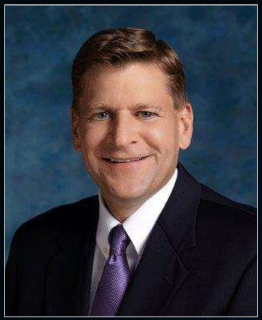
First Quarter 2021 Earnings Conference Call

May 10, 2021

IMPORTANT NOTICES

Forward-looking Statements: During the presentation, any comments made about future performance, profitability, events, prospects, circumstances or growth, including the Company's financial outlook for 2021 (including same-venue sales, revenue and Adjusted EBITDA), strength of the Company's financial position, future industry and market conditions, impact of the COVID-19 pandemic on the business and the Company's ability to improve and recover from such impact, impact of any measures taken to mitigate the effect of the pandemic, long term benefits from increased participation and interest in golf and creation of larger market for golf, the Company's ability to continue to capture the demand for golf equipment, continued investments in the Company's business and undertaking of strategic growth initiatives, the Company's efforts to manage its operating costs and create efficiencies, the Company's ability to handle challenges in supply chain, logistics and labor and create synergies, speed of growth in the soft goods business and ability to deliver operating leverage and enhanced profitability, performance of the direct-to-consumer/e-commerce channels, the Company's brand momentum and strength of its products and technology, the projected capital expenditures, liquidity, depreciation and amortization, one-time expenses and foreign currency hedging, the benefits of the merger with Topgolf International, Inc. ("Topgolf"), including the anticipated operations, financial position, liquidity, performance, strategies, prospects, plans (including new venue openings and Toptracer bay installations) or growth and scale opportunities of the Company, Topgolf or the combined company, and statements of belief and any statement of assumptions underlying any of the foregoing 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 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 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 the Company's earnings release issued on May 10, 2021, as well as Part I, Item 1A of the Company's 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 certain non-cash amortization of intangibles and other assets related to the Company's acquisitions, non-recurring transaction and transition costs related to acquisitions, and other non-recurring costs, including costs related to the merger and integration with Topgolf, transition to the Company's new North American Distribution Center, implementation of a new IT system for Jack Wolfskin, the $39 million non-cash valuation allowance recorded against certain of the Company's deferred tax assets as a result of the merger, the $253 million non-cash gain as the result of the Company's prior equity position in Topgolf, as well as non-cash amortization of the debt discount related to the Company's convertible notes. 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 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 this presentation or in the schedules to the Company's May 10, 2021 earnings release, which is available on the Investor Relations section of the Company's website located at http://ir.callawaygolf.com/.



Chip Brewer
President and CEO

Company & Strategic Overview

Q1 BUSINESS UPDATE

- Q1 results exceeded revenue and profitability expectations across all three principal business segments
- Golf equipment continues to experience unprecedented demand and our supply chain was able to capture more of that demand than we projected
    - 29% revenue growth vs. 2020, +$85M
- Apparel and soft goods over-performed amidst COVID restrictions and shutdowns driven by positive brand momentum at TravisMathew and Jack Wolfskin, extremely pleased with segment given COVID lockdowns in Europe.
    - 21% revenue growth vs. 2020
    - Returned to positive operating profit
- Topgolf is recovering faster than anticipated and remains poised for significant growth

TEAM IS MOTIVATED TO CAPTURE THE OPPORTUNITIES AHEAD OF US

OVERVIEW OF GOLF EQUIPMENT SEGMENT

- Golf equipment segment experienced record levels of Q1 demand globally as interest and participation in the sport have surged
  - US retail sales of golf equipment were up 72% compared to Q1 2020 and up 49% compared to Q1 2019, the highest Q1 on record and the third consecutive quarter of record sales[1]
  - US rounds played were up 24% YoY in Q1 2021[2]
  - Post-COVID, we expect the industry to have a significantly larger total addressable market and strong momentum

- Global supply chain team did an excellent job at capturing demand in the market

- #1 club brand in overall brand rating in the US and leader in Innovation and Technology[1]

- Pleased with 2021 product range, including our premium EPIC and APEX lines, and entire golf ball lineup

GOLF EQUIPMENT BUSINESS CONTINUES TO DELIVER RECORD PERFORMANCE

1 – per Golf Datatech
2 – Per National Golf Foundation
3 – per GfK revenue sell thru

OVERVIEW OF APPAREL, GEAR AND OTHER SEGMENT

- Apparel, gear, and other segment delivered a profitable quarter with better than expected sales growth driven by e-commerce, new leadership and continued brand momentum
- TravisMathew continues to impress and presents an even bigger opportunity than originally anticipated, led by a 145% increase in e-commerce sales in Q1 2021 versus Q1 2020 and a further strengthening across all channels
- Jack Wolfskin showed impressive resiliency despite European lockdowns, led by a 108% increase in e-commerce sales in Q1 2021 versus Q1 2020 and we feel increasingly confident in the future of this brand
- Investments over the last several years in e-commerce have paid off with recent strength of the channel; e-commerce has become a significant portion of the channel mix for this segment
- Expect this segment to grow faster than golf equipment business post-COVID
- Still believe we can deliver at least $15M/year in supply chain synergies

SEGMENT WELL POSITIONED TO DELIVER OPERATING LEVERAGE AND ENHANCED PROFITABILITY

OVERVIEW OF THE TOPGOLF BUSINESS

- All venues are open globally
- COVID-impacted[1] same-venue-sales (SVS) for owned venues trended in low 80 percent range for the quarter, above expectations and we now expect to be at the high-end or modestly above the 80-85% range we previously provided for SVS for the Full Year of 2021
- Venues are benefitting from continued positive trends, with strong walk-in traffic, events business benefiting from small and medium-sized social gatherings, and continued operational efficiencies
- Opened 2 new venues in the quarter (Lake Mary, FL, Albuquerque, NM), and 3 new venues subsequent to quarter end (San Jose, CA, Waco, TX, and Buford, GA) for a total of 5 so far this year; on track to open at least 8 venues in 2021
- Pipeline of venues remains strong
- Toptracer installed 1,533 bays in the first quarter, a new record, which brings the total number of bay installs to just over 10,000. They were able to accomplish this despite ongoing COVID challenges.
- Toptracer remains on track to install at least 8,000 bays in 2021

TOPGOLF MERGER COMPLETE AND THE BUSINESS IS OUTPERFORMING OUR EXPECTATIONS

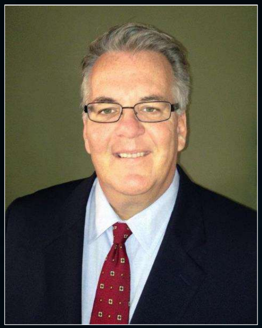
1 – includes input of venues shutdown or restricted

AS WE MOVE FORWARD

We are not providing formal Full Year 2021 guidance due to uncertainties of COVID situation globally. However, we can provide the following color around our business:

- The strong demand equation and momentum of our brands leads us to expect a strong financial year despite ongoing COVID challenges
- We expect our legacy business (golf equipment and apparel, gear and other) to exceed full year 2019 levels and for the Topgolf business to meet or exceed its full twelve-month 2019 levels
- Challenges will remain in supply chain, logistics, and labor, but teams are responding well and we believe this will provide us with a competitive advantage
- We will continue to make select re-investments back into our business, including new store openings for TravisMathew, investments in digital growth, and the Korea apparel business.

2021 YEAR OFF TO A GREAT START AND IS LINING UP TO BE A VERY GOOD YEAR



First Quarter 2021 Financial Results

Brian Lynch
EVP, CFO

FIRST QUARTER 2021 FINANCIAL RESULTS

($ in millions, except EPS)	GAAP Q1 2021	GAAP Q1 2020	YOY Change		Non-GAAP Q1 2021	Non-GAAP Q1 2020	YOY Change	YOY Change (CC)
Net Revenue	**$652**	**$442**	**47%**		**$652**	**$442**	**47%**	**44%**
Income from Operations	$76	$41	$35		$97	$43	$54	
Other Income / (Expense), net	$244	($3)	$247		($5)	($3)	($2)	
Income before income taxes	$320	$38	$282		$91	$41	$50	
Net Income	$272	$29	$243		$77	$31	$46	
Earnings per Share	$2.19	$0.30	$1.89		$0.62	$0.32	$0.30	
ADJUSTED EBITDA*					**$128**	**$60**	**$68**	

** See appendix for Adjusted EBITDA reconciliation*

FIRST QUARTER 2021 SEGMENT RESULTS

($ in millions)	Q1 2021	Q1 2020	YOY Change	Percent Change
Net Revenue	**$652**	**$442**	**$210**	**47%**
Golf Equipment	$377	$292	$85	29%
Apparel, Gear & Other	$182	$151	$31	21%
Topgolf	$93	$0	$93	

Total Operating Income ***% of revenue***	**$109** ***16.7%***	**$55** ***12.4%***	**$54** ***430 bps***	
Golf Equipment *% of revenue*	$85 *22.5%*	$59 *20.2%*	$26 *230 bps*	
Apparel, Gear & Other *% of revenue*	$20 *11.0%*	($4) *(2.6%)*	$24 *1,360 bps*	
Topgolf *% of revenue*	$4 *4.3%*	$0	$4	

BALANCE SHEET & OTHER ITEMS

($ in millions)	As of end of Mar 2021	As of end of Mar 2020	YOY Change (%)
Available Liquidity	$713	$260	174%
Net Debt[1]	$1,167	$642	82%
Net Accounts Receivables	$329	$260	27%
Inventory	$336	$413	-19%

($ in millions)	Q1 2021	Q1 2020
Capital Expenditures	$29	$17
Depreciation & Amortization[2]	$17	$8

1 Net Debt includes $222 million of Deemed Landlord Financing relate to the Topgolf venues.
2 Depreciation & Amortization excludes purchase price amortization and any write-up of P,P&E related to any of the acquisitions or the Topgolf merger.

2021 OUTLOOK[1]

Due to the uncertainty surrounding COVID-19, we are no longer providing sales and earnings guidance at this time. However, we did want to highlight certain factors that are expected to affect 2021 results:

- Full Year 2021 Net Revenues and Adjusted EBITDA will exceed Full Year 2019 for our Legacy businesses
  - Expected to capture more of the increased demand for golf equipment than previously thought
  - Soft Goods segment will exceed 2019 levels on the strength of the TravisMathew business and the better than expected rebound of the Jack Wolfskin brand

- Full Year 2021 Net Revenues and Adjusted EBITDA will meet or exceed Full Year 2019 for our Topgolf business[1]
  - Topgolf Venues revenues are expected to perform at the end high end or modestly above the 80-85% of 2019 levels previously communicated and are expected to achieve more operating efficiencies than originally thought

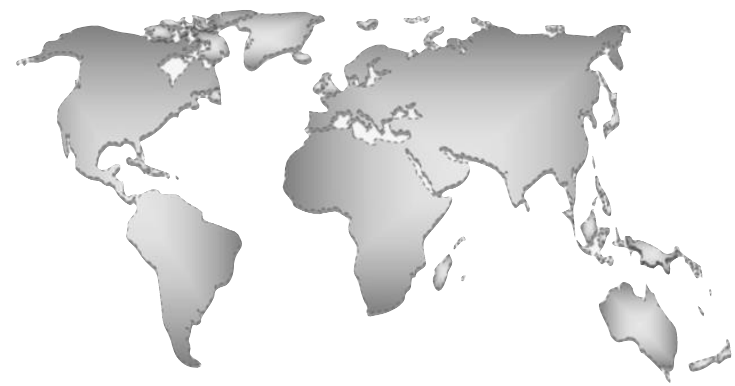
EXPECT A STRONG FINANCIAL YEAR DESPITE COVID CHALLENGES

1 Based on a full 12 months of Topgolf business.

APPENDIX

REGION RESULTS

NET SALES *($ in millions)*	Q1 2021	Q1 2020	YOY Change	YOY Change (CC)
United States	$388	$218	78%	78%
Europe	$108	$97	12%	3%
Japan	$72	$77	-7%	-9%
Rest of World	$83	$51	64%	52%



GAAP RECONCILIATION

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

	Three Months Ended March 31,									
	2021						2020			
	GAAP	Non-Cash Amortization[1]	Non-Cash Amortization of Discount on Convertible Notes[2]	Acquisition & Other Non-Recurring Charges[3]	Tax Valuation Allowance[4]	Non-GAAP	GAAP	Non-Cash Intangible Amortization[1]	Other Non-Recurring Expenses[3]	Non-GAAP
Net revenues	$ 651,621	$ —	$ —	$ —	$ —	$ 651,621	$ 442,276	$ —	$ —	$ 442,276
Total costs and expenses	575,522	3,513	—	16,937	—	555,072	401,596	1,179	1,549	398,868
Income (loss) from operations	76,099	(3,513)	—	(16,937)	—	96,549	40,680	(1,179)	(1,549)	43,408
Other income/(expense), net	244,105	(293)	(2,535)	252,432	—	(5,499)	(2,635)	—	—	(2,635)
Income tax provision (benefit)	47,743	(913)	(608)	(4,089)	38,927	14,426	9,151	(271)	(356)	9,778
Net income (loss)	$ 272,461	$ (2,893)	$ (1,927)	$ 239,584	$ (38,927)	$ 76,624	$ 28,894	$ (908)	$ (1,193)	$ 30,995
Diluted earnings (loss) per share:	$2.19	($0.02)	($0.02)	$1.92	($0.31)	$0.62	$0.30	($0.01)	($0.01)	$0.32
Weighted-average shares outstanding:	124,570	124,570	124,570	124,570	124,570	124,570	95,676	95,676	95,676	95,676

(1) Represents amortization expense of intangible assets in both 2021 and 2020 in connection with the acquisitions of OGIO, TravisMathew and Jack Wolfskin. 2021 also includes non-cash amortization of Topgolf intangible assets, depreciation expense from the fair value step-up of Topgolf property, plant and equipment and expense related to the fair value adjustments to Topgolf leases and Topgolf debt, all recorded in connection with the Topgolf merger.

(2) Represents the non-cash amortization of the debt discount on the Company's convertible notes issued in May 2020.

(3) Acquisition and other non-recurring charges in 2021 includes transaction costs associated with the merger with Topgolf completed on March 8, 2021, the recognition of a $252.5 million gain on the Company's pre-merger investment in Topgolf, and expenses related to the implementation of new IT systems for Jack Wolfskin. 2020 includes non-recurring costs associated with the Company's transition to it's new North America Distribution Center, in addition to other integration costs associated with Jack Wolfskin.

(4) As Topgolf's losses exceed Callaway's income in prior years, the Company has recorded a valuation allowance against certain of its deferred tax assets until the Company can demonstrate sustained cumulative earnings.

ADJUSTED EBITDA RECONCILIATION

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

	2021 Trailing Twelve Month Adjusted EBITDA					2020 Trailing Twelve Month Adjusted EBITDA				
	Quarter Ended					Quarter Ended				
	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	Total	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	Total
Net income (loss)	$ (167,684)	$ 52,432	$ (40,576)	$ 272,461	$ 116,633	$ 28,931	$ 31,048	$ (29,218)	$ 28,894	$ 59,655
Interest expense, net	12,163	12,727	12,927	17,457	55,274	10,260	9,545	9,049	9,115	37,969
Income tax provision (benefit)	(7,931)	5,360	(7,124)	47,743	38,048	7,208	2,128	(2,352)	9,151	16,135
Depreciation and amortization expense	9,360	10,311	10,840	20,272	50,783	9,022	8,472	9,480	8,997	35,971
JW goodwill and trade name impairment	174,269	—	—	—	174,269	—	—	—	—	—
Non-cash stock compensation expense	2,942	3,263	2,861	4,609	13,675	3,530	2,513	3,418	1,861	11,322
Non-cash lease amortization expense	207	(99)	(76)	872	904	(9)	(36)	(120)	264	99
Acquisitions & other non-recurring costs, before taxes[1]	5,856	2,858	8,607	(235,594)	(218,273)	6,939	3,009	4,090	1,516	15,554
Adjusted EBITDA	$ 29,182	$ 86,852	$ (12,541)	$ 127,820	$ 231,313	$ 65,881	$ 56,679	$ (5,653)	$ 59,798	$ 176,705

[1] In 2021, amounts include transaction costs associated with the merger with Topgolf completed on March 8, 2021, the recognition of a $252.5 million gain to step-up the Company's former investment in Topgolf to its fair value in connection with the merger, and expenses related to the implementation of new IT systems for Jack Wolfskin. In 2020, amounts includes costs associated with the Company's transition to its new North America Distribution Center and the implementation of new IT systems for Jack Wolfskin, as well as $4.8 million of severance related to the Company's cost reduction initiatives.

SEGMENT RECONCILIATION

Operating Segment Information

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Growth Dollars	Growth Percent	Non-GAAP Constant Currency vs. 2020[1] Percent
Net revenues:					
Golf Equipment	$ 376,882	$ 291,661	$ 85,221	29.2%	26.3%
Apparel, Gear and Other	182,102	150,615	31,487	20.9%	15.8%
Topgolf	92,637	$ —	92,637	100.0%	100.0%
Total net revenue	$ 651,621	$ 442,276	$ 209,345	47.3%	43.6%
Segment operating income:					
Golf Equipment	$ 84,921	$ 58,620	$ 26,301	44.9%	
Apparel, Gear and Other	20,490	(3,799)	24,289	639.4%	
Topgolf	3,954	—	3,954	100.0%	
Total segment operating	109,365	54,821	54,544	99.5%	
Corporate G&A and other[2]	33,266	14,141	19,125	135.2%	
Total operating	76,099	40,680	35,419	87.1%	
Gain on Topgolf investment[3]	252,531	—	252,531	100.0%	
Interest expense, net	(17,457)	(9,115)	(8,342)	91.5%	
Other income, net	9,031	6,480	2,551	39.4%	
Total income before income	$ 320,204	$ 38,045	$ 282,159	741.6%	

[1] Calculated by applying 2020 exchange rates to 2021 reported sales in regions outside the U.S.

[2] Amount includes corporate general and administrative expenses not utilized by management in determining segment profitability, including non-cash amortization expense for intangible assets acquired in connection with the Jack Wolfskin, TravisMathew and OGIO acquisitions. In addition, the amount for 2021 includes $15.8 million for transaction costs associated with the merger with Topgolf completed on March 8, 2021, expenses related to the implementation of new IT systems for Jack Wolfskin, and $3.5 million for non-cash amortization expense for intangible assets acquired in the merger. The amount for 2020 also includes $1.5 million for non-recurring costs associated with the Company's transition to its new North America Distribution Center and integration costs associated with Jack Wolfskin.

[3] Amount represents a gain recorded to write-up the Company's former investment in Topgolf to its fair value in connection with the merger.

SEGMENT RECONCILIATION

	Operating Segment Information			
	Three Months Ended March 31,		Growth	
	2021	2019	Dollars	Percent
Net revenues:				
Golf Equipment	$ 376,882	$ 323,619	$ 53,263	16.5%
Apparel, Gear and Other	182,102	192,578	(10,476)	-5.4%
Topgolf	92,637	—	92,637	100.0%
Total net revenue	$ 651,621	$ 516,197	$ 135,424	26.2%
Segment operating income:				
Golf Equipment	$ 84,921	$ 70,652	$ 14,269	20.2%
Apparel, Gear and Other	20,490	22,060	(1,570)	7.1%
Topgolf	3,954	—	3,954	100.0%
Total segment operating income	109,365	92,712	16,653	18.0%
Corporate G&A and other[1]	33,266	23,076	10,190	44.2%
Total operating income	76,099	69,636	6,463	9.3%
Gain on Topgolf investment[2]	252,531	—	252,531	100.0%
Interest expense, net	(17,457)	(9,639)	(7,818)	81.1%
Other income/(expense), net	9,031	(1,940)	10,971	-565.5%
Total income before income taxes	$ 320,204	$ 58,057	$ 262,147	451.5%

[1] Amount includes corporate general and administrative expenses not utilized by management in determining segment profitability in addition to non-cash amortization expense for intangible assets acquired in connection with the Jack Wolfskin, TravisMathew and OGIO acquisitions. In addition, the amount for 2021 includes $16.9 million for transaction costs associated with the merger with Topgolf completed on March 8, 2021, expenses related to the implementation of new IT systems for Jack Wolfskin, and $3.5 million for non-cash amortization expense for intangible assets acquired in the merger. The amount for 2019 includes $5.4 million in amortization charges related to the fair value adjustment to Jack Wolfskin's inventory, as well as $4.7 million for transaction costs associated with the acquisition of Jack Wolfskin.

[2] Amount represents gain to step-up the Company's former investment in Topgolf to its fair value in connection with the merger.