



Investor Call Presentation for OGIO Acquisition

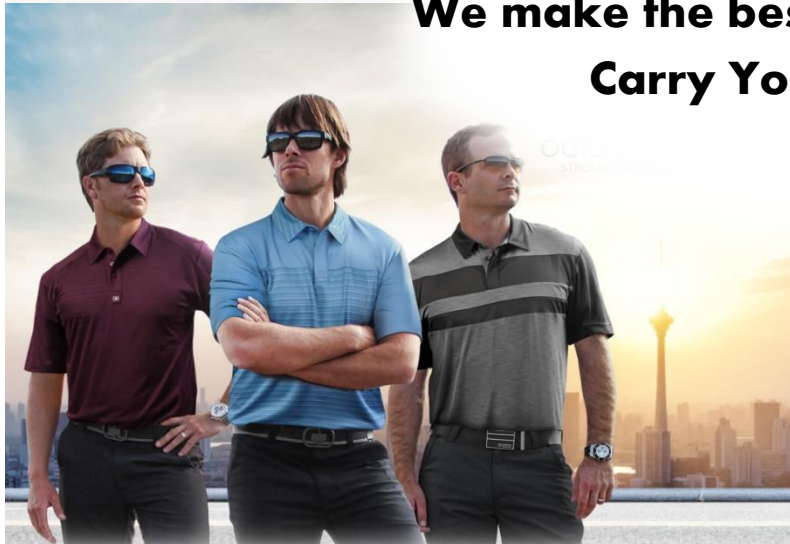
January 12, 2017



The World of OGIO



Intelligent Design
We make the best bags . . . PERIOD
Carry Your Passion



Edgy, Active Brand with Authentic Sports Marketing Messaging

OGIO Company Snapshot



- **Lifestyle brand known for its adrenaline-raising bags and apparel**
 - 2016: Approximately \$50 million of revenue and \$9 million of adjusted EBITDA*
 - Key product categories include Golf, Lifestyle, Powersports and Endurance
 - Wide reach across channels: sporting goods stores, green grass/resorts, department stores, specialty stores and online
 - U.S.-focused business, utilizes third-party distributors internationally
- **Strategic partnership with SanMar extends reach**
 - Perpetual license agreement to distribute certain OGIO products into the promotional channel on an exclusive basis
 - Stable, long-term partnership
- **Reputation for using high-quality materials and intelligent design features**
 - Highly experienced, award-winning in-house design team

Key Product Categories

Golf



Lifestyle



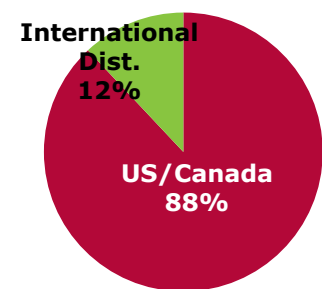
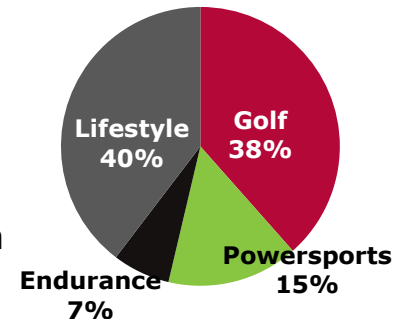
Powersports



Endurance



2015 Net Sales



OGIO is a Leading Lifestyle Brand with Strong Presence in Golf And Beyond

*2016 revenue and adjusted EBITDA are estimates as 2016 financial statements have not yet been finalized; adjusted EBITDA excludes \$1.8 million of certain non-recurring seller transaction costs and non-recurring founder expenses unrelated to the business

Compelling Strategic Rationale



1) Strong strategic fit with Callaway

- Both Callaway and OGIO: high quality, performance-oriented products from strong brands with sports heritage



2) Potential cost and revenue synergies

- Significant overlap in supply chains and go-to-market strategies, which should allow Callaway to add value and create profitable growth
- OGIO's international business is underdeveloped and can benefit from Callaway presence

3) Platform for future growth

- More than 60% of sales in categories outside golf: fast-growing endurance, power sports and large lifestyle segments
- Opens avenues to reach new consumer segments



4) Attractive size

- Significant enough to “move the needle” but not so big as to pose risk to the core business
- No outside financing needed

Acquisition of OGIO Provides Platform for Future Growth

Financial Summary of Deal

- **Purchase Price**

- All-cash transaction; no outside financing required
- \$75.5 million purchase price, subject to a working capital adjustment
- Significant value from tax benefits expected to be realized
 - PV estimate of the 338 tax election of \$8 million*

- **Profitability Target**

- \$10 million of OGIO EBITDA, after the acquisition is integrated and majority of synergies realized
- Majority of synergies anticipated to be realized within 2 years of closing of the transaction
- Purchase price values OGIO at a projected EBITDA multiple of 7.6x

- **2017 Outlook**

- Revenue expected to be in the range of approximately \$45 million
- Non-recurring transition and transaction expenses of approx. \$7 million
- Expected to be \$.02 dilutive to Callaway 2017 EPS and accretive thereafter

Excluding Non-Recurring Expenses, Acquisition Anticipated to be Immediately Accretive

Capital Deployment Priorities

- **Reinvest in the business to drive growth**

- Building team, tools and processes

- **Opportunistically and thoughtfully explore acquisitions and new ventures**

- ✓ Seeking opportunities in golf or industries tangential to golf
- ✓ We must add value to target (i.e. international reach, supply chain)
- ✓ Accretive to earnings in the near- to medium-term

- **Return capital to shareholders through buybacks and dividends**

- Over \$41 million of authorized share repurchase program remains*
- Annual dividend payment of \$0.04 per common share

Deploying Cash to Maximize Shareholder Value Creation