

Topgolf Callaway Brands Corp

Expect accelerating same-venue sales & revenue synergies

Reiterate Rating: BUY | PO: 18.00 USD | Price: 13.53 USD

4Q EBITDA above on better Topgolf same venue sales

MODG reported 4Q23 adj. EBITDA of \$69.8mm (vs. our \$48.2mm) driven by better than expected Topgolf same venue sales vs. our expectations (-3.0% vs. our -9.0%). Topgolf comps benefitted from a stronger than expected consumer business & favorable weather in December. Topgolf's consumer business was flat compared to last year, while corporate same-venue sales declined 12%, (an acceleration from -17% in 3Q). Topgolf segment EBITDA margin of 16.7% was above our 12.4% driven by labor management and the impact of PIE being rolled out in all venues. Golf equipment revenue increased 4.9% which was ahead of our -0.7%. Our PO remains \$18 PO based on an EV of 8-9X our C25 adj. EBITDA of \$688mm as we roll forward our valuation base. Reiterate Buy.

Expect softer 1Q given weather & corp. events comp

We are lowering our 1Q adj. EBITDA estimate to \$131.1mm (from \$159.7mm) which assumes Topgolf same-venue sales decline 9%. We believe Topgolf comps should be softer in 1Q before accelerating given weather headwinds from colder weather in Jan. (200-250bps impact to 1Q) as well as a difficult corporate events compare from last year (+23%). We see potential drivers of upside given benefits from Topgolf's digital initiatives, especially as we estimate a 150% increase of venues with Topgolf's new Digital Reservation system in 1Q compared to last year (90 venues vs. 36 last year).

Topgolf comps should accelerate in 2Q-4Q

We are modeling an acceleration in Topgolf same-venue sales from -HSD% to +LSD-MSD% in 2Q-4Q which we expect to be driven by: (1) easier corporate events comps as MODG laps a 18% decline beginning in 2Q; (2) ramping of initiatives from MODG's new commercial and digital team including variable length reservations, dynamic pricing, and season passes; (3) benefits from new customer data (CDP) platform expected to be completed by 2H24 which will allow for targeted marketing; & (4) uplift from Topgolf's newly implemented off-peak & corporate events promos. Our same-venue sales forecast only assumes a slight acceleration in the 2 yr. stack from 1Q and should benefit from lapping of extreme heat in 3Q23.

MODG starting to unlock synergy potential

We believe MODG is in the early innings of unlocking revenue synergies between its Topgolf & Golf Equipment business and expect benefits from the rollout of Travis Matthew in venues, upsell program for premium Callaway clubs, and importantly, new product developed for Topgolf beginners that will be marketed using MODG's new CDP.

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	0.80	0.32	0.26	0.44	0.75
GAAP EPS	0.91	0.48	0.26	0.44	0.75
EPS Change (YoY)	1.3%	-60.0%	-18.8%	69.2%	70.5%
Consensus EPS (Bloomberg)			0.34	0.38	0.51
DPS	0	0	0	0	0
Valuation (Dec)					
P/E	16.9x	42.3x	52.0x	30.8x	18.0x
GAAP P/E	14.9x	28.2x	52.0x	30.8x	18.0x
EV / EBITDA*	11.7x	11.4x	10.8x	9.8x	8.7x
Free Cash Flow Yield*	10.2%	-9.3%	-7.3%	-2.9%	0.2%

* For full definitions of *IQmethod*SM measures, see page 5.

13 February 2024

Equity

Key Changes

(US\$)	Previous	Current
2024E Rev (m)	4,527.4	4,548.6
2025E Rev (m)	4,910.7	4,926.4
2026E Rev (m)	5,137.9	5,153.6
2024E EPS	0.30	0.26
2025E EPS	0.46	0.44
2026E EPS	0.64	0.75

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Stock Data

Price	13.53 USD
Price Objective	18.00 USD
Date Established	9-Nov-2023
Investment Opinion	C-1-9
52-Week Range	9.84 USD - 24.43 USD
Mrkt Val (mn) / Shares Out (mn)	2,497 USD / 184.5
Free Float	76.4%
Average Daily Value (mn)	35.96 USD
BofA Ticker / Exchange	MODG / NYS
Bloomberg / Reuters	MODG US / MODG.N
ROE (2024E)	1.3%
Net Dbt to Eqty (Dec-2023A)	30.4%
ESGMeter TM	Medium

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to ["BofA ESGMeter Methodology"](#).

SBC = Stock Based Comp

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iQprofileSM Topgolf Callaway Brands Corp

iQmethodSM – Bus Performance*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	3.4%	2.9%	2.8%	2.8%	3.4%
Return on Equity	4.2%	1.6%	1.3%	2.2%	3.6%
Operating Margin	7.4%	6.1%	6.4%	6.2%	7.2%
Free Cash Flow	255	(232)	(182)	(73)	6

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	5.1x	5.6x	5.8x	4.8x	3.3x
Asset Replacement Ratio	2.9x	2.4x	1.8x	1.5x	1.4x
Tax Rate	15.5%	10.7%	20.0%	22.0%	20.0%
Net Debt-to-Equity Ratio	31.7%	30.4%	33.6%	34.7%	33.6%
Interest Cover	NA	NA	NA	NA	NA

Income Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	3,996	4,285	4,549	4,926	5,154
% Change	27.5%	7.2%	6.2%	8.3%	4.6%
Gross Profit	2,595	2,841	3,108	3,431	3,613
% Change	30.0%	9.5%	9.4%	10.4%	5.3%
EBITDA	580	597	628	688	776
% Change	30.2%	2.9%	5.3%	9.5%	12.7%
Net Interest & Other Income	(110)	(192)	(227)	(197)	(189)
Net Income (Adjusted)	158	63	52	85	146
% Change	14.2%	-60.0%	-18.1%	65.4%	70.5%

Free Cash Flow Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	158	63	52	85	146
Depreciation & Amortization	193	240	266	319	334
Change in Working Capital	411	(12)	(18)	5	9
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	43	63	0	0	0
Capital Expenditure	(551)	(587)	(482)	(482)	(482)
Free Cash Flow	255	-232	-182	-73	6
% Change	NM	NM	21.4%	60.1%	NM
Share / Issue Repurchase	(110)	(23)	0	1	1
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	701	581	94	134	81

Balance Sheet Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	199	394	252	179	172
Trade Receivables	167	201	218	236	247
Other Current Assets	1,152	1,033	994	1,032	1,069
Property, Plant & Equipment	1,810	2,157	2,373	2,536	2,684
Other Non-Current Assets	5,262	5,336	5,425	5,551	5,628
Total Assets	8,590	9,120	9,261	9,533	9,800
Short-Term Debt	219	54	54	54	54
Other Current Liabilities	881	807	803	854	894
Long-Term Debt	1,176	1,518	1,518	1,518	1,518
Other Non-Current Liabilities	2,540	2,863	2,957	3,091	3,171
Total Liabilities	4,816	5,242	5,332	5,517	5,637
Total Equity	3,774	3,878	3,930	4,016	4,163
Total Equity & Liabilities	8,590	9,120	9,261	9,533	9,800

* For full definitions of iQmethodSM measures, see page 5.

Company Sector

Leisure Time/Recreation

Company Description

Callaway Golf Company is a leading manufacturer & distributor of a full line of premium golf equipment, apparel, and accessories. ELY acquired Topgolf, a leading, global sports & entertainment company offering multiple forms of entertainment including venues with technology-enabled hitting bays, food & beverage, as well as mobile gaming, indoor multi-sport simulators, shot-tracking technology for golf television broadcasts & driving ranges.

Investment Rationale

We rate MODG shares Buy as we believe shares are undervalued given an uptick in golf participation, increasing market share in golf balls, and strong unit growth at Topgolf.

Stock Data

Average Daily Volume 2,657,861

Quarterly Earnings Estimates

	2023	2024
Q1	0.16A	-0.02E
Q2	0.39A	0.33E
Q3	0.15A	0.15E
Q4	-0.42A	-0.22E



Exhibit 1: MODG quarterly earnings analysis

\$ millions, except per share data

	Gear &				Topgolf				Other				Venue		Other		Income	Non-	Income	Extra	Reporte			Dilute	
	Golf Clubs	Golf Balls	Apparel	Other	Venues	Other	Total	Cost of	Cost of	Venue	SG&A	R&D	Pre-Opening	Optg	Expense	Pre-tax	Tax	Controllin	before	Gain	Net	Operating	d	d	
	Revenues	Revenues	Revenues	Revenues	Revenue	Revenue	Revenue	Products	Service	Expense			(Income	Income	(benefit)	Interest	Extra	(Loss	Inc.	EPS	EPS	Sh O/S			
Mar-Q1	\$370.4	\$97.6	\$138.4	\$111.80	\$306.5	\$15.5	\$1,040.2	\$411.8	\$39.0	\$230.4	\$231.4	\$17.5	\$4.1	\$106.0	\$22.1	\$83.9	\$13.0	\$0.0	\$70.9	\$15.8	\$86.7	\$0.35	\$0.43	200.8	
Jun-Q2	\$367.8	\$84.1	\$136.9	\$123.2	\$383.4	\$20.3	\$1,115.7	\$400.0	\$49.1	\$262.2	\$246.5	\$18.7	\$4.1	\$135.1	\$19.5	\$115.6	\$22.1	\$0.0	\$93.5	\$11.9	\$105.4	\$0.47	\$0.53	200.6	
Sep-Q3	\$221.4	\$75.3	\$181.4	\$96.6	\$399.5	\$14.3	\$988.5	\$330.7	\$48.2	\$287.6	\$211.8	\$19.2	\$9.9	\$81.1	\$28.1	\$53.0	\$8.4	\$0.0	\$44.6	\$-6.1	\$38.5	\$0.22	\$0.19	201.8	
Dec-Q4	\$137.50	\$52.50	\$175.00	\$76.8	\$387.7	\$21.8	\$851.3	\$258.1	\$47.7	\$296.7	\$240.4	\$21.0	\$12.3	\$-24.9	\$40.3	\$-65.2	\$-14.4	\$0.0	\$-50.8	\$0.0	\$-72.7	(\$0.27)	(\$0.39)	184.9	
2022	\$1,097.1	\$309.5	\$631.7	\$408.4	\$1,477.1	\$71.9	\$3,995.7	\$1,400.6	\$184.0	\$1,076.9	\$930.1	\$76.4	\$30.4	\$297.3	\$110.0	\$187.3	\$29.1	\$0.0	\$158.2	\$21.6	\$179.8	\$0.80	\$0.91	197.0	
Mar-Q1	\$350.8	\$92.90	\$176.10	\$144.1	\$386.7	\$16.8	\$1,167.4	\$442.0	\$44.4	\$305.5	\$258.0	\$22.8	\$3.7	\$91.0	\$48.4	\$42.6	\$9.4	\$0.0	\$33.2	\$-8.2	\$25.0	\$0.16	\$0.12	201.5	
Jun-Q2	\$340.3	\$110.7	\$143.50	\$114.4	\$453.2	\$17.6	\$1,179.7	\$387.9	\$51.4	\$317.10	\$265.1	\$22.0	\$5.7	\$130.5	\$44.4	\$86.1	\$8.4	\$0.0	\$77.7	\$39.7	\$117.4	\$0.39	\$0.58	201.3	
Sep-Q3	\$222.2	\$71.2	\$211.70	\$87.8	\$430.5	\$17.2	\$1,040.6	\$337.1	\$45.6	\$312.1	\$242.5	\$22.6	\$6.9	\$73.8	\$47.1	\$26.7	\$-3.0	\$0.0	\$29.7	\$0.0	\$29.7	\$0.15	\$0.15	201.2	
Dec-Q4	\$160.2	\$39.2	\$181.90	\$76.8	\$422.2	\$16.8	\$897.1	\$276.9	\$45.4	\$317.6	\$246.0	\$34.2	\$9.6	\$-32.6	\$51.7	\$-84.3	\$-7.2	\$0.0	\$-77.1	\$0.0	\$-77.1	(\$0.42)	(\$0.42)	184.4	
2023	\$1,073.5	\$314.00	\$713.20	\$423.1	\$1,692.6	\$68.4	\$4,284.8	\$1,443.9	\$186.8	\$1,252.3	\$1,011.6	\$101.6	\$25.9	\$262.7	\$191.6	\$71.1	\$7.6	\$0.0	\$63.5	\$31.5	\$95.0	\$0.32	\$0.48	197.1	
Mar-Q1E	\$354.3	\$95.7	\$167.41	\$136.9	\$405.7	\$17.6	\$1,177.7	\$435.2	\$44.6	\$344.9	\$265.7	\$35.3	\$3.7	\$48.2	\$53.7	\$-5.5	\$-1.1	\$0.0	\$-4.4	\$0.0	\$-4.4	(\$0.02)	(\$0.02)	201.7	
Jun-Q2E	\$357.3	\$110.7	\$133.18	\$108.7	\$517.8	\$18.5	\$1,246.1	\$387.6	\$57.0	\$352.1	\$270.4	\$34.9	\$5.7	\$138.5	\$55.7	\$82.8	\$16.6	\$0.0	\$66.2	\$0.0	\$66.2	\$0.33	\$0.33	202.2	
Sep-Q3E	\$231.1	\$75.5	\$222.29	\$89.6	\$514.4	\$18.1	\$1,150.9	\$351.3	\$56.6	\$360.1	\$247.4	\$32.2	\$7.9	\$95.5	\$57.7	\$37.8	\$7.6	\$0.0	\$30.2	\$0.0	\$30.2	\$0.15	\$0.15	202.7	
Dec-Q4E	\$166.6	\$41.2	\$191.00	\$78.3	\$479.1	\$17.6	\$973.9	\$266.7	\$52.7	\$349.8	\$250.9	\$34.1	\$10.5	\$9.2	\$59.7	\$-50.5	\$-10.1	\$0.0	\$-40.4	\$0.0	\$-40.4	(\$0.22)	(\$0.22)	184.4	
2024E	\$1,109.3	\$323.02	\$713.86	\$413.5	\$1,917.1	\$71.8	\$4,548.6	\$1,440.8	\$210.9	\$1,406.9	\$1,034.4	\$136.5	\$27.8	\$291.3	\$226.8	\$64.5	\$12.9	\$0.0	\$51.6	\$0.0	\$51.6	\$0.26	\$0.26	197.8	
2025E	\$1,142.6	\$339.17	\$749.55	\$434.1	\$2,185.5	\$75.4	\$4,926.4	\$1,495.3	\$240.4	\$1,606.4	\$1,117.1	6	\$133.0	\$27.8	\$306.3	\$196.8	\$109.5	\$24.1	\$0.0	\$85.4	\$0.0	\$85.4	\$0.44	\$0.44	195.8
TOPGOLF CALLAWAY BRANDS QUARTERLY EARNINGS ANALYSIS PERCENTAGE CHANGE																									
	Topgolf												MARGIN ANALYSIS (% OF NET SALES)												
	Golf Clubs	Golf Balls	Golf Equip.	Apparel	Other Revenue	Venue Revenue	Other Revenue	Total Revenue	Operatin				Adj.	Product		Topgolf		SG&A	Other Venue	R&D	Operatin	Adj.	Tax	Net	
	Revenues	Revenues	Revenues	Revenues	s	Revenue	Revenue	Revenue	COGS	SG&A	R&D	Income	EBITDA	EPS	Margin	Gross Margin	Ratio	Exp. Ratio	Ratio	Margin	Margin	Rate	Margi		
Mar-Q1	17.1%	61.2%	24.2%	45.2%	28.8%	259.9%	107.6%	59.6%	32.6%	50.8%	37.3%	9.8%	32.8%	-42.6%	42.7%	87.3%	22.2%	75.2%	1.7%	10.2%	16.3%	15.5%	6.8%		
Jun-Q2	14.9%	3.5%	12.6%	49.8%	29.0%	26.4%	-7.8%	22.1%	27.0%	17.2%	-7.7%	14.5%	26.1%	28.5%	43.8%	87.2%	22.1%	68.4%	1.7%	12.1%	18.6%	19.1%	8.4%		
Sep-Q3	-3.5%	24.9%	2.4%	20.7%	16.6%	27.4%	-29.0%	15.4%	14.7%	1.2%	21.9%	-4.1%	4.0%	63.2%	42.5%	87.9%	21.4%	72.0%	1.9%	8.2%	14.6%	15.8%	4.5%		
Dec-Q4	6.7%	61.0%	17.7%	13.7%	26.8%	24.3%	-8.9%	19.6%	15.9%	6.6%	9.2%	-42.4%	156.5%	44.0%	41.6%	87.7%	28.2%	76.5%	2.5%	-2.9%	4.3%	22.1%	-6.0%		
2022	10.3%	31.9%	14.4%	28.7%	25.4%	45.7%	-2.3%	27.5%	23.2%	16.5%	12.4%	16.2%	30.2%	1.7%	42.8%	87.5%	23.3%	72.9%	1.9%	7.4%	14.5%	15.5%	4.0%		
Mar-Q1	-5.3%	-4.8%	-5.2%	27.2%	28.9%	26.2%	8.4%	12.2%	7.3%	11.5%	30.3%	-14.2%	-7.4%	-53.3%	42.1%	88.5%	22.1%	79.0%	2.0%	7.8%	13.5%	22.1%	2.8%		
Jun-Q2	-7.5%	31.6%	-0.2%	4.8%	-7.1%	18.2%	-13.3%	5.7%	-3.0%	7.5%	17.6%	-3.4%	-0.5%	-17.2%	45.3%	88.7%	22.5%	70.0%	1.9%	11.1%	17.5%	9.8%	6.6%		
Sep-Q3	0.4%	-5.4%	-1.1%	16.7%	-9.1%	7.8%	20.3%	5.3%	1.9%	14.5%	17.7%	-9.0%	13.1%	-33.2%	43.1%	89.4%	23.3%	72.5%	2.2%	7.1%	15.7%	-11.2%	2.9%		
Dec-Q4	16.5%	-25.3%	4.9%	3.9%	0.0%	8.9%	-22.9%	5.4%	7.3%	2.3%	62.9%	30.9%	90.7%	52.2%	39.6%	89.2%	27.4%	75.2%	3.8%	-3.6%	7.8%	8.5%	-8.6%		
2023	-2.2%	1.5%	-1.4%	12.9%	3.6%	14.6%	-4.9%	7.2%	3.1%	8.8%	33.0%	-11.6%	2.9%	-59.9%	42.8%	89.0%	23.6%	74.0%	2.4%	6.1%	13.9%	10.7%	1.5%		
Mar-Q1E	1.0%	3.0%	1.4%	-4.9%	-5.0%	4.9%	5.0%	0.9%	-1.5%	3.0%	55.0%	-47.1%	-16.7%	113.3%	42.3%	89.0%	22.6%	85.0%	3.0%	4.1%	11.1%	20.0%	-0.4%		
Jun-Q2E	5.0%	0.0%	3.8%	-7.2%	-5.0%	14.3%	5.0%	5.6%	-0.1%	2.0%	58.6%	6.1%	7.8%	-15.1%	45.4%	89.0%	21.7%	68.0%	2.8%	11.1%	17.8%	20.0%	5.3%		
Sep-Q3E	4.0%	6.0%	4.5%	5.0%	2.0%	19.5%	5.0%	10.6%	4.2%	2.0%	42.6%	29.4%	10.4%	1.0%	43.2%	89.0%	21.5%	70.0%	2.8%	8.3%	15.7%	20.0%	2.6%		
Dec-Q4E	4.0%	5.0%	4.2%	5.0%	2.0%	13.5%	5.0%	8.6%	-3.7%	2.0%	-0.3%	-128.2%	36.0%	-47.6%	44.1%	89.0%	25.8%	73.0%	3.5%	0.9%	9.7%	20.0%	-4.1%		
2024E	3.3%	2.9%	3.2%	0.1%	-2.3%	13.3%	5.0%	6.2%	-0.2%	2.3%	34.4%	10.9%	5.3%	-19.0%	43.7%	89.0%	22.7%	73.4%	3.0%	6.4%	13.8%	20.0%	1.1%		
2025E	3.0%	5.0%	3.5%	5.0%	5.0%	14.0%	5.0%	8.3%	3.8%	8.0%	-2.6%	5.1%	9.5%	67.1%	43.9%	89.0%	22.7%	73.5%	2.7%	6.2%	14.0%	22.0%	1.7%		

Source: BofA Global Research Estimates, Company Filings

BofA GLOBAL RESEARCH

Price objective basis & risk

Topgolf Callaway Brands Corp (MODG)

Our \$18 price objective is based on an enterprise value of 8-9x our C2025 adj. EBITDA estimate of \$688MM, a premium to other Leisure Brands & Experience models reflecting stickiness in new customer acquisition and revenue synergy potential between Topgolf & Golf Equipment.

Risks to the downside are: 1) tough comparisons as MODG laps surge in demand for golf equipment, (2) slowdown in golf participation as consumers return to other forms of entertainment in a post-COVID environment, (3) resurgence in COVID-19 cases could pressure recovery trends for Topgolf, and (4) risk from increasing supply chain headwinds including from Vietnam Factory shutdowns, elevated freight costs, & rising raw material input costs.

Analyst Certification

I, Alexander Perry, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - Broadlines, Hardlines, Food Retailers & Leisure Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Academy Sports + Outdoors	ASO	ASO US	Robert F. Ohmes, CFA
	BJ's Wholesale Club Holdings	BJ	BJ US	Robert F. Ohmes, CFA
	Costco Wholesale Corporation	COST	COST US	Robert F. Ohmes, CFA
	Fox Factory Holding Corp	FOXF	FOXF US	Alexander Perry
	Grocery Outlet Holding Corp.	GO	GO US	Robert F. Ohmes, CFA
	Harley-Davidson	HOG	HOG US	Alexander Perry
	Life Time	LTH	LTH US	Alexander Perry
	Planet Fitness, Inc.	PLNT	PLNT US	Alexander Perry
	Sysco Corporation	SY	SY US	Kendall Toscano
	Target Corp.	TGT	TGT US	Robert F. Ohmes, CFA
	The Kroger Co.	KR	KR US	Robert F. Ohmes, CFA
	Topgolf Callaway Brands Corp	MODG	MODG US	Alexander Perry
	Walmart Inc	WMT	WMT US	Robert F. Ohmes, CFA
NEUTRAL				
	Dick's Sporting Goods	DKS	DKS US	Robert F. Ohmes, CFA
	Xponential Fitness	XPOF	XPOF US	Alexander Perry
	YETI Holdings, Inc.	YETI	YETI US	Robert F. Ohmes, CFA
UNDERPERFORM				
	Canada Goose Holdings Inc	YGOOS	GOOS CN	Alexander Perry
	Canada Goose Holdings Inc	GOOS	GOOS US	Alexander Perry
	Columbia Sportswear	COLM	COLM US	Alexander Perry
	Dollar General Corporation	DG	DG US	Robert F. Ohmes, CFA
	Dollar Tree, Inc.	DLTR	DLTR US	Robert F. Ohmes, CFA
	Hibbett Sports, Inc.	HIBB	HIBB US	Alexander Perry
	National Vision	EYE	EYE US	Robert F. Ohmes, CFA
	Sprouts Farmers Market, Inc.	SFM	SFM US	Robert F. Ohmes, CFA

iQmethodSM Measures Definitions

Business Performance

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

EV / EBITDA

Numerator

$\text{NOPAT} = (\text{EBIT} + \text{Interest Income}) \times (1 - \text{Tax Rate}) + \text{Goodwill Amortization}$

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

$\text{EV} = \text{Current Share Price} \times \text{Current Shares} + \text{Minority Equity} + \text{Net Debt} +$

Other LT Liabilities

Enterprise Value

Denominator

$\text{Total Assets} - \text{Current Liabilities} + \text{ST Debt} + \text{Accumulated Goodwill}$

Amortization

Shareholders' Equity

Sales

N/A

N/A

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

$\text{Market Cap} = \text{Current Share Price} \times \text{Current Basic Shares}$

Sales

Basic EBIT + Depreciation + Amortization

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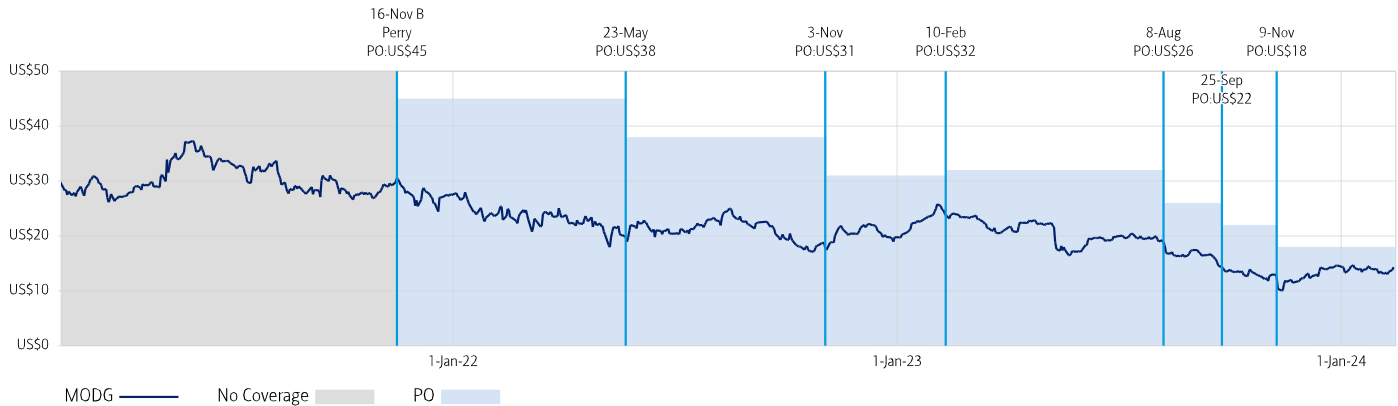
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Topgolf Callaway (MODG) Price Chart



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Equity Investment Rating Distribution: Leisure Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	16	55.17%	Buy	9	56.25%
Hold	7	24.14%	Hold	5	71.43%
Sell	6	20.69%	Sell	4	66.67%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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