

Acushnet Holdings Corp

Third Quarter 2017 Results

November 8, 2017

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Tony Takazawa
Vice President, Investor Relations

Disclaimers

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This presentation includes forward-looking statements that reflect our current views with respect to, among other things, our operations and financial performance. These forward-looking statements are included throughout this presentation and relate to matters such as our industry, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information such as our anticipated consolidated net sales, consolidated net sales on a constant currency basis and adjusted EBITDA. We use words like “guidance,” “outlook,” “anticipate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “future,” “will,” “seek,” “foreseeable” and similar terms and phrases to identify forward-looking statements in this presentation.

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This presentation includes certain financial measures not presented in accordance with generally accepted accounting principles (“GAAP”) such as Adjusted EBITDA and net sales in constant currency. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company’s financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income or net sales or other measures under GAAP. You should be aware that the Company’s presentation of these measures may not be comparable to similarly-titled measures used by other companies. For a reconciliation of these measures to the most comparable GAAP measures, we refer you to the earnings release that we have made available on our website (www.acushnetholdingscorp.com) in connection with this presentation.

For further information, please see our Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on March 30, 2017 as updated by our periodic reports subsequently filed with the SEC pursuant to the Securities Exchange Act of 1934 which are available at the SEC’s website (www.sec.gov). Copies of this presentation and the accompanying webcast are publicly available on the our website (www.acushnetholdingscorp.com). This presentation should be read with the accompanying webcast and related earnings release.

Acushnet Holdings Corp

Third Quarter 2017 Results

David Maher
Chief Operating Officer

Long Term, Total Return Strategy

- **Consistent playbook**
 - Focus on the Dedicated Golfer
 - Broad product category portfolio
 - Favorable mix of consumables / durables
 - Golf brands that resonate
 - Strong Pyramid of Influence position
 - Concentration in higher margin equipment
- **Quarterly cash dividend**
 - \$0.12 / share

Titleist[®]




SCOTTY CAMERON


VOKEY DESIGN

Results Overview

(\$ in millions)	3Q 2017	Growth Y/Y	Growth Y/Y @ CC	YTD 2017	Growth Y/Y	Growth Y/Y @ CC
Net Sales	\$347.3	2.3%	2.9%	\$1,208.9	(2.7)%	(2.0)%
Adjusted EBITDA*	\$32.2	15.0%		\$182.5	(4.1)%	

* See Appendix A for Adjusted EBITDA reconciliation



Segment Results

- **Golf Balls**

- 3Q17 (3.1%) Y/Y; YTD (2.1%) Y/Y*
- Pro V1 franchise had YTD sales and share gains
- Performance models down due to 2nd model year and competitive promotional activity
- Launched DT TruSoft and new launches coming in 1Q18

- **Golf Clubs**

- 3Q17 up 10.3% Y/Y; YTD (9.2%) Y/Y*
- Great launch of new 718 irons and 818 hybrids
- Most comprehensive and well executed golf club launch to date
- Vokey wedges and Scotty Cameron putters performed well and as expected in their 2nd year



* All sales year over year percentage change in constant currency

Segment Results

- **Golf Gear**

- 3Q17 up 2.1% Y/Y; YTD up 5.4% Y/Y*
- 3Q driven by success in travel gear
- YTD growth in every category: golf bags, headwear, golf gloves and travel
- Fortify product development and supply chain capabilities to deliver highest performance and quality

- **FootJoy**

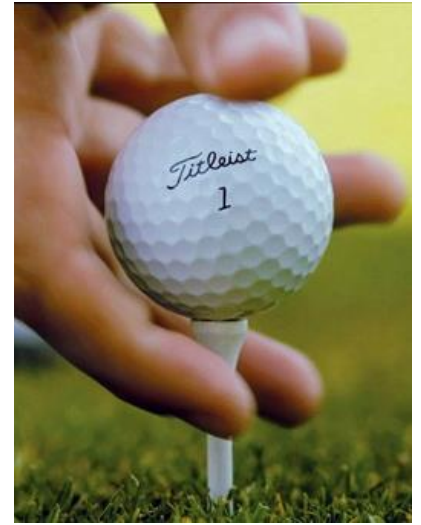
- 3Q17 up 3.7% Y/Y; YTD (0.5%) Y/Y*
- Healthy especially given reduced US store count and corresponding inventory reduction
- 3Q D.N.A. Helix launch well received; Pro/SL continues to have good momentum
- Successful introduction of LTS outerwear and fall collection of Golfleisure for women



* All sales year over year percentage change in constant currency

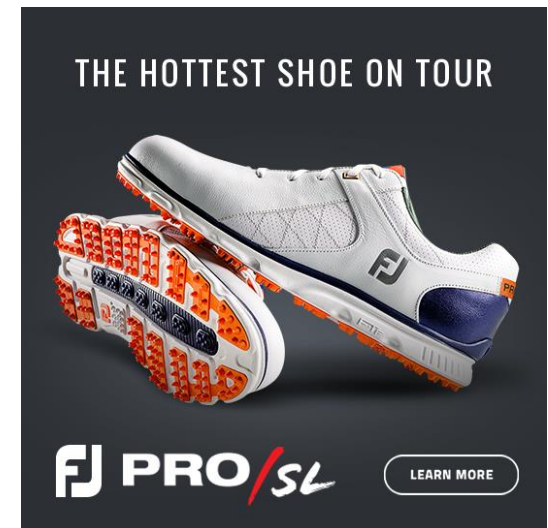
Geographic Results – United States

- **US sales results**
 - 3Q17 \$183.5 million, up 4.6% Y/Y
 - YTD \$630.8 million, (3.0%) Y/Y
- **US retail market**
 - Market weathering the structural correction
 - Trade partners faring better than in 2015 or 2016
 - Fewer competitive doors and greater percentage of their sales generated by in line products
- **US approaching healthier state**
 - Fewer OEMs, retail doors, inventory levels and golf courses
 - More closely aligned with market demand
 - Monitoring ongoing migration of volume and evolving golfer purchasing behaviors



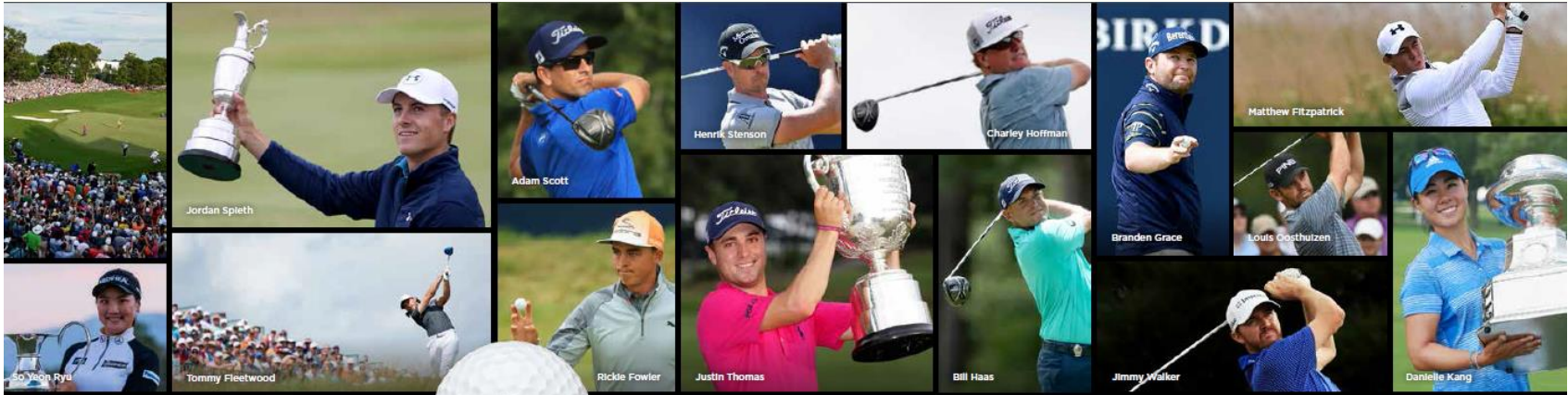
Geographic Results – Outside United States

- **EMEA**
 - 3Q17 up 0.5% Y/Y; YTD (0.8%) Y/Y*
 - Comping against record 2016
 - Markets holding strong; YTD inventories inline
- **Japan**
 - 3Q17 (6.9%) Y/Y; YTD (10.4%) Y/Y*
 - Started 2017 slowly due to poor weather
 - Weather/rounds have stabilized but still lagging 2016
- **Korea**
 - 3Q17 up 6.4% Y/Y; YTD up 11.9% Y/Y*
 - Capitalizing on opportunities
 - Each of the business segment is contributing to success



* All sales year over year percentage change in constant currency

2017 YTD Performance



AROUND THE WORLD,



PERFORMANCE SPEAKS LOUDER THAN WORDS.

22,538 #1 IN WORLDWIDE PLAYERS
166 #1 IN WORLDWIDE WINS

NEAREST COMPETITOR 3,226

NEAREST COMPETITOR 27



©2017 Acushnet Company. Source: Deloitte Survey, Sports Marketing Surveys Inc., Northmountain International. Based upon results through 10/02/2017 on the U.S. PGA, U.S. LPGA, Champions, Web.com, South African, Asian, Korean, OpenAsia, Australasian, Japan, Canadian PGA and PGA European Tours.



Acushnet Holdings Corp

Third Quarter 2017 Results

Bill Burke
Chief Financial Officer

Income Statement Highlights

<i>(\$ in millions)</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016
Net sales*	\$347.3	\$339.3	\$1,208.9	\$1,242.5
Gross profit	\$173.0	\$166.9	\$622.3	\$630.7
<i>GM%</i>	49.8%	49.2%	51.5%	50.8%
SG&A	\$142.0	\$143.0	\$441.8	\$456.4
R&D	\$11.1	\$12.5	\$35.7	\$35.3
Income from operations	\$18.3	\$9.6	\$139.9	\$133.2
<i>OM%</i>	5.3%	2.8%	11.6%	10.7%
Interest expense, net	\$4.0	\$15.7	\$11.9	\$44.1
Income tax expense	\$3.5	\$0.8	\$44.2	\$39.5
<i>Effective Tax Rate</i>	24.7%	(21.7%)	34.4%	45.0%
Net income (loss) attributable to Acushnet Holdings	\$9.3	\$(5.5)	\$80.4	\$45.2
Adjusted EBITDA**	\$32.2	\$28.0	\$182.5	\$190.3

* 3Q 2017 net sales up 2.3% year over year or up 2.9% in constant currency.

YTD 2017 net sales down 2.7% year over year or down 2.0% in constant currency.

** See Appendix A for Adjusted EBITDA reconciliation schedule.

Liquidity & Capital Resources

(\$ in millions)

As of September 30, 2017

Notes

Unrestricted Cash

\$69.8

Total Debt Outstanding

\$466.9

~2.1x LTM Adjusted EBITDA

Capital Expenditures

\$12.8

~\$21.0 million in 2017

2017 Outlook

(\$ in millions)

2017 Outlook

Net Sales

\$1,545 - \$1,555

Net Sales @ CC

Decrease by 1.0% to 0.4%
when compared to 2016

Adjusted EBITDA

\$220 - \$225

Appendix

Appendix A: Adjusted EBITDA

<i>(\$ in thousands)</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016
Net income (loss) attributable to Acushnet Holdings Corp	\$9,318	\$(5,526)	\$80,448	\$45,191
Income tax expense	3,488	785	44,180	39,495
Interest expense, net	4,040	15,672	11,863	44,076
Depreciation and amortization	10,214	10,003	30,667	30,553
EAR Plan(a)	-	(940)	-	(940)
Share-based compensation(b)	3,674	6,159	11,576	7,123
One-time executive bonus(c)	-	-	-	7,500
Restructuring charges(d)	-	174	-	816
Transaction fees(e)	-	2,947	146	11,912
Beam indemnification expense (income)(f)	145	(2,156)	342	(2,641)
Losses on the fair value of our common stock warrants(g)	-	-	-	6,112
Other non-cash gains, net	(17)	(236)	(613)	(531)
Nonrecurring income(h)	-	-	-	(1,467)
Net income attributable to noncontrolling interests(i)	1,316	1,124	3,854	3,077
Adjusted EBITDA	\$32,178	\$28,006	\$182,463	\$190,276
Adjusted EBITDA margin	9.3%	8.3%	15.1%	15.3%

Appendix A: Adjusted EBITDA Footnotes

- (a) Reflects expenses related to the Equity Appreciation Rights (“EARs”) granted under our EAR Plan and the remeasurement of the liability at each reporting period based on the then-current projection of our common stock equivalent value (as defined in the EAR Plan). See “—Critical Accounting Policies and Estimates—Share-Based Compensation” in our Annual Report on Form 10-K for the year ended December 31, 2016. The EAR Plan expired on December 31, 2016.
- (b) Reflects compensation expense with respect to equity-based grants under the Acushnet Holdings Corp. 2015 Omnibus Incentive Plan.
- (c) In the first quarter of 2016, our President and Chief Executive Officer was awarded a cash bonus in the amount of \$7.5 million as consideration for past performance.
- (d) Reflects restructuring charges incurred in connection with the reorganization of certain of our operations in 2016.
- (e) For the nine months ended September 30, 2017, reflects legal fees incurred relating to a dispute arising from the indemnification obligations owed to us by Beam Suntory, Inc. (formerly known as Fortune Brands, Inc.) (“Beam”) in connection with our acquisition of Acushnet Company, our operating subsidiary, from Beam on July 29, 2011 (the “Acquisition”). For the three and nine months ended September 30, 2016, reflects certain fees and expenses we incurred in connection with our initial public offering as well as legal fees incurred relating to a dispute arising from the indemnification obligations owed to us by Beam in connection with the Acquisition.
- (f) Reflects the non-cash charges related to the indemnification obligations owed to us by Beam that are included when calculating net income (loss) attributable to Acushnet Holdings Corp.
- (g) Fila Korea exercised all of our outstanding common stock warrants in July 2016 and we used the proceeds from such exercise to redeem all of our outstanding 7.5% bonds due 2021.
- (h) Reflects legal judgment in favor of us associated with the Beam value-added tax dispute in other (income) expense.
- (i) Reflects the net income attributable to the interest that we do not own in our FootJoy golf shoe joint venture.

Geographic Results

<i>(\$ in millions)</i>	3Q 2017	Growth Y/Y	Growth Y/Y @ CC	YTD 2017	Growth Y/Y	Growth Y/Y @ CC
United States	\$183.5	4.6%	4.6%	\$630.8	(3.0)%	(3.0)%
EMEA	\$40.6	2.7%	0.5%	\$166.5	(6.0)%	(0.8)%
Japan	\$41.1	(13.7)%	(6.9)%	\$135.6	(12.6)%	(10.4)%
Korea	\$47.5	5.9%	6.4%	\$153.4	14.5%	11.9%
Rest of World	\$34.5	8.5%	6.3%	\$122.6	(2.5)%	(2.5)%

Segment Results

<i>(\$ in millions)</i>	3Q 2017	Growth Y/Y	Growth Y/Y @ CC	YTD 2017	Growth Y/Y	Growth Y/Y @ CC
Titleist Golf Balls	\$115.0	(3.5)%	(3.1)%	\$404.1	(2.7)%	(2.1)%
Titleist Golf Clubs	\$84.7	9.5%	10.3%	\$280.0	(10.0)%	(9.2)%
Titleist Golf Gear	\$30.9	1.3%	2.1%	\$120.6	5.0%	5.4%
FootJoy Golf Wear	\$101.0	3.3%	3.7%	\$355.8	(1.7)%	(0.5)%