# ACUSHNET HOLDINGS CORP.

# First Quarter 2025 Earnings Call

May 7, 2025

# DISCLAIMERS

ACUSHNET HOLDINGS CORP.

**FORWARD-LOOKING STATEMENTS**

This presentation includes forward-looking statements that reflect our current views with respect to, among other things, our 2025 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, strategic priorities and initiatives, foreign exchange headwinds, tariff and international sourcing exposure, 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; consumer spending habits and macroeconomic and demographic factors may affect the number of rounds of golf played, the number of golf participants and related spending on our products; U.S. and foreign trade policies, including the assessment of tariffs and other impositions on imported goods; changes to the Rules of Golf with respect to equipment; our ability to successfully manage the frequent introduction of new products or satisfy changing consumer preferences and quality and regulatory standards; our reliance on technical innovation and high-quality products; a significant disruption in the operations of our manufacturing, assembly or distribution facilities; our ability to procure and the cost of raw materials and components; a disruption in the operations of our suppliers; currency transaction and translation risk; our ability to adequately enforce and protect our intellectual property rights; our involvement in lawsuits to protect, defend or enforce our intellectual property rights; the risk that our products may infringe the intellectual property rights of 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; our customers’ financial conditions, levels of business activity and ability to pay their 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; fluctuations of our business and results of operations due to seasonality and product launch cycles; risks associated with doing business globally; compliance with applicable anti-bribery, anti-money laundering and economic sanctions laws; our ability to secure professional golfers to endorse or use our products; negative publicity relating to us, 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 successfully manage the implementation of our new enterprise resource planning platform; 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; risks and challenges associated with the development and use of artificial intelligence; 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; our ability to secure and maintain adequate levels of coverage under 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; lack of assurance of positive returns on capital investments; risks associated with acquisitions and investments; terrorist activities and international political instability; occurrence of natural disasters or pandemic diseases; 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 interests of our controlling shareholder and its affiliates may conflict with other holders of our common stock; our status as a controlled company; the execution of our share repurchase program and effects thereof; our ability to pay dividends; potential dilution from future issuances or sales of our common stock; anti-takeover provisions in our organizational documents and Delaware law; 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, 2024 filed with the Securities and Exchange Commission (“SEC”) on February 27, 2025 as it may be updated by our periodic reports subsequently filed with the SEC, including, when available, our Quarterly Report on Form 10-Q for the period ended March 31, 2025. 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 described 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 pursue. 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, net leverage ratio and net sales in constant currency. These non-GAAP financial measures are not measures of financial performance derived 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 prepared in accordance with 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, please see the appendix to this presentation or the earnings press 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, 2024, filed with the SEC on February 27, 2025, as it may be updated by our periodic reports subsequently filed with the SEC, including, when available, the Quarterly Report on Form 10-Q for the period ended March 31, 2025, 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 in conjunction with the accompanying webcast and related earnings press release.

# Q1 2025 Performance

**David Maher**
*President and Chief Executive Officer*

# Q1 OVERVIEW AND NET SALES BY SEGMENT

ACUSHNET HOLDINGS CORP.

| ($ in millions) | Q1 2025 | Growth Y/Y | Growth Y/Y @ CC |
|---|---|---|---|
| **Net sales** | $703.4 | (0.6)% | 1.2% |
| **Adjusted EBITDA**(1) | $138.9 | (9.6)% | |
| **Segment net sales** | | | |
| Golf Balls | $213.3 | 2.5% | 4.0% |
| Golf Clubs | $207.8 | 1.9% | 3.5% |
| **Titleist Golf Equipment** | $421.1 | 2.2% | 3.8% |
| **FootJoy Golf Wear** | $178.4 | (6.6)% | (4.9)% |
| **Golf Gear** | $71.0 | 2.2% | 3.9% |

(1) See Appendix for Adjusted EBITDA reconciliation

# OUTLOOK



- Continued strength and resiliency from the dedicated golfer
- Product Highlights
  - Pro V1 and Pro V1x golf ball launch
  - HyperFlex and Quantum footwear models
  - GT1 metal extension, Scotty Cameron Studio Style putters and limited-edition Black Vapor irons
- Initiatives
  - Continued expansion of golf equipment and footwear fitting network
- Monitoring tariff rates and mitigating risk where possible with durable and regionally diverse supply chain



# Q1 2025 Financial Results

**Sean Sullivan**
*Chief Financial Officer*

# Q1 NET SALES BY REGION

ACUSHNET HOLDINGS CORP.

| ($ in millions) | Q1 2025 | Growth Y/Y | Growth Y/Y @ CC |
|---|---|---|---|
| **United States** | $424.2 | 1.4% | 1.4% |
| **EMEA** | $103.9 | 2.2% | 4.4% |
| **Japan** | $35.2 | (5.4)% | (2.4)% |
| **Korea** | $66.2 | (12.1)% | (3.9)% |
| **Rest of World** | $73.9 | (1.7)% | 2.0% |

# INCOME STATEMENT HIGHLIGHTS

ACUSHNET HOLDINGS CORP.

| *($ in millions)* | Q1 2025 | Q1 2024 |
|---|---|---|
| **Net sales** | **$703.4** | **$707.6** |
| **Gross profit** | **$337.2** | **$342.4** |
| *GM%* | *47.9%* | *48.4%* |
| SG&A | $200.3 | $201.0 |
| R&D | $18.9 | $16.5 |
| Intangible amortization | $3.5 | $3.5 |
| **Income from operations** | **$114.5** | **$121.4** |
| Interest expense, net | $13.8 | $13.1 |
| Other (income) expense, net | $(19.9) | $0.3 |
| Income tax expense | $21.6 | $23.4 |
| *Effective Tax Rate* | *17.9%* | *21.7%* |
| **Net income attributable to Acushnet Holdings Corp.** | **$99.4** | **$87.8** |
| **Adjusted EBITDA (1)** | **$138.9** | **$153.7** |
| *Adjusted EBITDA Margin* | *19.7%* | *21.7%* |

(1) See Appendix for Adjusted EBITDA reconciliation

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# BALANCE SHEET AND CAPITAL ALLOCATION

ACUSHNET HOLDINGS CORP.

| *($ in millions)* | As of 3/31/2025 | As of 12/31/2024 |
|---|---|---|
| **Unrestricted Cash** | $39 | $51 |
| **Total Debt Outstanding** | $944 | $764 |
| ***Net Leverage Ratio*** [(1)] | *2.0x* | *1.8x* |
| **Inventory** | $538 | $576 |

(1) Ratio of average adjusted net funded debt for the prior four fiscal quarters to Adjusted EBITDA for such period

| *($ in millions)* | 3 months ended 3/31/2025 | 3 months ended 3/31/2024 |
|---|---|---|
| **Cash Flows from Operations** | $(120) | $(110) |
| **Capital Expenditures** | $11 | $7 |
| **Dividends Paid** | $15 | $15 |
| **Share Repurchases** | $37 | $35 |

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# 2025 FINANCIAL OUTLOOK



- Not providing any updates to previously issued consolidated full-year outlook
- Gross Full-Year 2025 Tariff Impact approximately ~$75 million
  - Based on current rate regime extending through 12/31/25
    - China 145%, Canada and Mexico 25%, Rest of World 10%
  - About 70% of the ~$75 million related to China 145% tariff rate
- Mitigation actions expected to offset greater than 50% of the ~$75 million
- Similar to fourth quarter earnings call, expect 2025 first half sales to be up low-single digits when compared to 2024 first half
  - Expect first half adjusted EBITDA to be down low-single digits compared to last year
- Expect approximately ~$4 million tariff impact in the second quarter
  - Due to current inventory levels, expect most of tariff impact to fall in second half of the year


Q&A

# APPENDIX

# ADJUSTED EBITDA

ACUSHNET HOLDINGS CORP.

| *($ in millions)* | Q1 2025 | Q1 2024 |
|---|---|---|
| **Net income attributable to Acushnet Holdings Corp.** | **$99.4** | **$87.8** |
| Interest expense, net | 13.8 | 13.1 |
| Income tax expense | 21.6 | 23.4 |
| Depreciation and amortization | 14.3 | 13.8 |
| Share-based compensation | 6.9 | 7.4 |
| Restructuring costs (1) | 0.1 | 7.0 |
| Transformation costs (2) | 3.2 | 3.8 |
| Other (3) | (20.0) | 0.7 |
| Net loss attributable to noncontrolling interests | (0.3) | (3.2) |
| **Adjusted EBITDA** | **$138.9** | **$153.7** |
| **Adjusted EBITDA margin** | **19.7%** | **21.7%** |

(1) For the three months ended March 31, 2024, includes $7.0 million related to the optimization of our supply chain.
(2) For the three months ended March 31, 2025 and 2024, includes $2.6 million and $3.1 million, respectively, related to the optimization of our information technology systems.
(3) For the three months ended March 31, 2025, includes a non-cash gain of $20.9 million related to the FootJoy golf shoe joint venture deconsolidation and $0.8 million related to the amortization of capitalized implementation costs for cloud computing arrangements. In addition, the three months ended March 31, 2025 and 2024, include other gains, losses or costs added back for purposes of calculating Adjusted EBITDA as defined in our credit agreement.