Third Quarter 2017 Earnings Conference Call

October 25, 2017

Important Notices

Forward-looking Statements: During the presentation, any comments made about future performance, events, prospects or circumstances, including estimated 2017 net sales, gross margins, operating expenses, and earnings per share (including estimated tax rate and share count), future growth or profitability, the creation of shareholder value, future industry or market conditions, future reinvestment or capital deployment, the estimated OGIO and TravisMathew deal-related expenses, and the estimated capital expenditures and depreciation and amortization expenses, are forward-looking statements, subject to Safe Harbor protection under the federal securities laws. Such statements reflect our best judgment as of the time made based on then current market trends and conditions. Actual results could differ materially from those projected in the forward-looking statements as a result of certain risks and uncertainties applicable to the Company and its business. For details concerning these and other risks and uncertainties, you should consult our earnings release issued on October 25, 2017, as well as Part I, Item 1A of our most recent Form 10-K for the year ended December 31, 2016, filed with the SEC, together with the Company's other reports subsequently filed with the SEC from time to time.

Regulation G. In addition, in order to assist you with period-over-period comparisons on a consistent and comparable basis, today's presentation includes certain non-GAAP information. This information, as applicable, excludes the non-recurring OGIO and TravisMathew deal-related expenses, the second quarter 2016 gain from the sale of a small portion of the Company's Topgolf investment, and the reversal in 2016 of most of the Company's deferred tax valuation allowance. The Company also provides certain information excluding interest, taxes, depreciation and amortization expenses, as well as the Topgolf gain and the acquisition deal-related expenses. For comparative purposes, certain non-GAAP earnings information assumes a 38.5% tax rate for certain interim periods. 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 Company has provided a reconciliation of such non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP. The reconciliations are included in the presentation or in the schedules to the Company's October 25, 2017 earnings release, which is available on the Investor Relations section of the Company's website located at http://ir.callawaygolf.com/.

Company & Strategy Overview

Chip Brewer

President and CEO

Q3 2017 Key ELY Takeaways

Another strong quarter for our company with financial results that exceeded our expectations

- Strength in woods business
- Continued growth in golf ball business
- Successful startup of new business ventures: Japan Apparel Joint Venture, OGIO and TravisMathew

Revenues up 30% for the quarter and 21% YTD, with particular strength in woods, ball and gear and accessories

We believe we are the **#1 driver and #1 hard goods brand** in the U.S., United Kingdom, Europe and Japan

Widened our lead as the #1 club brand in the U.S. since 2015, including holding the #1 iron brand position for 32 consecutive months

An EPIC 2017 for Callaway Continues into Q3

Investing in Core Business and Growth Opportunities

Significant investments in the core business over the last two years; excited about results and long-term outlook

- Capital projects in Chicopee, MA ball plant
- Additions to sales, marketing and R&D

Our strong financial position with an ability and commitment to reinvest will help differentiate us

- Other companies exiting hard goods space with limited ability to invest

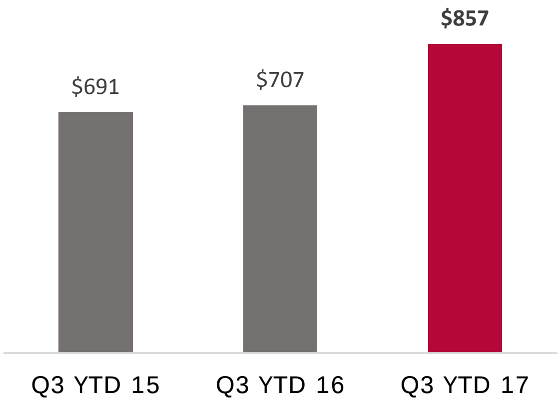
Investments in outside growth are all meeting or beating our expectations and should provide incremental growth and profitability

- Japan Apparel Joint Venture
- OGIO
- TravisMathew

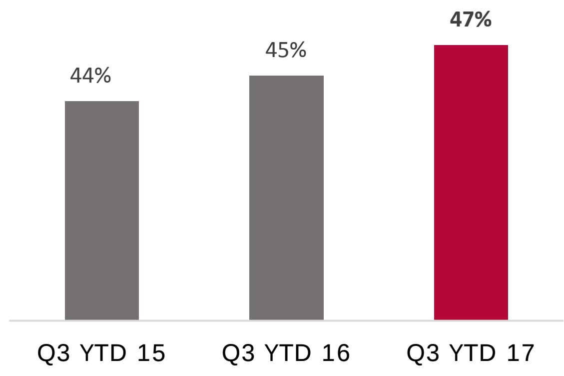
Creating Long-term Shareholder Value

2017 Performance Comparison

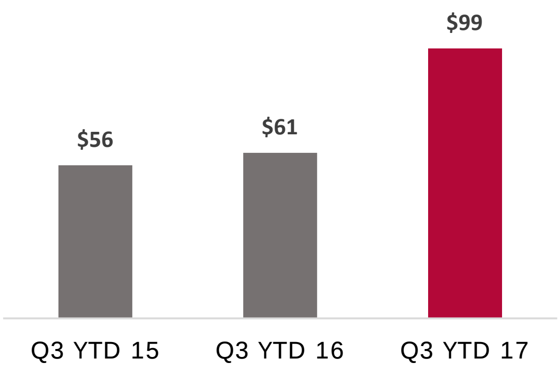
Net Sales (M)



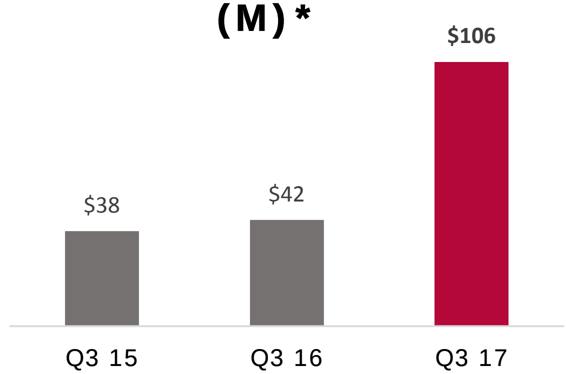
Gross Margin



Income from Operations (M)



Trailing 12 Months Adjusted EBITDA (M)*



Key Points

- Year-to-date income from operations is up 63% year-over-year
- Year-to-date income from operations is up 79% excluding non-recurring deal-related expenses
- Trailing 12 months adjusted EBITDA has more than doubled

Continueing Strong Multi-Year Performance Trends

* Adjusted EBITDA excludes non-recurring OGIO and TravisMathew expenses in 2017 and the Topgolf gain in 2016.

Key Industry Trends

<u>Improving industry fundamentals</u> is the overarching theme

- European market has had a strong year
- United States showing signs of more stable conditions
- Fewer OEMs
- Reduction in field inventory

<u>Healthier retail channel</u> is exemplified in a number of positive trends

- Average selling prices have been increasing
- Product life cycles have lengthened
- Less overall unplanned promotional activity

<u>Benefit to industry in the long-run</u> despite, and in some cases due to, market corrections

Cautious Optimism Characterizes Recent Industry Trends

U.S. Q3 2017 Financial Highlights

Net Sales

- Net sales up 33% in Q3 and up 24% YTD

Market Share (September YTD)

- #1 dollar market share in Total Clubs, Driver, Fairway Woods, Hybrids and Irons and #1 in unit share for Putters
- Hard goods: 26%, up 330 bps year-over-year
- Golf ball: 14%, up 30 bps year-over-year

Outlook

- Anticipating improved market conditions for the balance of year

ELY Outperformed U.S. Market in Q3

Market Share Source: Golf Datatech

Asia Q3 2017 Financial Highlights

Net Sales

- Strong quarter led by Japan with net sales up 28% in Q3 and 22% YTD
- Increases driven by Japan Apparel Joint Venture and strong market share performance with particular strong start for the EPIC Star Irons

Japan Market Share (September YTD)

- #1 in Driver and Hard Goods
- Hard goods: 20.5%, up 460 bps year-over-year

Asia Region Continues to Perform

Market Share Source: Data provided by largest regional retailers

Europe Q3 2017 Financial Highlights

Net Sales

- Net sales up 23% in Q3 and up 17% YTD
- Driven by favorable market conditions and strong market share growth and only partially offset by currency

Market Share (September YTD)

- Hard goods: 25.5%, up 370 bps year-over-year
- #1 in Driver, Woods, Hybrids, Irons, Putters and Hard Goods and #2 ball brand with continued growth in our golf ball share

Europe Continues Significant Momentum and Market Shares Gains

Market Share Source: Golf Datatech

Q3 2017 Summary and Q4 Outlook

Raising guidance for the year based on operating performance and brand momentum YTD

- Expect market conditions to show YOY improvement
- Embedded in guidance is consideration of less new ELY product introductions relative to last year
- Comfortable with our position and launch cadence strategy; plus 2018 product range is shaping up nicely

Confident in our strategy based on our operating performance and early results from the investments we made over last few years

- Creating long-term shareholder value

2017 is Shaping up to be an Excellent Year for ELY

3Q 2017 Financial Results

Brian Lynch

SVP, CFO and General Counsel

CFO Summary

Pleased with our performance this year and the trends in the business

- EPIC line of products continues to exceed our expectations
- Strong Q3 2017 results
- Excited about closing TravisMathew acquisition in August

Non-recurring deal-related expenses for OGIO and TravisMathew are excluded in the non-GAAP results and non-GAAP guidance presented

Reminder: Now three operating segments, up from two in 2016; reclassifications are included in the tables to the earnings press release

An EPIC 2017 Continues for Callaway

3Q 2017 Financial Performance

Source: Tables to the October 25, 2017 Earnings Press Release

	Three months ended September 30, 2017		
	As Reported	Acquisition Costs[1]	Non-GAAP
Net sales	$ 243,604	$ —	$ 243,604
Gross profit	104,902	(798)	105,700
% of sales	43.1%	—	43.4%
Operating expenses	98,865	2,579	96,286
Income (loss) from operations	6,037	(3,377)	9,414
Other income (expense), net	(1,462)	—	(1,462)
Income (loss) before income taxes	4,575	(3,377)	7,952
Income tax provision (benefit)	1,486	(1,134)	2,620
Net income (loss)	3,089	(2,243)	5,332
Less: Net income attributable to non-controlling interest	29	—	29
Net income (loss) attributable to Callaway Golf Company	$ 3,060	$ (2,243)	$ 5,303
Diluted earnings (loss) per share:	$ 0.03	$ (0.02)	$ 0.05
Weighted-average shares outstanding:	96,879	96,879	96,879

Strong Third Quarter, Including 30% Sales Growth

1) Represents non-recurring deal-related costs associated with the acquisition of OGIO International, Inc. in January 2017 and TravisMathew in August 2017.

Balance Sheet and Cash Flow

(in millions, except percentages)	As of Sep 30, 2017	As of Sep 30, 2016	Percentage Change
Cash & Equivalents	$82	$125	-34%
Asset-based Loans	$71	$0	+100%
Available Liquidity	$195	$212	-8%
Net Accounts Receivable	$152	$158	-4%
Inventory	$187	$157	+19%
Cap Ex	$17	$12	
D&A	$13	$13	
Share Repurchase	$16	$5	

Continuing to Build Liquidity and Redeploy Capital to Drive Shareholder Value

1) Available liquidity includes cash on hand, total capacity less outstanding balances under the ABL facilities and letters of credit.

2017 Full Year Guidance

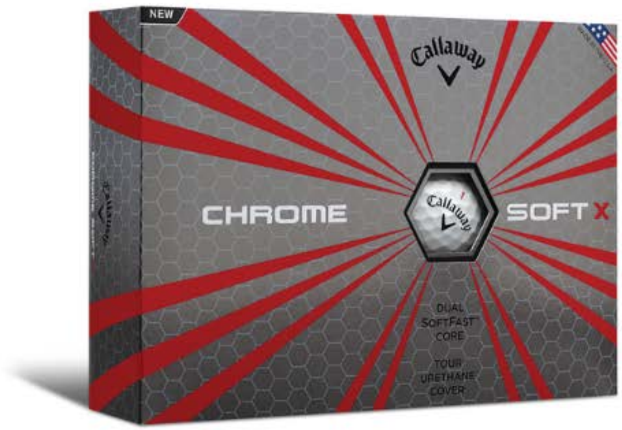
(in millions, except Gross Margin and EPS)	Updated 2017 GAAP Estimates	Updated 2017 Pro Forma Estimates[1]	Previous 2017 Pro Forma Estimates[2]	2016 Pro Forma Results[3]
Net Sales	$1,030-$1,040	$1,030-$1,040	$980-$995	$871
Gross Margin	45.6%	45.8%	45.8%	44.2%
Operating Expenses	$400	$390	$381	$341
EPS	$0.39-$0.43	$0.47-$0.51	$0.40-$0.45	$0.24
Shares O/S	96.5	96.5	96.0	95.8

Margin and Profitability Improvement Remain in Focus

1) Excludes non-recurring deal-related expenses for the OGIO and TravisMathew acquisitions, which are estimated to be approximately $12 million for full year 2017.
2) Upon acquiring TravisMathew, the Company indicated that TravisMathew would provide in 2017 an additional $15 million in sales and would be $0.01 dilutive.
3) Excludes (i) the $157 million ($1.63 per share) benefit from the reversal of the deferred tax valuation allowance and (ii) the $10.5 million ($0.11 per share) after-tax Topgolf gain, and applies an actual 41.3% tax rate for 2016.

Questions

Thank You



Time for Q&A