

ACUSHNET HOLDINGS CORP.

**Fourth Quarter 2022
Earnings Call**

March 1, 2023



DISCLAIMERS

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FORWARD-LOOKING STATEMENTS

The forward-looking statements contained in this presentation are based on management's current expectations, including our current views with respect to the impact of the novel coronavirus ("COVID-19") on our operations and financial performance, 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: the duration and impact of the COVID-19 pandemic, which may precipitate or exacerbate one or more of the following risks and uncertainties; 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; consumer spending habits and 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; changes to the Rules of Golf with respect to equipment; 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; the cost of raw materials and components; currency transaction and translation risk; our ability to successfully manage the frequent introduction of new products or satisfy changing consumer preferences, quality and regulatory standards; our reliance on technical innovation and high-quality products; 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; changes to patent laws; intense competition and our ability to maintain a competitive advantage in each of our markets; limited opportunities for future growth in sales of certain of our products, including 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 a significant increase in the 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; our ability to comply with data privacy and security laws; 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 at all or on terms acceptable to us and potential dilution of holders of our common stock; lack of assurance of positive returns on capital investments; risks associated with acquisitions and investments; our estimates or judgments relating to our critical accounting estimates; terrorist activities and international political instability; occurrence of natural disasters or pandemic diseases, including the COVID-19 pandemic; a high degree of leverage, ability to service our indebtedness, ability to incur more indebtedness and restrictions in the agreements governing our indebtedness; our use of derivative financial instruments; the ability of our controlling shareholder to control significant corporate activities, and that our controlling shareholder's interests may conflict with yours; our status as a controlled company; the market price of shares of our common stock; share repurchase program execution and effects thereof; our ability to maintain effective internal controls over financial reporting; our ability to pay dividends; our status as a holding company; dilution from future issuances or sales of our common stock; anti-takeover provisions in our organizational documents and Delaware law; reports from securities analysts; 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, 2021 filed with the Securities and Exchange Commission ("SEC") on March 1, 2022 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, 2022. These factors should not be construed as exhaustive. 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, 2021 filed with the SEC on March 1, 2022 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, 2022, 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.



Q4 and Full Year 2022 Performance

David Maher
President and Chief Executive Officer



Q4 AND FY OVERVIEW

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(\$ in millions)	Q4 2022	Growth Y/Y	Growth Y/Y @ CC	FY 2022	Growth Y/Y	Growth Y/Y @ CC
Net sales	\$447.4	6.4%	14.3%	\$2,270.3	5.7%	11.2%
Adjusted EBITDA⁽¹⁾	\$25.4	*		\$338.4	3.1%	



Max Homa



Jessica Korda



Sung-jae Im

(1) See Appendix for Adjusted EBITDA reconciliation

* Percentage change not meaningful

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Q4 AND FY NET SALES BY SEGMENT

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(\$ in millions)	Q4 2022	Growth Y/Y	Growth Y/Y @ CC	FY 2022	Growth Y/Y	Growth Y/Y @ CC
Titleist Golf Balls	\$132.4	6.3%	12.1%	\$678.8	1.7%	5.7%
Titleist Golf Clubs	\$130.7	21.9%	32.1%	\$609.6	10.5%	16.3%
Titleist Golf Gear	\$32.4	16.1%	26.2%	\$204.9	6.4%	12.5%
FootJoy Golf Wear	\$110.9	(6.5)%	0.2%	\$618.0	6.4%	12.2%



Q4 AND FY NET SALES BY REGION

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(\$ in millions)	Q4 2022	Growth Y/Y	Growth Y/Y @ CC	FY 2022	Growth Y/Y	Growth Y/Y @ CC
United States	\$253.6	16.1%	16.1%	\$1,227.8	9.1%	9.1%
EMEA	\$46.7	(4.9)%	9.0%	\$321.5	8.6%	20.5%
Japan	\$42.4	11.3%	42.3%	\$161.0	(14.4)%	2.2%
Korea	\$58.6	(17.2)%	(3.2)%	\$312.7	(3.1)%	9.2%
Rest of World	\$46.1	4.3%	15.2%	\$247.3	14.3%	20.1%



OUTLOOK

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- Encouraged by strong golfer participation and enthusiasm for the game
- Golfer base grew again in 2022
- Global rounds of play resilient
- Strong market fundamentals with healthy channel inventories
- Compelling start to 2023 professional Tours
- Vast new product pipeline for 2023
- 1H 2023 currency headwinds



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ACQUISITIONS

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TPI

- Leading provider of golf specific health, fitness and swing advice through TPI certified trainers and mytpi.com
- Expertise in the field of biomechanics and body movement helping athletes achieve peak performance while reducing pain and the risk of injury
- Majority of leading Tour professionals work with a TPI certified trainer
- Majority investment aimed at partnering to expand the reach of TPI and activating founders' expertise across our player development and R&D engines



Club Glove

- Patented travel gear among the industry's most innovative and reliable products with reputation for product and service excellence
- Preferred choice by overwhelming majority of PGA Tour, LPGA Tour and PGA Club professionals
- Further developing this leading brand while its founders continue to operate the business through at least 2023



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Q4 and Full Year 2022 Financial Results

Tom Pacheco
Chief Financial Officer



INCOME STATEMENT HIGHLIGHTS

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<i>(\$ in millions)</i>	Q4 2022	Q4 2021	FY 2022	FY 2021
Net sales	\$447.4	\$420.6	\$2,270.3	\$2,147.9
Gross profit <i>GM%</i>	\$223.6 50.0%	\$204.4 48.6%	\$1,179.2 51.9%	\$1,118.4 52.1%
SG&A	\$196.1	\$209.0	\$833.4	\$795.4
R&D	\$13.9	\$15.4	\$56.4	\$55.3
Income (loss) from operations	\$11.6	\$ (21.9)	\$281.5	\$259.8
Interest expense, net	\$5.4	\$1.1	\$13.3	\$7.7
Other expense, net	\$3.0	\$1.1	\$8.8	\$4.3
Income tax expense <i>Effective Tax Rate</i>	\$1.6 48.3%	\$0.7 2.9%	\$54.4 20.9%	\$63.6 25.7%
Net (loss) income attributable to Acushnet Holdings Corp.	\$ (0.1)	\$ (26.4)	\$199.3	\$178.9
Adjusted EBITDA⁽¹⁾ <i>Adjusted EBITDA Margin</i>	\$25.4 5.7%	\$ (5.0) (1.2)%	\$338.4 14.9%	\$328.3 15.3%

(1) See Appendix for Adjusted EBITDA reconciliation



BALANCE SHEET AND CASH FLOW HIGHLIGHTS

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<i>(\$ in millions)</i>	As of 12/31/2022	Notes
Unrestricted Cash	\$57	
Total Debt Outstanding	\$568	Leverage ratio 1.4x
Accounts Receivable, net	\$217	DSOs flat Y/Y
Inventory	\$675	Comfortable with overall inventory levels as we enter 2023

<i>(\$ in millions)</i>	12 months ended 12/31/2022	Notes
Cash Flows from Operations	\$(67.8)	Y/Y decrease result of working capital change
Capital Expenditures	\$61.4	Expecting ~\$75M for FY23



ACQUISITIONS AND CAPITAL ALLOCATION

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- Acquired 80% interest in TPI
- Acquired Club Glove brand from West Coast Trends
- Increased our annual dividends paid by 6% to \$52 million in 2022
- Declared Q1 2023 cash dividend of \$0.195 to be paid on March 24, 2023; increase of ~8%
- Repurchased ~\$51 million shares in Q4 2022 for a total of ~\$191 million in 2022
- During 2022, reduced total shares outstanding by ~5%
- Increased share repurchase authorization by \$250 million in February 2023



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2023 FINANCIAL OUTLOOK

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(\$ in millions)	2023 Outlook
Net Sales	\$2,325 - \$2,375 Up ~3.5% at the mid-point vs. 2022
Net Sales @ CC	Increase by ~5.0% to 7.2% when compared to 2022
Adjusted EBITDA	\$345 - \$365 Up ~4.9% at the mid-point vs. 2022

Expect first half Net Sales to be just above 55% of full year sales and first half Adjusted EBITDA to be 65 - 70% of full year Adjusted EBITDA



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A wide-angle photograph of a golf course. In the foreground, a large, well-manicured green slopes down towards the bottom right. Several light-colored sand bunkers are scattered across the green and the surrounding fairway. In the middle ground, five golfers are walking away from the camera along a path. The background is filled with a dense forest of tall, mature trees under a clear blue sky.

Q&A

APPENDIX

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ADJUSTED EBITDA

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<i>(\$ in millions)</i>	Q4 2022	Q4 2021	FY 2022	FY 2021
Net (loss) income attributable to Acushnet Holdings Corp.	\$ (0.1)	\$ (26.4)	\$ 199.3	\$ 178.9
Interest expense, net	5.4	1.1	13.3	7.7
Income tax expense	1.6	0.7	54.4	63.6
Depreciation and amortization	10.8	10.4	41.7	41.2
Share-based compensation	5.9	6.8	24.1	27.6
Restructuring and transformation costs ⁽¹⁾	-	1.0	-	2.4
Other extraordinary, unusual or non-recurring items, net ⁽²⁾	0.1	(0.2)	(0.1)	1.5
Net income attributable to noncontrolling interests	1.7	1.6	5.8	5.4
Adjusted EBITDA	\$ 25.4	\$ (5.0)	\$ 338.4	\$ 328.3
Adjusted EBITDA margin	5.7%	(1.2)%	14.9%	15.3%

(1) Relates to severance and other costs associated with management's program to refine our business model and improve operational efficiencies.

(2) The year ended December 31, 2021 includes pension settlement costs of \$2.1 million related to lump-sum distributions to participants in our defined benefit plans as a result of the voluntary retirement program as part of management's approved restructuring program. The three months and year ended December 31, 2021 include other immaterial unusual or non-recurring items, net.

