

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 OR 15(d)  
of The Securities Exchange Act of 1934

November 12, 2020  
Date of Report (Date of earliest event reported)

**CALLAWAY GOLF COMPANY**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

1-10962  
(Commission  
File Number)

95-3797580  
(IRS Employer  
Identification No.)

2180 RUTHERFORD ROAD, CARLSBAD, CA 92008-7328  
(Address of principal executive offices and zip code)

(760) 931-1771  
Registrant's telephone number, including area code

**NOT APPLICABLE**  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	ELY	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 8.01 Other Events.**

On November 12, 2020, Callaway Golf Company, a Delaware corporation (“Callaway”), will hold a virtual conference for analysts and shareholders to provide further information about the business of Topgolf International, Inc., a Delaware corporation (“Topgolf”). In connection with the virtual conference, Callaway is providing a slide presentation, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit 99.1 [Topgolf Virtual Conference Slide Presentation, dated November 12, 2020](#)

Exhibit 104 Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

***Additional Information and Where You Can Find It***

Callaway Golf Company will file with the SEC a registration statement on Form S-4, which will include the proxy statement of Callaway Golf Company that also constitutes a prospectus of Callaway Golf Company and a consent solicitation statement of Topgolf International, Inc. (the “proxy statement/prospectus/consent solicitation”). **INVESTORS AND STOCKHOLDERS ARE URGED TO CAREFULLY READ THE PROXY STATEMENT/PROSPECTUS/CONSENT SOLICITATION, AND OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC, IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT CALLAWAY GOLF COMPANY, TOPGOLF INTERNATIONAL, INC., THE PROPOSED TRANSACTION AND RELATED MATTERS.** Investors and stockholders will be able to obtain free copies of the proxy statement/prospectus/consent solicitation and other documents filed with the SEC by the parties through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). In addition, investors and stockholders will be able to obtain free copies of the proxy statement/prospectus/consent solicitation and other documents filed with the SEC on Callaway’s website at <https://www.callawaygolf.com> (for documents filed with the SEC by Callaway).

***No Offer or Solicitation***

This communication is for information purposes only and is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

***Participants in the Solicitation***

Callaway, Topgolf, and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Callaway in connection with the proposed transaction. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of Callaway and Topgolf, respectively, in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement/prospectus/consent solicitation when it is filed with the SEC. Information regarding Callaway’s directors and executive officers is contained in Callaway’s Annual Report on Form 10-K for the year ended December 31, 2019 and its Revised Definitive Proxy Statement on Schedule 14A, dated March 27, 2020, which are filed with the SEC and can be obtained free of charge from the sources indicated above.

## **Forward-Looking Statements**

The information in this Current Report on Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words “may,” “should,” “will,” “could,” “would,” “anticipate,” “plan,” “believe,” “project,” “estimate,” “expect,” “strategy,” “future,” “likely,” and similar expressions, among others, generally identify forward-looking statements, which speak only as of the date the statements were made and are not guarantees of future performance. Such forward-looking statements include, but are not limited to, statements about the benefits of the business combination transaction involving Callaway and Topgolf, including the anticipated operations, financial position, liquidity, performance, prospects or growth and scale opportunities of Callaway, Topgolf or the combined company, the strategies, prospects, plans, expectations or objectives of management of Callaway or Topgolf for future operations of the combined company, any statements regarding the approval and closing of the merger, including the need for stockholder approval and the satisfaction of closing conditions, and statements of belief and any statement of assumptions underlying any of the foregoing.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and other factors relate to, among others: risks and uncertainties related to our pending merger with Topgolf, including the failure to obtain, or delays in obtaining, required regulatory approval, the risk that such approval may result in the imposition of conditions that could adversely affect Callaway or the expected benefits of the proposed transaction, any termination fee that may be payable by Callaway pursuant to the terms of the merger agreement, or the failure to satisfy any of the closing conditions to the proposed transaction on a timely basis or at all; costs, expenses or difficulties related to the merger with Topgolf, including the integration of the Topgolf business; failure to realize the expected benefits and synergies of the proposed transaction in the expected timeframes or at all; the potential impact of the announcement, pendency or consummation of the proposed transaction on relationships with Callaway’s and/or Topgolf’s employees, customers, suppliers and other business partners; the risk of litigation or regulatory actions to Callaway and/or Topgolf; inability to retain key personnel; changes in legislation or government regulations affecting Callaway and/or Topgolf; uncertainty of the duration, scope and impact of COVID-19; a further spread or worsening of COVID-19; any further regulatory actions taken in response to COVID-19, including the future shutdown of or restrictions on Callaway’s or Topgolf’s retail locations, venues, distribution centers, manufacturing plants or other facilities; the effectiveness of Callaway’s or Topgolf’s protective gear, social distancing guidelines, and other preventive or safety measures; disruptions to business operations of Callaway and Topgolf as a result of COVID-19, including disruptions to business operations from travel restrictions, government-mandated or voluntary shut-down orders or quarantines, or voluntary “social distancing” that affects employees, customers and suppliers; continued growth, momentum and opportunities in the golf industry; production delays, closures of manufacturing facilities, retail locations, warehouses and supply and distribution chains; staffing shortages as a result of remote working requirements or otherwise; uncertainty regarding global economic conditions, particularly the uncertainty related to the duration and impact of the COVID-19 pandemic, and related decreases in customer demand and spending; and economic, financial, social or political conditions that could adversely affect Callaway, Topgolf or the proposed transaction.

The foregoing list is not exhaustive. For additional information concerning these and other risks and uncertainties that could affect these statements, the golf industry, and Callaway’s business, see Callaway’s Annual Report on Form 10-K for the year ended December 31, 2019 as well as other risks and uncertainties detailed from time to time in Callaway’s reports on Forms 10-Q and 8-K subsequently filed with the SEC, including the proxy statement/prospectus/consent solicitation that will be included in the registration statement on Form S-4 that will be filed with the SEC in connection with the proposed transaction. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Callaway 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.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

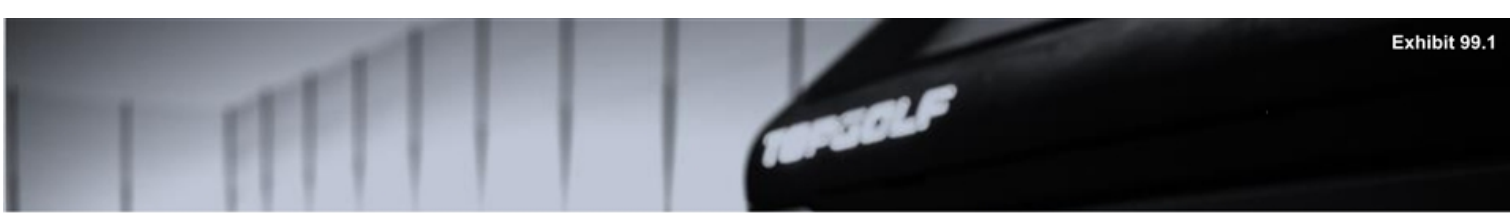
**CALLAWAY GOLF COMPANY**

Date: November 12, 2020

By: /s/ Sarah Kim

Sarah Kim

Vice President, General Counsel and Corporate Secretary



# ***A Closer Look at Topgolf's Compelling Value Creation Potential***



November 2020



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**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. With respect to Callaway Golf Company, this information excludes certain non-cash amortization of intangibles and other assets related to the Company's acquisitions, non-recurring transaction and transition costs associated with the acquisition of Jack Wolfskin, including banker's fees, legal fees, consulting and travel expenses, audit fees and valuations services, as well as non-cash charges related to the valuation of acquired inventory, in addition to other non-recurring advisory fees, and non-cash amortization of the debt discount related to the Company's convertible notes. With respect to Topgolf International, Inc., this information excludes certain venue closure costs, a regulatory settlement reserve, the remeasurement of a contingent earnout obligation, non-recurring consulting and legal expenses and the remeasurement of a stock-warrant liability. 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, which is available on the Investor Relations section of the Company's website located at <http://ir.callawaygolf.com/>.

**Additional Information and Where You Can Find It**





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**No Offer or Solicitation**

This communication is for information purposes only and is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

**Participants in the Solicitation**

Callaway, Topgolf, and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Callaway in connection with the proposed transaction. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of Callaway and Topgolf, respectively, in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement/prospectus/consent solicitation when it is filed with the SEC. Information regarding Callaway's directors and executive officers is contained in Callaway's Annual Report on Form 10-K for the year ended December 31, 2019 and its Revised Definitive Proxy Statement on Schedule 14A, dated March 27, 2020, which are filed with the SEC and can be obtained free of charge from the sources indicated above.

1. Callaway + Topgolf: Our Vision
2. A Highly Complementary, Highly Attractive Combination
3. Strength, Uniqueness and Potential of Topgolf
4. The Topgolf Platform
  -  Venues
  -  International
  -  Toptracer
  -  Media
5. Topgolf Financials
6. Investment Summary

# TODAY'S PRESENTERS



**CHIP BREWER**

*Chief Executive Officer*



**BRIAN LYNCH**

*EVP, Chief Financial Officer*



**DOLF BERLE**

*Chief Executive Officer*



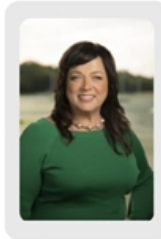
**WILLIAM DAVENPORT**

*Chief Financial Officer*



**CRAIG KESSLER**

*Chief Operating Officer Venues*



**GENIFER GRAY**

*VP of Operations*



**CHRIS CALLAWAY**

*Chief Development Officer*



**BEN SHARPE**

*President Toptracer*



**STEVE LANE**

*Vice-President International Strategy and Franchise Management*





An Unrivaled Tech Enabled Golf Company Delivering Equipment, Apparel and Entertainment

First-Mover Positioned to Create Long-term Competitive Advantages

Clear Path to Deliver Exceptional Growth and Strong Shareholder Returns



**Highly complementary businesses** well-positioned to accelerate growth and enhance competitive advantages across the platform

**Significant technology leadership** with proven proprietary in-house capabilities

**Broad reach and significant consumer overlap** enhances value for both businesses

**Multiple high-growth opportunities** in early stages with more than 10 years of planned growth and identified whitespace opportunity

Ample liquidity and cash generation to **fund future growth**

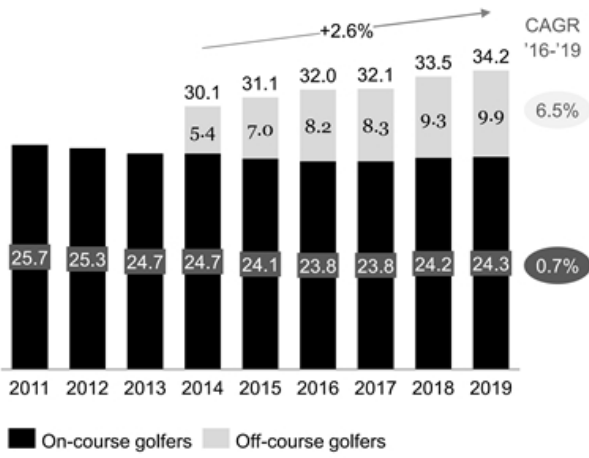
**Coveted brands** benefiting from consumer preferences



<i>(\$ in millions)</i>	2019 Pro Forma	2022E	Longer Term
<b>Revenue</b>	\$2,761	\$3,200	~10%
<b>Adj. EBITDAS</b>	\$270	\$360	Mid-to-High Teens

Combined Company Has Clear Line of Sight to Generating More Than \$1B of Adj. EBITDAS

Favorable Trends Both On- and Off-Course



Attractive Position Across Golf



Traditional Golf

Callaway is revolutionizing golf equipment through AI technology and innovative golf ball design  
 Market leader with seven consecutive years of growth exceeding overall golf market



Venues

Inclusive and affordable environment for all skill-levels and demographics  
 A fun, competitive, weather-proof alternative to 4+ hour golf rounds



Toptracer Range

Transforming driving range from practice facility to global, data-driven, game network with competitive "play anyone, anywhere" tournaments



Media

Launched inaugural European eTour in January 2020, a massive opportunity for expansion with the most realistic golf game

<sup>1</sup> National Golf Foundation/Golf Datatech Report Published October 23, 2020

# ... AND WILL REACH ALL GOLF CONSUMERS



Unparalleled consumer reach across \$80B+ global golf industry<sup>1</sup>

- The #1 Driver on major worldwide tours
- #1 Putter on Tour
- 100's of Sponsored Athletes across global tours

- Beginning and returning golfers up ~20% in Q2 vs. prior years<sup>3</sup>
- 80% of Toptracer Ranges participated in first-ever global digital competition



- #1 brand rating by avid golfers since summer 2017<sup>2</sup>
- #1 or #2 hard goods market share in US, Japan, and Europe

- Appeal to youth via games and social atmosphere
- 51% of Topgolf guests identify as non-golfers
- 75% of non-golfers who visited Topgolf said they're now interested in playing on a course<sup>4</sup>

<sup>1</sup> Golf Datatech industry report published September 21, 2020  
<sup>2</sup> Golf Datatech GPAU Study, 2017-2020

<sup>3</sup> National Golf Foundation, COVID-19 Update  
<sup>4</sup> National Golf Foundation survey conducted for Topgolf



***Clear first-mover advantages:***

- Proprietary in-house technology
- Unmatched reach
- Passionate consumer following
- Global scale
- Proven innovators

Poised to define the expansion of the global golf addressable market



### What Callaway provides to Topgolf

- Ample liquidity to fund growth
- Relationships and global reach to accelerate Toptracer bay acquisition
- Strong marketing support to drive SVS (via awareness and interest)
- Back office support

### What Topgolf provides to Callaway

- A strong platform (both physical and digital) to promote and cross-sell Callaway brands
- A competitive advantage via scale and scope of global consumer reach
- Future ability to drive enhanced digital engagement with core golf consumers via both Venues and Toptracer. Access to valuable shot data for this purpose
- New entrants to the game of golf



# CALLAWAY'S PEER SET IS EXPANDING



## Golf Equipment



## High Growth Outdoor Apparel



## Restaurant Peers



## Sports Franchise Peers



## Digital and Emerging Peers



## Venue Based Entertainment Peers



### Median

'19-'22 Sales CAGR	2 %	7 %	12 %	8 %	19 %	0 %
'19-'22 EBITDA CAGR	1 %	11 %	10 %	9 %	39 %	(2)%
2022E EV / EBITDA	13 x	15 x	26 x	17 x	20 x <sup>1</sup>	9 x

Source: Company filings, Capital IQ, IBES. Current market data as of 09-Nov-2020

<sup>1</sup> Excludes Roku due to not meaningful earnings.





**DOLF BERLE**

*Chief Executive Officer*

## TEG Overview



## OUR MISSION



**Our mission** is to connect people in meaningful ways through the experiences we create, the innovation we champion and the good we do.

We are a technology-enabled, global sports and entertainment company providing memorable experiences for our community of millions of fans.





**100MM+**  
Fan Touchpoints

<p><b>\$1.1Bn</b> 2019 Revenue</p>	<p><b>\$59MM</b> 2019 Adj. EBITDAS</p>
<p><b>30%</b> 2017-2019 Revenue CAGR</p>	<p><b>\$1Bn+</b> Long-Term Business Unit Adjusted EBITDAS Opportunity</p>
<p><b>51%</b> of Venue Guests are Non-Golfers</p>	<p><b>94%</b> of Guests Say They are Likely or Highly Likely to Return</p>



58 US venues  
21% annual growth in venues from 2017-2019  
23MM total venue visits  
200 venue total addressable market



Broad global appeal outside the US  
5 venues open (3 owned & operated, 2 franchised)  
250 venue total addressable market internationally



7,500+ bays using our proprietary games technology  
16x increase in bay count from 2017 to today  
140 tournaments broadcasts reaching 500MM+ viewers



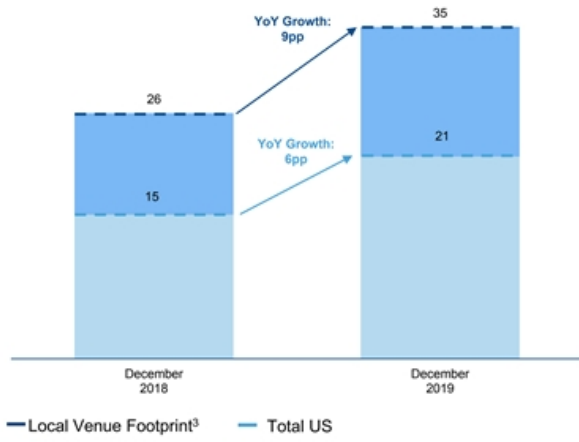
World Golf Tour with 30MM members as of today  
In-house game development  
Sponsorships with large global brands

# RAPID GROWTH IN BRAND AWARENESS WITH AMPLE ROOM FOR FURTHER EXPANSION

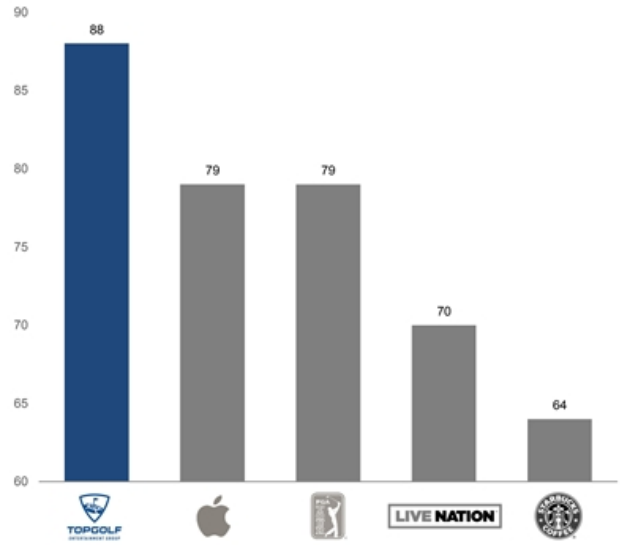


## National Aided Brand Awareness<sup>1</sup>

Rolling Three Month Average (%)



## Consumers with a Positive Opinion (%)<sup>2</sup>



Source: YouGov Q4 2019; Consumers aged 18-54 in the US

<sup>1</sup> Based on the question: "Which of the following brands have you heard of?" (Topgolf included)

<sup>2</sup> Represents % positive impressions among those who are aware of each brand and have an opinion

<sup>3</sup> Local venue footprint defined as awareness within a local catchment area around a venue

# STRONG COMPETITIVE POSITION



*Innovative, Proprietary  
Technology that Enhances  
All of Our Business Lines*

*Significant Brand Halo and  
Strong Customer Advocacy*



**TOPGOLF**

*Massive  
Network of Screens*

*Brand Power and Venue  
Real Estate Execution  
Make Us a Tenant and Franchisor  
of Choice*

*Deep Experience Operating  
Large, Complex Venues with  
Significant Capital Invested at  
Scale*

- 1 Unique venue layout provides safe **social distancing in an outdoor experience**. We expect guests to associate **Topgolf and golf as safe social activities**
- 2 **Reopened all venues by 9/7 and opened four new venues since March 2020**. Continue to manage evolving government restrictions
- 3 Rapid return to venues with **Q3 same venue revenue performance 76% vs. 2019 and recent trends improved to 80-85%** in September and October
- 4 **Topgolf's fans remain loyal**: 77% indicate Topgolf will play the same or a bigger role in their lives post-COVID <sup>1</sup>
- 5 Making **long term sustainable cost improvements** throughout the organization to position for **accelerated profitability**
- 6 **Toptracer momentum has remained strong** due to resiliency of golf
- 7 **WGT and other digital assets have gained significant momentum**

<sup>1</sup>Third-party research conducted for Topgolf

# VISIONARY, PROVEN AND MULTI-DISCIPLINED MANAGEMENT TEAM



Seasoned executives with a proven track record of operating complex, high-growth businesses



**ERIK ANDERSON**

**Transitioning to Vice Chairman of Callaway Golf**  
 Founder, WestRiver Group  
 Ranked #1 Innovator in Golf by Golf Inc.



**DOLF BERLE**

**Chief Executive Officer**  
 Previously President & COO at Dave & Buster's. Serves on National Board of Directors at Make-A-Wish



**WILLIAM DAVENPORT**

**Chief Financial Officer**  
 Previously SVP of Finance at Brinker International



**BECKY FINE**

**Chief People Officer**  
 Previously CPO at Panera Bread



**BEN SHARPE**

**President Toptracer**  
 Previously CEO at TaylorMade-Adidas Golf company



**CHRIS CALLAWAY**

**Chief Development Officer**  
 Previously spent 25 years leading development efforts at Walmart



**LYNDA FIREY OLDROYD**

**Chief Customer Officer**  
 Previously senior roles at PepsiCo, Nordstrom, Gap and Starbucks



**ANDREW MACAULAY**

**Chief Technology Officer**  
 Previously CIO for multiple innovative telecommunications companies



**CRAIG KESSLER**

**Chief Operating Officer Venues**  
 Previously on operating teams at KKR and Providence Equity Partners; began career with McKinsey & Company



**GENIFER GRAY**

**VP of Operations Topgolf USA**  
 Previously Co-President & COO at Maggiano's Little Italy



**STEVE LANE**

**Vice-President International Strategy and Franchise Management**  
 Previously at Catalina Marketing and Kimberly-Clark



**CRAIG KESSLER**

*Chief Operating Officer  
Venues*



**GENIFER GRAY**

*VP of Operations*

## Venues Overview





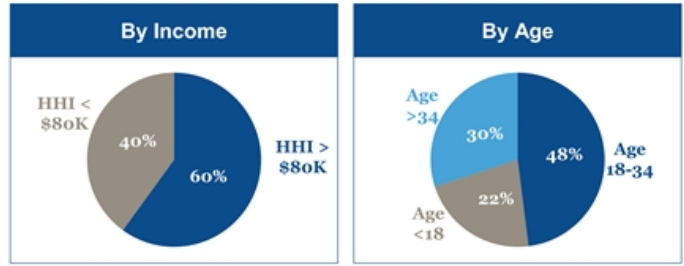
# VENUES OFFER A SOCIAL EXPERIENCE EMBRACED ACROSS BROAD DEMOGRAPHIC GROUPS



Topgolf venues introduce millions of guests to the brand, culture and technology each year



## Venue Visits Demographic Breakdown



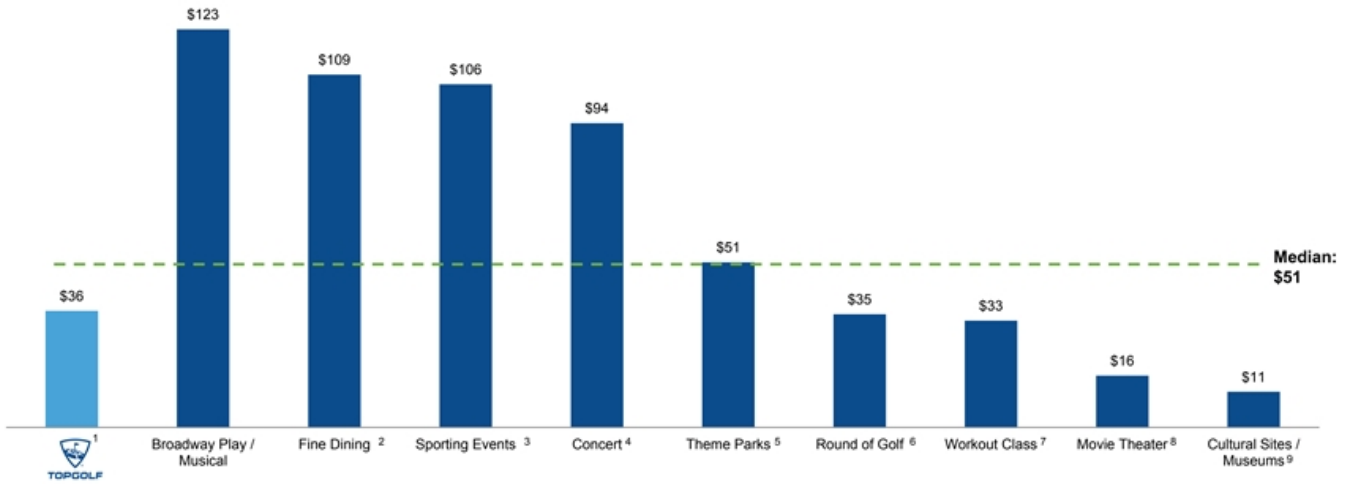
Source: YouGov and NGF surveys

<sup>1</sup> Non-golfers defined as golfing less than 1 round per year; occasional golfers defined as golfing 1-7 rounds per year; moderate golfers defined as golfing 8-24 rounds per year; avid golfers defined as golfing 25+ rounds per year

# TOPGOLF VENUES PROVIDE “BANG FOR YOUR BUCK” ENTERTAINMENT



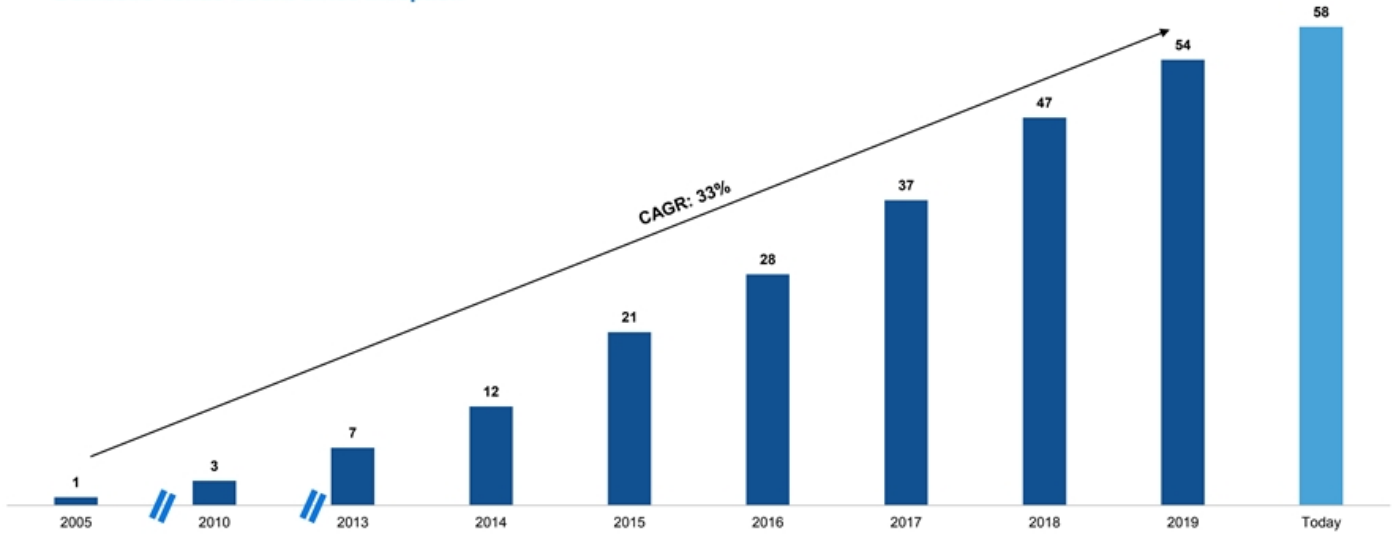
## Average Cost per Visit / Person



- Source: Wall Street research, National Golf Foundation, Statista, Pollstar, Oracle, company websites, public news articles, company information
- 1 Represents walk-in cost per visit, inclusive of gameplay and food & beverage
- 2 Average of select high-end restaurants (Del Frisco's, Sullivan's, Capital Grille, Eddie V's, Ruth's Chris, Fleming's); assumes 15% pre-tax tip and 7% tax
- 3 Average of NFL, NHL, NBA, MLB ticket spend plus average per capita food & beverage spend
- 4 Top global music tours
- 5 Average spend per visit for Seaworld (\$61), Cedar Fair (\$48) and Six Flags (\$46)
- 6 18-hole round at public golf facility
- 7 Average of 23 select workout classes
- 8 Average of AMC, Cinemark, Regal; includes ticket spend and concessions
- 9 Includes art galleries, theaters and historical buildings such as palaces, monuments, castles, historical birthplace, landmarks, temples, religious sites and churches

## Rapid growth exhibited by 51 venues opened since 2013

Domestic Venue Count Since Inception



# BREAKING DOWN THE VENUE REVENUE MIX



## Gameplay

- Variety of games, including signature Topgolf Game, iconic golf courses, and Angry Birds
- Robust game development pipeline
- Pricing based on hourly bay rentals and memberships
- Higher margins than F&B

## Food & Beverage

- High quality food & beverage delivered at scale to walk in and event guests
- Menu caters to a diverse range of tastes and dietary restrictions
- Each venue has an Executive Chef with a full kitchen that offers a wide selection of creative food, from brunch to late night snacks

## Events

- Tailored spaces are able to accommodate events ranging from corporate presentations, birthday parties, charitable events and wedding receptions
- Formal event rooms are adjacent to tee line, providing a private space for events and gameplay
- Events revenue mix is approximately 50% Food & Beverage and 50% Gameplay

**33%**

SALES FROM GAMEPLAY<sup>1</sup>

**34%**

SALES FROM FOOD & BEVERAGE<sup>1</sup>

**29%**

SALES FROM EVENTS<sup>1</sup>

<sup>1</sup> As of FYE 2019. Retail and other sales account for 4% of total revenue

# WORLD-CLASS GAMEPLAY POWERED BY PROPRIETARY TECHNOLOGY AND GAMES

- We offer a variety of game options designed to appeal to a broad range of guests, including our signature Topgolf game, which allows guests to score points by hitting into the targets in our outfield. Introducing virtual scoring powered by Toptracer technology and simulated golf course play across network.
- Guests play with our RFID-embedded golf balls, aiming for large dartboard-like targets in the outfield that receive and track the balls



# SHARE-ABLE AND INSTAGRAM-ABLE GOURMET FOOD AND BEVERAGE OFFERING



- We feature a seasonal menu of high-end, curated appetizers, entrées and desserts that are carefully selected for the Topgolf brand
- Executive Chef in every venue with chef-driven menu offerings made largely from scratch to further distinguish our experience from that of a large-scale entertainment venue



## VENUE OF CHOICE FOR BOTH LARGE AND SMALL EVENTS

- Each of our venues has dedicated areas for hosting events ranging in size from 12 to up to 1,000 attendees, including full venue buyouts
- Ability to scale events service for all types, sizes and price points is difficult to execute operationally, making Topgolf a unique event space



# VENUES ARE A PLATFORM FOR MULTIPLE FORMS OF ENTERTAINMENT



While the in-bay experience is a primary driver of venue visits ...



...We have matured our programming to create multiple entertainment formats to delight our guests







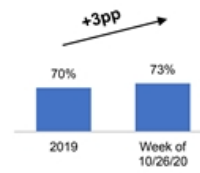
## Outdoor Teeline Provides Safe Space to Socialize

Safe distance between bays and full-bay cleaning between groups  
 Guests are recognizing and appreciating our efforts



## Early Guest Scores are Extremely Positive<sup>1</sup>

Overall Satisfaction



Likelihood to Return



<sup>1</sup> Guest feedback from 55 opened venues increased the week of 8/23/20 vs. FY19 average



**CHRIS CALLAWAY**

Chief Development  
Officer

## Venue Development



## Large Venues



- Target population of >1MM in 25 min catchment
- 100+ bays across three floors
- Examples include Edison, NJ and The Colony, TX
- Flagship venues include Las Vegas, Nashville, and Orlando

## Medium Venues



- Target population of 500K-1MM in 25 min catchment
- 70 - 100 bays across 2-3 floors
- Examples include Baton Rouge, LA and Greenville, SC

## Small Venues



- Target population of 200K-500K in 25 min catchment
- 30-60 bays on a single level powered by Toptracer
- Examples include Augusta, GA and Chattanooga, TN

**23** million venue visits in 2019

**58** U.S. venues in three format sizes

**5** International venues<sup>1</sup>



**Large venue**  
• 100+ bays  
• 45 locations

**Medium venue**  
• 70-100 bays  
• 13 locations

**Small venue**  
• 30-60 bays  
• 5 locations

<sup>1</sup> Three owned-venues, two franchised venues

## Rigorous site selection process ensures expansion into high revenue as well as high ROI markets and supports remaining venue whitespace

- Extensive nationwide network uses data-driven site selection process to source potential deals and communicate to real estate team
- Engage in initial due diligence and perform site visit to determine qualifications
- Enter LOI with landlord
- Detailed review by real estate investment team and initial model built based on historical experience, demographics, population income and intricacies of site
- Deal submitted for approval
- Deal approved and development commences



## Construction

- Venues range in size from less than 20,000 to up to 105,000 sq. ft. with up to four floors (9 to 15 acre sites)
- A typical venue takes between 10 and 12 months to build
- Internal development team includes: architects, designers, project managers and installation crews, all led by our VP of Construction and Design
- Experienced internal real estate, development and construction teams ensure project efficiency and adherence to project timelines

## Third-Party Financing

- Topgolf partners with well-capitalized REIT partners, who provide capital for the land acquisition and fund up to ~75% of the development cost, with Topgolf funding remaining development costs (primarily technology costs and FF&E)
  - Third party financing provides significant additional growth capital
- Once construction is completed, we lease the venue and underlying land back from the financing partner
- In cases where we are not able to finance venue construction through one of our financing partners, such as when the land we wish to develop is available for ground lease but not for purchase, we will fund 100% of venue development costs

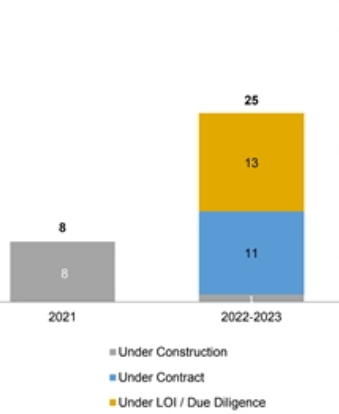
**We have built up processes and relationships over time that allow us to construct and finance large, complex venues**

Between 2015 and Q3 2020, Topgolf grew its domestic venue count from 21 to 58 venues. The depth of Topgolf's pipeline allows us to target 10 new venue openings per year beginning in 2022

### High Historical Opening Pace



### Status of Upcoming Domestic Venues



### Overview of 2021 Domestic Venue Pipeline

Location	Size	Status	Financing Status
Albuquerque, NM	Medium	Construction	Self-Financed
San Jose, CA	Large (120 Bays)	Construction	Third-Party Financing
Lake Mary, FL	Large	Construction	Third-Party Financing
Waco, TX	Small	Construction	Third-Party Financing
Charlotte, NC	Large	Construction	Third-Party Financing
Holtsville, NY	Large	Construction	Third-Party Financing
Ft. Myers, FL	Medium	Construction	Third-Party Financing
Buford, GA	Medium	Construction	Third-Party Financing



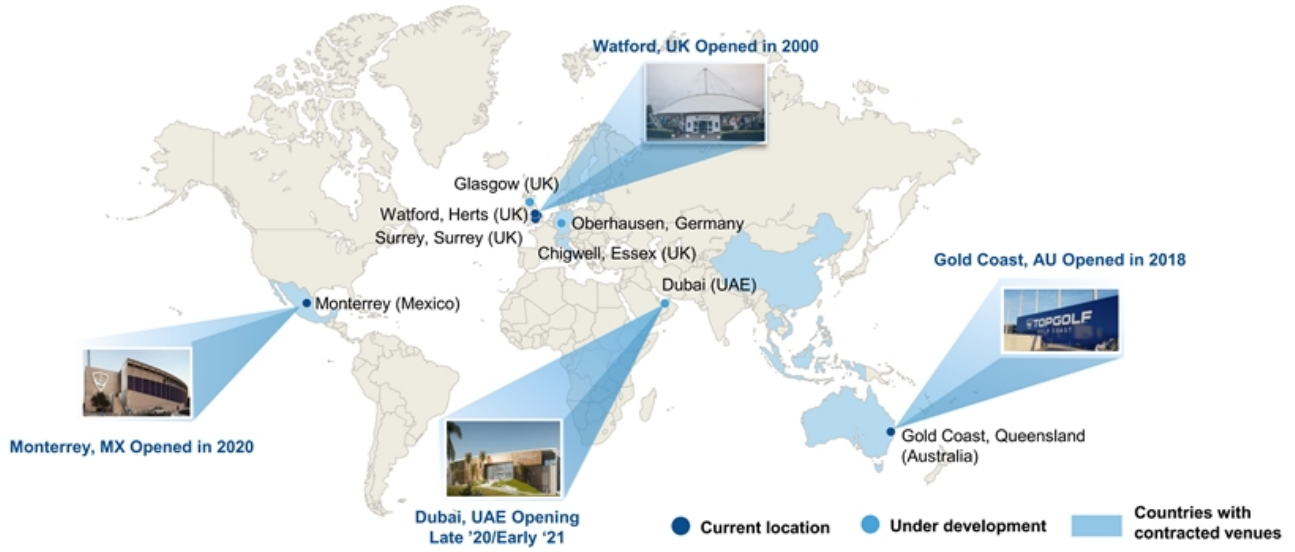
**STEVE LANE**

*Vice-President  
International Strategy  
and Franchise  
Management*

## Topgolf International







We are focused on a rapid and strategic roll-out of our venues internationally

- Global expansion plan utilizes a capital-light franchise model
  - The franchisee manages operations and funds capital expenditures and growth, requiring minimal upfront investment from Topgolf
  - Provides Topgolf with a recurring royalty revenue stream – Target of \$1.1M per franchised venue
  - Topgolf maintains a valuable option to invest capital and increase ownership and earnings in high growth regions
- Dedicated global team in place to select franchisees
- 250 International venue addressable market
- Development agreements for up to a possible 113 franchised venues in Greater China, Southeast Asia, Mexico, Australia, Central Europe and U.A.E.

## Our Franchise Partners Today



VILLAGE ROADSHOW



20+ Venue Developments  
Planned Over the Next Five Years



**BEN SHARPE**

*President Toptracer*

## Toptracer Platform



Highly visible broadcast partnerships expand range technology opportunity and grow brand...



...as Topgolf brings a leading ball-tracking technology to your driving range and onto your phone/tablet



## Proven Compelling Experience

Puts ball flight and shot stats on screen and to your device



## Rapid Worldwide Growth

7,500 active Toptracer Range bays worldwide with typical contracts 3-5 years in length



## Exciting Connected Screen Potential

Worldwide connected gamification creates multiple opportunities. 80% participation in first worldwide tournament last year.



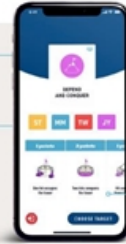
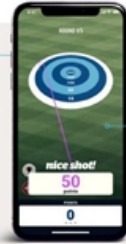
**Toptracer Range System:**

- Camera sensors
- 21" screens in bays
- Game and bay mgmt software
- Shot tracking capabilities



**TV MODE**

Record shots and share videos (complete with stats and trace) with instructors, friends, family members or on social media.



**MY PRACTICE**

Dive deep into your personal sessions to track nuances of each club and store stats over time.

**PRECISION**

Score points based on accuracy and distance.

**DEFEND AND CONQUER**

Complete against friends to conquer targets with the most accurate shot and dominate the field.



**Mistwood Golf Dome**  
Chicago, IL

After installing TTR, YoY revenue was up 67% in golf sales and average bay time increased from 21 minutes to 58 minutes



**Silvermere Golf & Leisure**  
Surrey, UK

Increased annual ball count from 7.5MM to 10.5MM since install of Toptracer Range



**Itakano Golf Center**  
Osaka, Japan

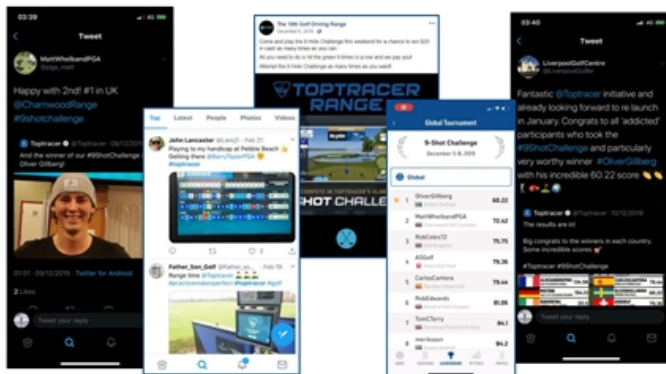
Average monthly visitors are up 21% YoY since TTR install in July 2019



**Whaleback Golf Course**  
Perth, Australia

Topline increase of 35%-40% with price increase of 10% and average number of visitors up 25% YOY since install

In December 2019, we hosted our first Toptracer Range Global Tournament, a 9-Shot closest to the pin tournament  
Over 80% participation across installed ranges, with 29,000 games across 175 driving ranges in 19 countries



- December 2019
- Successful proof of concept to roll out simultaneous global tournament on TTR platform

### Strategic Plan for Growth

- Early market share acquisition
- Leverage network of connected app & screens
- Content and subscriptions for community

Currently creating scale and community with the potential to monetize through:  
1) global tournaments, 2) sponsorship revenue, 3) content and instruction subscriptions,  
4) cross-promotion of golf equipment, 5) aggregation of shot data

## Toptracer's Global Reach Set to Accelerate in Partnership with Callaway

### Current Distribution Channels

#### Sales Partners



#### Governing Bodies / Commercial Partners



#### Leading, Global Professional Golf Club Management Companies



### Expected Benefits from Callaway's Global Network

- Access to network of >5,000 Callaway Staff Professionals to champion the technology at new facilities
- Showcasing the Toptracer brand through Callaway's existing network of Tour players, digital platforms and social influencers
- Opportunity to leverage Callaway's strong relationships with key golf management companies
- Eliminating barriers to entry in new markets via Callaway's existing infrastructure

**We Believe Seamless Access to Callaway's Global Network of Courses and Ranges Will Provide Runway for Toptracer's Addressable Market**





**DOLF BERLE**

*Chief Executive Officer*

# Topgolf Media



## R&D Engine

### Technology & Video Content

- Original content to attract and develop audiences for the brand
- Topgolf app development and operations
- Innovative media segment remains profitable business



## Interactive Media to Build a Global Audience

### Games

- World Golf Tour #1 realistic digital golf game with more than 30MM members
- Global leaderboard and competitions for all games
- Tip of the spear for Esports opportunity



## Monetization

### Sponsorships

- Partner with big brands to co-market Topgolf to their audience
- Monetize our audience and network
- Strong YoY growth and margins
- World class sales teams from sports leagues and sponsorship agencies



# WORLD GOLF TOUR IS THE LEADING REALISTIC DIGITAL GOLF GAME



- Founded in 2005 and continues to be an enduring game with continued growth and profitability 15 years after inception
- Topgolf aggregated WGT in 2016 for its engaged community and talented game developers
- WGT is an online multiplayer virtual golf game that utilizes our proprietary GPS and 3D technology, allowing for a realistic virtual golfing experience
- Players golf on photorealistic recreations of nearly 25 world-famous golf courses
- Revenue is primarily derived from in-app purchases as well as through game offers and advertisements





**WILLIAM DAVENPORT**  
*Chief Financial Officer*

# Topgolf Financial Overview

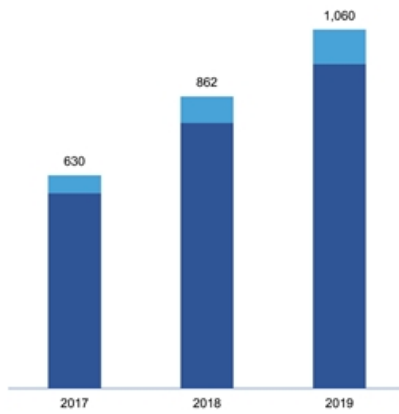


- 
- Proven Success and Growth Across Business Lines with Clear Line of Sight for Further Expansion
  - Significant Investments Made in Recent Years to Drive Growth in Early-Stage Business Lines
  - Strong Unit Level Economics And Consistent Performance Across Platform
  - FCF Positive Before Discretionary Investments in 2022
  - Continued Venue Development and Expansion of Toptracer Range Platform Expected to Drive Future Growth
-

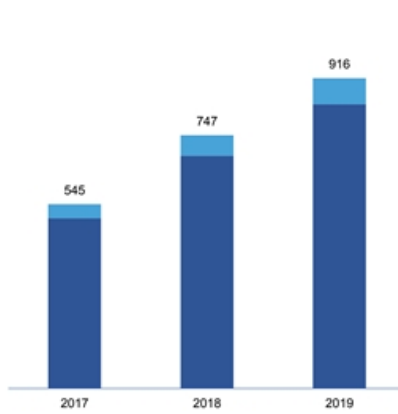
# PROVEN SUCCESS AND GROWTH ACROSS BUSINESS LINES HAVE DRIVEN STRONG MOMENTUM



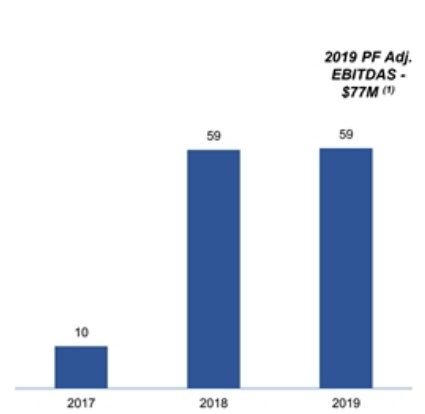
Revenue (\$MM)



Gross Margin (\$MM)



Adj. EBITDAS (\$MM)



■ Venues Segment ■ Other

Margin: 86.4% 86.7% 86.4%

Margin: 1.6% 6.8% 5.6%

**Adj. EBITDAS impacted by growth in other business lines due to significant investments made in our corporate overhead, as well as the adoption of new lease accounting standards implemented in 2019**

(1) 2019 Adjusted EBITDAS unfavorably impacted by \$18M due to the adoption of the new lease accounting standards

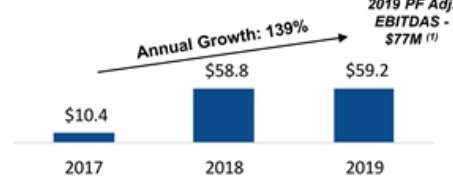
# STRONG GROWTH ACROSS ALL KEY PERFORMANCE METRICS



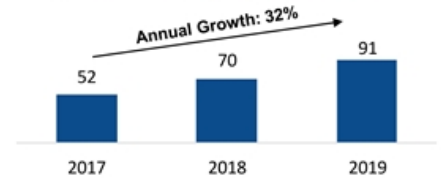
Revenue (\$MM)



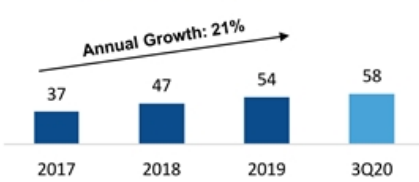
Adj. EBITDAS



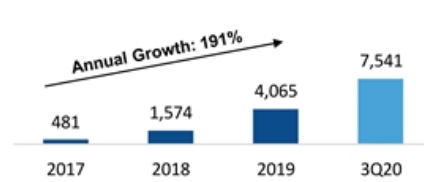
Worldwide Fan Touchpoints (MM) (2)



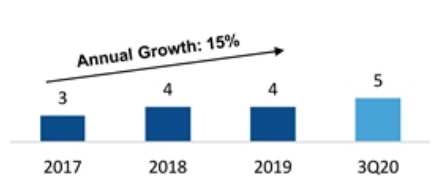
Domestic Venue Count



Toptracer Range Bays Installed



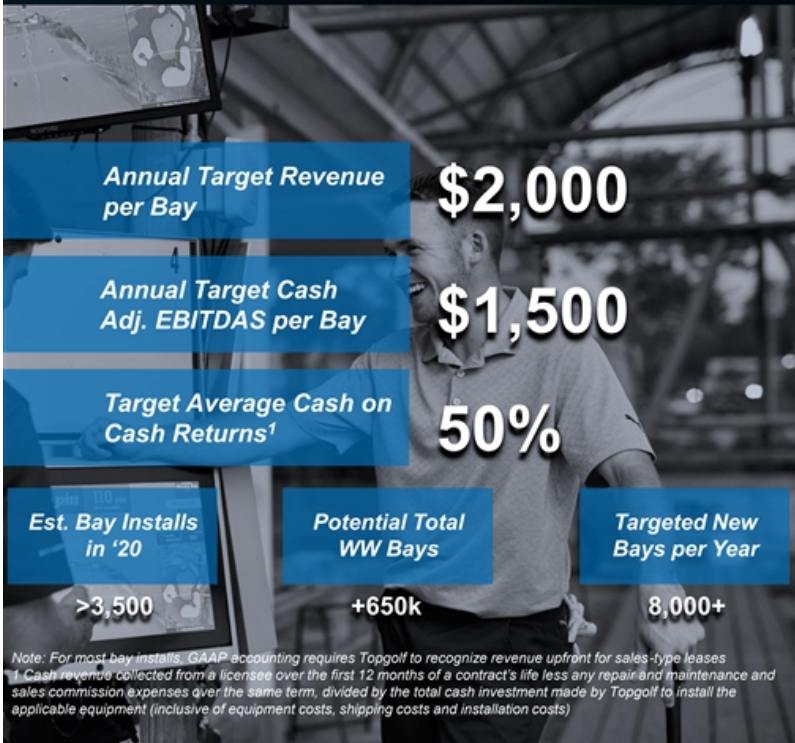
International Venue Count



(1) 2019 Adjusted EBITDAS unfavorably impacted by \$18M due to the adoption of the new lease accounting standards

(2) "Fan touchpoints" refer to the connections Topgolf has to members of its fan base. Topgolf calculates fan touchpoints at any point in time based on the total number of venue memberships, social media subscriptions, SMS subscriptions, e-mail subscriptions and lifetime installs for the Topgolf, Toptracer and World Golf Tour ("WGT") apps. A fan who engages with Topgolf across more than one of these areas, such as by having a venue membership, following Topgolf on one or more social media platforms, subscribing to SMS messages and emails and/or installing one or more of the Topgolf apps, will account for a corresponding number of fan touchpoints

# TOPTRACER UNIT ECONOMICS



## Summary

- Attractive recurring revenue potential with limited upfront investment of ~\$3k per bay
- Strong upside for independent range owners – many licensees have reported 25-60% revenue increases
- Continued momentum expected to accelerate globally and contribute meaningful EBITDAS
- Ability to deliver connected digital experiences from games to lessons and more



**Target Avg. Venue Revenue<sup>1</sup>**

**\$17 M**

**Target Avg. Venue Level Adj. EBITDAS<sup>2</sup>**

**\$5 M**

**Average Construction Cost per Venue<sup>3</sup>**

**\$10-40 M**

**Target Average Cash on Cash Returns**

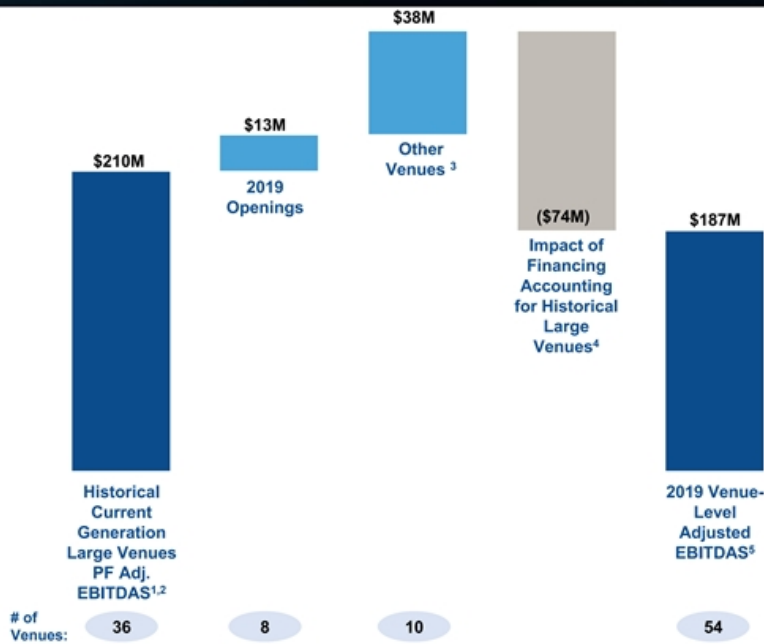
**~50%**

1-2 Near- to medium-term blended average across Large, Medium and Small venues  
3 Topgolf seeks to finance underlying land and 75% of construction costs on the majority of its venues through third-party developer or real estate financing companies

## Summary

- Target cash-on-cash returns of ~50%
- Venues typically open to strong sales results, followed by a “honeymoon” impact resulting in a ~5% - 10% reduction in year-two revenue
- Experienced operating team, investments in systems, and effective marketing engine provide confidence in driving venue sales and profitability growth
- Positive same-venue-sales growth in last five of six years

# TARGETED VENUE-LEVEL ADJUSTED EBITDAS SUPPORTED BY HISTORICAL RESULTS

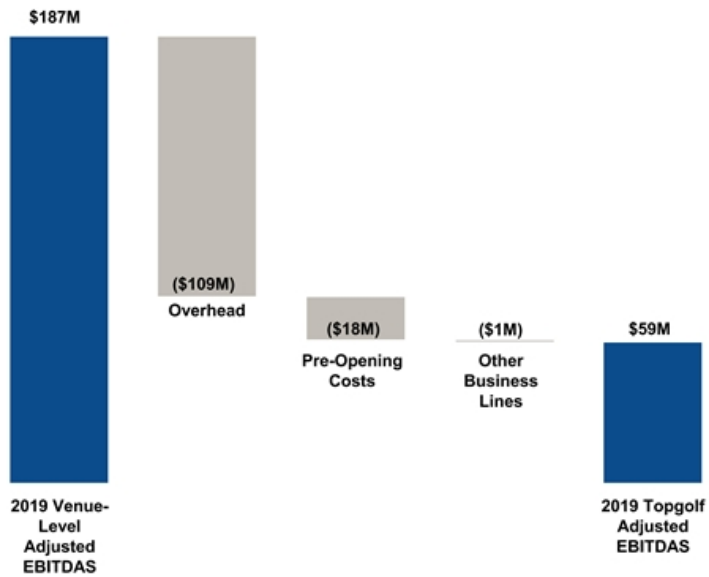


## Summary

- Achieved Pro Forma Adjusted EBITDAS across 36 historical large venues open prior to 2019 of \$210M (\$5.8M / venue)<sup>1,2</sup>
- Target Adj. EBITDAS per venue of \$5M driven by expected concentration of third-party financing and mix of venue formats (large, medium, and small)

1 Excluding Las Vegas and venues opened prior to 2014. We believe current generation venues (those opened since January 1, 2014) are more representative of our newer large venues  
 2 Adjusted EBITDAS pro forma for our planned approach to financing new venues where third-party financed venues are expected to be classified as deemed landlord financing (DLF) versus operating lease venues (which is how historical third-party financed venues are treated in 2019). Under GAAP DLF accounting rent expense for financed venues is classified as interest expense  
 3 Includes Las Vegas, large venues opened prior to 2014, and medium sized venues  
 4 Rent expense for historical current generation large venues. Under our planned approach to financing new venues, rent expense is expected to be classified as interest expense per GAAP DLF accounting  
 5 Before pre-opening costs and other corporate overhead

# VENUE PROFITABILITY IS SUPPORTING GROWTH INVESTMENTS IN PROVEN COMPLEMENTARY BUSINESS LINES



## Summary

- Invested ahead of growth in order to scale rapidly
- Complementary business lines are poised to generate future profit due to strong foundations created 2017-2019
- Future Adj. EBITDAS growth driven by:
  - New venue growth
  - Growth curve of Toptracer and International
  - More selective approach to strategic investments

# HOW TO THINK ABOUT THE FY22 ADJUSTED EBITDAS



## Illustrative

## Adj. EBITDAS (\$M)

• Start with the FY19 Adjusted EBITDAS	\$59
• Assumes existing venues perform at 2019 levels	
• Growth in the Venue business	
• Annualized FY19 venues	\$15
• New FY20 and FY21 venues (13 venues * \$5M/venue)	\$65
• Partial year FY22 venues (10 venues * \$5M/venue * 50% open)	\$25
• Growth in Toptracer business	
• 8K new Toptracer bay installs in 2022 (~85% upfront per sales-type lease accounting)	
• ~5K incremental bays over 2019 * \$1,500 EBITDAS / Year * 4-year avg contract * 85%	\$26
• Incremental EBITDA from cumulative bay installs and renewals (~\$2M / year)	\$2
• Incremental operating expenses to support Toptracer startup growth	(\$8)
• Overhead to deliver new Venue and Toptracer Range installs growth	
• Grow overhead expense at cost of living with additional support for new venue growth and Toptracer install pace	~(\$25)
• Add in growth from international and media/sponsorship	TBD
• Add in some contingency for market volatility	TBD

## COVID-19 Initial Response

---

- All venues closed by March 18, 2020
- Within two weeks of venue closure, Topgolf implemented significant cost reductions, negotiated rent deferrals and trade extensions
- Reduced venue and corporate associates to essential levels to navigate closure and reopening
- Suspended new venue development until venues reopened and sufficient liquidity demonstrated
- Reduced or suspended other discretionary capital expenditures including venue maintenance, venue initiative, technology projects, and other discretionary capital expenditures
- Raised over \$150M in equity (initial series H and conversion of note) from existing shareholders
- Successfully amended Topgolf's Term Loan / Revolving Credit facility to provide covenant relief through Q2'22 while maintaining operational flexibility

## COVID-19 Update

---

- Topgolf safely reopened all venues by September 7, 2020
- Continue to manage evolving government restrictions
- Rapid return to venues with Q3 same venue revenue performance 76% vs. 2019 and recent trends improved to 80-85% in September and October



**BRIAN LYNCH**

*EVP, Chief Financial  
Officer*



**CHIP BREWER**

*Chief Executive Officer*

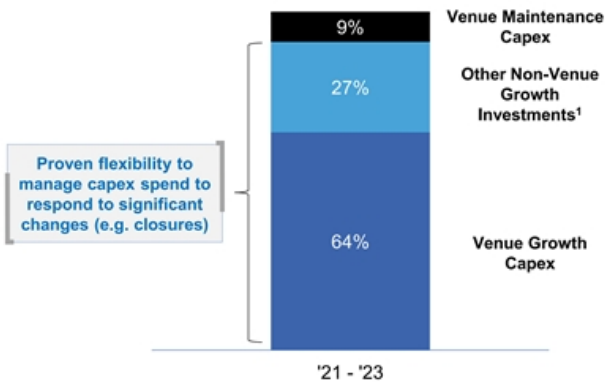
## Realizing the Full Potential of Topgolf



- **Ample liquidity to accelerate momentum**
  - More than \$630M of cash and available facilities as of Q3, nearly \$300M higher than same period of 2019
  - Significant projected excess capital provides cushion well above need
- **Callaway investments near-complete, clear focus on Topgolf growth initiatives**
  - Callaway investment in ball manufacturing, distribution centers and soft goods infrastructure now substantially complete
  - Strong cash generation to fund Topgolf domestic venue expansion
  - Toptracer Range and Media continue to be high-growth, capital-light business lines requiring minimal investment contribution
- **Capable of delivering on growth plans while paying down debt**
  - Funded leverage of approximately 3.6x in 2022, with opportunities to de-lever from there
  - By 2024, Topgolf is self funding and cash flow positive

*Strong ability to finance growth initiatives while efficiently paying down debt*

**Capital Usage Breakdown**



**Summary**

- \$325M in growth capital from Callaway through 2023 primarily to fund new venue growth and other discretionary investments until the company generates positive free cash flow, as projected in 2024
- Expected to drive penetration into addressable market across Venues, International, and Toptracer
- Topgolf estimates it will be free cash flow positive before discretionary investments in 2022

**Proven flexibility to manage capital and development for new venues and other non-venue investments**

<sup>1</sup> Non-venue growth investments include Toptracer in-venue installs, venue initiative spend, technology initiatives, and other investments



## Reasons these businesses are poised for long-term success:

### Callaway business

- Golf Equipment is a profitable and stable business with tailwinds from recent increases in participation
- Golf / active lifestyle apparel brands recovering quickly and will continue to focus on DTC and leveraging scale of CG business. This will deliver long term faster overall growth and operating leverage.
- Callaway combined 2022 EBITDAS will be > than 2019

### Topgolf business

- Will continue to provide great customer experiences / guest satisfaction
- Can continue to open ~10 owned venues per year and by 2022 these will deliver targeted EBITDAS
- Can open 8,000 Toptracer bays per year that will deliver targeted EBITDAS
- Will leverage opex and drive international growth post 2022

### Combined company

- Will have adequate liquidity to fund both businesses
- Will have the ability to alter the capital needs model to respond to new external factors / volatility as it may develop. Our model and attractive shareholder return estimates are not overly sensitive to expected near term volatility
- Will have enough liquidity in the short-term to be able to weather a second full shut down related to COVID-19 and still deliver positive economic returns to shareholders

**None of the above factors in the incredible upside of synergies and creating an unrivaled golf ecosystem**



An Unrivaled Tech Enabled Golf Company Delivering Equipment, Apparel and Entertainment

First-Mover Positioned to Create Long-term Competitive Advantages

Clear Path to Deliver Exceptional Growth and Strong Shareholder Returns



# Q&A

# APPENDIX

# APPENDIX: MAJORITY OF TOPGOLF'S ADDRESSABLE MARKET REMAINS FOR EACH BUSINESS LINE



	Domestic Venues	Toptracer Range	International Venues	Media	Total
<b>Identified path to:</b>	200 venues	152,500 bays <sup>1</sup>	250 venues	~2 Game Potential; \$1.50 sponsorships revenue / visit	
<b>Unit-level Revenue<sup>2</sup></b>	\$6-24M	\$2,000 / Bay	\$1.1M / Venue	N/A	
<b>Total Revenue</b>	\$3,000M	\$305M	\$275M	\$240M	\$3,820M
<b>Adjusted EBITDAS per Unit<sup>3</sup></b>	\$3.5M	\$1,500 / Bay <sup>5</sup>	\$0.9M	N/A	
<b>Business Unit Adjusted EBITDAS<sup>4</sup></b>	\$700M	\$230M	\$225M	\$110M	\$1,265M

<sup>1</sup> Assumes 23% market share of worldwide addressable market of 650,000 bays

<sup>2</sup> For venues: assumes higher mix of Small venues in outer years of growth opportunities

<sup>3</sup> EBITDAS. The Company provides information about its results excluding interest, taxes, depreciation and amortization expense, and non-cash stock compensation expense. Additionally, EBITDAS excludes these same line items from forecasted net income. A long-term forecast of each of these line items is not available without unreasonable efforts due to the variability of these items and the inability to predict them with certainty. Accordingly, we have not provided a further reconciliation of EBITDAS to GAAP net income.

<sup>4</sup> Excludes overhead and opening cost

<sup>5</sup> Cash EBITDAS

# APPENDIX: 2022 EBITDA SUPPLEMENT AND NON-GAAP RECONCILIATION



## Combined Company Supplemental Financial Information and Non-GAAP Reconciliation (Unaudited)

	Twelve months ended December 31, 2019			Twelve months ended December 31, 2022
	Callaway Golf	Topgolf	Combined	Combined
<b>Revenue</b>	\$1,701.1	\$1,059.9	\$2,761.0	\$3,202.6
<b>Gross Margin</b>	766.8	916.0	1,682.8	2,094.9
% of Sales	45.1%	86.4%	60.9%	65.4%
<b>Opex</b>	634.1	990.2	1,624.3	1,948.8
% of Sales	37.3%	93.4%	58.8%	60.9%
Other Income (expense)	(36.9)	(40.9)	(77.8)	(127.3)
Income Tax Provision (benefit)	16.5	(0.2)	16.3	26.0
<b>Net Income (Loss)</b>	<b>\$79.4</b>	<b>\$(114.9)</b>	<b>\$(35.5)</b>	<b>\$(7.2)</b>
Interest Expense, net	38.5	40.9	79.4	127.3
Income Tax Expense (benefit)	16.5	(0.2)	16.3	26.0
Depreciation and Amortization	35.0	98.0	133.0	180.3
Non-cash Stock Comp	12.9	7.1	20.0	22.9
Non-cash Rent	0.4	16.9	17.2	10.7
Non-recurring costs and non-cash charges, before taxes <sup>(1)</sup>	28.0	11.3	39.3	0.0
<b>Adjusted EBITDAS</b>	<b>\$210.7</b>	<b>\$59.2</b>	<b>\$269.9</b>	<b>\$360.0</b>

<sup>1</sup> Callaway Golf charges include: Non-recurring transaction and transition costs associated with the acquisition of Jack Wolfskin, including banker's fees, legal fees, consulting and travel expenses, audit fees and valuations services, as well as non-cash charges related to the valuation of acquired inventory, in addition to other non-recurring advisory fees. Topgolf charges include: Venue closure costs, a regulatory settlement reserve, the remeasurement of a contingent earnout obligation, and the remeasurement of a stock-warrant liability.

**Note:** The Company is providing information about its long-term forecasted results subsequent to December 31, 2022, excluding interest, taxes, depreciation and amortization expense, and non-cash stock compensation expense. A long-term forecast of each of these line items is not available without unreasonable efforts due to the variability of these items and the inability to predict them with certainty. Accordingly, we have not provided a further reconciliation for long-term forecasted Adjusted EBITDAS to GAAP net income.