



**TOP GOLF
CALLAWAY**
BRANDS

**Fourth Quarter and Full Year 2024
Earnings Conference Call**

February 24, 2025

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, Company, Topgolf and core business revenues, same venue sales, venue-level margins, the Non-GAAP Projections (as defined below), shares outstanding and tax rates), our plans to pursue a separation of the Topgolf business, the timing and method of the separation, the anticipated benefits, expenses, dis-synergies and other effects of the separation, the expected financial and operational performance of, and future opportunities for, each of the two independent companies following the separation, the tax treatment of the separation, the leadership of the two independent companies following the separation, cost reduction activities, effects of Topgolf switching to retail calendar reporting in 2025, new product lines, strength and demand of the Company's products and services, addressable markets and the consumer base, continued brand momentum, digital growth, savings initiatives, impacts of switching to a retail calendar, continued investments in the business, achievable synergies and cost reductions, digital revenue opportunities, consumer trends and behavior, the sensitivity of the business to recession, Topgolf venue openings, impacts of foreign exchange rates and tariffs, impacts of weather events and fires 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," "would," "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, 2024, 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 for the consolidated Company, Topgolf and the core business, non-GAAP depreciation and amortization, adjusted free cash flow for the Company and Topgolf, non-GAAP diluted earnings per share, Adjusted EBITDA Less Venue Financing Cash Interest, non-GAAP tax rate, non-GAAP interest expense, and non-GAAP pre-tax income (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, timing of reimbursement of lease financing, 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.

Q4 2024 Highlights



Q4 consolidated Net Revenue growth of 3% and strong Adjusted EBITDA growth both outperformed guidance.



Total Company operating cash flow increased 5% to \$382 million and Adjusted Free Cash Flow increased 27% to \$203 million.



Topgolf's same venue sales, Adjusted EBITDA, Adjusted Free Cash Flow and venue margins all exceeded expectations in Q4.



In 2024 the Callaway brand maintained its #1 position in U.S. market share in total golf clubs for the third consecutive year - and 9th time in the last 10 years - and achieved record U.S. market share in golf ball.

1. Source: Golf Datatech. Hard goods US market share ranking data results as of December 31, 2024.



FOURTH QUARTER AND FULL YEAR 2024 FINANCIAL RESULTS

Q4 2024 NON-GAAP RESULTS¹

(\$ millions, except per share data)	Q4 2024	Q4 2023	Change (%)
Net Revenues	\$ 924.4	\$ 897.1	3 %
Net Loss	\$ (59.8)	\$ (57.9)	3 %
Loss Per Share	\$ (0.33)	\$ (0.31)	6 %
Adjusted EBITDA	\$ 101.4	\$ 69.8	45 %

FY 2024 NON-GAAP RESULTS¹

(\$ millions, except per share data)	FY 2024	FY 2023	Change (%)
Net Revenues	\$ 4,239.3	\$ 4,284.8	(1)%
Net Income	\$ 42.0	\$ 83.9	(50)%
Earnings Per Share	\$ 0.23	\$ 0.45	(49)%
Adjusted EBITDA	\$ 587.7	\$ 596.6	(1)%

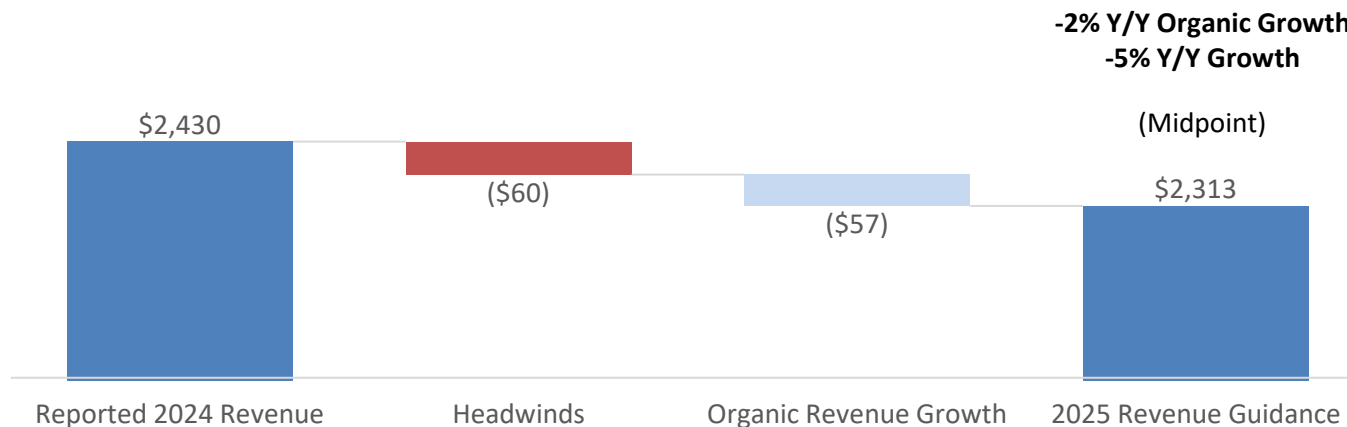
Note: Numbers may not foot due to rounding.

1. See Appendix for reconciliations of non-GAAP measures to the most directly comparable GAAP measure and slide 2 for further information on the use of non-GAAP measures.



2025 CORE BUSINESS GUIDANCE (\$ in M)

2025 Revenue Guidance Range: \$2,275 - \$2,350



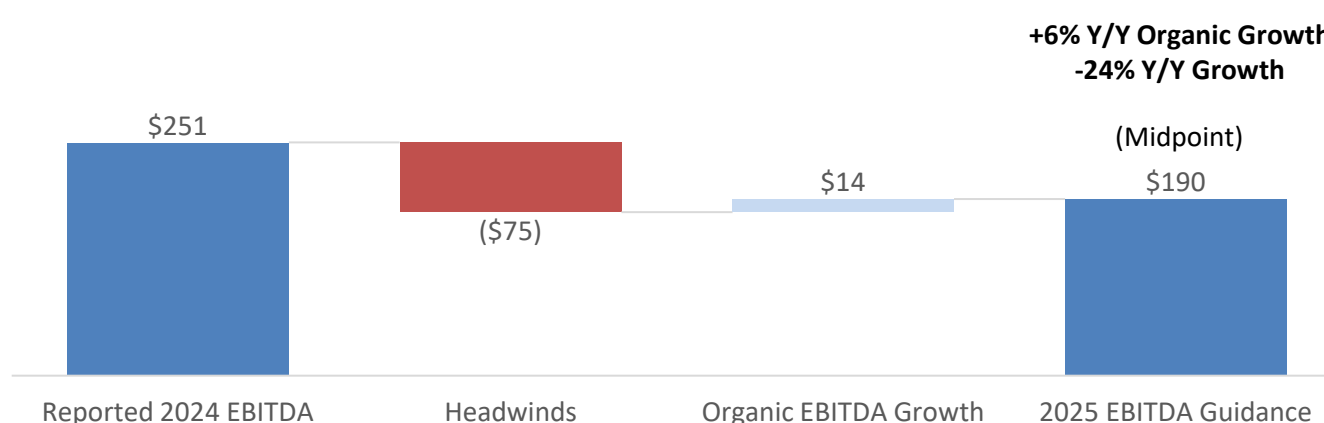
Headwinds:

- \$60M headwind from FX

Organic Considerations:

- Golf Equipment down slightly FX neutral (crowded golf OEM launch year in woods and balls)
- Active Lifestyle down slightly FX neutral (rightsized Jack Wolfskin business)

2025 Adjusted EBITDA Guidance Range: \$175 - \$205



Headwinds:

- \$70M headwind from bonus reset to 100% and FX
- \$5M headwind from tariffs

Organic considerations:

- Golf Equipment gross margins increasing
- Active Lifestyle operating income increasing
- Cost savings offsetting cost of living

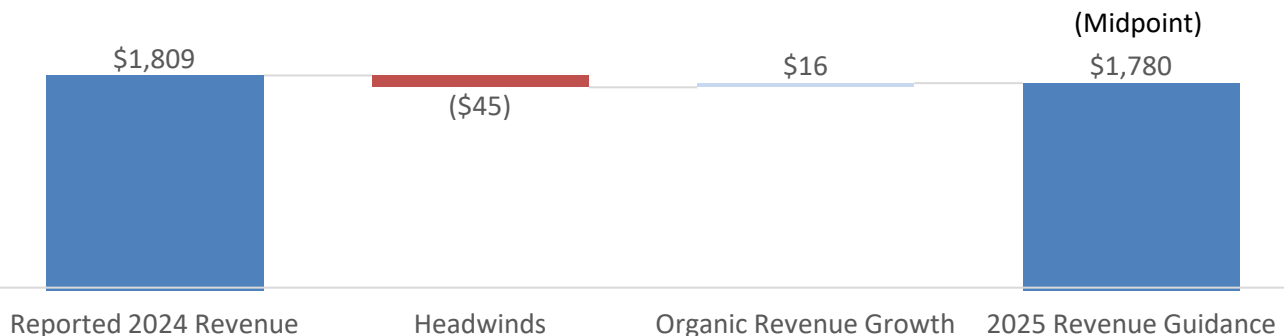
Note: All numbers are approximate; organic growth excludes all headwinds



2025 TOPGOLF GUIDANCE (\$ in M)¹

2025 Revenue Guidance Range: \$1,725 - \$1,835

+1% Y/Y Organic Growth
-2% Y/Y Growth



Headwinds:

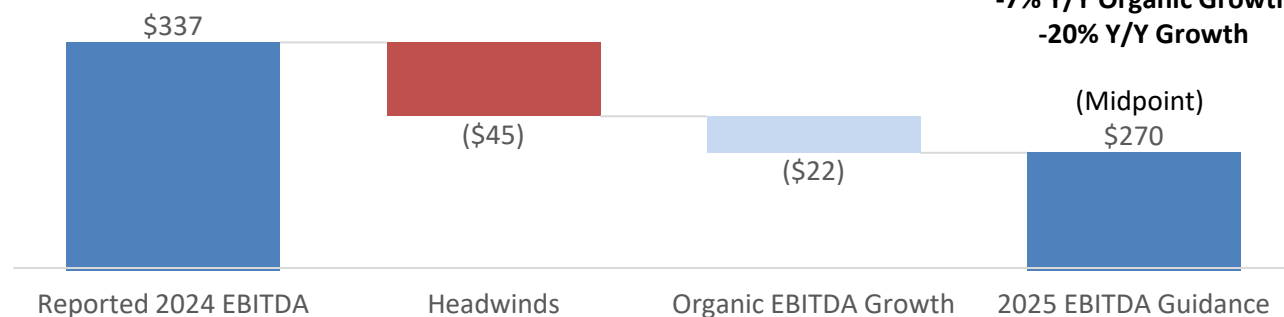
- \$25M headwind from sale of WGT and FX
- \$20M headwind from Topgolf, causing them to lose four days vs. last year, including three reporting days of financial results from transitioning to a retail calendar and one day due to last year's leap year

Organic considerations:

- Full year impact of 2024 venue openings, partially offset by negative SVS
- 5 new venues in 2025, 4 in Q4

2025 Adjusted EBITDA Guidance Range: \$240 - \$300

-7% Y/Y Organic Growth
-20% Y/Y Growth



Headwinds:

- \$10M headwind primarily from the sale of WGT and FX
- \$20M headwind from calendar changes and 2025 bonus reset to 100%
- \$15M headwind from Topgolf stand alone public company costs

Organic considerations:

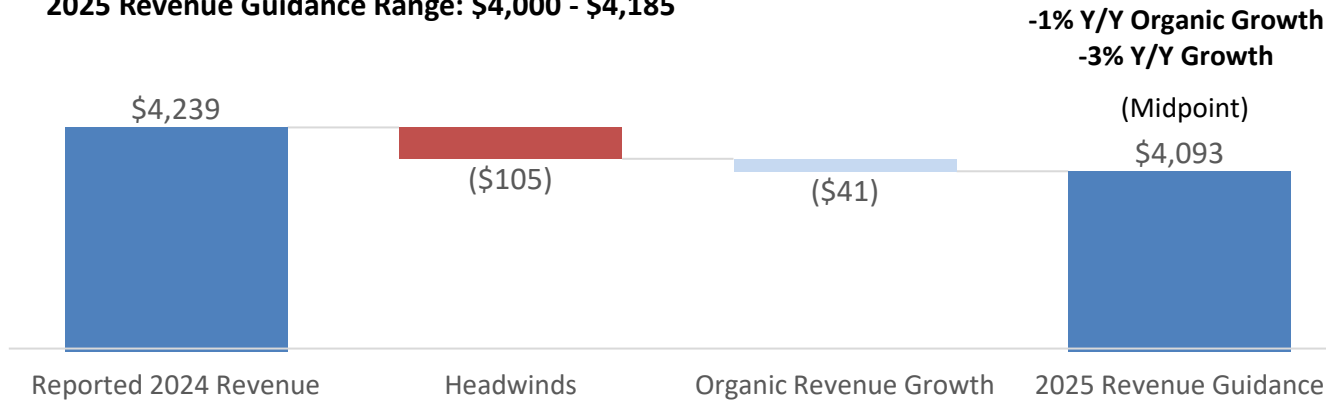
- Cost of living increases, offsetting new venue profit
- Negative SVS partially offset by savings initiatives
- Approximately flat EBITDAR margins YoY
- Mid-single-digit SVS decline YoY

1. Topgolf guidance includes Toptracer

Note: All numbers are approximate; organic growth excludes all headwinds

2025 TOTAL COMPANY GUIDANCE (\$ in M)

2025 Revenue Guidance Range: \$4,000 - \$4,185



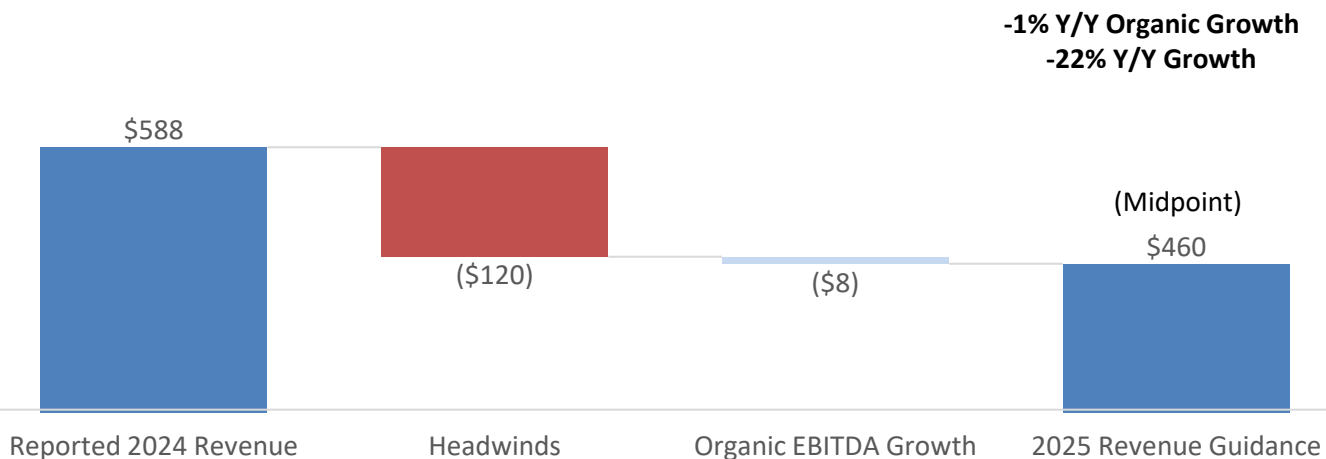
Headwinds:

- \$45M from Topgolf
- \$60M from Core Business

Organic considerations:

- Topgolf SVS down mid-single-digits
- 5 new Topgolf venues, 4 in Q4
- Golf Equipment down slightly (FX neutral)
- Active Lifestyle down slightly (FX neutral)

2025 Adjusted EBITDA Guidance Range: \$415 - \$505



Headwinds:

- \$45M from Topgolf
- \$75M from Core Business

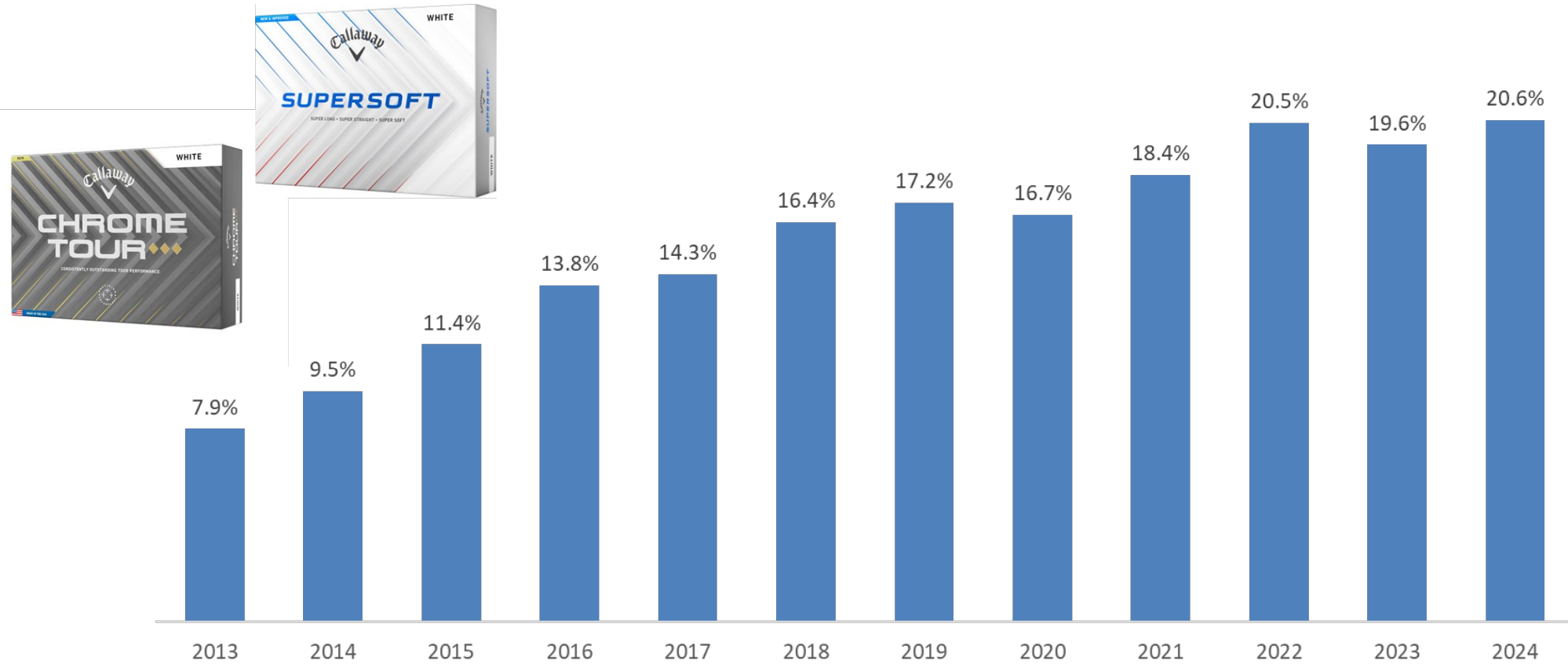
Organic considerations:

- Core Business
 - Golf Equipment improved margins (lower freight, higher pricing)
 - Cost savings initiatives
- Topgolf
 - Assumes flat EBITDAR margins
 - Cost savings partially offsetting negative SVS

Note: All numbers are approximate; organic growth excludes all headwinds



CALLAWAY GOLF BALL MARKET SHARE¹



1. Golf Datatech.

TOPGOLF



Player experience metrics improved quarter-over-quarter and year-over-year

Q4 and 2024 Adjusted EBITDA margins¹ increased approx. 230bps and 140bps YoY, respectively

Seven new venues in 2024 for a total of 100 owned and operated worldwide

GOLF EQUIPMENT



Ai Smoke #1 U.S. market share club model in Irons, Drivers and Fairway²

Record golf ball market share in 2024²

Successful Odyssey Ai One Square 2 Square putter launch

ACTIVE LIFESTYLE



TravisMathew's women's collection ended the year at ~10% of total TravisMathew revenue

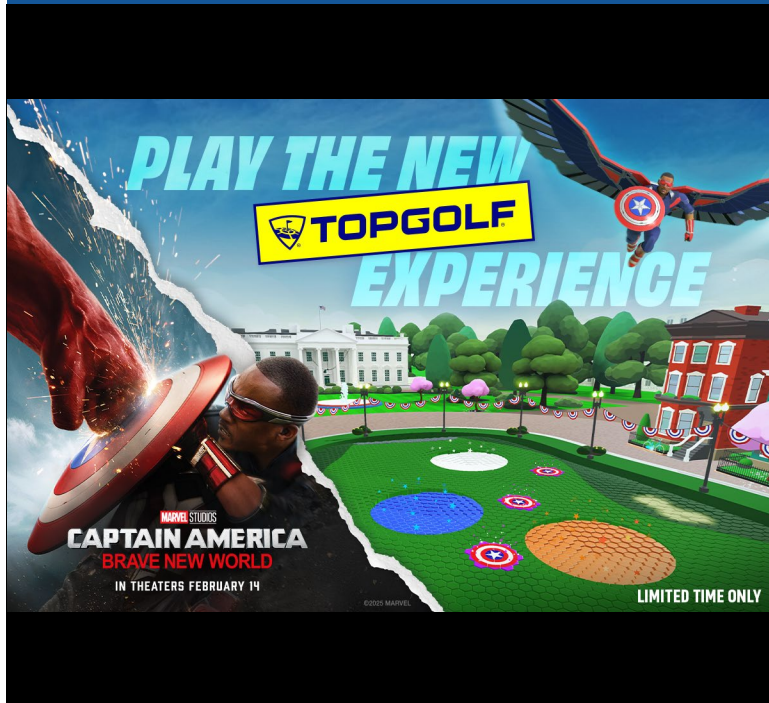
TravisMathew opened 10 retail doors in 2024

Right-sized Jack Wolfskin to focus on core markets and products

1. See Appendix for reconciliations of non-GAAP measures to the most directly comparable GAAP measure and slide 2 for further information on the use of non-GAAP measures.
2. Source: Golf Datatech. Hard goods US market share ranking data results as of December 31, 2024.

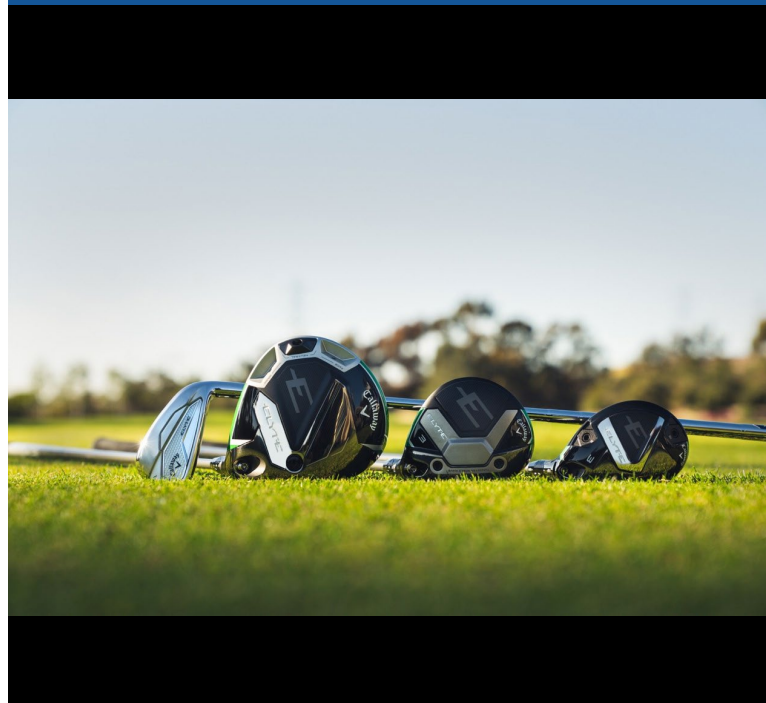
TOPGOLF

Announced new Captain America: Brave New World Topgolf experience



GOLF EQUIPMENT

Launched New Elyte Family of Woods and Irons



ACTIVE LIFESTYLE

Dylan Gossett and Akshay Bhatia are newest TravisMathew Ambassadors



SAME VENUE SALES¹

	Q1	Q2	Q3	Q4	FY
Total					
'24 vs '23	-7%	-8%	-11%	-8%	-9%
'23 vs '22	11%	1%	-3%	-3%	1%
Total Stacked	4%	-7%	-14%	-12%	-8%
'24 vs '19	6%	0%	-4%	-2%	0%
1-2 Bay²					
'24 vs '23	-5%	-8%	-9%	-10%	-8%
'23 vs '22	9%	7%	0%	0%	4%
Total Stacked	5%	-1%	-9%	-10%	-4%
'24 vs '19	9%	2%	-2%	2%	3%
3+ Bay³					
'24 vs '23	-16%	-9%	-19%	-5%	-11%
'23 vs '22	23%	-18%	-17%	-12%	-10%
Total Stacked	7%	-27%	-36%	-17%	-21%
'24 vs '19	-5%	-5%	-15%	-10%	-9%

Note: Numbers may not foot due to rounding.

1. Same venue sales (SVS) represents sales for the comparable venue base, which is defined as the number of Company-operated venues with at least 24 full fiscal months of operations. Stacked same-venue sales represent the summation of the same venue sales growth for 2024 vs. 2023 and 2023 vs. 2022.
2. Sales primarily to non-corporate or "consumer" customers
3. Sales primarily to corporate customers



2025 TOTAL COMPANY OUTLOOK

FULL YEAR 2025¹

(\$ in millions, except per share data)	Current FY 2025 Guidance	FY 2024 Results
Consolidated Net Revenue	\$4.0 - \$4.185B	\$4.24B
Core Business Revenue	\$2.275 - \$2.35B	\$2.43B
Topgolf Revenue ²	\$1.725 - 1.835B	\$1.81B
Consolidated Adjusted EBITDA	\$415 - \$505	\$588
Core Business Adjusted EBITDA	\$175 - \$205	\$251
Topgolf Adjusted EBITDA ²	\$240 - \$300	\$337

Full Year Guidance Assumptions¹

- FX negative impact of ~\$60M in Core Business revenue and ~\$40M in Core Business profit
- Includes ~\$5M headwinds from tariffs
- Same Venue Sales of down Mid Single Digits
- 5 new Topgolf venues, 4 in Q4
- Topgolf venue-level EBITDAR margin ~34%
- Positive Adjusted FCF at Topgolf and Total Company

Q1 2025¹

(\$ in millions)	Q1 2025 Guidance	Q1 2024 Results
Net Revenue	\$1.045 - \$1.085B	\$1.14B
Adjusted EBITDA	\$125 - \$145	\$161

First Quarter Guidance Assumptions

- SVS down 10 to 13%
 - Includes approximately -5 points impact from severe weather and the L.A. fires, and -1 point impact from leap year
- FX negative impact of ~\$18M in Core Business revenue

1. See appendix for calculation methodology of adjusted EBITDA and reconciliation to GAAP. See slide 2 for disclaimers on the use of non-GAAP measures and the appendix for reconciliations to GAAP.
2. Topgolf guidance includes Toptracer

2025 FULL YEAR KEY METRICS & OUTLOOK

(\$ in millions) ¹	Topgolf	Non-Topgolf ³	Total
Adjusted EBITDA	\$270	\$190	\$460
Non-GAAP Depreciation & Amortization			\$275
Non-GAAP Topgolf D&A	\$213		\$213
Non-GAAP Non-Topgolf D&A		\$62	\$62
Non-GAAP Interest Expense²			\$238
Non-GAAP Venue Financing Interest (Venue Financing Cash Interest \$117)	\$140		\$140
Non-GAAP Corporate Interest		\$98	\$98
Share Based Compensation & Non-Cash Rent	\$20	\$23	\$43
Non-GAAP Pre-Tax Income	\$(103)	\$7	\$(96)

Note: Numbers may not foot due to rounding.

1. See appendix for calculation methodology of adjusted EBITDA and non-GAAP depreciation and amortization and reconciliations to GAAP. See slide 2 for information on non-GAAP measures.
2. Includes non-cash interest and fees.
3. Non-Topgolf includes Active Lifestyle, Golf Equipment and Corporate



Q4 KEY METRICS

(\$ in millions) ¹	Topgolf	Non-Topgolf	Total
Non-GAAP Operating Income	\$27	-\$8	\$19
Non-GAAP Depreciation and Amortization	\$51	\$15	\$66
Non-Cash Lease Amortization Expense ²	\$3	\$0	\$3
Non-Cash Stock Comp Expense	\$2	\$7	\$9
Other Income	\$0	\$4	\$4
Adjusted Segment EBITDA	\$83	\$18	\$101
Less: Venue Financing Cash Interest ³	\$25	-	\$25
Adj EBITDA less Venue Financing Cash Interest⁴	\$58	\$18	\$76
Interest Expense	\$33	\$25	\$58

Note: Numbers may not foot due to rounding.

1. See appendix for calculation methodologies of non-GAAP operating income, non-GAAP D&A, non-cash lease amortization expense, adjusted segment EBITDA, venue financing cash interest and adjusted EBITDA less VFCI. See slide 2 for disclaimers on the use of non-GAAP measures and the appendix for reconciliations to GAAP.
2. This is essentially non-cash rent.
3. Assume ~\$2.5-\$3.0M per venue per year in 2024-2025 and \$2.75-\$3.25M after 2026.
4. Assume ~\$4.5M per representative venue of adjusted EBITDA less VFCI.

CONTINUE TO DRIVE SIGNIFICANT CASH FLOW GENERATION

(\$ in millions) ¹	2024 Results
Adjusted EBITDA	\$588
Less: Venue Financing Cash Interest ²	\$99
Adj. EBITDA less Venue Financing Cash Interest	\$489
Less: Gross Capital Expenditures	\$295
Plus: Proceeds from Lease Financing	\$116
Net Capital Expenditures	\$179
Less: Corporate Cash Interest Expense	\$109
Less: Change in Working Capital ³	\$(23)
Less: Cash Taxes	\$21
Total Company Adj. Free Cash Flow	\$203

Outlook Considerations

2025:

- Topgolf Capex of \$90 - \$100M
- Core Capex of ~\$60M

Note: Numbers may not foot due to rounding.

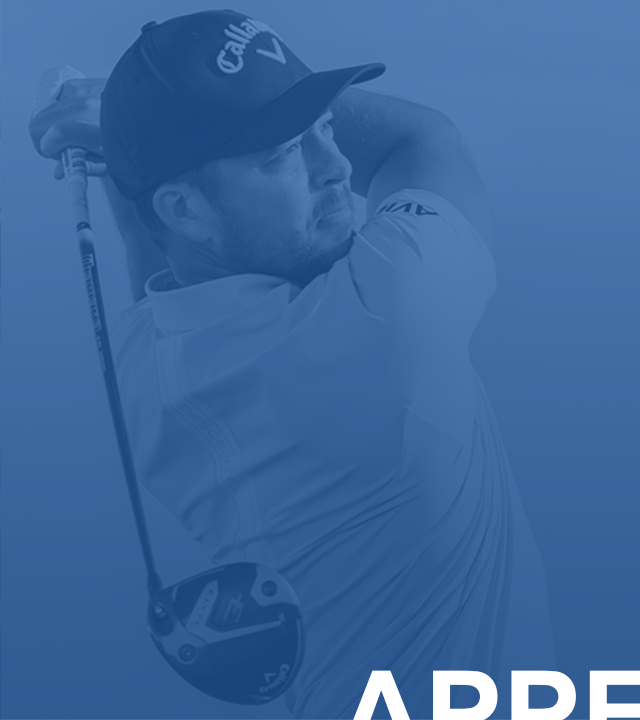
1. See appendix for calculation methodologies of Adjusted EBITDA, venue financing cash interest, net capital expenditures and adjusted free cash flow and reconciliations to GAAP. See slide 2 for further information on the use of non-GAAP measures.
2. Assume ~\$2.5-\$3.0M per venue per year in 2024-2025 and \$2.75-\$3.25M after 2026.
3. Includes non-recurring cash costs.
4. Non-Topgolf includes Active Lifestyle, Golf Equipment and Corporate.

KEY BALANCE SHEET AND LIQUIDITY METRICS

Metric¹ (\$ in millions)	As of December 31, 2024	As of December 31, 2023
Cash and Cash Equivalents	\$445	\$394
Inventory	\$757	\$794
Available Liquidity	\$797	\$743
Net Debt	\$2,317	\$2,239
REIT Adjusted Net Debt	\$818	\$971
Net Debt Leverage Ratio	3.9x	3.8x
REIT Adj. Net Debt Leverage Ratio	1.7x	1.9x

Metric¹ (\$ in millions)	Twelve Months Ended December 31, 2024	Twelve Months Ended December 31, 2023
Gross Capital Expenditures ²	\$295	\$482
Net Capital Expenditures ³	\$179	\$205
Non-GAAP Depreciation & Amortization	\$257	\$226

1. See appendix for calculation methodologies of available liquidity, net debt, REIT adjusted net debt, net debt leverage ratio, REIT adjusted net debt leverage ratio, net capital expenditures and non-GAAP depreciation and amortization. See slide 2 for disclaimers on the use of non-GAAP measures and appendix for reconciliations to GAAP.
2. Does not include financed additions of capital expenditures. During the course of the construction of venues, certain financing partners remit funds directly to our construction vendors on our behalf rather than providing the construction advances to us. These funds are presented as non-cash investing and financing activities within our cash flow statement.
3. For 2024, Net Capital Expenditures includes \$295.4 million of Gross Capital Expenditures net of \$115.5 million of proceeds from lease financing and \$1.0 million of government grants. For 2023, Net Capital Expenditures includes \$482.0 million of Gross Capital Expenditures net of \$274.3 million of proceeds from lease financing and \$3.0 million of government grants. In 2024 we opened 6 new venues and acquired 1 new venue. In 2023 we opened 11 new venues and acquired 1 new venue.



APPENDIX



NET DEBT LEVERAGE, ADJUSTED FOR REIT FINANCING

(\$ in millions)

	December 31, 2024	December 31, 2023
Total Principal – Long term debt & ABL credit facilities	\$1,520.9	\$1,621.5
Topgolf Venue Financing Liabilities	\$302.7	\$287.9
Deemed Landlord Financing Obligations	\$1,195.8	\$980.1
Equipment Financing lease liabilities	\$0.6	\$1.4
Less: Convertible Notes & Unrestricted Cash ⁽²⁾	\$(703.3)	\$(651.8)
Total Net Debt⁽¹⁾	\$2,316.7	\$2,239.1
Trailing twelve month Adjusted EBITDA ⁽³⁾	\$587.7	\$596.6
Total Net Debt Leverage Ratio ⁽¹⁾	3.9 x	3.8 x
Less: DLF obligations & Venue lease liabilities	\$(1,498.5)	\$(1,268.0)
REIT Adjusted Net Debt ⁽¹⁾	\$818.2	\$971.1
Venue Financing ("VF") Cash Interest ⁽¹⁾	\$(98.4)	\$(72.4)
Trailing 12-Month Adj. EBITDA less VF Cash Interest ⁽¹⁾	\$489.3	\$524.2
REIT Adjusted Net Debt Leverage Ratio ⁽¹⁾	1.7 x	1.9 x

1. See "Definitions of Certain Financial Measures" slide for the calculation methodologies of net debt, net debt leverage ratio, REIT adjusted net debt, REIT adjusted net debt leverage ratio and venue financing cash interest, and see slide 2 for further information on the use of non-GAAP measures.

2. For 2024, includes convertible notes of \$258.3 million and unrestricted cash of \$445.0 million. For 2023, includes convertible notes of \$258.3 million and unrestricted cash of \$393.5 million.

3. See "Adjusted EBITDA Reconciliation" slide for reconciliation to the most directly comparable GAAP measure (net income).

DEFINITIONS OF CERTAIN FINANCIAL MEASURES

Adjusted EBITDA Less Venue Financing Cash Interest - a non-GAAP measure calculated as Adjusted EBITDA less Venue Financing Cash Interest obligations.

Adjusted EBITDA Margin - a non-GAAP measure calculated as Adjusted EBITDA divided by revenue.

Adjusted Free Cash Flow - a non-GAAP measure calculated as cash from operations, less capital expenditures net of proceeds from lease financing and net of proceeds from government grants.

Available Liquidity - comprised of cash on hand, plus availability under revolving credit facilities.

Gross Debt - calculated as debt, including all Venue Financing Liabilities related to the Topgolf venues, less the Company's \$258.3 million in Convertible Notes.

Net Capital Expenditures - capital expenditures net of proceeds from lease financing and proceeds from government grants.

Net Debt - a non-GAAP measure calculated as total debt, venue financing liabilities, DLF obligations and equipment financing lease obligations, less the Company's convertible notes and unrestricted cash.

Net Debt Leverage Ratio - a non-GAAP measure calculated as Net Debt divided by trailing 12-month Adjusted EBITDA.

Non-Cash Lease Amortization expense - excludes purchase price amortization related to the Topgolf merger.

Non-GAAP Depreciation & Amortization - excludes pre-tax amortization of acquired intangible assets. Please see Non-GAAP reconciliation slides for specific amounts excluded.

REIT Adjusted Net Debt - a non-GAAP measure calculated as Net Debt less DLF & Venue Financing Lease Liabilities.

REIT Adjusted Net Leverage Ratio - a non-GAAP measure calculated as REIT Adjusted Net Debt divided by Adjusted EBITDA less Venue Financing Cash Interest.

Topgolf Segment Adjusted Free Cash Flow - calculated as Topgolf segment operating cash flows, less Topgolf net capital expenditures, net of proceeds from lease financing and proceeds from government grants.

Venue Financing Cash Interest (VFCI) - primarily represents cash paid for interest on Venue Financing Lease Liabilities.

Venue Financing Interest - interest expense on Venue Financing Lease Liabilities.

Venue Financing Lease Liability - the sum of venue finance lease liability and deemed landlord financing obligations.

SEGMENT OPERATING INCOME

Supplemental Financial Information

(\$ in millions, except percentages)

(Unaudited)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2024	2023	Change	2024	2023	Change
Topgolf	\$ 26.9	\$ 23.1	16.5 %	\$ 114.2	\$ 108.8	5.0 %
% of segment revenue	6.1 %	5.3 %	80 bps	6.3 %	6.2 %	10 bps
Golf Equipment	(2.7)	(19.9)	(86.4) %	183.6	193.3	(5.0) %
% of segment revenue	(1.2)%	(10.0)%	880 bps	13.3 %	13.9 %	(60) bps
Active Lifestyle	23.6	20.2	16.8 %	82.4	117.0	(29.6) %
% of segment revenue	9.1 %	7.8 %	130 bps	7.9 %	10.3 %	(240) bps
Total Segment Operating Income	\$ 47.8	\$ 23.4	104.3 %	\$ 380.2	\$ 419.1	(9.3) %
% of segment revenue	5.2 %	2.6 %	260 bps	9.0 %	9.8 %	(80) bps
Constant Currency Total Segment Operating Income ⁽¹⁾			104.6 %			(6.8) %

⁽¹⁾ Segment Operating income excludes corporate general and administrative expenses not utilized by management in determining segment profitability as well as the amortization of acquired intangible.

Note: Numbers may not foot due to rounding



NON-GAAP RECONCILIATION

Supplemental Financial Information

(\$ in millions, except percentages)

(Unaudited)

Three Months Ended December 31,

	2024						2023					
	GAAP	Non-Cash Acquisition related amortization ⁽¹⁾	Non-Cash Goodwill and Trade Name Impairment ⁽²⁾	Non-Recurring Items ⁽³⁾	Tax Valuation Allowance ⁽⁵⁾	Non-GAAP	GAAP	Non-Cash Acquisition related amortization ⁽¹⁾	Non-Cash Goodwill and Trade Name Impairment ⁽²⁾	Non-Recurring Items ⁽⁴⁾	Tax Valuation Allowance ⁽⁵⁾	Non-GAAP
(Loss) income from operations	\$ (1,460.8)	\$ (2.8)	\$ (1,452.0)	\$ (24.5)	\$ —	\$ 18.5	\$ (32.6)	\$ (2.8)	\$ —	\$ (21.1)	\$ —	\$ (8.7)
Net loss	\$ (1,512.7)	\$ (2.3)	\$ (1,424.6)	\$ (26.0)	\$ —	\$ (59.8)	\$ (77.1)	\$ (2.1)	\$ —	\$ (16.0)	\$ (1.1)	\$ (57.9)
Loss per share - diluted ⁽⁶⁾	\$ (8.23)	\$ (0.01)	\$ (7.76)	\$ (0.14)	\$ —	\$ (0.33)	\$ (0.42)	\$ (0.01)	\$ —	\$ (0.09)	\$ (0.01)	\$ (0.31)

⁽¹⁾ Includes the amortization of acquired intangible assets, including customer and distributor relationships, reacquired distribution rights and acquired developed technology related to our merger with Topgolf, acquisitions of Jack Wolfskin, TravisMathew and OGIO, and reacquisition of distribution rights in the Korea apparel market (collectively, the "Acquisitions"). While the amortization of acquired intangible assets is excluded from our calculation of non-GAAP net income, the revenue, operating costs and associated acquired assets that contribute to the revenue generation associated with these acquired companies is reflected in our calculation of non-GAAP net income. Starting in the second quarter of 2024, the depreciation and amortization associated with purchase accounting adjustments stemming from these acquisitions is excluded from our non-GAAP adjustments. As such, prior period amounts have been recast in order to conform with the current period presentation. For the three months ended December 31, 2024 and 2023, non-cash depreciation and amortization related to these purchase accounting adjustments was \$1.3 million and \$2.1 million, respectively.

⁽²⁾ Represents Non-Cash Goodwill and Trade Name impairments recognized during the fourth quarter of 2024 in our Topgolf operating segment.

⁽³⁾ Primarily includes a \$9.6 million loss related to the sale of the WGT business line, \$8.3 million of restructuring and reorganization charges, and \$5.5 million of costs incurred related to the planned separation of Topgolf.

⁽⁴⁾ Primarily includes \$12.7 million in total charges related to the impairment and abandonment of the Shankstars media game in the Topgolf operating segment, \$6.5 million of reorganization costs in the Topgolf and Active Lifestyle segments, and \$0.9 million in IT costs related to a cybersecurity incident.

⁽⁵⁾ Release of tax valuation allowances recorded in connection with the merger with Topgolf.

⁽⁶⁾ Diluted loss per share and diluted weighted average common shares outstanding are the same as basic loss per share and basic weighted average common shares outstanding due to a net loss position.

Note: Numbers may not foot due to rounding



NON-GAAP RECONCILIATION

Supplemental Financial Information

(\$ in millions, except percentages)

(Unaudited)

Twelve Months Ended December 31,

	2024					2023						
	GAAP	Non-Cash Acquisition related amortization ⁽¹⁾	Non-Cash Goodwill and Trade Name Impairment ⁽²⁾	Non-Recurring Items ⁽³⁾	Tax Valuation Allowance	Non-GAAP	GAAP	Non-Cash Acquisition related amortization ⁽¹⁾	Non-Cash Goodwill and Trade Name Impairment ⁽²⁾	Non-Recurring Items ⁽⁴⁾	Tax Valuation Allowance ⁽⁵⁾	Non-GAAP
(Loss) income from operations	\$ (1,257.2)	\$ (11.5)	\$ (1,452.0)	\$ (49.6)	\$ —	\$ 255.9	\$ 237.7	\$ (14.0)	\$ —	\$ (37.5)	\$ —	\$ 289.2
Net (loss) income	\$ (1,447.7)	\$ (9.6)	\$ (1,424.6)	\$ (55.5)	\$ —	\$ 42.0	\$ 95.0	\$ (10.6)	\$ —	\$ (36.6)	\$ 58.3	\$ 83.9
(Loss) earnings per share - diluted ⁽⁶⁾	\$ (7.88)	\$ (0.05)	\$ (7.7)	\$ (0.30)	\$ —	\$ 0.23	\$ 0.50	\$ (0.05)	\$ —	\$ (0.18)	\$ 0.29	\$ 0.45

⁽¹⁾ Includes the amortization of acquired intangible assets, including customer and distributor relationships, reacquired distribution rights and acquired developed technology related to our merger with Topgolf, acquisitions of Jack Wolfskin, TravisMathew and OGIO, and reacquisition of distribution rights in the Korea apparel market (collectively, the "Acquisitions"). While the amortization of acquired intangible assets is excluded from our calculation of non-GAAP net income, the revenue, operating costs and associated acquired assets that contribute to the revenue generation associated with these acquired companies is reflected in our calculation of non-GAAP net income. Starting in the second quarter of 2024, the depreciation and amortization associated with purchase accounting adjustments stemming from these acquisitions is excluded from our non-GAAP adjustments. As such, prior period amounts have been recast in order to conform with the current period presentation. For the twelve months ended December 31, 2024 and 2023, non-cash depreciation and amortization related to these purchase accounting adjustments was \$6.0 million and \$11.8 million, respectively.

⁽²⁾ Represents Non-Cash Goodwill and Trade name impairments recognized during the fourth quarter of 2024 in our Topgolf operating segment.

⁽³⁾ Primarily includes \$22.9 million of restructuring and reorganization charges, a \$9.6 million loss related to the sale of the WGT business line, \$8.0 million of costs incurred related to the planned separation of Topgolf, \$4.7 million in charges related to our 2024 debt repricing, \$3.4 million in currency translation adjustments reclassified into earnings due to the dissolution of the Jack Wolfskin Russia entity, \$3.4 million of additional charges related to the impairment and abandonment of the Shankstars media game in the Topgolf segment, \$2.1 million in IT integration charges including costs associated with the implementation of a new cloud based HRM system, and \$1.4 million in IT costs related to a 2023 cybersecurity incident.

⁽⁴⁾ Primarily includes \$12.7 million in total charges related to the impairment and abandonment of the Shankstars media game in the Topgolf segment, \$12.3 million of total reorganization costs in the Topgolf and Active Lifestyle segments, \$13.7 million in total charges related to our 2023 debt modification, \$4.2 million in IT integration and implementation costs primarily related to the Topgolf merger, and \$2.4 million in costs related to a cybersecurity incident.

⁽⁵⁾ Related to the release of tax valuation allowances recorded in connection with the merger with Topgolf.

⁽⁶⁾ For 2024, on an as reported GAAP basis, Diluted loss per share and diluted weighted average common shares outstanding are the same as basic loss per share and basic weighted average common shares outstanding due to a net loss position. For 2024, on a non-GAAP basis, Diluted earnings per share and diluted weighted average common shares outstanding exclude the impact of the 2020 convertible notes due to the notes being anti-dilutive. For 2023, the impact of the 2020 convertible notes is included in the calculation of diluted earnings per share using the if-converted method.

Note: Numbers may not foot due to rounding



ADJUSTED EBITDA RECONCILIATION

Supplemental Financial Information

(\$ in millions, except percentages)

(Unaudited)

	2024 Trailing Twelve Month Adjusted EBITDA					2023 Trailing Twelve Month Adjusted EBITDA				
	Quarter Ended					Quarter Ended				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	Total	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	Total
Net income (loss)	\$ 6.5	\$ 62.1	\$ (3.6)	\$ (1,512.7)	\$ (1,447.7)	\$ 25.0	\$ 117.4	\$ 29.7	\$ (77.1)	\$ 95.0
Interest expense, net	58.8	57.0	57.7	57.7	231.2	49.6	51.7	52.3	56.6	210.2
Income tax provision (benefit)	5.0	(9.7)	(19.4)	(1.4)	(25.5)	(4.2)	(45.8)	(3.0)	(7.2)	(60.2)
Depreciation and amortization expense	65.4	65.8	68.1	69.1	268.4	56.1	58.6	61.0	64.0	239.7
Non-cash stock compensation and stock warrant expense, net	14.2	7.0	7.8	9.0	38.0	12.5	12.3	13.2	8.4	46.4
Non-cash lease amortization expense	3.5	3.6	2.8	3.2	13.1	4.6	4.4	4.5	4.4	17.9
Non-cash goodwill & intangible assets impairment	—	—	—	1,452.0	1,452.0	—	—	—	—	—
Acquisitions & other non-recurring costs, before taxes ⁽¹⁾	7.5	19.8	6.4	24.5	58.2	13.7	7.6	5.6	20.7	47.6
Adjusted EBITDA	\$ 160.9	\$ 205.6	\$ 119.8	\$ 101.4	\$ 587.7	\$ 157.3	\$ 206.2	\$ 163.3	\$ 69.8	\$ 596.6

⁽¹⁾ In 2024, amounts include restructuring and reorganization charges in our Active Lifestyle segment, charges related to the 2024 debt repricing, currency translation adjustments reclassified into earnings due to the dissolution of the Jack Wolfskin Russia entity, charges related to the impairment and abandonment of the Shankstars media game, a loss on disposal on the sale on the WGT business line, costs incurred related to the planned separation of Topgolf, IT costs related to a 2023 cybersecurity incident, and IT integration and implementation costs associated with the implementation of a new cloud based HRM system. In 2023, amounts include charges related to the impairment and abandonment of the Shankstars media game, charges in connection with the 2023 debt modification, IT integration and implementation costs stemming primarily from the merger with Topgolf, restructuring and reorganization charges in our Topgolf and Active Lifestyle segments, and costs related to a cybersecurity incident.

Note: Numbers may not foot due to rounding

TOPGOLF ADJUSTED EBITDA RECONCILIATION

Supplemental Financial Information

(\$ in millions, except percentages)

(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Topgolf Segment operating income ⁽¹⁾ :	\$ 26.9	\$ 23.1	\$ 114.2	\$ 108.8
Depreciation and amortization expense	51.5	45.4	199.9	164.9
Non-cash stock compensation expense	1.9	0.5	10.3	12.9
Non-cash lease amortization expense	3.3	3.9	12.4	17.1
Other (income) expense, net	(0.1)	0.3	0.4	0.6
Adjusted Segment EBITDA	\$ 83.5	\$ 73.2	\$ 337.2	\$ 304.3

⁽¹⁾ We do not calculate GAAP net income at the operating segment level, but have 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 Segment Results section of this release.

Note: Numbers may not foot due to rounding



NON-GAAP RECONCILIATION

Supplemental Financial Information
(\$ in millions, except percentages)
(Unaudited)

Reconciliation of Consolidated Non-GAAP Adjusted Free Cash Flow

	Twelve Months Ended December 31,	
	2024	2023
GAAP cash flows provided by operations ⁽¹⁾	\$ 382.0	\$ 364.7
Less: capital expenditures ⁽¹⁾	(295.4)	(482.0)
Add: proceeds from lease financing and government grants ⁽¹⁾	116.5	277.3
Consolidated Non-GAAP Adjusted Free Cash Flow	\$ 203.1	\$ 160.0

⁽¹⁾ Source: Consolidated statement of cash flows within the Company's annual report on Form 10-K.

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THANK YOU!

