Topgolf Callaway Brands Corp.

Third Quarter 2023
Earnings Conference Call

November 8, 2023

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IMPORTANT NOTICES

Forward-looking Statements. During the presentation, any comments made about future plans, events, financial results, performance, prospects, or growth opportunities, including statements relating to the Company's financial outlook (including, among others, net revenues, same venue sales, free cash flow, embedded cash flow, Adjusted EBITDA, Segment Adjusted EBITDA, EBITDAR, Adjusted EBITDA Less Venue Financing Cash Interest, pretax income, net income, tax rates, net capital expenditures, depreciation & amortization, gross debt, net debt, net debt leverage ratio, venue financing liability, earnings per share and interest and projected Topgolf venue economics), projected Topgolf venue financing options, new product lines, strength and demand of the Company's products and services, including promotional activity, addressable markets and the consumer base, continued brand momentum, digital growth, continued investments in the business, achievable synergies and cost reductions, consumer trends and behavior, the sensitivity of the business to recession, Topgolf venue openings, Toptracer installations, closings of additional acquisitions of BigShots assets, capital allocation priorities, de-risking and de-leveraging the business, liquidity and adequacy of cash and available borrowing under credit facilities, anticipated stock repurchases, 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 of1995. 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, 2022, as well as other risks and uncertainties detailed from time to time in the Company's reports on Forms 10-Q and 8-K subsequently filed with the SEC from time to time. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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

For forward-looking free cash flow, Adjusted EBITDA, Segment Adjusted EBITDA, non-GAAP diluted earnings per share, 4-Wall Adjusted EBITDAR margin, EBITDAR, EBITDA Less Venue Financing Cash Interest, non-GAAP depreciation and amortization, non-GAAP net income, non-GAAP pretax income, non-GAAP tax rate, net capital expenditures, embedded cash flow, payback period, return on gross investment and cash-on-cash return information (collectively, the "Non-GAAP Projections") provided in this presentation, reconciliation of such Non-GAAP Projections to the most closely comparable GAAP financial measure is not provided because the Company is unable to provide such reconciliation without unreasonable efforts. The inability to provide a reconciliation is because the Company is currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact the applicable GAAP financial measure in the future but would not impact the Non-GAAP Projections. These items may include certain non-cash depreciation, which will fluctuate based on the Company's level of capital expenditures, 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.

Q3 2023 HIGHLIGHTS

- Topgolf continues to drive efficiencies and delivered strong venue-level margins, despite challenging market conditions
- On-course golf participation and engagement remain strong; and Callaway sustained its strong U.S. market share including #1 year-to-date in Woods, Drivers, Fairway Woods, Hybrids, and Irons, as well as its brand position as a leader in Technology & Innovation
- Topgolf remains on plan to open 11 new venues in the U.S. this year, with 7 venues open year-to-date
- TravisMathew and Jack Wolfskin delivered solid growth
- Both total Company and Topgolf remain on track to be free cash flow positive in 2023

Q3 2023 SEGMENT HIGHLIGHTS

TOPGOLF

TOPGOLF VENUES | TOPTRACER | TOPGOLF MEDIA

- YoY revenue increase of 8%
- 4-wall EBITDAR margin improvement of ~200bps YoY
- PIE now in all venues except Las Vegas and helping drive a YoY increase of ~8 points in digital sales mix for the U.S. venues

TOPGOLF 2-YEAR STACKED SVS[1]

	Q1	Q2	Q3
Total Topgolf SVS			
'22 vs '19	2%	8%	11%
'23 vs '22	11%	1%	-3%
Total Stacked	**13%**	**9%**	**8%**
Consumer (1-2 Bay Walk-In, Reservations & Events)			
'22 vs '19	6%	3%	8%
'23 vs '22	9%	7%	0%
Total Stacked	**15%**	**10%**	**8%**
Corporate (3+ Bay Events)			
'22 vs '19	-11%	22%	21%
'23 vs '22	23%	-18%	-17%
Total Stacked	**12%**	**4%**	**4%**

Consumer Business (1-2 Bay Walk-In, Reservations & Events)

Remains up high single digits

Corporate Business (3+ Bay Events)

Experienced a change in trend mid-year, which has now stabilized

TOPGOLF CALLAWAY BRANDS

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 2023 vs. 2022 and 2022 vs. 2019. We measure same venue sales growth for 2022 in comparison to 2019 due to the impacts of the pandemic which occurred during 2020 and 2021. For 2023, we measure same venue sales growth against 2022.

TOPGOLF: ATTRACTIVE VENUE ECONOMICS WITH HIGH RETURN TARGETS

Target Year-5 Unit Economics[1] ($ in millions)	Representative Venue Sizes: Small to Medium	Representative Venue Sizes: Medium to Large
Venue Revenue[2]	$13 - $18	$20 - $28
4-Wall Adjusted EBITDAR Margin	~35%	
Total Construction Cost (Before Financing)	$20 - $27	$30 - $40
TARGET RETURNS		
Estimated Payback Period	**~2.5 years**	
Target Cash-on-Cash Returns	**~50% - 60%**	
Target Return on Gross Investment	**~18% - 22%**	

TOPGOLF CALLAWAY BRANDS

1. See appendix for calculation methodologies of 4-Wall Adjusted EBITDAR Margin, total construction cost (before financing), estimated payback period, cash-on-cash returns and return on gross investment. See slide 2 for disclaimers on the use of non-GAAP measures.
2. Representative range of unit economics excludes large flagship venues, which typically outperform the average unit economic targets and can generate over $40 million in revenue annually.

Q3 2023 SEGMENT HIGHLIGHTS

GOLF EQUIPMENT

Callaway | ODYSSEY #1 PUTTER IN GOLF.

- U.S. golf consumer remains strong and engaged
- U.S. rounds played through September +3.8% year-over-year
- Strong U.S. market share performance with #1 Driver, #1 Woods, #1 Fairway, #1 Hybrid, and #2 Golf Balls[1]

ACTIVE LIFESTYLE

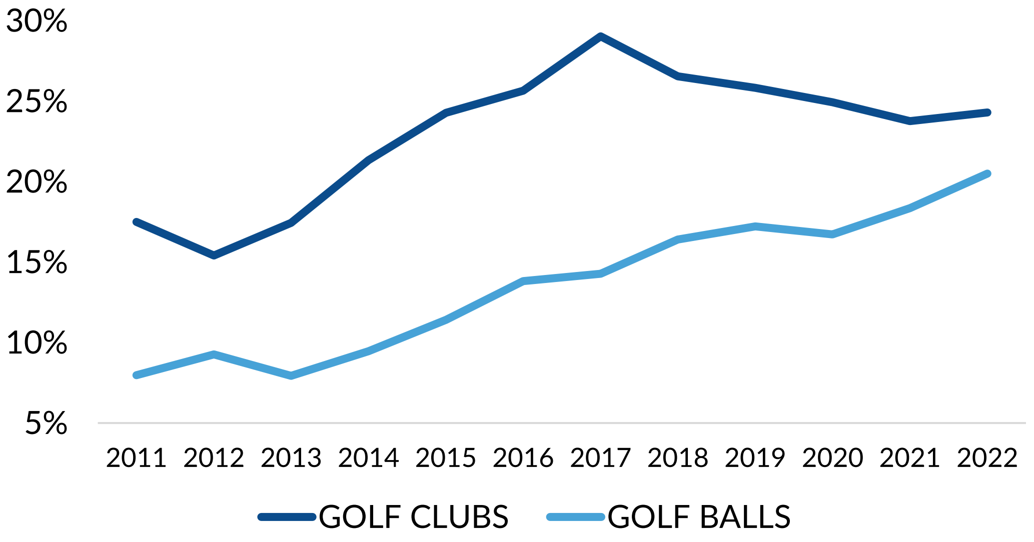
Callaway | TRAVISMATHEW | Jack Wolfskin | OGIO

- TravisMathew and Jack Wolfskin delivered solid revenue growth year-over-year
- TravisMathew women's launch in Nordstrom
- Continued growth in international brand awareness, retail, and digital e-commerce

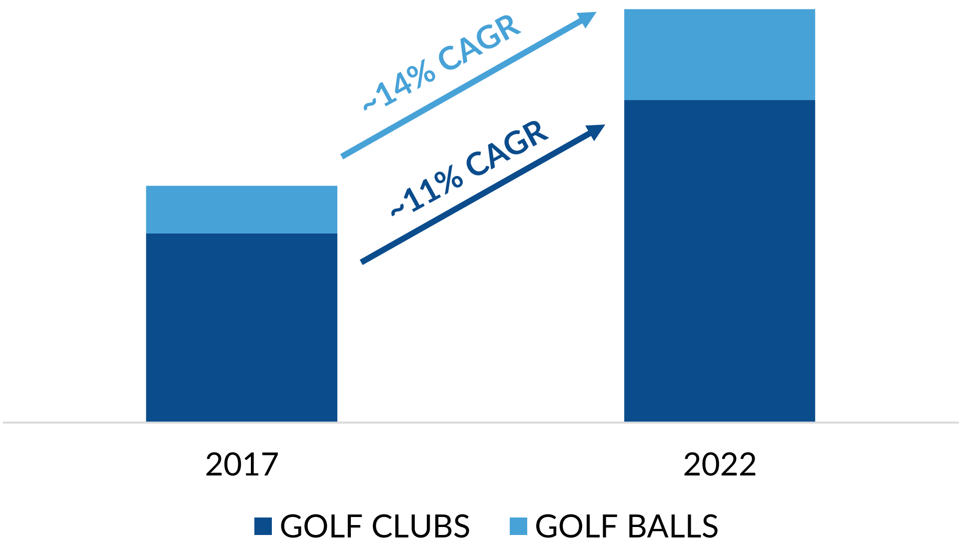
1. Source: Golf Datatech. Hard goods US market share ranking data results for the quarter ended September 30, 2023, and year-to-date through September 30, 2023.

GOLF EQUIPMENT BUSINESS IS A PROVEN PERFORMER

CONTINUED MARKET SHARE GROWTH OVER TIME[1]



ROBUST REVENUE GROWTH[2]



COMMITTED TO LEADING IN INNOVATION

$50 million RESEARCH & DEVELOPMENT ANNUALLY[3]

#1 in overall brand rating in innovation and technologically advanced[4]

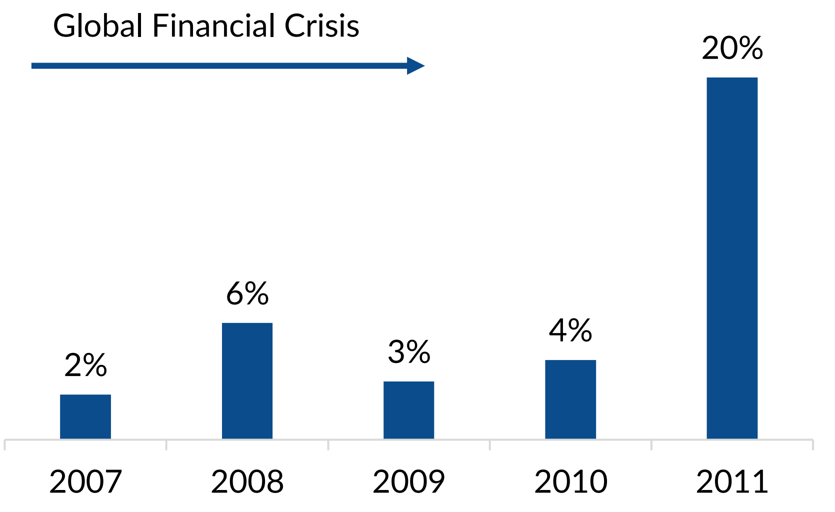
TOPGOLF CALLAWAY BRANDS

1. Source: Golf Datatech. Sticks (Golf Clubs) and Golf Ball US market share annual ranking data results .
2. Company's Annual Reported Global Golf Club and Golf Ball revenues.
3. Related to the Golf Equipment business.
4. 2022 Golf Datatech Golf Product Attitude and Usage Study.

HISTORICAL DATA SHOWS RESILIENCE DURING ECONOMIC DOWNTURNS

U.S. GOLF DATATECH HARDGOODS RETAIL $[1], ROUNDS PLAYED[2] & $/ROUNDS RATIO

TOPGOLF ANNUAL VENUE SALES GROWTH[3]



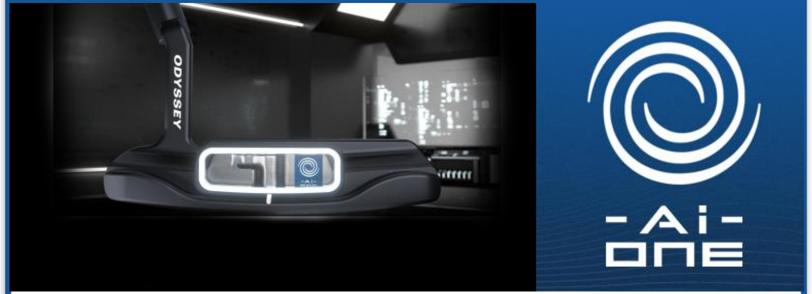
TOPGOLF CALLAWAY BRANDS

1. US Golf Datatech combined channel on-course and off-course, excluding sporting goods, mass channel, club, and some ecommerce, through 12/31/2021.
2. US Golf Datatech and the National Golf Foundation estimated rounds played data through 12/31/2021.
3. Includes venues (U.K. and U.S.) that were opened and scaled during the last recession. The venues' scale and mix of business may not be representative of the existing portfolio of venues.

BRAND HIGHLIGHTS

GOLF EQUIPMENT

ODYSSEY AI-ONE PUTTER LAUNCH NOV. 1, 2023 AT PGA FRISCO



PUTT SMARTER - Revolutionary Ai-ONE urethane insert delivers more consistent ball speeds, even from off-center hits, leaving putts up to 21% closer to the hole![1]

TOPGOLF

4 OWNED & OPERATED VENUES OPENED STRONGLY Q4-TO-DATE

St. Louis-Midtown, Missouri

Memphis, Tennessee

Canton, Massachusetts

Providence, Rhode Island

<u>Topgolf's first venues in New England</u>

ACTIVE LIFESTYLE

JACK WOLFSKIN #1 BRAND IN GERMANY

Top 10 Outdoor Clothing 2023 Survey[2]

BIGSHOTS ACQUISITION

IN Q4, TOPGOLF CALLAWAY BRANDS ACQUIRED BIGSHOTS GOLF

- Strengthens the Company's leadership in off-course golf
- Acquired 1 owned venue, 3 franchise venues, and certain rights for other venues
- Preferred vendor agreement in which Callaway and TravisMathew products will be featured in Invited's clubs
- ~$29 million purchase price for the initial closing is approximately the same price of building a single Topgolf venue

1. Ai-ONE Urethane delivers putts up to 21% closer to the hole from 32' and Ai-ONE Milled up to 7% closer compared to a Scotty Cameron® Super Select Newport 2. Based on robot testing with a 15 point face map.
2. Source: Splendid Research 2023 Survey. Jack Wolfskin Leaves The North Face Behind In Terms of Brand Strength, by Marco Saal. Tuesday, October 10, 2023.

TOPGOLF CALLAWAY BRANDS

COMPELLING INVESTMENT OPPORTUNITY

Proven
Demonstrated Results Across All Segments

Scaled
Unmatched Global Reach in Modern Golf

Diversified
Growth Driven by Entire Modern Golf Ecosystem

Protected
Premium Brands, High Barriers to Entry

Growth-Oriented
Driving Growth in a Growing Category

BOTH TOTAL COMPANY AND TOPGOLF REMAIN ON TRACK TO BE FREE CASH FLOW POSITIVE IN 2023

Q3 2023 FINANCIAL RESULTS

GAAP RESULTS
($ in millions, except per share data)

	Q3 2023	Q3 2022	Change (%)
Net Revenues	$ 1,040.6	$ 988.5	5.3%
Income from Operations	$ 73.8	$ 68.2	8.2%
Other Expense, net	$ (47.1)	$ (29.4)	60.2%
Income before Income Taxes	$ 26.7	$ 38.8	(31.2%)
Net Income	$ 29.7	$ 38.5	(22.9%)
Earnings per Share – Diluted [3]	$ 0.16	$ 0.20	(20.0%)

NON-GAAP RESULTS[1]
($ in millions, except per share data)

	Q3 2023	Q3 2022	Change (%)	Constant Currency Change (%)[2]
Net Revenues	$ 1,040.6	$ 988.5	5.3 %	4.6%
Income from Operations	$ 85.2	$ 81.1	5.1 %	1.0%
Other Expense, net	$ (47.1)	$ (28.1)	67.6 %	
Income before Income Taxes	$ 38.1	$ 53.0	(28.1) %	
Net Income	$ 38.2	$ 44.6	(14.3) %	
Earnings per Share – Diluted[3]	$ 0.20	$ 0.23	(13.0) %	
Adjusted EBITDA	$ 163.3	$ 144.4	13.1 %	10.8%

1. See Appendix for reconciliations of non-GAAP measures to the most directly comparable GAAP measure.
2. "Constant Currency" information estimates the impact of changes in foreign currency rates on the translation of the Company's current or projected future period financial results as compared to the applicable comparable period. This impact is derived by taking the current or projected local currency results and translating them into U.S. dollars based upon the foreign currency exchange rates for the applicable comparable period. It does not include any other effect of changes in foreign currency rates on the Company's results or business.
3. Periodic interest expense related to the 2020 Convertible Notes is excluded from the calculation of net income for the purpose of calculating diluted earnings per share.

TOPGOLF CALLAWAY BRANDS

KEY LIQUIDITY METRICS

Metric[1] ($ in millions)	As of Sep 30, 2023	As of Sep 30, 2022
Available Liquidity	$734	$659
Net Debt	$2,119	$1,497
Net Debt Leverage Ratio	3.8x	2.8x

Metric[1] ($ in millions)	As of Sep 30, 2023	As of Sep 30, 2022
Net Capital Expenditures	$201	$220
Non-GAAP Depreciation & Amortization	$155	$121

1. See appendix for calculation methodologies of available liquidity, net debt, 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 the appendix for reconciliations to GAAP.

TOPGOLF DETAILED FINANCIAL DISCLOSURE

($ in millions)	Q3 2023[1]	Q3 2022[1]
Net Revenue	$448	$414
Segment Income from Operations	$39	$24
Non-GAAP Depreciation & Amortization	$43	$31
Non-Cash Lease Amortization Expense	$4	$5
Non-Cash Stock Compensation Expense	$4	$5
Adjusted Segment EBITDA	$91	$64
Net Capital Expenditures[2]	$42	$48
Venue Financing Liability	$1,057	$752
Venue Financing Interest	$21	$14

TOPGOLF CALLAWAY BRANDS

1. See appendix for calculation methodologies of segment income from operations, non-GAAP depreciation and amortization, Non-cash lease amortization expense, adjusted segment EBITDA, net capital expenditures, venue financing liability and venue financing interest. See slide 2 for disclaimers on the use of non-GAAP measures and the appendix for reconciliations to GAAP.
2. Excludes asset acquisitions.

2023 OUTLOOK

FULL YEAR 2023[1]

($ in millions)	Current FY 2023 Guidance	Previous FY 2023 Guidance	FY 2022 Reported Results
Net Revenue	$4,235 - $4,260	$4,420 - $4,470	$3,996
Adjusted EBITDA	$575 - $585	$625 - $640	$558
Gross Debt	$2,587	$2,599	$2,063

Full Year Guidance Assumptions[1]

- Topgolf segment revenue of approximately $1.745 billion
- Topgolf expected to generate FY 2023 Adjusted EBITDA of $280 - $290 million
- Topgolf SVS down slightly, which represents stacked[2] SVS growth of up mid-to-high single digits
- Foreign exchange negative impact of approximately $30M versus 2022 included in Net Revenue
- Non-GAAP diluted earnings per share estimated to be $0.39 - $0.43 on 201 million shares outstanding[3]
- Non-GAAP Depreciation and Amortization expense of approximately $215 million
- Net Capital Expenditures of $240 million, net of reimbursements related to venue financing (includes ~$175 million from Topgolf)

Q4 2023[1]

($ in millions)	Q4 2023 Guidance	Q4 2022 Reported Results
Net Revenue	$847 - $872	$851
Adjusted EBITDA	$48 - $58	$37

Fourth Quarter Guidance Assumptions

- Topgolf expected to deliver same venue sales growth of down mid-to-high single digits, which represents stacked[2] SVS growth of up low-to-mid single digits
- Foreign exchange impact on Net Revenue is neutral

TOPGOLF CALLAWAY BRANDS

1. See appendix for calculation methodologies of adjusted EBITDA, gross debt, net capital expenditures, non-GAAP diluted earnings per share and non-GAAP depreciation and amortization. See slide 2 for disclaimers on the use of non-GAAP measures and the appendix for reconciliations to GAAP.
2. 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 2023 vs. 2022 and 2022 vs. 2019. We measure same venue sales growth for 2022 in comparison to 2019 due to the impacts of the pandemic which occurred during 2020 and 2021. For 2023, we measure same venue sales growth against 2022.
3. See Appendix for share count assumptions and suggestions to account for the Company's convertible notes and capped call.

2023 TOPGOLF KEY METRICS OUTLOOK

($ in millions)	2023 Guidance[1]	FY 2022 Reported Results[1]
Net Revenue	~$1,745	$1,549
Segment Adjusted EBITDA	$280 - $290	$235
Non-GAAP Depreciation & Amortization	~$165	$125
Net Capital Expenditures	~$175	$281
Venue Financing Liability	~$1,200	$886
Venue Financing Interest Expense	~$84	$55
Non-Cash Venue Financing Interest	~$14	$6
Venue Financing Cash Interest	~$70	$49

OUTLOOK ASSUMPTIONS

- Open 11 new Topgolf owned and operated venues in 2023
- Install 7,000+ Toptracer range bays
- Same venue sales expected to decline slightly full year 2023 compared to 2022
- Capital expenditures are expected to decrease year-over-year due primarily to the timing of venue financing

TOPGOLF CALLAWAY BRANDS

1. See appendix for calculation methodologies of segment adjusted EBITDA, non-GAAP depreciation and amortization, net capital expenditures, venue financing liability and venue financing interest. See slide 2 for disclaimers on the use of non-GAAP measures and the appendix for reconciliations to GAAP.

CAPITAL EXPENDITURE OVERVIEW

($ in millions)	Approximate 2023 Financial Inputs	Illustrative 2026 Capex[3]	Future Considerations After Illustrative Period
TOPGOLF	**$175**	**$285**	
New Venue Growth, Net of Financing Reimbursements	**~$66**	**~$150**	
Venue Growth, Gross	~$372	~$420	2026 venue pipeline costs slightly elevated; expect to return to approximately $410M in 2027 and 2028
Venue Financing Reimbursements	(~$306)	(~$270)	Assumes 1 non-REIT venue on average; 75% REIT financing on remaining venues
Venue Maintenance & Refresh[1]	**~$45**	**~$65**	Will grow with new venues as well as in line with inflation; may also vary depending on number of venue refreshes in given year
New Technology Development and Other Business Lines[2]	**~$64**	**~$70**	Expected to grow in line with inflation
NON-TOPGOLF	**~$65**	**~$70**	
Growth Capex	~$20	~$22	Expected to grow in line with inflation
Non-Growth Capex	~$45	~$48	Expected to grow in line with inflation
TOTAL NET CAPITAL EXPENDITURES	**~$240**	**~$355**	

1. $300-500k per year per venue and ~$3-4M every ~9 years for a refresh; costs should increase with inflation over time.
2. Includes Capex for IT, including technology support for the venues, and Corporate infrastructure as well as the Toptracer and Media businesses.
3. Expectation for normalized annual spend; actual spend could vary depending on venue size, opening timing, and financing.

ADJUSTED EBITDA TO EMBEDDED CASH FLOW

Total Company Expected to Generate Strong Underlying Cash Flow

($ in millions)	Approximate 2023 Financial Inputs	Illustrative 2026	Future Considerations After 2026
Adjusted EBITDA	**$580[1]**	**≥$800**	Grows at mid-teens CAGR through 2028
Less: Venue Financing Cash Interest	~$70	~$160	$2.75-$3.25M cash payments per owned new venue financed by REIT partners; existing venue payments increase ~2% per year
Adj. EBITDA less Venue Financing Cash Interest	**~$510**	**≥$640**	Grows at mid-teens CAGR through 2028
Less: Net Capital Expenditures	~$240	~$355	See Slide: *"Capital Expenditure Overview"*
Less: Corporate Cash Interest Expense	~$120	~$100	Majority is variable (SOFR). Decreases as debt is paid down.
Less: Change in Working Capital	~$45	~$45	Non-Topgolf: ~20% of YoY product revenue growth (varies) Topgolf: ~$20M/year at current venue opening & Toptracer installation pace
Less: Cash Taxes	~$25	~$40	20% tax rate for 2027 onward
Total Company Free Cash Flow	**~$65[4]**	**≥$100**	
Growth CAPEX[2]	~$85	~$170	2023 low and not representative of typical due to timing of REIT financing reimbursement
Embedded Cash Flow[3]	**~$150**	**~$325**	**Grows at 25% CAGR through 2028**

TOPGOLF CALLAWAY BRANDS

1. This value is the mid-point of FY 2023 Guidance.
2. Increase in Growth Capex driven by timing of 2022/2023 opening and REIT reimbursement schedule and one non-REIT financed venue in Illustrative year.
3. Total levered free cash flow before growth capex. See appendix for calculation methodology of Embedded Cash Flow and slide 2 for disclaimers on the use of non-GAAP measures.
4. Includes $15 million of cash one-time costs incurred during 2023.

ADJUSTED EBITDA TO NON-GAAP NET INCOME

Significant Opportunity to Drive Earnings

($ in millions, except for EPS)	Approximate 2023 Financial Inputs	Illustrative 2026	Future Considerations After 2026
Adjusted EBITDA	**$580[1]**	**≥$800**	Grows mid-teens CAGR through 2028
Non-GAAP Depreciation & Amortization[2]	**~$215**	**~$365**	
Non-GAAP Topgolf D&A	~$165	~$295	FY24 increases ~$50M, FY25 increases ~$45M, then increases average of ~$35M a year in 2026 and beyond
Non-GAAP Non-Topgolf D&A	~$50	~$70	Increases in line with inflation per year
Non-GAAP Interest Expense / Other Income[3]	**~$208**	**~$290**	
Non-GAAP Venue Financing Interest	~$83	~$185	Grows ~$3.25-$3.75M for each new owned venue financed by REIT partners (cash payments are ~$2.75-$3.25M)
Non-GAAP Corporate Interest	~$125	~$105	Majority is variable (SOFR). Decreases as debt is paid down.
Share Based Compensation & Non-Cash Rent	**~$70[4]**	**~$55[4]**	Expected to remain approximately flat per year
Non-GAAP Pre-Tax Income	**~$87**	~$140	
Non-GAAP Tax Rate	**~11%**	~18%	Expected to be lower than the statutory tax rate due to Net Operating Losses
Non-GAAP Net Income	**~$78**	~$115	
Non-GAAP Diluted EPS	$0.41[1]	**~$0.57[5]**	Grows 40%+ through 2028

1. This value is the mid-point of FY 2023 Guidance.
2. Non-GAAP D&A does not include D&A of acquired intangible assets and purchase accounting adjustments.
3. Includes non-cash interest and fees.
4. Approximate 2023 financials inputs includes ~$50M of Share Based Compensation; Illustrative 2026 Includes ~$47M of Share Based Compensation.
5. Assumes ~200 million diluted shares outstanding.

TOPGOLF CALLAWAY BRANDS

NON-GAAP NET INCOME CONSIDERATIONS

	NEXT 2 YEARS	2026 AND BEYOND
Topgolf D&A	• ~$50M increase in FY24; ~$45M in FY25	• Increases by average of ~$35M per year
Non-Topgolf D&A	• Increases by $8M per year	• Increases in line with inflation
Venue Financing Interest Expense	• Increases by ~$35M per year	• Increases by ~$35-40M per year
Corporate Interest	• Limited YoY movement due to some debt paydown	• Decreases YoY as increased cash flow is used for debt paydown
	~$85M-$90M YoY increases in pre-tax costs	~$65M-$70M YoY increases in pre-tax costs

NET DEBT LEVERAGE, ADJUSTED FOR REIT FINANCING

($ in millions)

	September 30, 2023		September 30, 2022	
Net Debt[1]	$	2,119.3	$	1,497.0
Trailing twelve month Adjusted EBITDA[2]	$	563.4	$	535.8
Net Debt Leverage Ratio	**$**	**3.8X**	**$**	**2.8X**
Net Debt[1]	$	2,119.3	$	1,497.0
Less: Deemed landlord financing (“DLF”) obligations		(809.7)		(578.0)
Less: Financing lease liabilities - Venues		(247.0)		(174.1)
Less: Financing lease liabilities - Equipment		(1.1)		(1.6)
Net Debt less DLF Obligations and Financing Lease Liabilities	$	1,061.5	$	743.3
Trailing twelve month Adjusted EBITDA[2]	$	563.4	$	535.8
Less: Venue Financing Cash Interest	$	(64.8)	$	(41.0)
Trailing 12-Month Adj. EBITDA less Venue Financing Cash Interest	$	498.6	$	494.8
Net Debt Leverage Ratio (excl. DLF Obligations and Venue Financing Liabilities and including the Venue Financing Cash Interest	**$**	**2.1X**	**$**	**1.5X**

Notes on DLF Interest

- Similar to rent, but treated like debt on financial statements due to GAAP rules
- Unlike debt, there is no obligation to repay principal
- There is no interest rate risk on DLF interest. It does not adjust with SOFR
- Adjusting leverage as if cash REIT payments currently included in interest were rent

TOPGOLF CALLAWAY BRANDS

1. See “Definitions of Certain Financial Measures” slide for the calculation methodology of net debt.
2. See "Adjusted EBITDA Reconciliation" slide for reconciliation to the most directly comparable GAAP measure (net income).

APPENDIX

DEFINITIONS OF CERTAIN FINANCIAL MEASURES

4-Wall Adjusted EBITDAR is a non-GAAP measure calculated as net income (loss) before interest, taxes, depreciation and amortization expense, non-cash stock compensation expense and rent, calculated at the venue level.

4-Wall Adjusted EBITDAR Margin is a non-GAAP measure calculated as US venues 4-Wall Adjusted EBITDAR divided by US venues revenue.

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

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

Cash-on-Cash Return is a non-GAAP measure calculated by taking the 4-Wall Adjusted EBITDAR, less the annual building rent, annual ground rent and annual maintenance capex, divided by Topgolf's construction cost after financing. Cash-on-cash returns exclude pre-opening costs, enhancement capex, refresh capex and new technology improvements.

Embedded Cash Flow is a non-GAAP measure calculated as Free Cash Flow less growth capital expenditures.

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

Gross Debt is 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 are capital expenditures net of proceeds from lease financing and proceeds from government grants. For the nine months ended September 30, 2023, capital expenditures were $389 million, lease financing was $184 million and proceeds from government grants were $3 million – leading to net capital expenditures of $201 million. For the nine months ended September 30, 2022, capital expenditures were $353 million, net of proceeds from lease financing of $133 million and net capital expenditures were $220 million.

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

Net Debt is a non-GAAP measure calculated as total debt, plus deemed landlord financing obligations and equipment finance lease liabilities, less the Company's convertible notes and unrestricted cash. Net Debt of $2,119.3 for the period ended September 30, 2023 is calculated as total debt of $1,650.1 million, Venue Financing Liabilities related to Topgolf venues of $247.0 million, Deemed Landlord financing obligations of $809.7 million, and equipment Financing lease liabilities of $1.1 million, less the Company's convertible notes of $258.3 million and unrestricted cash of $330.3 million. Net Debt of $1,497.0 for the period ended September 30, 2022 is calculated as total debt of $1,201.9 million, Venue Financing Liabilities related to Topgolf venues of $174.1 million, Deemed Landlord financing obligations of $578.0 million, and equipment Financing lease liabilities of $1.6 million, less the Company's convertible notes of $258.3 million and unrestricted cash of $200.3 million.

DEFINITIONS OF CERTAIN FINANCIAL MEASURES CONT.

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

Non-GAAP Depreciation & Amortization excludes pre-tax amortization of acquired intangible assets and purchase accounting adjustments. The excluded amounts for the three and nine months ended September 30, 2023 and 2022 were $6 million and $20 million, respectively, and $7 million and $18 million, respectively. The amount excluded for the twelve months ended December 31, 2022 was $29 million.

Payback Period represents the time needed to recover the initial investment in a venue, which consists of Topgolf's construction cost after financing and pre-opening expenses.

Return on Gross Investment is a non-GAAP measure calculated by taking the 4-Wall Adjusted EBITDAR, less the annual ground rent and annual maintenance capex, divided by the total construction cost before financing and pre-opening expense. Return on gross investment excludes enhancement capex, refresh capex and new technology improvements

Total Construction Cost (Before Financing) excludes the cost of land, as typically 100% of the cost of land is financed. Topgolf typically funds the total construction cost, and a third party financing partner typically reimburses Topgolf approximately 75%, leaving the remaining 25% as Topgolf's net cash outlay related to construction costs.

Venue Financing Cash Interest represents cash paid for interest on Venue Financing Lease Liabilities.

Venue Financing Interest is the interest expense on Venue Financing Liabilities.

Venue Financing Lease liability is the sum of venue finance lease liability and deemed landlord financing obligations, which were $247 million and $810 million respectively, as of September 30, 2023, and $174 million and $578 million, respectively, as of September 30, 2022. Venue finance lease obligations and deemed landlord financing obligations are expected to be approximately $310 million and $890 million, respectively, at December 31, 2023. For the year ended December 31, 2022, venue finance lease obligations were $226 million and deemed landlord financing obligations were $660 million.

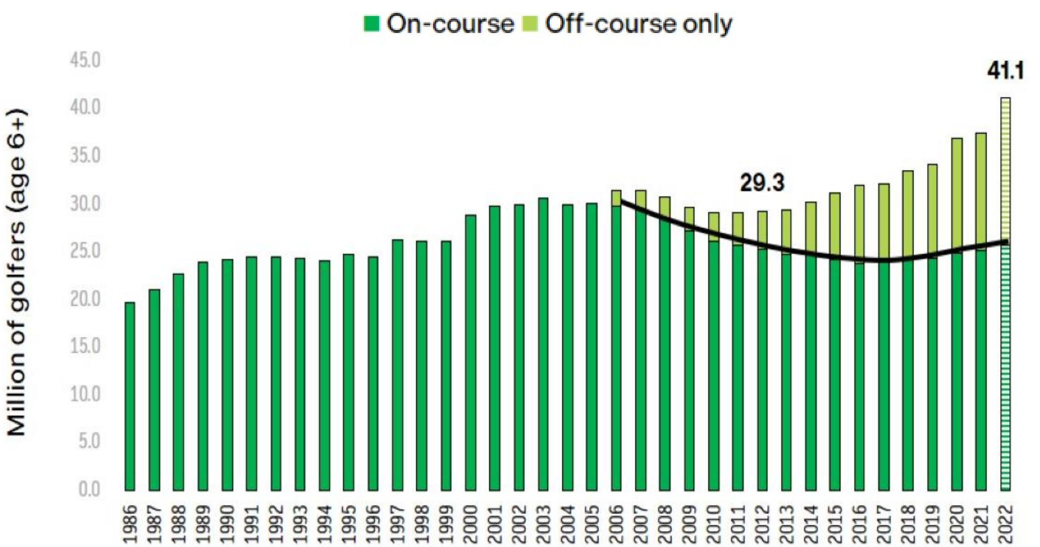
OUR UNMATCHED SCALE AND CONSUMER REACH

MODERN GOLF ECOSYSTEM[1]

	15.5M Off-Course Only	12.4M Both On/Off	13.2M On-Course Only
Average Age	31	42	46
% Female	41%	23%	28%
% Non-White	40%	22%	22%
Household Income $100K+	40%	52%	42%
% Financially Comfortable	51%	55%	54%

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

U.S. GOLF PARTICIPATION[1]



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

~10% OF CURRENT GREEN GRASS GOLFERS CREDIT THEIR TOPGOLF INTRODUCTION FOR GETTING THEM OUT ON THE COURSE[2]

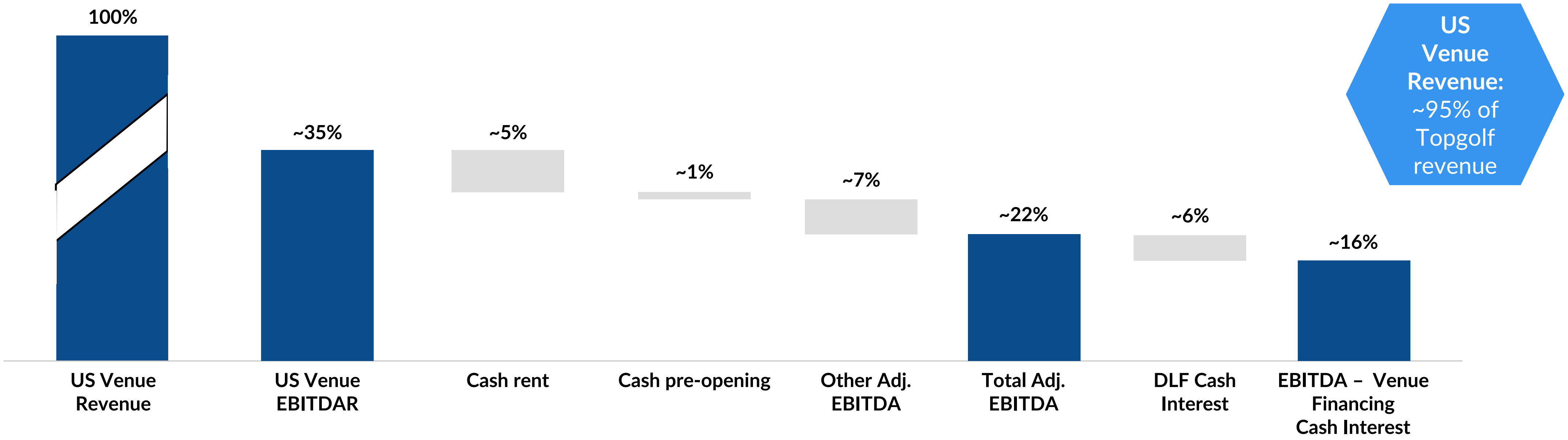
TOPGOLF CALLAWAY BRANDS

1. NGF 2022 Golf Business Symposium – State of the Golf Business. PAC activity survey and NGF's Participation and Engagement Survey.
2. National Golf Foundation 2022 Golf Consumer Study conducted for Topgolf.

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

ILLUSTRATIVE VENUE EBITDAR TO SEGMENT EBITDA WALK[1]

Topgolf business leverages nicely with increased scale



Go Forward Assumptions

Cash Rent: ~$115M (~5% of illustrative year sales) expected to grow ~2% per year but cash rent to decrease as percent of sales as sales grow[2]

Cash Pre-Opening: $1.5M to $2.5M per new venue opening. Expected to grow in line with inflation

Other Adj. EBITDA: Primarily Venue & Corporate Overhead & Includes Other Topgolf Businesses

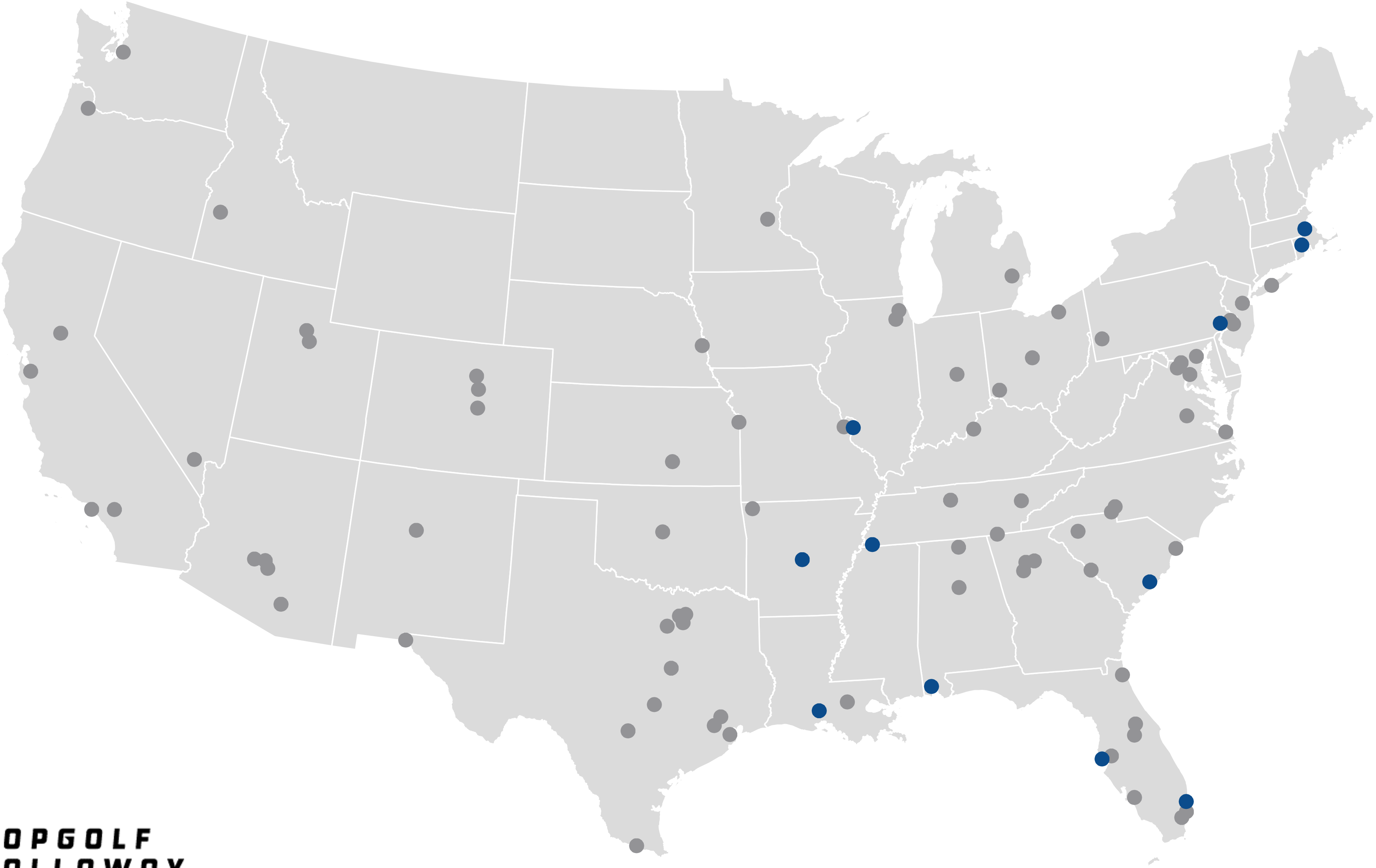
- **Venue & Corporate Overhead:** expected to de-lever as sales grow
- **Other Topgolf Businesses:** includes Toptracer, Media, Swing Suite, Franchise, Partnerships and UK venues. Not contributing meaningfully to EBITDA today but expected to grow over time

DLF Cash Interest: Expected to be $2.75M to $3.25M per owned venue, assuming ~8.5% cap rate with ~2% per year escalators

TOPGOLF CALLAWAY BRANDS

1. See appendix for calculation methodologies of EBITDAR and EBITDA Less Venue Financing Cash Interest. See slide 2 for disclaimers on the use of non-GAAP measures.
2. Slide is for illustrative purposes only. Chart assumes only DLF financing is used going forward but we may have additional operating leases in the future.

DIVERSIFIED U.S. VENUE FOOTPRINT, WITH ROOM TO GROW TO 250



70 global and 67 U.S. venues in comparable venue base as of Q3

2023 Openings: 11 New Venues	
1	OPEN: Charleston, SC (72 bays)
2	OPEN: King of Prussia, PA (102 bays)
3	OPEN: St. Petersburg, FL (102 bays)
4	OPEN: Cranston-Providence, RI (102 bays)
5	OPEN: St. Louis, MO (102 bays)
6	OPEN: Memphis, TN (72 bays)
7	OPEN: Canton-Boston, MA (90-bays)
8	Mobile, AL (60 bays)
9	Pompano Beach, FL (102 bays)
10	Lafayette, LA (60 bays)
11	Little Rock, AR (72 bays)

TOPGOLF CALLAWAY BRANDS

Q3 2023 SEGMENT OPERATING INCOME

Supplemental Financial Information
($ in millions)
(Unaudited)

	Reported Results for the Three Months Ended September 30,		
	2023	2022	Change
Topgolf	$ 38.9	$ 23.6	64.8 %
% of segment revenue	8.7 %	5.7 %	300 bps
Golf Equipment	35.2	49.6	(29.0) %
% of segment revenue	12.0 %	16.7 %	(470) bps
Active Lifestyle	40.0	28.1	42.3 %
% of segment revenue	13.4 %	10.1 %	330 bps
Total Segment Operating Income	$ 114.1	$ 101.3	12.6 %
% of segment revenue	11.0 %	10.2 %	80 bps
Constant Currency Total Segment Operating Income [1]			9.4 %

[1] Segment Operating income excludes corporate general and administrative expenses not utilized by management in determining segment profitability as well as the amortization and depreciation of acquired intangible assets and purchase accounting adjustments.

TOPGOLF CALLAWAY BRANDS

NON-GAAP RECONCILIATION

Non-GAAP Reconciliation and Supplemental Financial Information
($ in millions)
(Unaudited)

	Three Months Ended September 30,									
	2023					2022				
	GAAP	Non-Cash Amortization and Depreciation(1)	Non-Recurring Items(2)	Tax Valuation Allowance(3)	Non-GAAP	GAAP	Non-Cash Amortization, Depreciation (1)	Non-Recurring Items(4)	Tax Valuation Allowance(3)	Non-GAAP
Net revenues	$ 1,040.6	$ —	$ —	$ —	$ 1,040.6	$ 988.5	$ —	$ —	$ —	$ 988.5
Total costs and expenses	966.8	5.8	5.6	—	955.4	920.3	6.8	6.1	—	907.4
Income (loss) from operations	73.8	(5.8)	(5.6)	—	85.2	68.2	(6.8)	(6.1)	—	81.1
Other expense, net	(47.1)	—	—	—	(47.1)	(29.4)	(1.0)	(0.3)	—	(28.1)
Income (loss) before income taxes	26.7	(5.8)	(5.6)	—	38.1	38.8	(7.8)	(6.4)	—	53.0
Income tax (benefit) provision	(3.0)	(1.3)	(1.3)	(0.3)	(0.1)	0.3	(1.9)	(1.6)	(4.6)	8.4
Net income (loss)	$ 29.7	$ (4.5)	$ (4.3)	$ 0.3	$ 38.2	$ 38.5	$ (5.9)	$ (4.8)	$ 4.6	$ 44.6
Earnings (loss) per share - diluted (5)	$ 0.16	$ (0.02)	$ (0.02)	$ —	$ 0.20	$ 0.20	$ (0.03)	$ (0.02)	$ 0.02	$ 0.23
Weighted-average shares outstanding - diluted	201.2	201.2	201.2	201.2	201.2	201.8	201.8	201.8	201.8	201.8

(1) Includes amortization and depreciation of acquired intangible assets and purchase accounting adjustments.

(2) Primarily includes $2.7 million in restructuring and reorganization charges and $1.5 million in IT costs related to a cybersecurity incident.

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

(4) Primarily includes $4.8 million in charges related to the suspension of our Jack Wolfskin retail operations in Russia and $1.4 million in IT integration and implementation costs primarily related to the Topgolf merger.

(5) Periodic interest expense of $1.6 million related to the 2020 Convertible Notes is excluded from the calculation of net income for the purpose of calculating diluted earnings per share.

NON-GAAP RECONCILIATION

Non-GAAP Reconciliation and Supplemental Financial Information
($ in millions)
(Unaudited)

	Nine Months Ended September 30,									
	2023					2022				
	GAAP	Non-Cash Amortization and Depreciation(1)	Non-Recurring Items(2)	Tax Valuation Allowance(3)	Non-GAAP	GAAP	Non-Cash Amortization, Depreciation (1)	Non-Recurring Items(4)	Tax Valuation Allowance(3)	Non-GAAP
Net revenues	$ 3,387.7	$ —	$ —	$ —	$ 3,387.7	$ 3,144.4	$ —	$ —	$ —	$ 3,144.4
Total costs and expenses	3,117.4	20.0	16.4	—	3,081.0	2,852.9	18.3	12.4	—	2,822.2
Income (loss) from operations	270.3	(20.0)	(16.4)	—	306.7	291.5	(18.3)	(12.4)	—	322.2
Other expense, net	(151.2)	(0.6)	(10.8)	—	(139.8)	(73.4)	(2.8)	(0.9)	—	(69.7)
Income (loss) before income taxes	119.1	(20.6)	(27.2)	—	166.9	218.1	(21.1)	(13.3)	—	252.5
Income tax (benefit) provision	(53.0)	(4.9)	(6.4)	(59.4)	17.7	(12.5)	(5.1)	(2.9)	(48.0)	43.5
Net income (loss)	$ 172.1	$ (15.7)	$ (20.8)	$ 59.4	$ 149.2	$ 230.6	$ (16.0)	$ (10.4)	$ 48.0	$ 209.0
Earnings (loss) per share - diluted (5)	$ 0.88	$ (0.08)	$ (0.10)	$ 0.29	$ 0.77	$ 1.17	$ (0.08)	$ (0.05)	$ 0.24	$ 1.06
Weighted-average shares outstanding - diluted	201.3	201.3	201.3	201.3	201.3	201.0	201.0	201.0	201.0	201.0

(1) Includes amortization and depreciation of acquired intangible assets and purchase accounting adjustments.

(2) Primarily includes $13.6 million in total charges related to our 2023 debt modification, $5.8 million in restructuring and reorganization charges, $3.7 million in IT integration and implementation costs primarily related to the Topgolf merger, and $1.5 million in costs related to a cybersecurity incident.

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

(4) Primarily includes $5.9 million in non-cash asset write-downs related to the suspension of our Jack Wolfskin retail operations in Russia, $3.6 million in IT integration and implementation costs primarily related to the Topgolf merger, and $3.5 million in legal and credit agency fees related to a postponed debt refinancing.

(5) Periodic interest expense of $4.8 million related to the 2020 Convertible Notes is excluded from the calculation of net income for the purpose of calculating diluted earnings per share.

ADJUSTED EBITDA RECONCILIATION

Non-GAAP Reconciliation and Supplemental Financial Information
($ in millions)
(Unaudited)

	2023 Trailing Twelve Month Adjusted EBITDA					2022 Trailing Twelve Month Adjusted EBITDA				
	Quarter Ended					Quarter Ended				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	Total	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	Total
Net income (loss)	$ (72.7)	$ 25.0	$ 117.4	$ 29.7	$ 99.4	$ (26.2)	$ 86.7	$ 105.4	$ 38.5	$ 204.4
Interest expense, net	42.5	49.6	51.7	52.3	196.1	40.5	31.4	32.5	36.4	140.8
Income tax provision (benefit)	(3.5)	(4.2)	(45.8)	(3.0)	(56.5)	(69.5)	(15.7)	2.9	0.3	(82.0)
Depreciation and amortization expense	53.0	56.1	58.6	61.0	228.7	47.9	42.5	48.9	48.4	187.7
Non-cash stock compensation and stock warrant expense, net	9.7	12.5	12.3	13.2	47.7	12.0	14.5	11.6	10.3	48.4
Non-cash lease amortization expense	4.5	4.6	4.4	4.5	18.0	7.7	3.5	6.6	4.4	22.2
Acquisitions & other non-recurring costs, before taxes(1)	3.1	13.7	7.6	5.6	30.0	1.9	6.9	(0.6)	6.1	14.3
Adjusted EBITDA	$ 36.6	$ 157.3	$ 206.2	$ 163.3	$ 563.4	$ 14.3	$ 169.8	$ 207.3	$ 144.4	$ 535.8

(1) In 2023, amounts include total charges in connection with the 2023 debt modification, IT integration and implementation costs stemming primarily stemming from the merger with Topgolf, and charges related to a reorganization. In 2022, amounts include implementation costs associated with new ERP systems primarily stemming from the merger with Topgolf, legal costs and credit agency fees related to a postponed debt refinancing, and reorganization costs. In 2021, amounts include transaction, transition, and other non-recurring costs associated with the merger with Topgolf, and expenses related to the implementation of new IT systems for Jack Wolfskin.

TOPGOLF CALLAWAY BRANDS

TOPGOLF ADJUSTED EBITDA RECONCILIATION

Non-GAAP Reconciliation and Supplemental Financial Information
($ in millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Segment operating income[1]:	$ 38.9	$ 23.6	$ 85.7	$ 74.3
Depreciation and amortization expense	43.2	30.5	119.5	90.6
Non-cash stock compensation expense	4.1	5.5	12.4	13.7
Non-cash lease amortization expense	4.3	5.0	13.1	14.8
Other income (expense)	0.4	(0.4)	0.4	(1.3)
Adjusted segment EBITDA	$ 90.9	$ 64.2	$ 231.1	$ 192.1

(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.

TOPGOLF CALLAWAY BRANDS

SHARE COUNT ASSUMPTIONS

As-Converted Diluted EPS Calculation

Adjusted Net Income (for EPS calculations only)

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

Diluted share count 2023 projection of ~201M shares

- Includes 14.7M of shares related to convertible notes

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

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

For valuation purposes, if using 201M for your share count, the $258M debt related to convertible notes should be excluded from the total net debt calculation

TOPGOLF CALLAWAY BRANDS