

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

March 19, 2024
Date of Report (Date of earliest event reported)

TOPGOLF CALLAWAY BRANDS CORP.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation)

1-10962
(Commission
File Number)

95-3797580
(IRS Employer
Identification No.)

2180 RUTHERFORD ROAD, CARLSBAD, CALIFORNIA
(Address of principal executive offices)

92008-7328
(Zip Code)

(760) 931-1771

Registrant's telephone number, including area code

NOT APPLICABLE

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	MODG	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry Into a Material Definitive Agreement.

As previously disclosed, on March 16, 2023, Topgolf Callaway Brands Corp. (the “Company”) entered into a credit agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Term Loan Agreement”), by and among the Company, the lenders party thereto from time to time (the “Term Lenders”) and Bank of America, N.A., as administrative agent and collateral agent for the Term Lenders, providing for a senior secured term loan B facility (the “Term Loan Facility”) in an original aggregate principal amount of \$1,250 million (the “Term Loans”).

On March 19, 2024 (the “Amendment Date”), the Company and certain of its subsidiaries entered into an amendment to the Term Loan Agreement (the “First Amendment” and, the Term Loan Agreement as amended by the First Amendment, the “Amended Term Loan Agreement”), which, among other things, amends certain terms and provisions of the Term Loan Agreement, including, without limitation, to (a) reduce the interest rate applicable to the outstanding Term Loans under the Term Loan Facility by 0.50% per annum, (b) remove the 0.10% per annum credit spread adjustment applicable to Term Loans under the Term Loan Facility accruing interest at Term SOFR (as defined below), and (c) reset the prepayment premium applicable to the Term Loans, such that prepayments of the Term Loans occurring within six months after the Amendment Date in connection with a repricing transaction will be subject to a prepayment premium equal to 1.00% of the principal amount being prepaid, subject to certain customary exceptions.

The interest rate applicable from time to time to outstanding Term Loans under the Amended Term Loan Agreement will be, at the Company’s option, a rate per annum equal to:

(a) a term SOFR-based rate (“Term SOFR”) subject to a 0% floor, plus an applicable margin of 2.75% or 3.00%, depending on the company’s applicable Debt Rating (as defined below); and

(b) a base rate equal to the sum of (i) the greater of (A) the greater of (x) the federal funds rate and (y) the overnight bank funding rate published by the Federal Reserve Bank of New York, in either case, plus 0.50%, (B) Term SOFR for a one month interest period, plus 1% (and subject to a 1% floor), (C) the prime rate announced by Bank of America from time to time, and (D) 1%, plus (ii) an applicable margin of 1.75% or 2.00% depending on the Company’s applicable Debt Rating.

The Company’s “Debt Rating” is each of the corporate credit rating of the Company determined by S&P and the corporate family rating of the Company determined by Moody’s.

The foregoing description of the First Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the First Amendment, a copy of which is expected to be filed as an exhibit to our Quarterly Report on Form 10-Q for the quarter ending March 31, 2024.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth above in Item 1.01 is incorporated by reference in this Item 2.03.

Item 7.01 Regulation FD Disclosure.*

On March 20, 2024, the Company issued a press release captioned, “Topgolf Callaway Brands Successfully Completes Debt Repricing.” A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by this reference.

Item 9.01 Financial Statements and Exhibits.*

(d) Exhibits.

The following exhibit is being furnished herewith:

Exhibit 99.1 [Press Release, dated March 21, 2024, captioned, “Topgolf Callaway Brands Successfully Completes Debt Repricing.”](#)

Exhibit 104 Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

* The information furnished in this Current Report on Form 8-K shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any registration statement or other filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TOPGOLF CALLAWAY BRANDS CORP.

Date: March 21, 2024

By: /s/ Heather McAllister

Heather McAllister

Senior Vice President and General Counsel



TOPGOLF CALLAWAY BRANDS SUCCESSFULLY COMPLETES DEBT REPRICING

CARLSBAD, Calif., March 21, 2024/PRNewswire/ – Topgolf Callaway Brands Corp. (NYSE: MODG) (“Topgolf Callaway Brands” or the “Company”) today announced the repricing of its term loan, thereby lowering its future interest costs.

Summary of Transaction

- Successfully repriced the existing \$1.24 billion Topgolf Callaway Brands first-lien term loan due 2030
- Lowered the Topgolf Callaway Brands first-lien term loan interest rate by 50 basis points, to SOFR +300, and eliminated the 10-basis point credit spread adjustment (CSA) for a total reduction of 60 basis points
- Interest expense savings expected to be greater than \$7 million on an annualized basis

“We are pleased to announce the successful completion of our debt repricing, which will lower our annual interest expense while continuing to provide the Company with ample liquidity,” said Brian Lynch, Chief Financial Officer and Chief Legal Officer at Topgolf Callaway Brands. “This repricing is consistent with our focus on managing overall leverage while maintaining the financial flexibility and liquidity needed to fund the continued growth of our business, a business which delivered positive free cash flow at both the total Company and Topgolf in 2023 and is forecast to do so again in 2024.”

Bank of America, N.A., JPMorgan Chase Bank, N.A., MUFG Securities Americas Inc., and Truist Securities, Inc. acted as Joint Lead Arrangers and Joint Bookrunners.

For additional information on the terms and conditions, please see the Company’s Form 8-K regarding the debt repricing, to be filed with the Securities and Exchange Commission.

Forward-Looking Statements

Statements used in this press release that relate to future plans, events, financial results, performance, prospects, or growth opportunities, including statements relating to the Company’s expected interest expense savings, continued growth of the business; future total Company and Topgolf free cash flows; the Company’s overall leverage, financial flexibility, liquidity and ability to fund the continued growth of the business, 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 statements are based upon current information and expectations. Accurately estimating the forward-looking statements is based upon various risks and unknowns, including uncertainty regarding global economic conditions, including relating to inflation, decreases in consumer demand and spending, and

any severe or prolonged economic downturn; costs, expenses or difficulties related to the merger with Topgolf, including the integration of the Topgolf business; failure to realize the expected benefits and synergies of the Topgolf merger in the expected timeframes or at all; the Company's level of indebtedness; continued availability of credit facilities and liquidity and ability to comply with applicable debt covenants; effectiveness of capital allocation and cost/expense reduction efforts; continued brand momentum and product success; growth in the direct-to-consumer and e-commerce channels; ability to realize the benefits of the continued investments in the Company's business; consumer acceptance of and demand for the Company's and its subsidiaries' products and services; any changes in U.S. trade, tax or other policies, including restrictions on imports or an increase in import tariffs; future retailer purchasing activity, which can be significantly negatively affected by adverse industry conditions and overall retail inventory levels; the level of promotional activity in the marketplace; and future changes in foreign currency exchange rates and the degree of effectiveness of the Company's hedging programs. Actual results may differ materially from those estimated or anticipated as a result of these risks and unknowns or other risks and uncertainties, including the effect of terrorist activity, armed conflict, natural disasters or pandemic diseases; delays, difficulties or increased costs in the supply of components or commodities needed to manufacture the Company's products or in manufacturing the Company's products; and a decrease in participation levels in golf generally. For additional information 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, 2023 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 Securities and Exchange Commission. Readers 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.

About Topgolf Callaway Brands Corp.

Topgolf Callaway Brands Corp. (NYSE: MODG) is an unrivaled tech-enabled Modern Golf and active lifestyle company delivering leading golf equipment, apparel, and entertainment, with a portfolio of global brands including Topgolf, Callaway Golf, TravisMathew, Toptracer, Odyssey, OGIO, Jack Wolfskin, and World Golf Tour ("WGT"). "Modern Golf" is the dynamic and inclusive ecosystem that includes both on-course and off-course golf. For more information, please visit <https://www.topgolfcallawaybrands.com>.

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