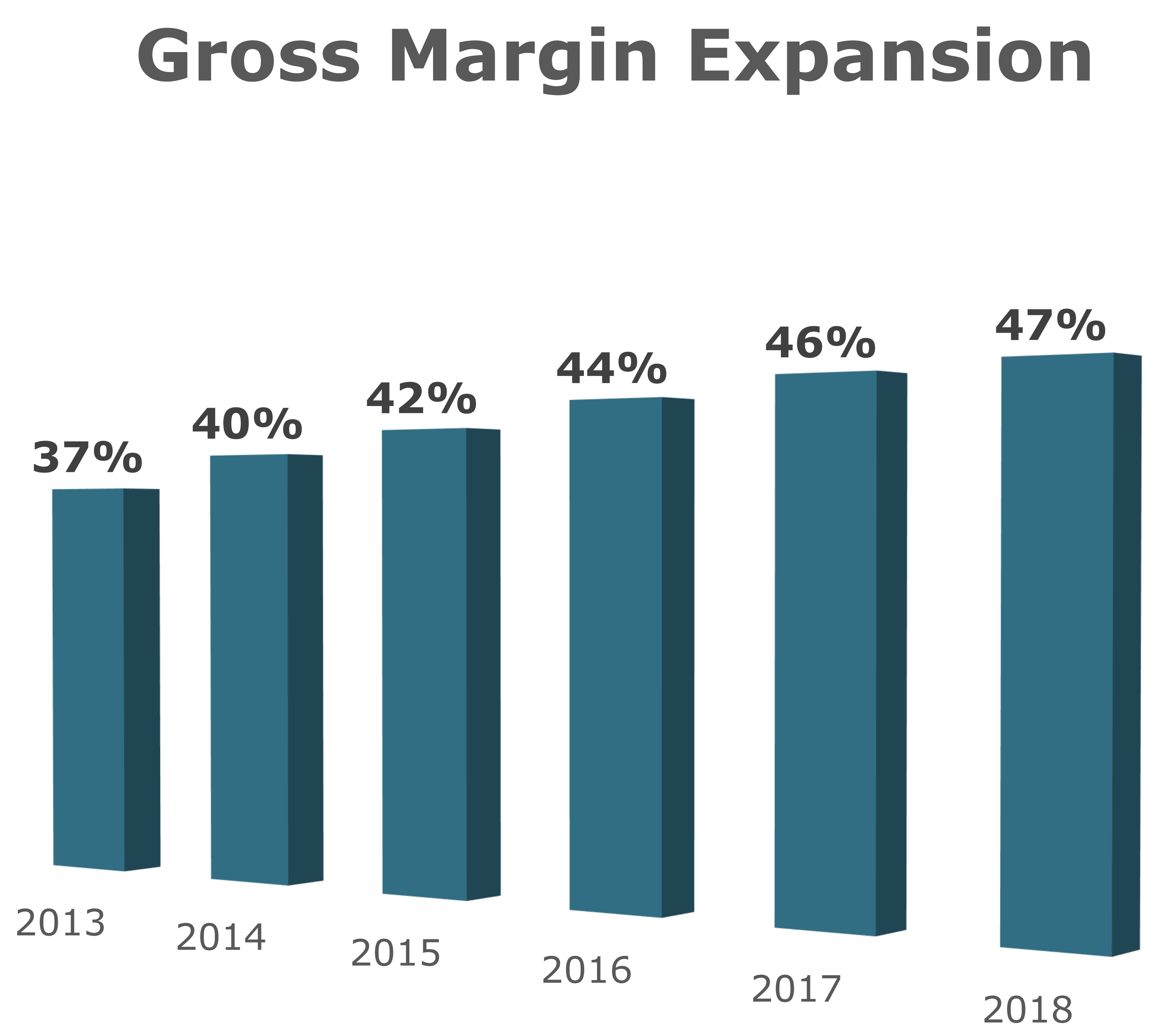
Facilities Improvements

- Global logistics reconfiguration
- Rationalized golf ball manufacturing
- Reduced buildings to 2 in Carlsbad
- Upgrading international warehouse capabilities

✓ Facilities cost down significantly since 2012
✓ Local COGS % of sales down

MARGIN EXPANSION DRIVEN BY OPERATIONAL FOCUS

- Improving Gross Margin through price optimization and cost productivity
- Restructured golf ball business; now profitable
- Managing inventory better
  - Longer life cycles
  - Implemented postponement model
  - New Sales & Operations Planning Process



CONTINUOUS IMPROVEMENT MINDSET

CAPITAL DEPLOYMENT PRIORITIES

Reinvest in the core business to drive growth

- Building team, tools, processes and pipeline

Pay down Term Loan B

- Recently incurred debt related to the Jack Wolfskin acquisition

Opportunistically and thoughtfully explore non-core investments

- Seeking acquisition or investment opportunities in complementary areas
  - We must add value to target (i.e. international reach, R&D, supply chain, etc.)
  - Accretive to earnings in the near- to medium-term
- Topgolf investment

Return capital to shareholders through buybacks and dividends

- $17 million worth of shares repurchased in 2017
- $22 million worth of shares repurchased in 2018
- Annual dividend payment of $0.04 per common share

BALANCED APPROACH FOCUSED ON TOTAL SHAREHOLDER RETURN

STRATEGIC INVESTMENTS IN COMPLEMENTARY AREAS

Japan Joint Venture

- Commenced July 1, 2016
- 52% ownership stake in JV with TSI Groove & Sports Co, Ltd.
  - Long-time licensee in Asia
  - Strong apparel design and retail capabilities
- Includes Callaway-branded apparel, headwear and footwear
- Opened new Flagship store in Tokyo, along with three other stores in 2017
- Continued store expansion in 2018

OGIO Acquisition

- Transaction closed in January 2017
- Lifestyle brand known for its adrenaline-raising bags and gear
- Strong strategic fit with Callaway, including potential cost and revenue synergies; platform for future growth
- Accretive to earnings in 2017, excluding transition and transaction expense
- Integration into core business complete
- International expansion in 2018

EXTENDING OUR RANGE WITH OPPORTUNITIES IN COMPLEMENTARY AREAS

ACQUISITION OF TRAVISMATHEW

Dynamic apparel business based in nearby Huntington Beach, California

Strong fit with ELY in terms of business, brand and culture

- Company focused on high quality product
- Willingness to invest to grow the brand
- Brand has a distinct southern California vibe

Brand synergy with our existing business and strong financial contribution

- Attractive revenue growth – double digit growth
- Enhancing to our current gross margins, operating margins, EBITDA and free cash flow
- Synergies via brand, operations, sourcing, golf channels and international presence
- Planned to be accretive in 2018

Business tracking ahead of pre-acquisition assumptions

TRANSACTION CLOSED IN AUGUST 2017

ACQUISITION OF JACK WOLFSKIN

Leading Brand In Outdoor & Active Lifestyle Apparel

- #1 market position in DACH region and top 3 in China
- Well-recognized brand with over 37 year history

Premium & Innovative Products

- German-engineered and developed in-house
- Commitment to quality, design and sustainability

Global Omni-Channel Presence

- Sales in 40 countries and on 5 continents
- Over 3,200 points of sale worldwide
- Balanced mix of ~70% wholesale and ~30% DTC

Integrated Supply Chain

- Long-term manufacturing partnerships
- State-of-the-art distribution center in Germany

Attractive Financial Profile

- Well positioned to capitalize on expected growth in outdoor apparel market in Europe, Asia and North America
- Improving margins with additional long-term upside
- Stable free cash flow generation

Active Outdoor

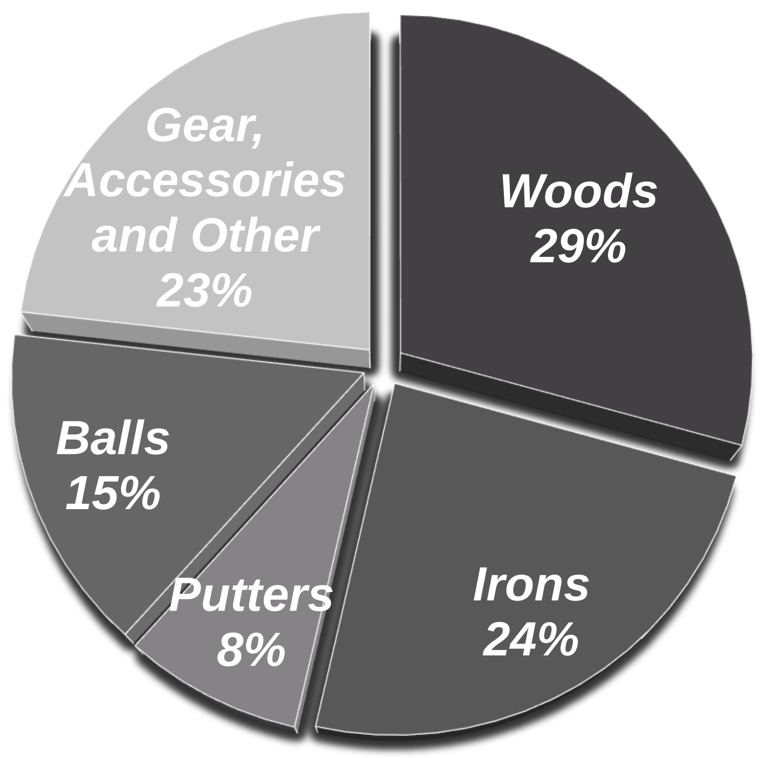
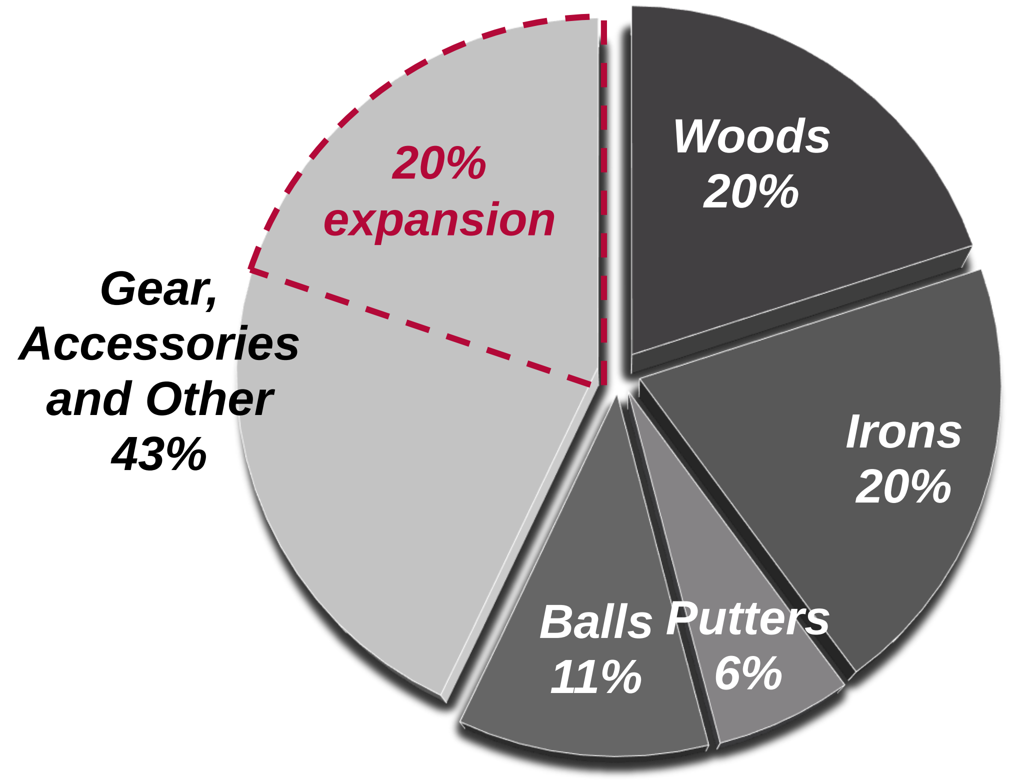
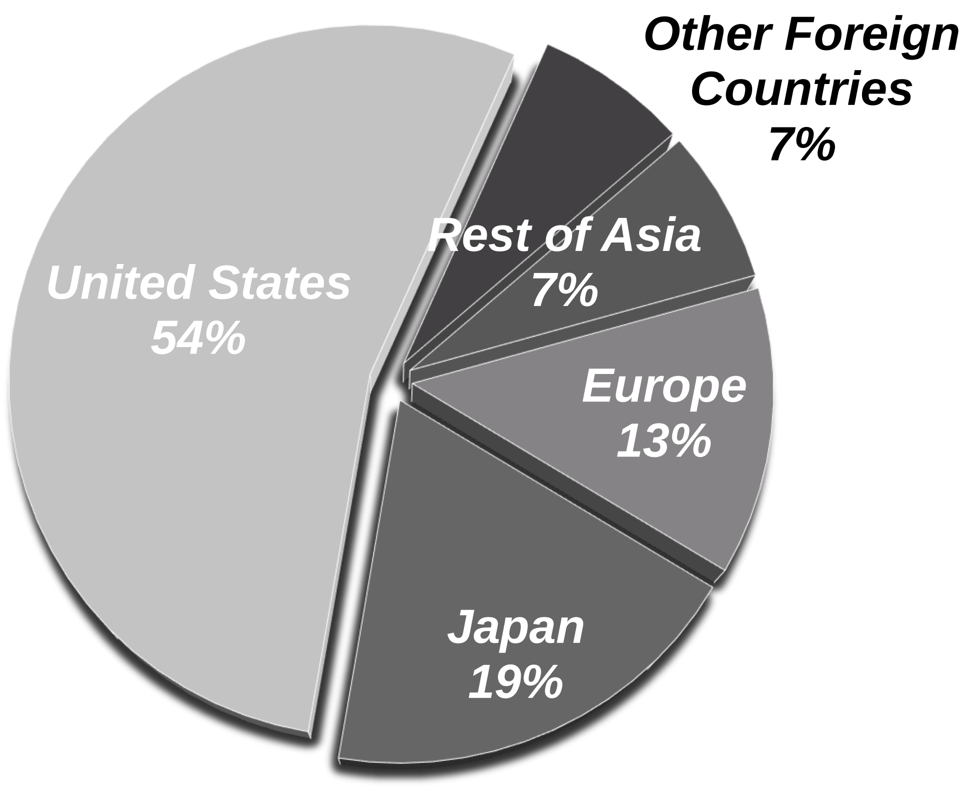
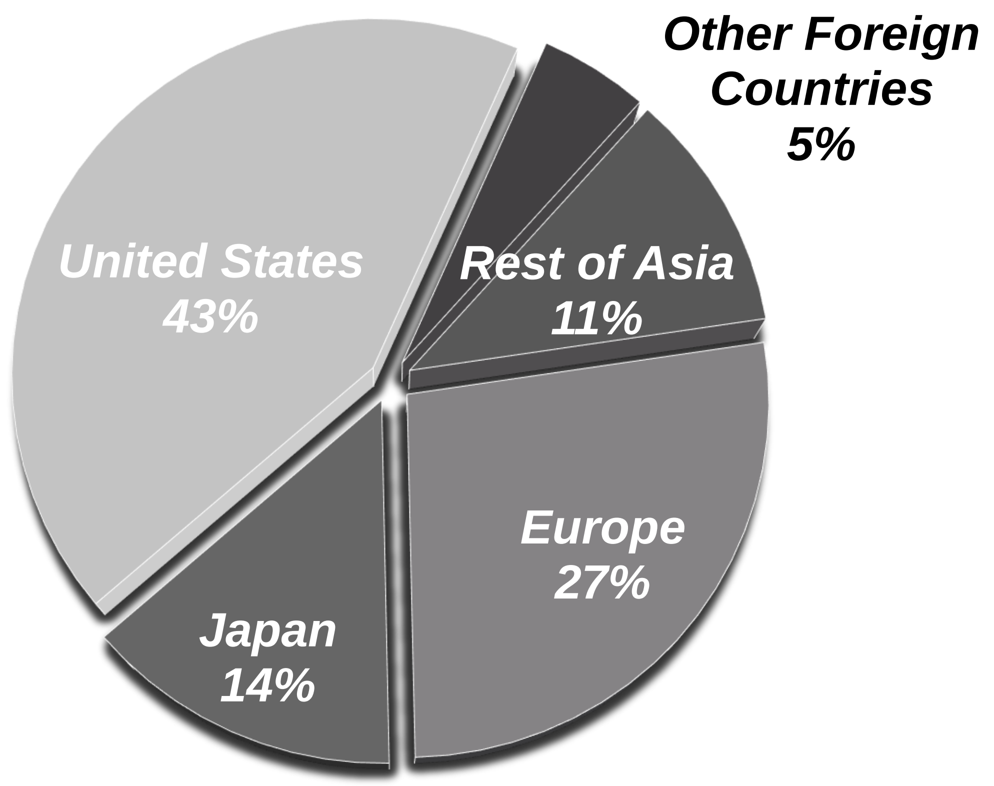
- Ski & snow sports
- Hiking
- Trail running
- Cycling

Urban Outdoor

- Travel
- Functional outdoor
- Urban & modern
- Weather protection

TRANSACTION CLOSED IN JANUARY 2019

FURTHER DIVERSIFICATION

	(2017A)		(9/30/2018 LTM)
Product			
Region			

DIVERSIFIES THE PORTFOLIO FROM A PRODUCT AND REGIONAL PERSPECTIVE

JACK WOLFSKIN ACQUISITION HIGHLIGHTS

1. Geographically complementary to Callaway with opportunities to grow in new markets
2. Innovative product offering in adjacent market that further diversifies portfolio of hard and soft goods with long-term synergies to existing soft goods portfolio
3. Leverage Callaway's acquisition and integration experience
4. Winter and outdoor apparel seasonality offset's Callaway's existing golf product seasonality and smooths quarterly sales generation and working capital needs
5. Opportunity to leverage Callaway's expertise in branding, marketing, design and distribution to drive continued growth and expansion
6. Potential for synergies in distribution, supply chain, marketing and international expansion
7. Attractive financial profile with strong, long-term revenue growth, EBITDA and cash flow accretion

Jack Wolfskin is a unique and transformational opportunity that is complementary across geographies, customer demographics and product capabilities to Callaway

TOPGOLF INVESTMENT

High growth entertainment concept

- Combines driving range, nightclub, and dining experience into one venue
- 52 locations globally; adding 8-10/year in U.S.
- 14 additional sites planned and announced (including 3 international sites)
- Introduced Topgolf Swing Suites (26 locations with an additional 6 planned)
- Media Division – Acquisition of WGT and Protracer

Exclusive golf partner of Topgolf and ~14% owner

- Built our position over past decade
- On balance sheet at $70.8M cost basis

Complementary to core golf equipment business and strong growth potential

TOPGOLF CONTINUES TO EXPAND LOCATIONS

POSITIVE MOMENTUM

Proven executive leadership

- Deep golf industry experience
- Fostering culture of innovation to further market share gains
- Three successful acquisitions

Continued momentum

- Pivoted to growth strategy
- Share gains in all major markets
- Strong balance sheet and profitability

Improving industry fundamentals

- US, UK, and Japan markets up in 2018
- Number of beginning golfers in the US continues to increase
- TV viewership and purchase intent are both up this year

FOCUSED ON INCREASING LONG-TERM SHAREHOLDER VALUE

APPENDIX

FULL YEAR P&L RECONCILIATIONS

CALLAWAY GOLF COMPANY
Supplemental Financial Information and Non-GAAP Reconciliation
(Unaudited)
(In thousands, except per share data)

	Year Ended December 31, 2018			Year Ended December 31, 2017			
	Total As Reported	Acquisition Costs(1)	Non-GAAP	Total As Reported	Acquisition Costs(2)	Non-Cash Tax Adjustment(3)	Non-GAAP
Net sales	$ 1,242,834	$ —	$ 1,242,834	$ 1,048,736	$ —	$ —	$ 1,048,736
Gross profit	578,369	—	578,369	480,448	(2,439)	—	482,887
% of sales	46.5%	—	46.5%	45.8%	—	—	46.0%
Operating expenses	449,927	3,661	446,266	401,611	8,825	—	392,786
Income (loss) from operations	128,442	(3,661)	132,103	78,837	(11,264)	—	90,101
Other income (expense), net	2,830	4,409	(1,579)	(10,782)	—	—	(10,782)
Income (loss) before income taxes	131,272	748	130,524	68,055	(11,264)	—	79,319
Income tax provision (benefit)	26,018	172	25,846	26,388	(4,118)	3,394	27,112
Net income (loss)	105,254	576	104,678	41,667	(7,146)	(3,394)	52,207
Less: Net income attributable to non-controlling interests	514	—	514	861	—	—	861
Net income (loss) attributable to Callaway Golf Company	$ 104,740	$ 576	$ 104,164	$ 40,806	$ (7,146)	$ (3,394)	$ 51,346
Diluted earnings (loss) per share:	$1.08	$0.01	$1.07	$0.42	($0.07)	($0.04)	$0.53
Weighted-average shares outstanding:	97,153	97,153	97,153	96,577	96,577	96,577	96,577

(1) Represents non-recurring costs associated with the acquisition of Jack Wolfskin in January 2019.

(2) Represents non-recurring costs associated with the acquisitions of Ogio International, Inc. in January 2017, and TravisMathew in August 2017.

(3) Represents approximately $7.5 million of non-recurring income tax expense resulting from the 2017 Tax Cuts and Jobs Act, partially offset by a non-recurring benefit of approximately $4.1 million related to the revaluation of taxes on intercompany transactions, resulting from the 2016 release of the valuation allowance against the Company's U.S. deferred tax assets.

FULL YEAR P&L RECONCILIATIONS

CALLAWAY GOLF COMPANY
Supplemental Financial Information and Non-GAAP Reconciliation
(Unaudited)
(In thousands, except per share data)

	Year Ended December 31, 2017				Year Ended December 31, 2016			
	Total As Reported	Acquisition Costs[1]	Non-Cash Tax Adjustment[2]	Non-GAAP	Total As Reported	Topgolf Gain[3]	Release of Tax VA[4]	Non-GAAP
Net sales	$ 1,048,736	$ —	$ —	$ 1,048,736	$ 871,192	$ —	$ —	$ 871,192
Gross profit	480,448	(2,439)	—	482,887	385,011	—	—	385,011
% of sales	45.8%	—	—	46.0%	44.2%	—	—	44.2%
Operating expenses	401,611	8,825	—	392,786	340,843	—	—	340,843
Income (loss) from operations	78,837	(11,264)	—	90,101	44,168	—	—	44,168
Other income (expense), net	(10,782)	—	—	(10,782)	14,225	17,662	—	(3,437)
Income (loss) before income taxes	68,055	(11,264)	—	79,319	58,393	17,662	—	40,731
Income tax provision (benefit)	26,388	(4,118)	3,394	27,112	(132,561)	7,188	(156,588)	16,839
Net income (loss)	41,667	(7,146)	(3,394)	52,207	190,954	10,474	156,588	23,892
Less: Net income attributable to non-controlling interests	861	—	—	861	1,054	—	—	1,054
Net income (loss) attributable to Callaway Golf Company	$ 40,806	$ (7,146)	$ (3,394)	$ 51,346	$ 189,900	$ 10,474	$ 156,588	$ 22,838
Diluted earnings (loss) per share:	$0.42	($0.07)	($0.04)	$0.53	$1.98	$0.11	$1.63	$0.24
Weighted-average shares outstanding:	96,577	96,577	96,577	96,577	95,845	95,845	95,845	95,845

(1) Represents non-recurring costs associated with the acquisitions of Ogio International, Inc. in January 2017, and TravisMathew in August 2017.

(2) Represents approximately $7.5 million of non-recurring income tax expense resulting from the 2017 Tax Cuts and Jobs Act, partially offset by a non-recurring benefit of approximately $4.1 million related to the revaluation of taxes on intercompany transactions, resulting from the 2016 release of the valuation allowance against the Company's U.S. deferred tax assets.

(3) Represents a gain on the sale of a small portion of the Company's Topgolf investment as well as the income tax impact on the gain due to the reversal of the Company's deferred tax valuation allowance in Q4 of 2016.

(4) Non-cash tax benefit due to the reversal of a significant portion of the Company's deferred tax valuation allowance in Q4 of 2016.

ADJUSTED EBITDA RECONCILIATIONS

CALLAWAY GOLF COMPANY
Supplemental Financial Information and Non-GAAP Reconciliation
(Unaudited)
(In thousands, except per share data)

2018 Trailing Twelve Month Adjusted EBITDA

	Quarter Ended				
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	Total
Net income (loss)	$ 62,855	$ 60,867	$ 9,517	$ (28,499)	$ 104,740
Interest expense, net	1,528	1,661	1,056	704	4,949
Income tax provision (benefit)	17,219	17,247	1,335	(9,783)	26,018
Depreciation and amortization expense	4,737	5,029	4,996	5,186	19,948
EBITDA	$ 86,339	$ 84,804	$ 16,904	$ (32,392)	$ 155,655
Jack Wolfskin net acquisition costs/(gains)	—	—	1,521	(2,269)	(748)
OGIO and TravisMathew acquisition costs	—	—	—	—	—
Adjusted EBITDA	$ 86,339	$ 84,804	$ 18,425	$ (34,661)	$ 154,907

2017 Trailing Twelve Month Adjusted EBITDA

	Quarter Ended				
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	Total
Net income (loss)	$ 25,689	$ 31,443	$ 3,060	$ (19,386)	$ 40,806
Interest expense, net	715	550	642	2,004	3,911
Income tax provision (benefit)	13,206	16,050	1,486	(4,354)	26,388
Depreciation and amortization expense	4,319	4,178	4,309	4,799	17,605
EBITDA	$ 43,929	$ 52,221	$ 9,497	$ (16,937)	$ 88,710
Jack Wolfskin net acquisition costs/(gains)	—	—	—	—	—
OGIO and TravisMathew acquisition costs	3,956	2,254	3,377	1,677	11,264
Adjusted EBITDA	$ 47,885	$ 54,475	$ 12,874	$ (15,260)	$ 99,974

ADJUSTED EBITDA RECONCILIATIONS

CALLAWAY GOLF COMPANY
Supplemental Financial Information and Non-GAAP Reconciliation
(Unaudited)
(In thousands, except per share data)

2017 Trailing Twelve Month Adjusted EBITDA

	Quarter Ended				
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	Total
Net income (loss)	$ 25,689	$ 31,443	$ 3,060	$ (19,386)	$ 40,806
Interest expense, net	715	550	642	2,004	3,911
Income tax provision (benefit)	13,206	16,050	1,486	(4,354)	26,388
Depreciation and amortization expense	4,319	4,178	4,309	4,799	17,605
EBITDA	$ 43,929	$ 52,221	$ 9,497	$ (16,937)	$ 88,710
Gain on sale of Topgolf investments	—	—	—	—	—
OGIO and TravisMathew acquisition costs	3,956	2,254	3,377	1,677	11,264
Adjusted EBITDA	$ 47,885	$ 54,475	$ 12,874	$ (15,260)	$ 99,974

2016 Trailing Twelve Month Adjusted EBITDA

	Quarter Ended				
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	Total
Net income (loss)	$ 38,390	$ 34,105	$ (5,866)	$ 123,271	$ 189,900
Interest expense, net	621	347	431	348	1,747
Income tax provision (benefit)	1,401	1,937	1,294	(137,193)	(132,561)
Depreciation and amortization expense	4,157	4,180	4,204	4,045	16,586
EBITDA	$ 44,569	$ 40,569	$ 63	$ (9,529)	$ 75,672
Gain on sale of Topgolf investments	—	(17,662)	—	—	(17,662)
OGIO and TravisMathew acquisition costs	—	—	—	—	—
Adjusted EBITDA	$ 44,569	$ 22,907	$ 63	$ (9,529)	$ 58,010