First Quarter 2020 Earnings Conference Call

May 7, 2020

IMPORTANT NOTICES

Forward-looking Statements: During the presentation, any comments made about future performance, events, prospects, circumstances or growth, including the impact of the COVID-19 pandemic on the Company's business, results of operations and financial condition and the impact of any measures taken to mitigate the effect of the pandemic, the Company's liquidity position and cost reduction efforts, availability of capital under the Company's credit facilities, the capital markets and other sources, the effects of entering into the capped call transactions, strength of the Company's brands, market share, opportunities in operations, performance of e-commerce channels, future industry or market conditions, expectations for businesses reopening in various markets, geographic diversity, capital position of retail customers, and estimated capital expenditures, depreciation and amortization expense and one-time expense 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 May 7, 2020, 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 expenses 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 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 7, 2020 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

HIGHLIGHTS FROM THE QUARTER

- Profitable Q1 despite COVID-19 challenges
- Revenue growth in both Japan and Korea
- TravisMathew brand momentum continues, delivering year-over-year growth
- #1 Market Share position in the US for Total Hardgoods and Total Clubs
- #1 Market Share position in Europe for Total Hardgoods
- Good progress made on key initiatives:

  - Completed multi-year Chicopee, MA golf ball facility upgrade

  - Initial phases of transitioning to new 800,000 sq. ft. distribution center in Texas

PLAYING FROM A POSITION OF STREGNTH IN THESE UNCERTAIN TIMES

INITIAL COVID-19 ACTIONS

- Securing increased near term liquidity via ABL and equipment loan
- Decreased Operating Expenses and Capex by approximately 20
- Aggressively decreased inventory commitments
- Evaluated more long-term capital options which led to approx. $250M of convertible debt
- Suspended business travel and established work from home programs early on
- As we transition back to normal operations, we are careful to follow appropriate protocols for social distancing, in-office capacity management, personal protective equipment and other safety precautions

PROACTIVELY TAKING ACTION TO ENSURE ADEQUATE LIQUIDITY AND SAFETY OF OUR EMPLOYEES

EARLY Q2 MARKET INDICATORS

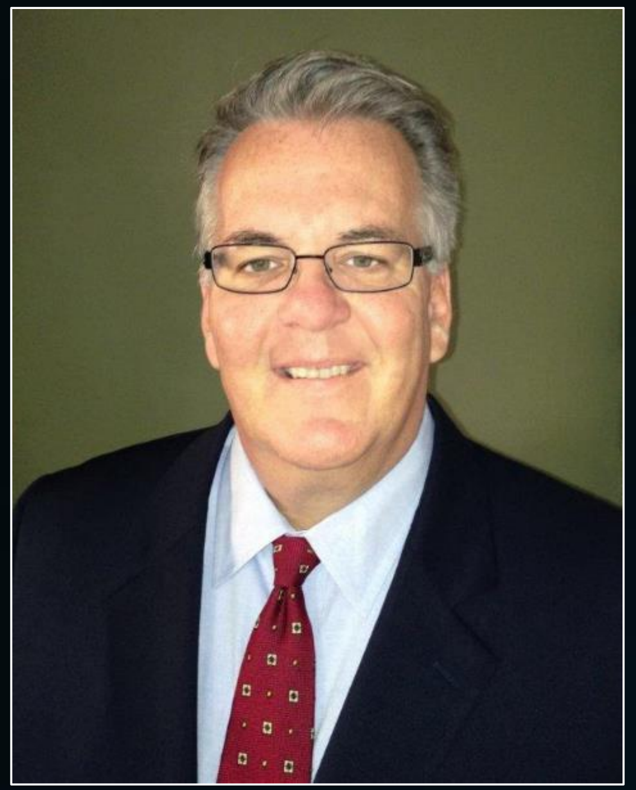
- Asia businesses recovering at or better than expected levels
- Ecommerce business exceeding expectations during the pandemic
- Markets in Central Europe are starting to re-open; most important market for Jack Wolfskin
- National Golf Foundation believes 80% of US golf courses will be open by mid-May
- Golf retail in the US is starting to open and initial sell-through data has been above expectations but, as expected, below last year levels

ENCOURAGING SIGNS AS MARKETS BEGIN TO RE-OPEN

AS WE MOVE FORWARD

- Business segments are attractive for a world of social distancing and a new normal
- Geographic diversity should help limit risk
- Primary retail customers are relatively well capitalized
- Additional liquidity increases our confidence in making it through COVID-19 crisis and emerging in a position of relative strength

RECENT ACTIONS ENABLE US TO CREATE SHAREHOLDER VALUE ONCE WE EMERGE FROM THE PANDEMIC



Brian Lynch

EVP, CFO

First Quarter 2020 Financial Results

FIRST QUARTER 2020 FINANCIAL RESULTS

($ in millions, except EPS)	Q1 2020	Q1 2019	YOY Change	YOY Change (CC)
Net Sales	**$442**	**$516**	**-14%**	**-14%**
Gross Profit	$196	$238	($42)	
Gross Margin	44.2%	46.2%	(200) bps	
Operating Expenses	$155	$169	($14)	
Operating Income	$41	$70	($29)	
Fully Diluted EPS	$0.30	$0.50	($0.20)	
EBITDAS*	**$58**	**$79**	**($21)**	

** See appendix for EBITDAS reconciliation*

BALANCE SHEET & CASH FLOW

($ in millions)	As of end of Mar, 2020	As of end of Mar, 2019	YOY Change (%)
Available Liquidity	$259	$223	16%
Net Accounts Receivables	$260	$286	-9%
Inventory	$413	$382	8%

($ in millions)	3 months ending Mar, 2020	3 months ending Mar, 2019
Capital Expenditures	$17	$11
Depreciation & Amortization	$9	$8

2020 GUIDANCE

- Due to the uncertainty surrounding COVID-19, we are no longer providing guidance at this time
- Capital Expenditures expected to be in the range of approximately $32.5 million - $37.5 million in 2020
- Depreciation and Amortization expected to be $39 million in 2020
- Approximately $6 million of one-time expense expected in 2020
- Issued approximately $250 million in 2.75% Convertible Senior Notes due 2026

    - Used $32 million of net proceeds to pay the cost of capped call transactions to reduce dilution

APPENDIX

FIRST QUARTER RESULTS

($ in millions)	Q1 2020	Q1 2019	YOY Change	YOY Change (CC)
TOTAL NET SALES	**$442**	**$516**	**-14%**	**-14%**
Golf Equipment	$292	$324	-10%	-9%
Apparel, Gear and Other	$150	$192	-22%	-21%
EBITDAS*	**$58**	**$79**	**-27%**	

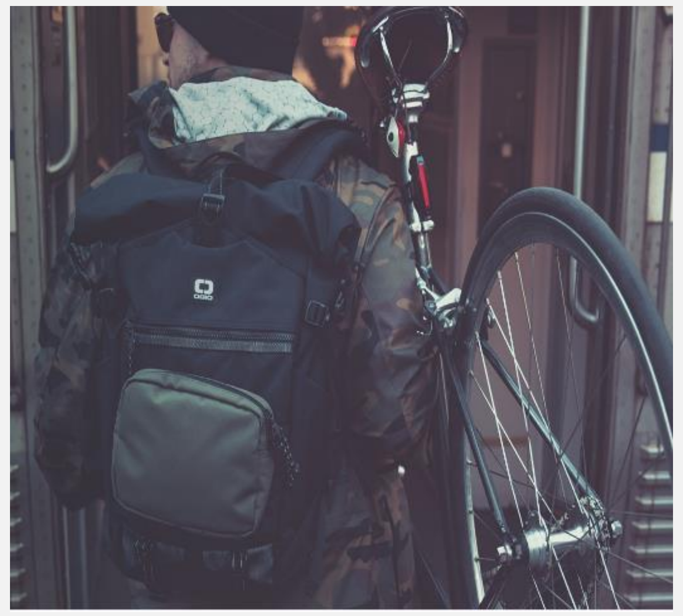
QUARTERLY RESULTS NEGATIVELY IMPACTED BY COVID-19

** See appendix for EBITDAS reconciliation*

OPERATING SEGMENT RESULTS

NET SALES *($ in millions)*	Q1 2020	Q1 2019	YOY Change	YOY Change (CC)
Golf Equipment	**$292**	**$324**	**-10%**	**-9%**
Golf Club	$252	$262	-4%	-4%
Golf Ball	$40	$62	-35%	-34%

NET SALES *($ in millions)*	Q1 2020	Q1 2019	YOY Change	YOY Change (CC)
Apparel, Gear & Other	**$150**	**$192**	**-22%**	**-21%**
Apparel	$77	$96	-20%	-19%
Gear & Other	$73	$96	-24%	-23%



REGION RESULTS

NET SALES *($ in millions)*	Q1 2020	Q1 2019	YOY Change	YOY Change (CC)
United States	$218	$249	-13%	-13%
Europe	$97	$127	-24%	-22%
Japan	$77	$73	6%	5%
Rest of World	$51	$67	-25%	-22%

GROWTH IN JAPAN DESPITE COVID-19 DEVELOPMENTS

EBITDAS RECONCILIATION

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

	2020 Trailing Twelve Month Adjusted EBITDAS					2019 Trailing Twelve Month Adjusted EBITDAS				
	Quarter Ended					Quarter Ended				
	June 30, 2019	September 2019	December 31, 2019	March 31, 2020	Total	June 30, 2018	September 2018	December 31, 2018	March 31, 2019	Total
Net income (loss)	$ 28,931	$ 31,048	$ (29,218)	$ 28,894	$ 59,655	$ 60,867	$ 9,517	$ (28,499)	$ 48,647	$ 90,532
Interest expense, net	10,260	9,545	9,049	9,115	37,969	1,661	1,056	704	9,639	13,060
Income tax provision (benefit)	7,208	2,128	(2,352)	9,151	16,135	17,247	1,335	(9,783)	9,556	18,355
Depreciation and amortization expense	9,022	8,472	9,480	8,997	35,971	5,029	4,996	5,186	7,977	23,188
Non-cash stock compensation expense	3,530	2,513	3,418	1,861	11,322	3,465	3,511	3,555	3,435	13,966
EBITDAS	$ 58,951	$ 53,706	$ (9,623)	$ 58,018	$ 161,052	$ 88,269	$ 20,415	$ (28,837)	$ 79,254	$ 159,101
Acquisitions & other non-recurring costs, before taxes[(1)]	6,939	3,009	4,090	1,516	15,554	—	1,521	(2,269)	13,986	13,238
Adjusted EBITDAS	$ 65,890	$ 56,715	$ (5,533)	$ 59,534	$ 176,606	$ 88,269	$ 21,936	$ (31,106)	$ 93,240	$ 172,339

[(1)] In 2020, amount represents non-recurring costs associated with the Company's warehouse consolidation initiative, in addition to other integration costs associated with Jack Wolfskin. In 2019, amounts represent non-recurring transaction costs, including banker's fees, legal fees, consulting and travel expenses, and transition costs, including consulting, audit fees and valuations services, associated with the acquisition of Jack Wolfskin, in addition to other non-recurring advisory fees.