



Company & Strategic Overview

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, adjusted EBITDA, and earnings per share (including estimated tax rate and share count), future growth, expansion plans, profitability, creation of shareholder value, strength of the Company's brands, market share, product launches and innovation, synergies and scale opportunities, operational efficiencies, strength of diversified supply chain, future industry or market conditions, future reinvestment or capital deployment, 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 August 8, 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 excludes non-cash purchase accounting adjustments associated with the acquisition of OGIO and TravisMathew in 2017 and Jack Wolfskin in January 2019, non-recurring transaction and transition costs associated with the Jack Wolfskin acquisition, and non-recurring advisory fees. 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 reconciliations 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 August 8, 2019 earnings release, which is available on the Investor Relations section of the Company's website located at <http://ir.callawaygolf.com/>.



INVESTMENT HIGHLIGHTS

Market Leadership in Stable Worldwide Golf Market

- #1 ranked club company; #2 ranked ball company
- Highest net brand rating and market leader in innovation and technology⁽¹⁾
- Growth through technology-led innovation and operational efficiencies
- Global golf market expected to remain stable

Expanding Scale Position in Complementary Growing Active Lifestyle Soft Goods

- Approx. \$700 million scale position in Premium Active Lifestyle Soft Goods
- Clear opportunities to capture cost synergies and leverage complementary expertise in brand building, manufacturing, distribution, and marketing
- TravisMathew delivering double digit revenue growth year over year
- Margin accretive over the long-term
- Global outdoor apparel market expected to grow at 6% CAGR⁽²⁾

Proven Ability to Deliver Innovation, Generate Growth and Capture Efficiencies

- Five-year TSR of 128%; Three-year TSR of 50%⁽³⁾
- Focus on operational efficiency; 56% CAGR in golf operating profits, 2016-2019
- 36% increase in net sales year over year versus 2018; 116% in soft goods sales
- 25% growth in US golf ball market share and 3% growth in sticks, 2016-2019⁽⁴⁾
- Artificial Intelligence driven product innovations; industry-leading digital media and marketing
- Strategic investment in fast-growing TopGolf, a compelling financial asset
- Total Adjusted EBITDA growth of over 300% since 2016

Company's 2019 Full Year Guidance⁽⁵⁾

Revenue: \$1,685mm - \$1,700mm

Non-GAAP EPS: \$1.03 - \$1.09

Adj. EBITDA Margin: 12.5% (midpoint)

Adj. EBITDA: \$208mm - \$215mm

Notes:

1) per Golf Datatech's Golf Product Attitude and Usage Study (GPAU) which is conducted twice per year covering golf sticks to its exclusive database of Serious Golfers.

2) per Euromonitor International, 2017 to 2022

3) as of 16-Aug-2019

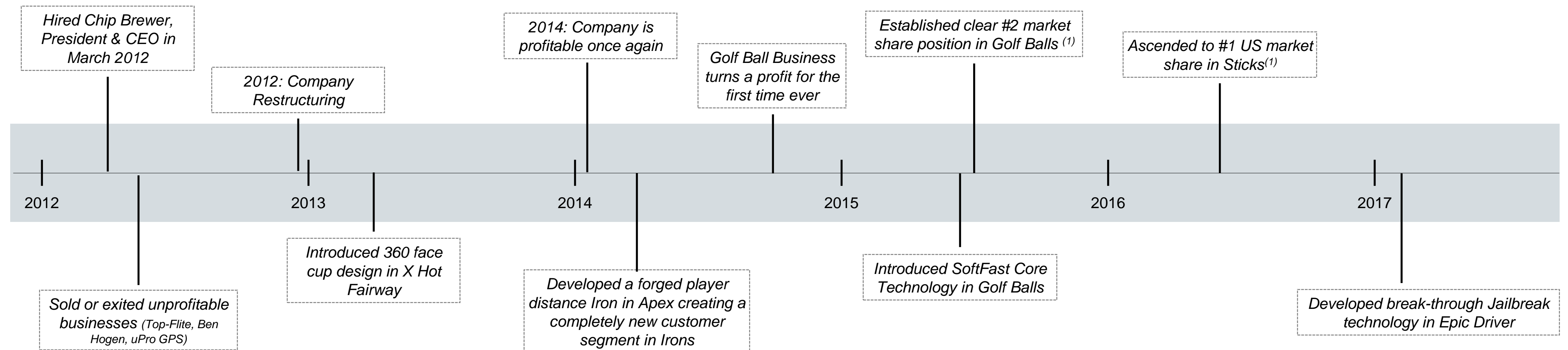
4) per Golf Datatech market share reporting, 2016-2019

5) per guidance provided on August 8, 2019



THE CALLAWAY TURNAROUND STORY

LEADING GLOBAL MARKET SHARE AND A STRONG FINANCIAL POSITION



Continuous Operational Improvements

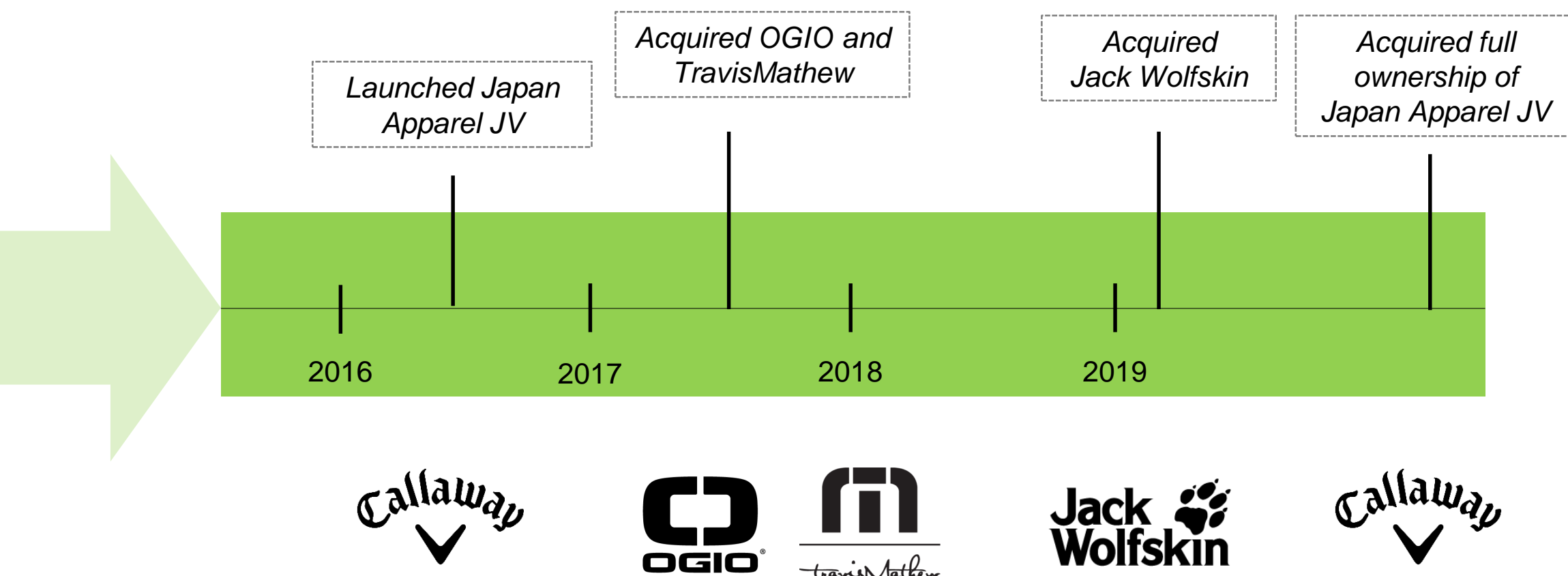
- Eliminated excess manufacturing capacity and reduced overhead
- Rationalized supplier base
- Revamped supply chain
- Executed on plant optimization strategy
- Implemented S&OP process globally
- Improved vendor quality system
- Improved Made-to-Order systems and processes
- Stringent cost management

Notes:

1) per Golf Datatech Market Share Report



BUILDING FROM STRENGTH TO CAPTURE GROWTH



Builds on core strengths

- Complementary consumers (outdoor, active, premium)
- Compelling synergies in supply chain, sourcing, warehousing, logistics, marketing, international expansion
- Global reach of ELY platform to bring brands into new markets
- Significant benefits of scale
- Leverage expertise branding, marketing, design and distribution to drive continued growth and expansion

Creates a compelling opportunity in a growth market

- Global outdoor apparel market of ~\$25 billion growing at 6%⁽¹⁾
- Consumers willing to pay premium for functional, sustainable solutions

Delivers a clear path to shareholder value creation

- Attractive margin profile, accretive to core business margins
- Significant driver of long-term revenue and EBITDA growth
- Revenue diversity creates more stable earnings profile
- Steady Adjusted EBITDA growth
 - \$67M in 2016 to \$212M in 2019⁽²⁾

Notes:

1) per Euromonitor International, 2017 to 2022

2) Midpoint of Aug 8, 2019 guidance



DIVERSIFIED GROWTH CREATING VALUE

	2016 Non-GAAP	2019 Non-GAAP ⁽¹⁾ Based on August 8, 2019 Guidance
REVENUE	\$871M	\$1,693M
REVENUE MIX <i>(as % of total sales)</i>	Golf Equipment: 84% Gear, Accessories Other: 16%	Golf Equipment: 55% Gear, Accessories Other: 45%
INTERNATIONAL <i>(as % of total sales)</i>	49%	~55%
GROSS MARGIN	44.2%	46.7%
ADJ EBITDA ⁽²⁾	\$67M	\$208M - \$215M
EPS	\$0.24	\$1.06

Key Factors in Ongoing Value Creation

- **Highly attractive, durable brand positioning in respective core markets delivering revenue and EBITDA growth**
 - Continued investment in brands through 2020
 - Strong revenue and EBITDA growth assumes minimal contribution from new market entry for soft good brands (including planned new market expansion for Jack Wolfskin)
- **Steady free cash flow enabling capital deployment optionality (ex. investment in brands, share repurchases, dividend, debt paydown, select other investments)**
- **Opportunity to realize significant value creation through eventual monetization of TopGolf stake**

Notes

1) Based on midpoint of Company's guidance provided on August 8, 2019; Company is not updating this guidance at this time; See schedules in appendix for reconciliation to Non-GAAP metrics

2) 2016 Adjusted EBITDA excludes \$9M of non-cash stock compensation expenses



GOLF EQUIPMENT BUSINESS TODAY

Attractive Stable Global Market

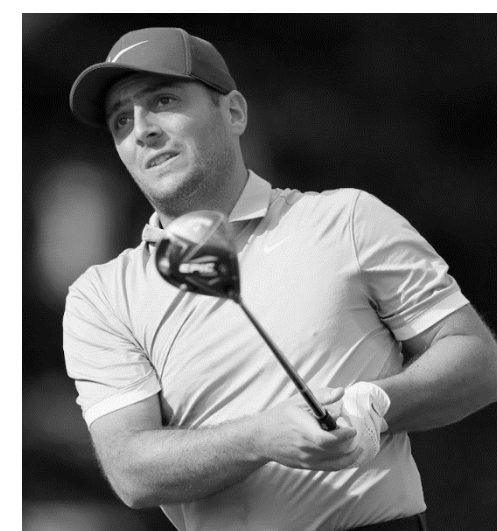
- Steady total number of golfers over last five years
- 60% of golfers are under 50 and over 30% are under 34
- Baby Boomers expected to increase spend into retirement
- Positive trends with beginner golfers and viewership
- Global consumer spend increased in 2018
- Off-course concepts like TopGolf are driving new beginners to the game

Market Leading Scale Position

- #1 in Hard Goods (Sticks and Balls) in the US and Europe
- #1 in Sticks in Japan
- #2 in Balls
- Leading digital platform reaching consumers in new ways
- The new #1 Driver on Major World Wide Tours
- #1 Putter on Tour

Compelling Value Creation

- Revenue Growth: 25% 3-year CAGR (2016-2019)
- Operating Profit: 55% 3-year CAGR (2016-2019)
- Gross Margin: 250 bps improvement in 3 years (2016-2019)



Data Sources

- 1) Golf participation and demographic information per National Golf Foundation
- 2) Market share data per Golf Datatech / GFK



GOLF EQUIPMENT BUSINESS PRIORITIES



Truvis Technology
now with
personalization



Club fitting innovation to enhance
user experience



Podcasts



ShipShow
50 Episodes



Girls N' Golf
4 Episodes



Real Golf Talk
2 Episodes



The Fitting Room
16 Episodes

Owned content
production
expanding
audience

Continue to invest in new technologies

- Leverage Artificial Intelligence capabilities
- Plan to increase R&D spend for the 7th consecutive year

Launch of new ball plant

- Increased capacity, capability, and overall quality in the premium golf ball category
- Long-term margin driver

Continue to invest in marketing and Tour

- Industry leading digital media strategy
- Investing in younger golfers on tour

Growth opportunities in golf ball and custom sticks

- Visually differentiated technologies will provide upside in golf ball, particularly in the corporate channel
- Capitalize on trend toward custom club fitting



OVERVIEW OF SOFT GOODS SEGMENT

Growth opportunity that builds on core strengths

- Complementary consumers (golf, outdoor, active, premium)
- Compelling synergies in sourcing, warehousing, logistics, marketing, international expansion
- Global reach of ELY platform to bring brands into new markets
- Significant benefits of scale with over \$700 million in annual revenue
- Leverage expertise in branding, marketing, design and distribution to drive continued growth and expansion
- Prioritize operational excellence

Delivers a clear path to shareholder value creation

- Accretive to the golf equipment margins over the long-term
- Significant driver of long-term revenue and EBITDA growth
- Revenue diversity creates more stable earnings profile



BUILDING FROM STRENGTH TO CAPTURE GROWTH



HIGHLY COMPELLING BRANDS

	What	Brand Momentum	Reach to Consumers
	<p><i>We are at home outdoors. There's nowhere we'd rather be.</i></p> <ul style="list-style-type: none"> German function and design Innovation and sustainability Active and urban outdoor 	<ul style="list-style-type: none"> Proprietary eco-friendly design Leading brand recognition in DACH and China Opportunity for new market expansion Recent collaboration with Versace 	<ul style="list-style-type: none"> 3k points of sales WW 70% wholesale 30% DTC (25 e-Commerce platforms, 130 retail doors) Growing digital marketing
	<p><i>We draw inspiration from all aspects of Southern California culture and lifestyle.</i></p> <ul style="list-style-type: none"> Styled for life both on and off the golf course 	<ul style="list-style-type: none"> Double-digit growth rates Notable partnerships with key influencers: Mark Wahlberg, Cole Swindell and Cole Hamels Rapid adoption by non-golfing segment 	<ul style="list-style-type: none"> Immersive brand culture content - "Life on Tour" Growing stable of prominent Tour staffers Launching in international regions DTC presence continuing to grow
	<p><i>So motivated people around the world can turn their ambitions into achievement.</i></p> <ul style="list-style-type: none"> High performance backpacks, golf bags and travel bags 	<ul style="list-style-type: none"> Aligned with modern active work and travel lifestyle Successful partnerships outside of golf (ex. cycling, Ironman) Incorporation of patented high-functioning design 	<ul style="list-style-type: none"> Revitalized e-commerce platform and brand website Dedicated influencer product marketing Loyalty program
	<p><i>Delivering the best performing products the game has ever known.</i></p> <ul style="list-style-type: none"> Performance apparel designed to chase the thrills of golf. 	<ul style="list-style-type: none"> Highly compelling modern design Unique combination of design and functionality in golf space Passionate consumer following 	<ul style="list-style-type: none"> Platform to support a fully integrated, multi-branded soft goods business in Asia



SOFT GOODS BUSINESS PRIORITIES

- Invest behind continued growth
- Capture what we believe to be significant long-term cost synergies
- Expand and share direct to consumer capabilities and expertise
- Begin to bring brands into new geographies



BUILDING PLATFORM FOR LONG-TERM SCALE AND GROWTH



CONTINUOUS OPERATIONAL IMPROVEMENT

Continuing to diversify our supplier base to locations outside of China

- Recently announced List 4 tariffs will not have a material impact in the current year
- Any China tariff impact expected to be mitigated by the end of 2020

Distribution center in Swindon, England to be certified as a bonded free trade zone

- Expect to be completed by the end of the year
- Avoids any potential inter-UK and Europe tariffs resulting from Brexit

Jack Wolfskin's Hamburg, Germany distribution center provides added flexibility in Europe

New North America Superhub in Texas set to meet demand and position for brand expansion

- 700,000 square foot multi-brand facility



DIVERSIFIED SUPPLY CHAIN BECOMING A SIGNIFICANT COMPETITIVE ADVANTAGE



CAPITAL DEPLOYMENT PRIORITIES

Reinvest in the existing business to drive growth

- Building team, tools, processes and pipeline

Continued focus on de-levering

- Debt pay down is enabled by strong FCF, and ongoing effective working capital management
- \$30M of Term Loan B related to the Jack Wolfskin acquisition paid off in July '19

Return capital to shareholders through buybacks and dividends

- \$17 million worth of shares repurchased in 2017
- \$22 million worth of shares repurchased in 2018
- \$27 million worth of shares repurchased in 2019
- Annual dividend payment of \$0.04 per common share

Selectively evaluate other investments

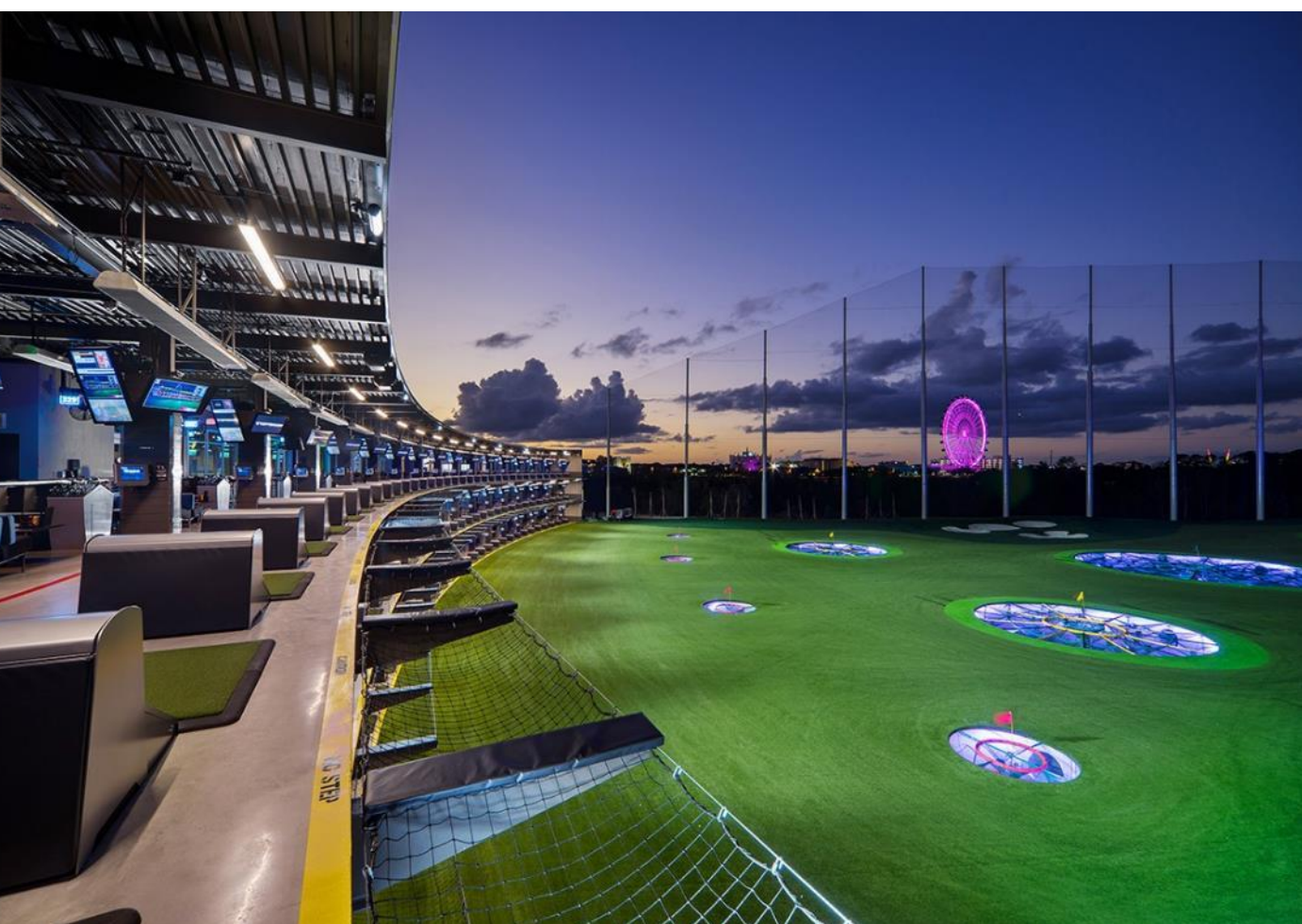
- Opportunities in soft goods and golf equipment businesses
- Access to attractive consumer segments or category adjacencies
- Clear synergies with existing portfolio
- Accretive to earnings in the near-to medium-term



BALANCED APPROACH FOCUSED ON TOTAL SHAREHOLDER RETURN



ATTRACTIVE INVESTMENT IN FAST-GROWING TOPGOLF



High growth entertainment concept

- Combines driving range, nightclub, and dining experience into one venue
- 55 locations globally; adding 8-10/year in U.S.
- 14 additional sites planned or announced, including 3 international sites
- Introduced TopGolf Swing Suites; 40 locations with an additional 8 planned

Exclusive golf partner of TopGolf and ~14% owner

- Built our position over past decade
- On balance sheet at \$72.5M cost basis

Opportunity to realize significant value creation through eventual monetization of TopGolf stake



2019 OUTLOOK

In August, raised the midpoint of full year 2019 net sales and adjusted EBITDA guidance

- Net Sales guidance increased to \$1,685 million - \$1,700 million
 - Organic growth is now expected to be in range of 7% - 9% constant currency
- Adjusted EBITDA guidance increased to \$208 million - \$215 million

In August, raised full year 2019 earnings per share guidance

- Non-GAAP EPS guidance increased to \$1.03 - \$1.09

Focused on transforming our business to deliver growth rates that we believe will exceed that of the overall golf business



EXPECTING RECORD FULL YEAR NET SALES AND ADJUSTED EBITDA



CORPORATE GOVERNANCE

Strong Track Record of Sound Governance Practices

Thoughtful oversight focused on creating long term value for shareholders

- ISS Quality Score: 1⁽¹⁾
- 9 out of 10 independent directors, with key new appointments to expand Board experience and skill base
- >99% Say-On-Pay Approval in 2019
- Committed to thoughtful, ongoing Board refreshment with clear focus on skills in line with strategic plan and diversity
- Annual assessment and evaluation of directors and committee performance

Notes

- 1) ISS Quality Score indicates decile rank relative to index or region. A decile score of 1 indicates lower governance risk, while a 10 indicates higher governance risk.

Board Composition



Oliver G. "Chip" Brewer III

President & CEO, Callaway Golf Company

- Director of TopGolf International
- Director of National Golf Foundation
- Former President and CEO of Adams Golf



Samuel H. Armacost

Former Chairman Emeritus, SRI International

- Former Managing Director of Weiss, Peck & Greer
- Former Managing Director of Merrill Lynch
- Former President & CEO, BankAmerica Corporation



Ronald S. Beard

Partner, Zeughauser Group

- Former Chairman of Gibson, Dunn & Crutcher



John C. Cushman, III

Chairman, Global Transactions of Cushman & Wakefield, Inc.

- CEO of Cushman Winery Corporation
- Director of D.A. Cushman Realty Corporation



Laura J. Flanagan

Former CEO, Foster Farms

- Former President of Snacks Division of ConAgra Foods
- Director of Core-Mark Holding Company



Russell L. Fleischer

Partner, Battery Ventures

- Former CEO of HighJump Software, Healthvision Software, and TriSyn Group
- CFO of Adams Golf



John F. Lundgren

Former Chairman & CEO of Stanley Black & Decker

- Former CEO of Stanley Works (prior to merger with Black & Decker)
- Director of VISA Inc.



Adebayo O. Ogunlesi

Chairman & Managing Partner, Global Infrastructure Management

- Former Chief Client Officer and Global Head of Investment Banking of Credit Suisse
- Director of Goldman Sachs



Linda B. Segre

Former EVP & Chief Strategy and People Officer, Diamond Foods

- Managing Director of Google.org and Boston Consulting Group's San Francisco Office
- Touring golf professional (1981-85)



Anthony S. Thornley

Former Interim President and CEO, Callaway Golf Company

- Former President and COO of QUALCOMM
- Former CFO of QUALCOMM
- Former Director of Cavium Networks

 = added to board within past four years



INVESTMENT HIGHLIGHTS

- Market Leadership in Stable Worldwide Golf Market
- Expanding Scale Position in Complementary Growing Active Lifestyle Apparel
- Proven Ability to Deliver Innovation, Generate Growth, and Capture Efficiencies

Company's 2019 Full Year Guidance⁽¹⁾

Revenue: \$1,685mm - \$1,700mm

Non-GAAP EPS: \$1.03 - \$1.09

Adj. EBITDA Margin: 12.5% (midpoint)

Adj. EBITDA: \$208mm - \$215mm

Notes

1) per guidance provided on August 8, 2019



「Appendix」



SECOND QUARTER AND FIRST HALF RESULTS

	Q2 2019	Q2 2018	YOY Change	YOY Change (CC)
<i>(\$ in millions)</i>				
TOTAL NET SALES	\$446.7	\$396.3	12.7%	14.6%
Golf Equipment	\$292.3	\$298.7	-2.1%	-0.5%
Apparel, Gear and Other	\$154.4	\$97.6	58.2%	60.7%
ADJUSTED EBITDA	\$65.9	\$88.3	-25.4%	

	1H 2019	1H 2018	YOY Change	YOY Change (CC)
<i>(\$ in millions)</i>				
TOTAL NET SALES	\$962.9	\$799.5	20.4%	23.3%
Golf Equipment	\$616.0	\$611.0	0.8%	2.6%
Apparel, Gear and Other	\$346.9	\$188.5	84.0%	90.3%
ADJUSTED EBITDA	\$159.1	\$177.6	-10.4%	

Q2 RESULTS EXCEEDED EXPECTATIONS; INCREASED FULL YEAR GUIDANCE





PRODUCT SEGMENT RESULTS

NET SALES

(\$ in millions)

	Q2 2019	Q2 2018	YOY Change	YOY Change (CC)
Golf Equipment	\$292.3	\$298.7	-2.1%	-0.5%
Golf Club	\$223.7	\$232.8	-3.9%	-2.2%
Golf Ball	\$68.6	\$65.9	4.1%	5.7%

NET SALES

(\$ in millions)

	1H 2019	1H 2018	YOY Change	YOY Change (CC)
Golf Equipment	\$616.0	\$611.0	0.8%	2.6%
Golf Club	\$485.5	\$490.2	-1.0%	0.8%
Golf Ball	\$130.5	\$120.8	8.0%	9.7%

- #1 Hard Goods Share YTD in US & Europe⁽¹⁾
 - In the US YTD, Epic Flash Woods are the #1 selling Driver and Fairway Wood models while Apex and Rogue Irons are the #1 and #2 selling irons
- #1 Sticks Market Share YTD in Japan
- The New #1 Driver on Major World Wide Tours
- Continue to be #1 Putter on Tour
- Record Q2 & YTD Golf Ball US Market Share⁽¹⁾



Golf Digest 20/20 on the 2019 hot list!



Golf Digest 20/20 on the 2019 hot list!



Notes

1) per Golf Datatech June 2019 Market Share Report



PRODUCT SEGMENT RESULTS

NET SALES (\$ in millions)	Q2 2019	Q2 2018	YOY Change	YOY Change (CC)
Apparel, Gear and Other	\$154.4	\$97.6	58.2%	60.7%
Apparel	\$73.2	\$30.8	137.7%	145.0%
Gear and Other	\$81.2	\$66.8	21.6%	22.1%

NET SALES (\$ in millions)	1H 2019	1H 2018	YOY Change	YOY Change (CC)
Apparel, Gear and Other	\$346.9	\$188.5	84.0%	90.2%
Apparel	\$169.4	\$57.1	196.7%	209.9%
Gear and Other	\$177.5	\$131.4	35.1%	38.2%

- Addition of the Jack Wolfskin business in 2019 is driving significant growth
 - When compared to their prior year results, the Jack Wolfskin brand was up 14% YoY in Q2 with strong direct to consumer performance
 - Double-digit growth in Ecommerce
 - Owned retail comp door growth
- TravisMathew continues to deliver double-digit growth
- Completed the acquisition of our Callaway Apparel, Japan JV during Q2 2019



CONTINUED STRONG PERFORMANCE ACROSS OUR SOFT GOODS BRANDS



BALANCE SHEET & CASH FLOW

(\$ in millions)	As of end of June, 2019	As of end of June, 2018	YOY Change (%)
Available Liquidity	\$273	\$301	-9%
Net Accounts Receivables	\$264	\$242	+9%
Inventory	\$360	\$237	+52%

	6 months ending June, 2019	6 months ending June, 2018
Capital Expenditures	\$23	\$17
Depreciation & Amortization	\$17	\$10



INVENTORY INCREASE DRIVEN BY THE ADDITION OF THE JACK WOLFSKIN BUSINESS IN 2019



2019 GUIDANCE

(\$ in millions, except EPS)	Current Pro Forma* Guidance Full Year 2019	Previous Pro Forma Guidance Full Year 2019	Current Pro Forma* Guidance Q3 2019	Pro Forma* Results Q3 2018
Net Sales	\$1,685 - \$1,700	\$1,670 - \$1,700	\$412 - \$422	\$263
Gross Margin	46.7%	47.0%		
Operating Expense	\$628	\$630		
EPS	\$1.03 - \$1.09	\$0.96 - \$1.06	\$0.20 - \$0.24	\$0.11
Adjusted EBITDA	\$208 - \$215	\$200 - \$215	\$48 - \$52	\$22



RAISED FULL YEAR EARNINGS GUIDANCE

Notes:

* Refer to the appendix for a reconciliation of items excluded from Pro Forma metrics



SECOND QUARTER 2019 FINANCIAL RESULTS

CALLAWAY GOLF COMPANY
Supplemental Financial Information and Non-GAAP Reconciliation
(Unaudited)
(In thousands)

Three Months Ended June 30,

	2019				2018		
	As Reported	Non-Cash Purchase Accounting Adjustments ⁽¹⁾	Acquisition & Other Non-Recurring Costs ⁽²⁾	Non-GAAP	As Reported	Non-Cash Purchase Accounting Adjustments ⁽¹⁾	Non-GAAP
Net sales.....	\$ 446,708	\$ —	\$ —	\$ 446,708	\$ 396,311	\$ —	\$ 396,311
Gross profit	206,817	(5,336)	—	212,153	192,697	—	192,697
% of sales	46.3 %	—	—	47.5 %	48.6 %	—	48.6 %
Operating expenses	161,618	1,208	1,603	158,807	118,377	254	118,123
Income (loss) from operations.....	45,199	(6,544)	(1,603)	53,346	74,320	(254)	74,574
Other income (expense), net	(9,093)	—	—	(9,093)	3,861	—	3,861
Income (loss) before income taxes	36,106	(6,544)	(1,603)	44,253	78,181	(254)	78,435
Income tax provision (benefit)	7,208	(1,505)	(369)	9,082	17,247	(58)	17,305
Net income (loss)	28,898	(5,039)	(1,234)	35,171	60,934	(196)	61,130
Less: Net income (loss) attributable to non-controlling interest	(33)	—	—	(33)	67	—	67
Net income (loss) attributable to Callaway Golf Company	\$ 28,931	\$ (5,039)	\$ (1,234)	\$ 35,204	\$ 60,867	\$ (196)	\$ 61,063
Diluted earnings (loss) per share:.....	\$ 0.30	\$ (0.05)	\$ (0.02)	\$ 0.37	\$ 0.63	\$ —	\$ 0.63
Weighted-average shares outstanding:.....	95,891	95,891	95,891	95,891	96,928	96,928	96,928

⁽¹⁾ Represents non-cash expenses related to the purchase accounting associated with the acquisitions of OGIO and TravisMathew in 2017, and Jack Wolfskin in January 2019.

⁽²⁾ Represents non-recurring transaction and transition costs associated with the acquisition Jack Wolfskin, in addition to other non-recurring advisory fees.





FIRST HALF 2019 FINANCIAL RESULTS

CALLAWAY GOLF COMPANY
Supplemental Financial Information and Non-GAAP Reconciliation
(Unaudited)
(In thousands)

Six Months Ended June 30,

	2019				2018		
	As Reported	Non-Cash Purchase Accounting Adjustments ⁽¹⁾	Acquisition & Other Non-Recurring Costs ⁽²⁾	Non-GAAP	As Reported	Non-Cash Purchase Accounting Adjustments ⁽¹⁾	Non-GAAP
Net sales	\$ 962,905	\$ —	\$ —	\$ 962,905	\$ 799,502	\$ —	\$ 799,502
Gross profit	445,250	(10,703)	—	455,953	393,159	—	393,159
% of sales	46.2%	—	—	47.4%	49.2%	—	49.2%
Operating expenses	330,415	2,416	6,326	321,673	232,855	508	232,347
Income (loss) from operations	114,835	(13,119)	(6,326)	134,280	160,304	(508)	160,812
Other expense, net.....	(20,672)	—	(3,896)	(16,776)	(2,173)	—	(2,173)
Income (loss) before income taxes.....	94,163	(13,119)	(10,222)	117,504	158,131	(508)	158,639
Income tax provision (benefit).....	16,764	(3,017)	(2,351)	22,132	34,466	(117)	34,583
Net income (loss).....	77,399	(10,102)	(7,871)	95,372	123,665	(391)	124,056
Less: Net loss attributable to non-controlling interest	(179)	—	—	(179)	(57)	—	(57)
Net income (loss) attributable to Callaway Golf Company	\$ 77,578	\$ (10,102)	\$ (7,871)	\$ 95,551	\$ 123,722	\$ (391)	\$ 124,113
Diluted earnings (loss) per share:	\$ 0.81	\$ (0.10)	\$ (0.08)	\$ 0.99	\$ 1.28	\$ —	\$ 1.28
Weighted-average shares outstanding:	96,153	96,153	96,153	96,153	96,981	96,981	96,981

⁽¹⁾ Represents non-cash expenses related to the purchase accounting associated with the acquisitions of OGIO and TravisMathew in 2017, and Jack Wolfskin in January 2019.

⁽²⁾ Represents non-recurring transaction and transition costs associated with the acquisition Jack Wolfskin, in addition to other non-recurring advisory fees.





EPS GUIDANCE RECONCILIATION

CALLAWAY GOLF COMPANY
Supplemental Financial Information and Non-GAAP Guidance Reconciliation
(Unaudited)

	Diluted Loss Per Share		Diluted Earnings/(Loss) per Share	
	Third Quarter 2019	Full Year 2019	Third Quarter 2018	Full Year 2018
Amortization of purchase accounting items⁽¹⁾				
TravisMathew/OGIO	\$ —	\$ (0.01)	\$ —	\$ (0.01)
Jack Wolfskin	(0.01)	(0.12)	—	—
	<u>\$ (0.01)</u>	<u>\$ (0.13)</u>	<u>\$ —</u>	<u>\$ (0.01)</u>
Acquisition and Other Non-Recurring Costs⁽²⁾				
Acquisition/Other	\$ (0.02)	\$ (0.09)	\$ (0.01)	\$ (0.03)
Purchase price hedge (gain)/loss	—	(0.03)	—	0.04
	<u>\$ (0.02)</u>	<u>\$ (0.12)</u>	<u>\$ (0.01)</u>	<u>\$ 0.01</u>
Total	<u>\$ (0.03)</u>	<u>\$ (0.25)</u>	<u>\$ (0.01)</u>	<u>\$ —</u>

⁽¹⁾ 2018 and 2019 includes the amortization of intangible assets in connection with the Ogio and TravisMathew acquisitions completed in January and August 2017, respectively. 2019 also includes the amortization of intangible assets and inventory step-up in connection with the Jack Wolfskin acquisition completed in January 2019.

⁽²⁾ Represents non-recurring transaction and transition costs associated with the acquisition Jack Wolfskin, in addition to other non-recurring advisory fees.





EBITDA GUIDANCE RECONCILIATION

CALLAWAY GOLF COMPANY
Supplemental Financial Information and Non-GAAP Guidance Reconciliation
(Unaudited)
(In millions)

Amounts excluded from Adjusted EBITDA	Third Quarter 2019	Full Year 2019	Third Quarter 2018	Full Year 2018
Amortization of purchase accounting items⁽¹⁾				
TravisMathew/OGIO	\$ 0.3	\$ 1.0	\$ 0.3	\$ 1.0
Jack Wolfskin	1.3	15.0	—	—
	<u>\$ 1.6</u>	<u>\$ 16.0</u>	<u>\$ 0.3</u>	<u>\$ 1.0</u>
Acquisition and Other Non-Recurring Costs⁽²⁾				
Acquisition/Other	\$ 2.8	\$ 11.8	\$ 1.5	\$ 3.7
Purchase price hedge (gain)/loss	—	3.2	—	(4.4)
	<u>\$ 2.8</u>	<u>\$ 15.0</u>	<u>\$ 1.5</u>	<u>\$ (0.7)</u>
Total	<u><u>\$ 4.4</u></u>	<u><u>\$ 31.0</u></u>	<u><u>\$ 1.8</u></u>	<u><u>\$ 0.3</u></u>

⁽¹⁾ 2018 and 2019 includes the amortization of intangible assets in connection with the Ogio and TravisMathew acquisitions completed in January and August 2017, respectively. 2019 also includes the amortization of intangible assets and inventory step-up in connection with the Jack Wolfskin acquisition completed in January 2019.

⁽²⁾ Represents non-recurring transaction and transition costs associated with the acquisition Jack Wolfskin, in addition to other non-recurring advisory fees.

