Topgolf Callaway Brands Corp.

Third Quarter 2022
Earnings Conference Call

November 3, 2022

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NYSE

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 and Topgolf's financial outlook (including net revenues, same venue sales, Adjusted EBITDA, Adjusted EBITDA Margin, Segment Adjusted EBITDA, capital expenditures, depreciation & amortization, net leverage, venue financing liability and venue economics), new product lines, strength and demand of the Company's products and services, addressable markets and the consumer base, continued brand momentum, demand for golf and outdoor activities and apparel, continued investments in the business, benefits of strategic collaborations, increases in shareholder value, consumer trends and behavior, future industry and market conditions, Topgolf venue openings, Toptracer installations, digital reservations, capital allocation priorities, anticipated stock repurchases, pricing of products and services, foreign exchange and hedging, freight costs and impacts of inflation, and statements of belief and any statement of assumptions underlying any of the foregoing, are forward-looking statements as defined under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are often characterized by the use of words such as "estimate," "expect," "anticipate," "project," "plan," "intend," "seek," "believe," "forecast," "foresee," "likely," "may," "should," "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, 2021, 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. The Company provided information excluding certain non-cash amortization and depreciation of acquired intangible assets and purchase accounting adjustments. Non-recurring items including legal costs and credit agency fees related to a postponed debt refinancing, IT integration and implementation costs associated with new ERP systems stemming from acquisitions and non-cash asset write-downs in 2022, non-cash amortization of the debt discount related to the Company's convertible notes in 2021, acquisition and other non-recurring items (including integration costs and a $252.5 million non-cash gain in 2021 resulting from the Company's pre-merger equity position in Topgolf), and changes in the Company's non-cash valuation allowance recorded against certain of the Company's deferred tax assets as a result of the Topgolf merger. 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 November 3, 2022 earnings release, which is available on the Investor Relations section of the Company's website located at https://www.topgolfcallawaybrands.com/.

For forward-looking Adjusted EBITDA, Adjusted EBITDA Margin, Segment Adjusted EBITDA, non-GAAP depreciation and amortization expense, 4-Wall EBITDAR, 4-Wall EBITDAR margin, 4-Wall Cash Flow 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, 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 Adjusted EBITDA, Adjusted EBITDA Margin, Segment Adjusted EBITDA, 4-Wall EBITDAR and 4-Wall EBITDAR Margin. 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.

BUSINESS OVERVIEW

Chip Brewer

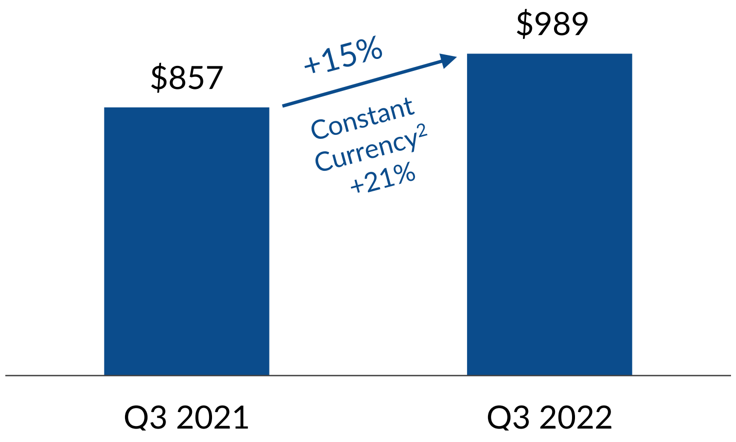
President & Chief Executive Officer

TOPGOLF CALLAWAY BRANDS

STRONG Q3 PERFORMANCE

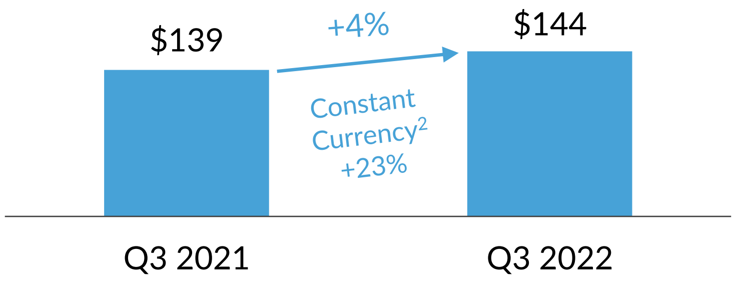
NET REVENUE

$ in millions



ADJUSTED EBITDA[1]

$ in millions



Continued momentum across all segments

1. See Appendix for Adjusted EBITDA reconciliation to GAAP. Additionally, as Adjusted EBITDA is a non-GAAP measure, please see the Regulation G disclaimers on page 2 of this presentation.
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.

TOPGOLF CALLAWAY BRANDS

SEGMENT HIGHLIGHTS

TOPGOLF

- ~11% SVS growth in Q3[1]
- Opened 2 new owned and operated venues in Q3
- Increasing digital reservation capabilities and launching national advertising campaign in 2023

GOLF EQUIPMENT

- Continued strong demand
- ~21% US golf ball share[2]
- Expect segment net revenues to increase 12% or more in FY22 vs. FY21

ACTIVE LIFESTYLE

- Brand momentum and strength continued across all brands
- TravisMathew delivered double digit revenue and profit growth
- On track to deliver approximately $1B in net revenues in FY22

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. SVS growth is compared to the same period in 2019.
2. Source: Golf Datatech. Hard goods US market share and US golf ball share represent year to date data through September 30, 2022.

BRAND HIGHLIGHTS

BALTIMORE, MD TOPGOLF

TRAVISMATHEW ST. ANDREWS

DISKOVERA JKT 3L M

Jack Wolfskin

ISPO Award 2022

Winner

The ISPO Award is the gold standard in the outdoor industry for technical and sustainably-conscious product design, and Jack Wolfskin recently received it for its "Diskovera" waterproof, trekking jacket launching in January 2023.

TOPGOLF CALLAWAY BRANDS

UNIQUE AND COMPELLING INVESTMENT OPPORTUNITY

Proven
Demonstrated Results Across All Segments

Scaled
Unmatched Global Reach in Modern Golf

Diversified
Growth Not Determined by Any One Segment

Protected
High Barriers to Entry Create Deep Moats

Growth-Oriented
Positioned for Sustainable Growth

RAISING FULL YEAR 2022 GUIDANCE ON CONTINUED STRENGTH ACROSS ALL SEGMENTS

FINANCIALS & OUTLOOK

Brian Lynch

Chief Financial Officer & Chief Legal Officer

Q3 2022 FINANCIAL RESULTS

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

	Q3 2022	Q3 2021	Change (%)
Net Revenues	$988.5	$856.5	15.4%
Income from Operations	$68.2	$76.0	(10.3%)
Other (Expense)/Income, net	($29.4)	($25.8)	(14.0%)
Income Before Income Taxes	$38.8	$50.2	(22.7%)
Net Income	$38.5	$(16.0)	340.6%
Earnings per Share – Diluted	$0.20	$(0.09)	322.2%

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

	Q3 2022	Q3 2021	Change (%)	Constant Currency Change (%)[2]
Net Revenues	$988.5	$856.5	15.4%	21.3%
Income from Operations	$81.1	$84.6	(4.1%)	26.5%
Other (Expense)/Income, net	($28.1)	($21.9)	(28.3%)	(28.3%)
Income Before Income Taxes	$53.0	$62.7	(15.5%)	25.7%
Net Income	$44.6	$26.3	69.6%	152.5%
Earnings per Share – Diluted	$0.23	$0.14	64.3%	137.8%
Adjusted EBITDA	$144.4	$138.8	4.0%	22.7%

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.

TOPGOLF CALLAWAY BRANDS

2022 YTD FINANCIAL RESULTS THRU Q3

GAAP RESULTS[1]

($ in millions, except per share data)

	YTD THRU Q3 2022	YTD THRU Q3 2021	Change (%)
Net Revenues	$3,144.4	$2,421.7	29.8%
Income from Operations	$291.5	$259.4	12.4%
Other (Expense)/Income, net	($73.4)	$186.9	(139.3%)
Income Before Income Taxes	$218.1	$446.3	(51.1%)
Net Income	$230.6	$348.2	(33.8%)
Earnings per Share – Diluted	$1.17	$2.03	(42.4%)

NON-GAAP RESULTS[1,2]

($ in millions, except per share data)

	YTD THRU Q3 2022	YTD THRU Q3 2021	Change (%)	Constant Currency Change (%)[3]
Net Revenues	$3,144.4	$2,421.7	29.8%	34.4%
Income from Operations	$322.2	$299.1	7.7%	27.3%
Other (Expense)/Income, net	($69.7)	($54.4)	(28.1%)	(28.1%)
Income Before Income Taxes	$252.5	$244.7	3.2%	27.1%
Net Income	$209.0	$173.4	20.5%	48.7%
Earnings per Share – Diluted	$1.06	$1.01	5.0%	28.9%
Adjusted EBITDA	$521.5	$431.1	21.0%	34.6%

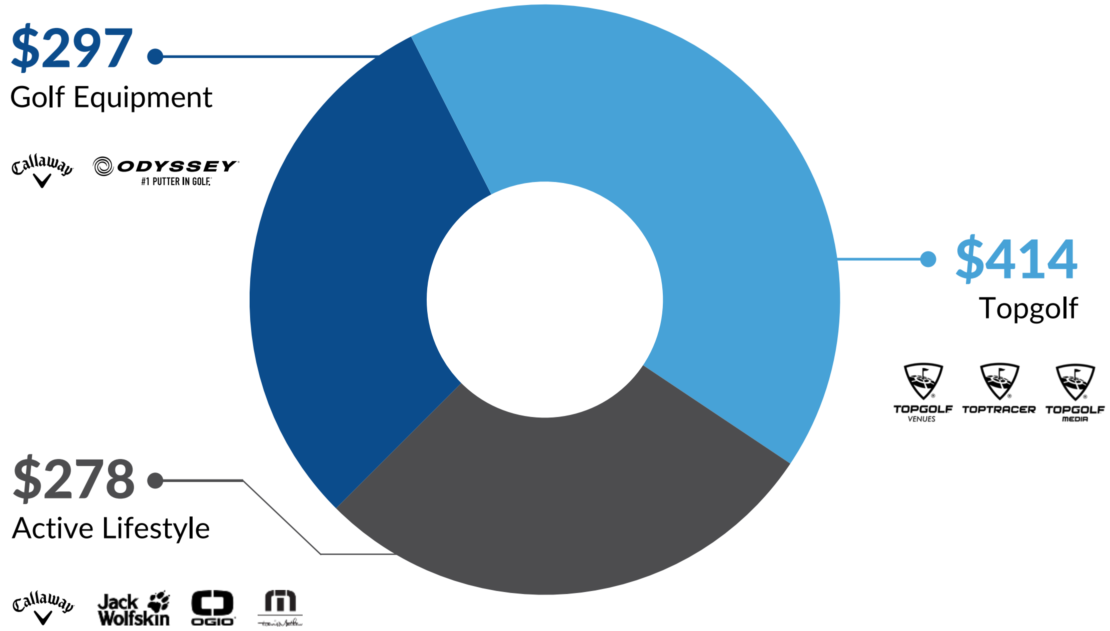
1. Due to the timing of the merger with Topgolf on March 8, 2021, the Company's reported financial results for first quarter 2021 only include approximately one month of Topgolf's results and therefore do not include January and February results, which were in the aggregate $142.9 million in revenue, a loss before income taxes of $27.8 million and $2.3 million in Adjusted EBITDA.
2. See Appendix for reconciliations of non-GAAP measures to the most directly comparable GAAP measure.
3. "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.

TOPGOLF CALLAWAY BRANDS

Q3 2022 SEGMENT RESULTS

Q3 2022 REVENUE BY SEGMENT

($ in millions)



KEY PERFORMANCE DRIVERS

Golf Equipment revenue growth driven by continued high demand and improved supply

Topgolf results driven by strong social events business, accelerating traffic and ticket increases

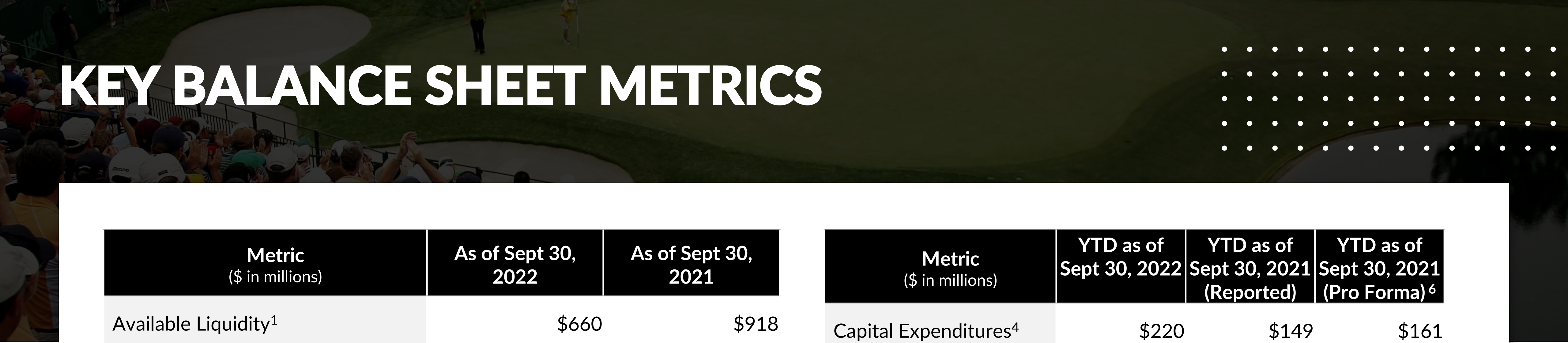
Strong brand momentum across the Active Lifestyle segment

Q3 TOPGOLF DETAILED FINANCIAL DISCLOSURE

($ in millions)	Q3 2022	Q3 2021
Net Revenue	$414	$334
Segment Income from Operations[1]	$24	$24
Depreciation & Amortization[2]	$31	$28
Non-cash Rent	$5	$3
Non-cash stock compensation expense	$5	$4
Adjusted Segment EBITDA[3]	$64	$59
Capital Expenditures[4]	$48	$43
Venue Financing Liability[5]	$752	$324
Venue Financing Liability Interest[6]	$14	$7

1. Segment income from operations does not include interest expense or tax expense.
2. Depreciation & Amortization excludes purchase price amortization and fair-value write-up of PP&E related to any of the acquisitions or the Topgolf merger.
3. Adjusted Segment EBITDA is a non-GAAP measure calculated as segment income from operations plus depreciation & amortization, non-cash rent and non-cash compensation expense. See the Regulation G disclaimers on page 2 of this presentation and the Appendix for a reconciliation to GAAP.
4. Capital expenditures are net of REIT reimbursement.
5. Venue Financing Liability combines Venue Finance Lease Obligations and Deemed Landlord Financing, which were $173.8 million and $578.0 million, respectively, as of September 30, 2022, and $10.9 million and $312.6 million, respectively, as of September 30, 2021.
6. Represents interest expense on Venue Financing Liabilities

TOPGOLF CALLAWAY BRANDS



KEY BALANCE SHEET METRICS

Metric ($ in millions)	As of Sept 30, 2022	As of Sept 30, 2021
Available Liquidity[1]	$660	$918
Net Debt[2]	$1,493	$748
Net Leverage Ratio[3]	2.8x	1.8x

Metric ($ in millions)	YTD as of Sept 30, 2022	YTD as of Sept 30, 2021 (Reported)	YTD as of Sept 30, 2021 (Pro Forma)[6]
Capital Expenditures[4]	$220	$149	$161
Depreciation & Amortization[5]	$121	$90	$108

1. Available Liquidity is defined as cash on hand plus availability under credit facilities.
2. Net Debt is calculated as debt, including Deemed Landlord Financing related to the Topgolf venues, less unrestricted cash and the Company's $258.3 million Convertible Notes. See appendix for additional details.
3. Net Leverage Ratio is a non-GAAP measure, which is calculated as debt, including Deemed Landlord Financing related to the Topgolf venues, less unrestricted cash and the Company's $258.3 million Convertible Notes. divided by the Company's trailing twelve-month Adjusted EBITDA. See the Regulation G disclaimers on page 2 of this presentation and the Appendix for a reconciliation to GAAP.
4. Capital expenditures are net of proceeds from lease financing of $133.1M for the nine months ended September 30, 2022 and $49.5M for the nine months ended September 30, 2021
5. Depreciation & Amortization excludes purchase price amortization and fair-value write-up of PP&E related to any acquisitions or the Topgolf merger. Amounts excluded were $18.3M for the nine months ended September 30, 2022 and $17.6M for the nine months ended September 30, 2021.
6. Due to the timing of the merger with Topgolf on March 8, 2021, the Company's reported full year financial results only include 10 months of Topgolf's results in 2021. The pro forma YTD results detailed on this slide include Topgolf's financials for January and February 2021.

2022 & 2023 BUSINESS OUTLOOK

2022 OUTLOOK ($ in millions)	Current FY 2022 Guidance	Previous FY 2022 Guidance	FY 2021 Reported Results[1]	FY 2021 Pro Forma Results[1]
Net Revenue	$3,965 - $3,985	$3,945 - $3,970	$3,133	$3,276
Adjusted EBITDA[2]	$560 - $570	$555 - $565	$445	$448
Adjusted EBITDA Margin[2,3]	14.2%	14.1%	14.2%	13.7%

Full Year 2022 Guidance Assumptions:

- FY2022 Adjusted EBITDA guidance increasing by $5 million at the midpoint compared to previous guidance.
- Topgolf expected to generate approximately $1.56 billion in net revenue and $240 - $250 million in Adjusted EBITDA, with same venue sales up high single digits for the full year compared to 2019
- Golf Equipment up 12% or more year-over-year
- Active Lifestyle reaching approximately $1 billion in net revenue
- Negative foreign currency impact of approximately $150 million on revenue
- Shares outstanding of approximately 201 million shares[4]
- Non-GAAP Depreciation and Amortization expense[5] of approximately $163 million
- Capital Expenditures of $325 million, net of REIT reimbursements (includes ~$250 million from Topgolf)

FY 2023 OUTLOOK

- Revenue expected to increase approximately 10% year-over-year (approximately 13% constant currency), including approximately $110 million negative foreign currency translation impact
- Adjusted EBITDA expected to be approximately $600 million, including $65 million negative foreign currency translation impact
- FY 2023 projections include no hedge gains given the hedging program resets at the beginning of 2023

1. Due to the timing of the merger with Topgolf on March 8, 2021, the Company's reported full year financial results only include 10 months of Topgolf's results in 2021. Pro forma results include Topgolf's results for the full year.
2. See Appendix for Adjusted EBITDA and Adjusted EBITDA Margin reconciliations.
3. Estimated Adjusted EBITDA Margin is based off the mid-point of the guidance range.
4. See Appendix for share count assumptions and suggestions to account for the Company's convertible notes and capped call.
5. Non-GAAP Depreciation & Amortization expense excludes purchase price amortization and fair-value write-up of PP&E related to any acquisitions or the Topgolf merger.
6. Foreign currency translation impact based on exchange rates as of late October 2022.

TOPGOLF CALLAWAY BRANDS

APPENDIX

SHARE COUNT ASSUMPTIONS

As-Converted EPS Calculation

Adjusted Net Income (for EPS calculations only)

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

Diluted share count 2022 projection of 201M shares

- Includes 14.7M of shares related to convertible notes

Capped call protects up to 5M shares based on share price[1]
Included above upon conversion

~200M diluted shares, taking into account the capped call

For valuation purposes, if using ~200M for your share count, the $258M debt related to convertible notes should be excluded from the total net debt calculation

1. Provides protection between stock prices of $17.61 and $27.04.

TOPGOLF CALLAWAY BRANDS

CAPITAL ALLOCATION STRATEGY

CAPITAL ALLOCATION PRIORITIES

Reinvest in the business to unlock high ROI embedded growth
Ability to invest in high return Topgolf venues and TravisMathew stores

Maintain healthy balance sheet by prudently managing leverage
2025 target of less than 3.0x Net Leverage

Opportunistically explore investments in complementary areas
Strong liquidity position provides flexibility

Return capital to shareholders through buybacks
Purchased $50M in stock over the past year

TOPGOLF CALLAWAY BRANDS

2022 TOPGOLF KEY METRICS OUTLOOK

($ in millions)	2022 Guidance	FY 2021 Reported Results[1] (10 months)	FY 2021 Pro Forma Results[1] (12 months)
Net Revenue	$1,560	$1,088	$1,231
Segment Adjusted EBITDA[2]	$240 - $250	$177	$179
Depreciation & Amortization[3]	$121	$93	$111
Capital Expenditures[4]	~$250	$173	$185
Venue Financing Liability[5]	~$1,000	$593	$593
Venue Financing Interest	~$55	$33	$35

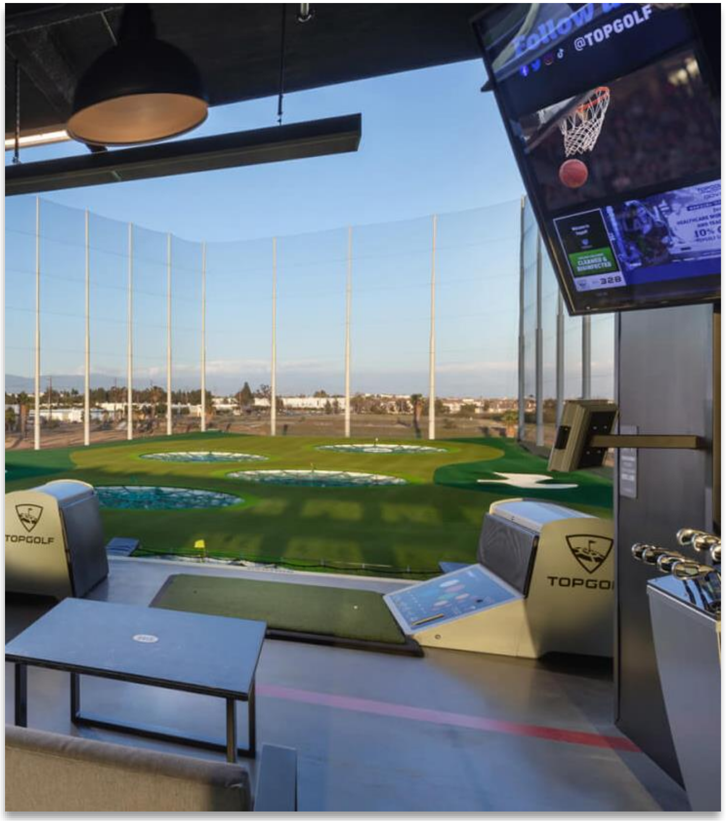
OUTLOOK ASSUMPTIONS

- Open 11 new Topgolf owned and operated venues in 2022, with 6 expected to open in the fourth quarter 2022
- Install between 7,000 - 8,000 Toptracer range bays
- Same venue sales expected to be up high single digits for full year 2022 compared to 2019
- Capital expenditures are expected to increase year-over-year due primarily to the timing of REIT reimbursements for 2022 venues and catch-up on deferred items

1. Due to the timing of the merger with Topgolf on March 8, 2021, the Company's reported full year financial results only include 10 months of Topgolf's results in 2021. The full year pro forma results detailed on this slide include Topgolf's financials for January and February 2021.
2. Segment Adjusted EBITDA is a non-GAAP measure calculated as segment income from operations plus depreciation & amortization, non-cash rent and non-cash compensation expense. See the Regulation G disclaimers on page 2 of this presentation and the Appendix for a reconciliation to GAAP.
3. Depreciation & Amortization excludes purchase price amortization and write-up of PP&E related to any acquisitions or the Topgolf merger.
4. Capital expenditures are net of expected REIT reimbursement.
5. Venue Financing Liability combines Venue Finance Lease Obligations and Deemed Landlord Financing, which are expected to be $275 million and $725 million, respectively, at December 31, 2022. As of December 31, 2021, Venue Finance Lease Obligations and Deemed Landlord Financing were $134 million and $462 million, respectively.

TOPGOLF TARGET 4-WALL VENUE ECONOMICS

Target 4-Wall Economics	Representative Venue[1]
Revenue	$17.5 million
Adjusted EBITDAR	$5.6 million
Adjusted EBITDAR Margin	32%
Average Construction Cost (Before Financing)	$30 million
Topgolf Construction Cost Cash Outlay (After Financing)	$7.5 million
Occupancy Costs	$1.9 million
Cash Flow[2]	$3.7 million
Average Annual Maintenance Capex[3]	$0.3 million
Cash on Cash Returns[4]	~40-50%



1. Targets are based on a representative middle-market venue in year 3 blended across our Large, Medium, and Small venue classes.
2. Excludes pre-opening costs and annual venue maintenance and enhancement capex.
3. The Average Annual Maintenance Capex over the first 8 years of a venue's life. This excludes venue refresh components, new technology improvements and optional enhancements.
4. (4-Wall Topgolf Cash Flow less the Average Annual Maintenance Capex) divided by the 4-Wall Topgolf Construction Cost Cash Outlay (After Financing). This calculation excludes pre-opening costs.

TOPGOLF CALLAWAY BRANDS

Q3 SEGMENT OPERATING INCOME

Supplemental Financial Information
($ in millions)
(Unaudited)

	Reported Results for the Three Months Ended September 30,			Reported Results for the Nine Months Ended September 30,		
	2022	2021	Change	2022	2021(1)	Change
Topgolf	$ 23.6	$ 23.9	(1.3) %	$ 74.3	$ 52.1	42.6%
% of segment revenue	5.7%	7.2%	(146) bps	6.5%	6.9%	(41) bps
Golf Equipment	49.6	45.8	8.3 %	250.7	228.8	9.6%
% of segment revenue	16.7%	15.8%	90 bps	20.6%	21.4%	(82) bps
Active Lifestyle	28.1	34.6	(18.8)%	77.3	70.8	9.2%
% of segment revenue	10.1%	14.8%	(474) bps	9.8%	11.8%	(195) bps
Total Segment Operating Income	$ 101.3	$ 104.3	(2.9) %	$ 402.3	$ 351.7	14.4%
% of segment revenue	10.2%	12.2%	(193) bps	12.8%	14.5%	(173) bps
Constant Currency Total Segment Operating Income			21.8 %			31.1 %

(1) Due to the timing of the merger with Topgolf on March 8, 2021, the Company's results of operations for the first nine months of 2021 do not include Topgolf's results for January and February, which included $142.9 million in net revenues and a segment operating loss of $18.1 million.

TOPGOLF CALLAWAY BRANDS

NON-GAAP RECONCILIATION

Non-GAAP Reconciliation and Supplemental Financial Information

($ in millions)

(Unaudited)

	Three Months Ended September 30,										
	2022					2021					
	GAAP	Non-Cash Amortization and Depreciation[1]	Non-Recurring Items and Impairment Charges[2]	Tax Valuation Allowance[3]	Non-GAAP	GAAP	Non-Cash Amortization, Depreciation [1]	Non-Cash Amortization of Discount on Convertible Notes[4]	Acquisition & Other Non-Recurring Items[5]	Tax Valuation Allowance[3]	Non-GAAP
Net revenues	$ 988.5	$ —	$ —	$ —	$ 988.5	$ 856.5	$ —	$ —	$ —	$ —	$ 856.5
Total costs and expenses	920.3	6.8	6.1	—	907.4	780.5	6.7	—	1.9	—	771.9
Income/(loss) from operations	68.2	(6.8)	(6.1)	—	81.1	76.0	(6.7)	—	(1.9)	—	84.6
Other (expense)/income, net	(29.4)	(1.0)	(0.3)	—	(28.1)	(25.8)	(0.9)	(2.7)	(0.3)	—	(21.9)
Income/(loss) before income taxes	38.8	(7.8)	(6.4)	—	53.0	50.2	(7.6)	(2.7)	(2.2)	—	62.7
Income tax (benefit)/provision	0.3	(1.9)	(1.6)	(4.6)	8.4	66.2	(1.8)	(0.7)	(0.5)	32.8	36.4
Net income/(loss)	$ 38.5	$ (5.9)	$ (4.8)	$ 4.6	$ 44.6	$ (16.0)	$ (5.8)	$ (2.0)	$ (1.7)	$ (32.8)	$ 26.3
Earnings per share - diluted[6]	$ 0.20	$ (0.03)	$ (0.02)	$ 0.02	$ 0.23	$ (0.09)	$ (0.03)	$ (0.01)	$ (0.01)	$ (0.18)	$ 0.14
Weighted-average shares outstanding - diluted	201.8	201.8	201.8	201.8	201.8	186.0	186.0	186.0	186.0	186.0	193.9

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

(2) Primarily includes a non-cash asset write-down of $4.8 million and $1.4 million of implementation costs associated with new ERP systems stemming from acquisitions.

(3) In 2021, the Company recognized a valuation allowance against certain deferred tax assets in connection with the merger with Topgolf. Based on the Company's ongoing assessment, a portion of the valuation allowance was released in 2022, and additional valuation allowances were recorded in 2021.

(4) Represents the non-cash amortization of the discount associated with the Convertible Notes issued in May 2020. Starting on January 1, 2022, as a result of the adoption of ASU 2020-06, amortization expense is no longer recognized due to the derecognition of the discount.

(5) Primarily includes $1.3 million of transition costs associated with the merger with Topgolf, in addition to costs associated with IT initiatives primarily at Topgolf and Jack Wolfskin.

(6) In connection with the adoption of ASU 2020-06 in January 2022, the Company excluded $1.6 million of after-tax interest expense from net income related to its Convertible Notes for the purposes of calculating diluted EPS.

(7) Non-GAAP diluted earnings per share for the three months ended September 30, 2021 was calculated using the diluted weighted average outstanding shares, as earnings on a non-GAAP basis resulted in net income after giving effect to pro forma adjustments.

TOPGOLF CALLAWAY BRANDS

NON-GAAP RECONCILIATION

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

	Nine Months Ended September 30,										
	2022					2021					
	GAAP	Non-Cash Amortization and Depreciation(1)	Non-Recurring Items and Impairment Charges(2)	Tax Valuation Allowance(3)	Non-GAAP	GAAP	Non-Cash Amortization, Depreciation (1)	Non-Cash Amortization of Discount on Convertible Notes(4)	Acquisition & Other Non-Recurring Items(5)	Tax Valuation Allowance(3)	Non-GAAP
Net revenues	$ 3,144.4	$ —	$ —	$ —	$ 3,144.4	$ 2,421.7	$ —	$ —	$ —	$ —	$ 2,421.7
Total costs and expenses	2,852.9	18.3	12.4	—	2,822.2	2,162.3	17.6	—	22.1	—	2,122.6
Income/(loss) from operations	291.5	(18.3)	(12.4)	—	322.2	259.4	(17.6)	—	(22.1)	—	299.1
Other (expense)/income, net	(73.4)	(2.8)	(0.9)	—	(69.7)	186.9	(2.7)	(7.8)	251.8	—	(54.4)
Income/(loss) before income taxes	218.1	(21.1)	(13.3)	—	252.5	446.3	(20.3)	(7.8)	229.7	—	244.7
Income tax (benefit)/provision	(12.5)	(5.1)	(2.9)	(48.0)	43.5	98.1	(4.9)	(1.9)	(5.4)	39.0	71.3
Net income/(loss)	$ 230.6	$ (16.0)	$ (10.4)	$ 48.0	$ 209.0	$ 348.2	$ (15.4)	$ (5.9)	$ 235.1	$ (39.0)	$ 173.4
Earnings per share - diluted(6)	$ 1.17	$ (0.08)	$ (0.05)	$ 0.24	$ 1.06	$ 2.03	$ (0.09)	$ (0.03)	$ 1.37	$ (0.23)	$ 1.01
Weighted-average shares outstanding - diluted	201.0	201.0	201.0	201.0	201.0	171.2	171.2	171.2	171.2	171.2	171.2

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

(2) Includes $5.9 million of non-cash asset write-downs, $3.6 million of implementation costs associated with new ERP systems stemming from acquisitions, $3.5 million for legal and credit agency fees related to a postponed debt refinancing.

(3) In 2021, the Company recognized a valuation allowance against certain deferred tax assets in connection with the merger with Topgolf. Based on the Company's ongoing assessment, a portion of the valuation allowance was released in 2022, and additional valuation allowances were recorded in 2021.

(4) Includes non-cash interest expense related to the debt discount amortization of the convertible notes issued in May 2020. In connection with the adoption of ASC 2020-06, as of January 1, 2022, the Company derecognized the discount associated with the convertible notes, and as such, will no longer recognize amortization expense in future periods.

(5) Includes $19.6 million of transaction, transition and other non-recurring costs associated with the merger with Topgolf, $2.4 million of implementation costs for new IT systems at Jack Wolfskin and Topgolf, in addition to the recognition of a $252.5 million gain on the Company's pre-merger investment in Topgolf.

(6) In connection with the adoption of ASU 2020-06 in January 2022, the Company excluded $4.8 million of after-tax interest expense from net income related to its convertible notes for the purposes of calculating diluted EPS.

ADJUSTED EBITDA RECONCILIATION

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

	2022 Trailing Twelve Month Adjusted EBITDA					2021 Trailing Twelve Month Adjusted EBITDA				
	Quarter Ended					Quarter Ended				
	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	Total	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	Total
Net income (loss)	$ (26.2)	$ 86.7	$ 105.4	$ 38.5	$ 204.4	$ (40.6)	$ 272.5	$ 91.7	$ (16.0)	$ 307.6
Interest expense, net	40.5	31.4	32.5	36.4	140.8	12.9	17.5	28.9	28.7	88.0
Income tax provision (benefit)	(69.4)	(15.7)	2.9	0.3	(81.9)	(7.1)	47.7	(15.8)	66.2	91.0
Depreciation and amortization expense	47.9	42.5	48.9	48.4	187.7	10.8	20.3	43.3	44.4	118.8
Non-cash stock compensation and stock warrant expense, net	12.0	14.5	11.6	10.3	48.4	2.9	4.6	11.0	10.8	29.3
Non-cash lease amortization expense	7.7	3.5	6.6	4.4	22.2	—	0.8	2.1	2.8	5.7
Acquisitions & other non-recurring costs, before taxes(1)	1.8	6.9	(0.6)	6.1	14.2	8.6	(235.6)	3.3	1.9	(221.8)
Adjusted EBITDA	$ 14.3	$ 169.8	$ 207.3	$ 144.4	$ 535.8	$ (12.5)	$ 127.8	$ 164.5	$ 138.8	$ 418.6

(1) In 2022, amounts include $5.9 of non-cash asset write-downs, $3.6 million of implementation costs associated with new ERP systems stemming from acquisitions, and $3.5 million for legal costs and credit agency fees related to a postponed debt refinancing. In 2021, amounts include the recognition of a $252.5 million gain on the Company's pre-merger investment in Topgolf, as well as $19.6 million in transaction, transition, and other non-recurring costs associated with the merger with Topgolf, and $2.4 million in expenses related to the implementation of new IT systems for Jack Wolfskin. In 2020, amounts include transaction costs of $8.5 million related to the merger with Topgolf, $3.8 million related to the Company's transition to its new North America Distribution Center, and $1.5 million in IT implementation costs for Jack Wolfskin.

TOPGOLF ADJUSTED EBITDA RECONCILIATION

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

	Three Months Ended September 30, 2022		Three Months Ended September 30, 2021	
Segment operating income[(1)]:	$	23.6	$	23.9
Depreciation and amortization expense		30.5		28.2
Non-cash stock compensation expense		5.5		4.3
Non-cash lease amortization expense		5.0		2.9
Foreign Currency		(0.4)		—
Adjusted segment EBITDA	$	64.2	$	59.3

(1) The Company does not calculate GAAP net income at the operating segment level, but has 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 Consolidated Net Revenues and Operating Segment Information included in the earnings press release.

TOPGOLF CALLAWAY BRANDS

NET DEBT LEVERAGE RATIO

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

	September 30, 2022	September 30, 2021
Total debt	$ 1,199.0	$ 1,191.0
Add: Deemed landlord financing obligations	578.0	312.6
Add: Finance lease obligations[1]	174.5	11.5
Less: Convertible notes	(258.3)	(258.8)
Less: Unrestricted cash	(200.3)	(508.2)
Net Debt	1,492.9	748.1
Trailing twelve month Adjusted EBITDA[2]	$ 535.8	$ 418.6
Net Debt Leverage Ratio	2.8x	1.8x

[1] Includes $173.8 million and $10.9 million of Venue Finance Lease Obligations as of September 30, 2022 and September 30, 2021, respectively.

[2] See slide 23 of this presentation for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure (net income).

TOPGOLF CALLAWAY BRANDS

ADJUSTED EBITDA MARGIN RECONCILIATION

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

	Full Year 2021
Adjusted EBITDA[(1)]	$ 445.4
Topgolf pre-merger Adjusted EBITDA[(2)]	2.3
Pro forma Adjusted EBITDA	447.7
Net revenues	3,133.4
Topgolf pre-merger net revenues[(2)]	142.9
Pro forma net revenue	3,276.3
Adjusted EBITDA margin	14.2%
Pro forma Adjusted EBITDA margin	13.7%

(1) See slide 23 of this presentation for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure (net income).

(2) Due to the timing of the Topgolf merger on March 8, 2021, the Company's reported full year financial results for 2021 only include approximately ten months of Topgolf's results and therefore do not include January and February results, which were in the aggregate $142.9 million in revenue and $2.3 million in Adjusted EBITDA and are included in the pro forma results above.

TOPGOLF CALLAWAY BRANDS