

Acushnet Holdings Corp.

Fourth Quarter and Full Year 2018 Results
February 28, 2019

Tony Takazawa
Vice President, Investor Relations

Disclaimers

FORWARD-LOOKING STATEMENTS

This presentation includes forward-looking statements that reflect our current views with respect to, among other things, our 2019 outlook, our operations and our 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.

The forward-looking statements contained in this presentation are based on management’s current expectations and are subject to uncertainty and changes in circumstances. We cannot assure you that future developments affecting us will be those that we have anticipated. Actual results may differ materially from these expectations due to changes in global, regional or local economic, business, competitive, market, regulatory and other factors, many of which are beyond our control. Important factors that could cause or contribute to such differences include: a reduction in the number of rounds of golf played or in the number of golf participants; unfavorable weather conditions may impact the number of playable days and rounds played in a given year; macroeconomic factors may affect the number of rounds of golf played and related spending on golf products; demographic factors may affect the number of golf participants and related spending on our products; a significant disruption in the operations of our manufacturing, assembly or distribution facilities; our ability to procure raw materials or components of our products; a disruption in the operations of our suppliers; cost of raw materials and components; currency transaction and translation risk; our ability to successfully manage the frequent introduction of new products; our reliance on technical innovation and high-quality products; changes to the Rules of Golf with respect to equipment; our ability to adequately enforce and protect our intellectual property rights; involvement in lawsuits to protect, defend or enforce our intellectual property rights; our ability to prevent infringement of intellectual property rights by others; intense competition and our ability to maintain a competitive advantage in each of our markets; limited opportunities for future growth in sales of golf balls, golf shoes and golf gloves; our customers’ financial condition, their levels of business activity and their ability to pay trade obligations; a decrease in corporate spending on our custom logo golf balls; our ability to maintain and further develop our sales channels; consolidation of retailers or concentration of retail market share; our ability to maintain and enhance our brands; seasonal fluctuations of our business; fluctuations of our business based on the timing of new product introductions; risks associated with doing business globally; compliance with laws, regulations and policies, including the U.S. Foreign Corrupt Practices Act or other applicable anti-corruption legislation; our ability to secure professional golfers to endorse or use our products; negative publicity relating to us or the golfers who use our products or the golf industry in general; our ability to accurately forecast demand for our products; a disruption in the service or increase in cost, of our primary delivery and shipping services or a significant disruption at shipping ports; our ability to maintain our information systems to adequately perform their functions; cybersecurity risks; the ability of our eCommerce systems to function effectively; impairment of goodwill and identifiable intangible assets; our ability to attract and/or retain management and other key employees and hire qualified management, technical and manufacturing personnel; our ability to prohibit sales of our products by unauthorized retailers or distributors; our ability to grow our presence in existing international markets and expand into additional international markets; tax uncertainties, including potential changes in tax laws, unanticipated tax liabilities and limitations on utilization of tax attributes after any change of control; adequate levels of coverage of our insurance policies; product liability, warranty and recall claims; litigation and other regulatory proceedings; compliance with environmental, health and safety laws and regulations; our ability to secure additional capital on terms acceptable to us; our estimates or judgments relating to our critical accounting policies; our substantial leverage, ability to service our indebtedness, ability to incur more indebtedness and restrictions in the agreements governing our indebtedness; our exposure to market risks from changes in interest rates on our variable rate indebtedness and risks related to counterparty credit worthiness or non-performance of derivative financial instruments; our ability to pay dividends; and the other factors set forth in the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on March 7, 2018 as it may be updated by our periodic reports subsequently filed with the SEC, including, when available, the Annual Report on Form 10-K for the year ended December 31, 2018. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, our actual results may vary in material respects from those projected in these forward-looking statements.

Any forward-looking statement made by us in this presentation speaks only as of the date of this presentation. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, investments or other strategic transactions we may make. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws. :

NON-GAAP FINANCIAL MEASURES

This presentation includes certain financial measures not presented in accordance with generally accepted accounting principles (“GAAP”) such as Adjusted EBITDA, Adjusted EBITDA margin 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 to understanding and assessing the Company’s financial results. Therefore, these measures should not be considered in isolation or as an alternative to net sales, net income or other measures of profitability or performance 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 appendix in this presentation or 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, 2017 filed with the SEC on March 7, 2018 as updated by our periodic reports subsequently filed with the SEC, including, when available, the Annual Report on Form 10-K for the year ended December 31, 2018, 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 our website (www.acushnetholdingscorp.com). This presentation should be read with the accompanying webcast and related earnings release.

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February 28, 2019

David Maher
President and Chief Executive Officer

Highlights

- **Titleist Golf Balls**
 - 73% of all tour players worldwide chose Pro V1 or Pro V1x as their golf equipment
 - Including the winners of all 4 men's and all 5 women's Major Championships
 - Great introduction of the new AVX
- **Titleist Golf Clubs**
 - Successfully launched TS metals
 - Strong year in Irons; Robust Vokey SM7 wedges and Cameron Select putters
- **Titleist Gear and FootJoy Golf Wear**
 - Resilient in the face of challenges
 - Positioned well for 2019
- **Quarterly Dividend**
 - Increased to \$0.14 per share, up ≈8%
- **Share Buyback Authorization**
 - Increased to \$50 million



Results Overview

(\$ in millions)	4Q 2018	Growth Y/Y	Growth Y/Y @ CC	FY 2018	Growth Y/Y	Growth Y/Y @ CC
Net Sales	\$343.4	(2.3)%	(1.4)%	\$1,633.7	4.7%	3.1%
Adjusted EBITDA*	\$36.1	(11.7)%		\$230.8	3.3%	

* See Appendix A for Adjusted EBITDA reconciliation



Segment Results*

- **Titleist Golf Balls**

- 4Q18 down 1.8% Y/Y; FY18 up 1.2% Y/Y
- Driven by new AVX, Tour Soft and Velocity golf balls
- Pro V1 franchise: 180 wins worldwide
- New Pro V1 and Pro V1x launched in January



- **Titleist Golf Clubs**

- 4Q18 down 4.6% Y/Y; FY18 up 10.5% Y/Y
- Grew in every major market 2018
- Unprecedented sweep of all six club categories at recent tournaments
- More tour players playing Titleist drivers than ever before



* All year-year sales changes on constant currency

Segment Results*

- **Titleist Golf Gear**
 - 4Q18 up 14.8% Y/Y; FY18 up 0.3% Y/Y
 - New gear products off to a good start
 - Capitalizing on demand for customization and personalization
- **FootJoy Golf Wear**
 - 4Q18 down 1.9% Y/Y; FY18 down 1.4% Y/Y
 - Continued success in apparel: men's women's and performance outerwear
 - New Pro SL, Fury and Flex and women's footwear; New HydroKnit
 - FJ 1857 and Links & Kings doing well



* All year-year sales changes on constant currency

Geographic Results*

- **US**
 - 4Q18 down 5.2% Y/Y; FY18 up 4.6% Y/Y
- **EMEA**
 - 4Q18 down 0.2% Y/Y; FY18 up 1.3% Y/Y
- **Japan**
 - 4Q18 down 8.8% Y/Y; FY18 down 2.8% Y/Y
- **Korea**
 - 4Q18 up 21% Y/Y; FY18 up 6.8% Y/Y



* All year-year sales changes on constant currency

Looking to 2019

- Global business of golf and the dedicated golfer base are structurally healthy
- Product innovation will be the engine of growth and share gains
- Each business has a full calendar of new product introductions
- Investing in our associates and technology while increasing efficiencies
- Team has proven track record of executing
- Confident in continued ability to deliver favorable returns for our shareholders

Titleist[®]



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Tom Pacheco
Chief Financial Officer

Income Statement Highlights

<i>(\$ in millions)</i>	4Q 2018	4Q 2017	FY 2018	FY 2017
Net sales	\$343.4	\$351.4	\$1,633.7	\$1,560.3
Gross profit	\$174.9	\$179.4	\$842.4	\$801.9
<i>GM%</i>	<i>50.9%</i>	<i>51.1%</i>	<i>51.6%</i>	<i>51.4%</i>
SG&A	\$140.2	\$137.3	\$611.9	\$578.3
R&D	\$13.4	\$12.1	\$51.5	\$47.2
Income from operations	\$19.6	\$28.3	\$172.3	\$169.8
<i>OM%</i>	<i>5.7%</i>	<i>8.1%</i>	<i>10.5%</i>	<i>10.9%</i>
Interest expense, net	\$4.5	\$3.8	\$18.4	\$15.7
Other (income) expense, net	\$(0.6)	\$1.2	\$3.6	\$2.4
Income tax expense	\$3.5	\$4.3	\$47.2	\$48.5
<i>Effective Tax Rate</i>	<i>22.2%</i>	<i>18.5%</i>	<i>31.4%</i>	<i>32.0%</i>
Net income attributable to Acushnet Holdings	\$11.4	\$18.2	\$99.9	\$98.7
Adjusted EBITDA*	\$36.1	\$40.9	\$230.8	\$223.4

* See Appendix A for Adjusted EBITDA reconciliation schedule.

Liquidity & Capital Resources

<i>(\$ in millions)</i>	As of December 31, 2018	Notes
Cash	\$31.0	
Total Debt Outstanding	≈\$386.0	1.97x Rolling Four Quarter Total Debt/Adjusted EBITDA
Capital Expenditures	\$32.8	≈\$36.0 million in 2019

2019 Outlook

(\$ in millions)

2019 Outlook

Net Sales

\$1,655 - \$1,685
Up \approx 2.2% at the mid-point

Net Sales @ CC

Increase by 2.8% to 4.7%
when compared to 2018

Adjusted EBITDA

\$235 - \$245
Up \approx 4% at the mid-point

1H19 reported sales expected to be approximately flat compared to 1H18

1H19 Launches

- Pro V1 and Pro V1x golf balls (Q1)
- Scotty Cameron Phantom X putters (Q2)

1H18 Launches

- Performance golf balls (Q1)
- Vokey SM7 wedges (Q1)
- Scotty Cameron Select putters (Q1)
- AVX golf balls in the US (Q2)

Appendix

Appendix A: Adjusted EBITDA

<i>(\$ in thousands)</i>	4Q 2018	4Q 2017	FY 2018	FY 2017
Net income attributable to Acushnet Holdings Corp	\$11,418	\$18,247	\$99,872	\$98,695
Income tax expense	3,495	4,295	47,232	48,475
Interest expense, net	4,463	3,846	18,402	15,709
Depreciation and amortization	10,439	10,204	40,496	40,871
Share-based compensation	4,783	3,709	18,563	15,285
Transaction fees	129	540	599	686
Beam indemnification expense (income)(a)	(77)	(165)	(258)	177
Executive pension settlement (b)	---	---	2,543	---
Other non-cash (gains) losses, net	566	(423)	177	(1,036)
Net income attributable to non-controlling interests	846	652	3,200	4,506
Adjusted EBITDA	\$36,062	\$40,905	\$230,826	\$223,368
Adjusted EBITDA margin	10.5%	11.6%	14.1%	14.3%

(a) Reflects the non-cash charges related to the indemnification obligations owed to us by Beam that are included when calculating net income attributable to Acushnet Holdings Corp.

(b) In the third quarter of 2018, our former Chief Executive Officer received lump-sum pension benefit payments in connection with his retirement, which resulted in a non-cash settlement expense of \$2.5 million.

A reconciliation of non-GAAP Adjusted EBITDA, as forecasted for 2019, to the closest corresponding GAAP measure, net income, is not available without unreasonable efforts on a forward-looking basis due to the high variability and low visibility of certain charges that may impact our GAAP results on a forward-looking basis, such as the measures and effects of share-based compensation and adjustments related to the indemnification obligations owed to us by Beam.

Appendix B: Geographic Results

<i>(\$ in millions)</i>	4Q 2018	Growth Y/Y	Growth Y/Y @ CC	FY 2018	Growth Y/Y	Growth Y/Y @ CC
United States	\$150.9	(5.2%)	(5.2)%	\$826.1	4.6%	4.6%
EMEA	\$37.4	(3.2)%	(0.2)%	\$219.8	7.1%	1.3%
Japan	\$59.8	(8.9)%	(8.8)%	\$199.1	(1.1)%	(2.8)%
Korea	\$56.5	20.0%	21.0%	\$221.1	10.4%	6.8%
Rest of World	\$38.8	(5.3)%	(1.6)%	\$167.6	2.5%	1.2%

Appendix C: Segment Results

<i>(\$ in millions)</i>	4Q 2018	Growth Y/Y	Growth Y/Y @ CC	FY 2018	Growth Y/Y	Growth Y/Y @ CC
Titleist Golf Balls	\$105.1	(2.7)%	(1.8)%	\$524.0	2.3%	1.2%
Titleist Golf Clubs	\$111.6	(5.5)%	(4.6)%	\$445.3	11.9%	10.5%
Titleist Golf Gear	\$25.4	13.8%	14.8%	\$146.1	2.2%	0.3%
FootJoy Golf Wear	\$79.3	(2.9)%	(1.9)%	\$439.7	0.5%	(1.4)%