

# Zacks Small-Cap Research

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## Newton Golf Company (NASDAQ: NWTG)

**NWTG: Newton Golf reports record 2025 financial and operating results. We maintain our target price of \$6.50 per share.**

Utilizing a Discounted Cash Flow process containing conservative estimates combined with other valuation methodologies, we believe NWTG could be worth **\$6.50** per share.

Current Price (3/31/26) \$1.59  
Valuation **\$6.50**

### OUTLOOK

Newton Golf (NASDAQ: NWTG) is an innovative, technology driven golf company with a growing portfolio of golf products, including putters, golf shafts, golf grips, and other golf-related accessories. The company went public in August 2023 raising \$11.6 million in net proceeds. The company announced its entry into the golf shaft market in November 2023. We believe the company has the expertise and potential to increase revenues substantially over a 10-year time frame. We expect the company to generate free cash flow in 2026 and believe the stock to be significantly undervalued at this time.

### SUMMARY DATA

52-Week High **\$3.50**  
52-Week Low **\$0.82**  
One-Year Return (%) **-23.9**  
Beta **4.24**  
Average Daily Volume (sh) **30,821**

Shares Outstanding (mil) **4.7**  
Market Capitalization (\$mil) **\$7.6**  
Short Interest Ratio (days) **N/A**  
Institutional Ownership (%) **0**  
Insider Ownership (%) **8.8**

Annual Cash Dividend **\$0.00**  
Dividend Yield (%) **0.00**

5-Yr. Historical Growth Rates  
Sales (%) **N/A**  
Earnings Per Share (%) **N/A**  
Dividend (%) **N/A**

P/E using TTM EPS **N/A**  
P/E using 2025 Estimate **N/A**  
P/E using 2026 Estimate **N/A**

Risk Level **Above Average**  
Type of Stock **Small-Growth**  
Industry **Sporting Goods**

### ZACKS ESTIMATES

#### Revenue (in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	\$0.09 A	\$0.05 A	\$0.10 A	\$0.12 A	\$0.35 A
2024	\$0.35 A	\$0.81 A	\$1.21 A	\$1.07 A	\$3.45 A
2025	\$1.21 A	\$2.08 A	\$2.58 A	\$2.27 A	\$8.14 A
2026					\$12.22 E

#### EPS / Loss Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	-\$0.85 A	-\$0.62 A	-\$0.94 A	-\$1.42 A	-\$3.78 A
2024	-\$0.82 A	-\$0.79 A	-\$0.73 A	-\$0.30 A	-\$2.64 A
2025	-\$0.55 A	-\$0.34 A	-\$0.34 A	-\$0.52 A	-\$1.75 A
2026					-\$0.48 E

2023 and 2024 EPS numbers do not reflect the recent reverse stock split. Quarterly EPS may not equal annual EPS due to rounding, dilution or intangibles. Estimates may be non-GAAP.

## WHAT'S NEW



Source: newtongolfir.com

### 4th Quarter Financial Results

On March 31, 2026, the company released 4<sup>th</sup> quarter and full year 2025 financial results which showed impressive revenue growth above our expectations.

Revenues in the 4th quarter of 2025 were \$2.3 million, which was a 112% increase from \$1.1 million in the prior-year period. The growth was primarily driven by strong demand for the company's Newton Motion™ shaft product line, along with continued expansion of its direct-to-consumer channel.

Gross profit was approximately \$0.6 million (25% gross margin) in the quarter, compared to approximately \$0.8 million (72% gross margin) in the prior-year quarter. The decline in gross margin was primarily attributable to an inventory adjustment recorded during the quarter, as well as higher labor costs incurred to support increased demand. The inventory adjustment reflects improvements made to the company's inventory verification and costing procedures during the year. We expect gross margins to return to the 60%-70% range in 2026.

Total operating expenses increased to \$3.1 million from \$2.2 million in the prior-year quarter, primarily reflecting higher marketing, personnel, and public company operating costs to support sales growth and business development initiatives, as well as ongoing investment in R&D related to the company's shaft technology platform. Net loss for the 4<sup>th</sup> quarter was (\$2.4) million, or (\$0.52) per share, compared to a net loss of (\$8.3) million, or (\$76.66) per share, in the prior-year quarter.

Cash balances as of 12/31/25 stood at \$1.3 million and there was no outstanding debt. After the end of the year, the company entered into a securities purchase agreement for the sale of up to \$2.0 million of convertible notes and warrants to purchase shares of common stock at an exercise price of \$1.75 per share. The first closing occurred on March 16, 2026, where the company issued to entities affiliated with a company director a \$500,000 convertible note at an interest rate of 10% with a maturity in 18 months. A five-year warrant to purchase 50,000 shares of common stock was also issued.

### Full Year 2025 Financial Results

Net sales for 2025 were \$8.1 million, an increase of 136% compared to \$3.4 million in 2024. The growth was primarily driven by strong demand for the company's Newton Motion shaft product line, along with continued expansion of direct-to-consumer sales.

Product Line	Years Ended December 31,			
	2025		2024	
	Revenue	%	Revenue	%
Driver and Fairway Shafts	\$ 8,067,000	99.2%	\$ 3,172,000	92.1%
Putters	68,000	0.8%	273,000	7.9%
Net Sales	<u>\$ 8,135,000</u>		<u>\$ 3,445,000</u>	

Source: newtongolfir.com

Gross profit rose to \$4.6 million (56% gross margin), compared to \$2.3 million (66% gross margin) in 2024. While gross profit increased in dollars, gross margin declined due to higher labor-related costs, including additional full-time employees, greater use of temporary labor, and overtime needed to meet the strong demand for its golf shaft products.

Operating expenses increased to \$12.1 million from \$7.3 million in 2024. The increase was primarily driven by higher marketing, personnel, and public company costs to support revenue growth and business development efforts. Expenses also included higher professional service costs tied to enterprise system upgrades and integrations, including NetSuite, AfterShip, and demand-planning tools, aimed at improving inventory accuracy, operational efficiency, and long-term scalability.

Net loss for 2025 totaled (\$6.0) million or (\$1.63) per share, compared to a net loss of (\$11.8) million or (\$178.33) per share in 2024.

Net Sales Source	Years Ended December 31,			
	2025		2024	
	Revenue	%	Revenue	%
Distributors and retailers	\$ 716,000	8.8%	\$ 553,000	16.1%
Online Sales	7,419,000	91.2%	2,892,000	83.9%
Net Sales	<u>\$ 8,135,000</u>		<u>\$ 3,445,000</u>	

Source: newtongolfir.com

### 2025 Business Highlights

- Ranked the #1 selling shaft brand for both drivers and fairway woods at Club Champion, reflecting increased adoption among professional club fitters, supporting broader distribution opportunities across the professional fitting channel.
- Expanded the company's professional club fitter network to approximately 230 locations, an increase of 130% from 2024, strengthening the company's channel presence across the premium fitting market.
- Surpassed 60 professional golfers playing Newton shafts across PGA TOUR Champions, LPGA, and Korn Ferry Tours, more than doubling from 30 players in 2024.
- Increased brand visibility at global competitions with several players using Newton shafts at the 2025 World Long Drive Championship, including Tanner Pipes, who captured the Men's Amateur title with a 396-yard drive.
- Introduced the Fast Motion™ driver shaft, expanding the company's premium driver shaft lineup and extending the Newton Motion™ shaft platform across multiple swing-profile configurations.
- Launched a dedicated Japanese e-commerce platform, [www.newtongolf.jp](http://www.newtongolf.jp), enabling direct access to customers in one of the world's largest golf equipment markets.
- Appointed Jeff Clayborne as CFO and, effective January 30, 2026, expanded his role to Chief Operating Officer to include oversight of manufacturing and operational functions supporting the company's scaling manufacturing and operational platform.

## Potential OEM Opportunities

The company commented that they have been exploring working with OEMs to provide shafts to their product lines. This entails structured product testing and evaluation programs with leading global golf equipment manufacturers. Although no names were mentioned, it could involve working with top golf brands such as Callaway, TaylorMade or Titleist. While these activities are in the early stage and no definitive commercial supply agreements have yet to be finalized, this level of engagement is a meaningful technical validation of the Newton Golf platform. Over time, successful OEM integrations could expand the addressable opportunities for Newton Shafts and support broader adoption across global club fitting channels. In addition, this can be accomplished without the need for major capacity expansion as the current manufacturing facility has the capacity to make approximately 200,000 shafts and in 2025, the company produced about 41,000 shafts.

## New Product Rollout

In January 2026, the company debuted a new line of golf shafts at the PGA Show next week in Orlando. The [PGA Show](#) is the world's largest annual trade event for the golf industry with participation from professionals, buyers, manufacturers, vendors, and media to learn about the latest equipment, technology, apparel, and trends.

Newton introduced new Fast Motion™ fairway wood shafts, introduced dedicated hybrid shafts across all product offerings for the first time, and presented refined 2026 versions of its existing Fast Motion driver and Motion driver and fairway shafts. This expanded product lineup follows a strong 2025 performance for Newton Golf's shaft business in which it became the #1 selling shaft position for both drivers and fairway woods at Club Champion, a large professional club-fitting retailer with over 140 locations.

For 2026, Newton Golf will build on the proven performance of its core shaft products, which was driven by extensive work with professional and amateur golfers. The company will focus on strengthening its shaft lineup as an integrated matching dot system, addressing the challenge golfers face in achieving consistency across drivers, fairway woods, and hybrids due to differences in weight, feel, and performance. Rather than forcing players to adapt driver shafts to fairway woods and then to different hybrid shafts, the matching dot system delivers uniform performance and feel throughout the bag.

- **Newton Fast Motion Fairway Wood Shafts** – The lighter Fast Motion Fairway Woods shafts extend Newton's physics-based approach beyond the driver. Unlike competitors that recommend converting a driver shaft for fairway woods by giving tip trimming guides, Newton Golf designs fairway shafts from the ground up to account for smaller but heavier clubheads, turf interaction, different spin targets and the desire for higher ball flight while improving speed, accuracy and feel.
- **Newton Hybrid Shafts (Motion and Fast Motion)** – Newton Golf will introduce dedicated hybrid shafts engineered to deliver consistent feel and response across driver, fairway, and hybrid. The design helps reduce swing adjustments between clubs and improves control in scoring situations.
- **Updated 2026 Newton Motion Driver and Fairway Shafts** - The company will also showcase refined 2026 versions of its Fast Motion™ Driver and Motion™ Driver and Fairway shafts, incorporating improved consistency, streamlined specifications across the lineup, and tighter manufacturing tolerances while preserving feel and performance characteristics.
- **Also on display at the show will be the current full Newton Gravity putter line.**

## Valuation and Estimates

Our primary valuation tool utilizes a Discounted Cash Flow process. Based on higher than expected revenues, which implies a faster time frame to cash flow breakeven, our target price is **\$6.50** per share. Our target price may be conservative as it incorporates a high discount rate of 15.0% due to the

unpredictability of earnings, prevailing interest rates, and the timeline for reaching net profitability on an annual basis.

Recently, popular putter manufacturer L.A.B. Golf was acquired by a private equity firm in a deal reportedly valued at over \$200 million. Reports indicate that L.A.B. Golf may sell almost 400,000 units in 2025 with putters priced at approximately \$500, 2025 revenues could be in the range of \$200 million.

Our 2026 full year revenue estimate is now \$12.2 million. Our 2026 GAAP EPS estimate is a loss of (\$0.48). We believe the company can continue to generate strong double-digit revenue growth over the next 3-5 years and our revenue estimate for 2026 is \$17.1 million and our 2027 EPS estimate is \$0.15.

We expect the company to reach cash flow breakeven at some point in calendar year 2026.

The company is selling at 61% of 2026 estimated revenues, which is a significant discount to other fast growing sporting goods companies.

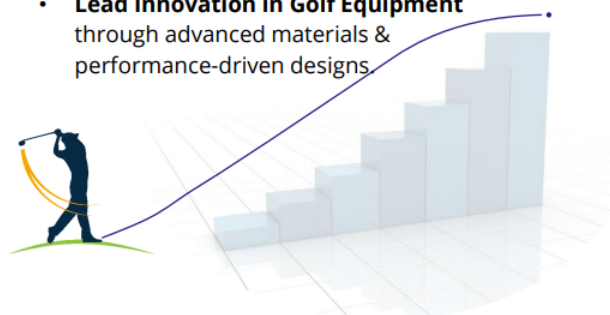
The current market cap of only \$7.6 million appears to be irrational and more reflective of the ongoing microcap stock malaise as opposed to company fundamentals.

### Short-Term Growth Priorities (Next 12-24 Months)

- **Expand Direct-to-Consumer (DTC) Sales** through e-commerce & digital marketing.
- **Launch Flagship Products** backed by data-driven marketing & influencer partnerships.
- **Secure Key Retail Partnerships** to increase accessibility & brand exposure.
- **Sign OEM partnerships**
- **Grow International Sales Channels** in emerging golf markets.
- **Expand Club Fitters Network** to enhance in-person customer experience.
- **Strengthen Affiliate Marketing** to leverage third-party sales growth.

### Long-Term Growth Vision (3-5 Years)

- **Scale Revenue Rapidly** while maintaining strong profit margins.
- **Diversify Product Portfolio** into **golf equipment, accessories, & smart-tech equipment.**
- **Lead Innovation in Golf Equipment** through advanced materials & performance-driven designs.



Source: newtongolfir.com

## OTHER RECENT NEWS

### New Consumer Direct Website in Japan

On October 28, 2025, the company announced the launch of its dedicated Japanese e-commerce site. The new platform enables golfers in Japan to purchase Newton's performance-engineered products directly which marks a significant milestone in the company's international expansion plans.


The new website can be found here: [www.newtongolf.jp](http://www.newtongolf.jp)

## Newton Fast Motion Shafts

On April 29, 2025, the company announced the launch of its newest shaft family, Newton Fast Motion at a suggested retail price of \$325. The Newton Fast Motion is a lighter, Tour-proven shaft engineered to deliver exceptional precision and enhanced swing speed for golfers seeking top-tier performance.

The products build on four key innovations of the Newton Motion shaft. This includes Elongated Bend Profile, Kinetic Energy Storage, Symmetry 360 Construction, and Variable Bend Profile. The Newton Fast Motion series caters specifically to players who want lighter shafts without compromising stability, straightness, or control.

### FAST MOTION SHAFT: LIGHTWEIGHT SPEED MEETS TOUR PERFORMANCE



- **Designed for faster swing speeds** without sacrificing control
- Lightweight, physics-first construction
- **Made in the USA**, expanding Newton's domestic manufacturing footprint
- Already in play by eight professionals across **PGA TOUR Champions & LPGA Tour**
- Driving adoption among top club fitters and DTC customers

**Pricing: \$325**

*"When you start seeing some of the **best ball strikers** of the last 30 years **slotting Newton shafts** into the bag, that's not noise — **that's a signal**. It's a signal that **this is something worth trying.**"*

- **Kris McCormack**  
Head of Club Test & Gear Data  
GOLF Magazine

Source: newtongolfir.com

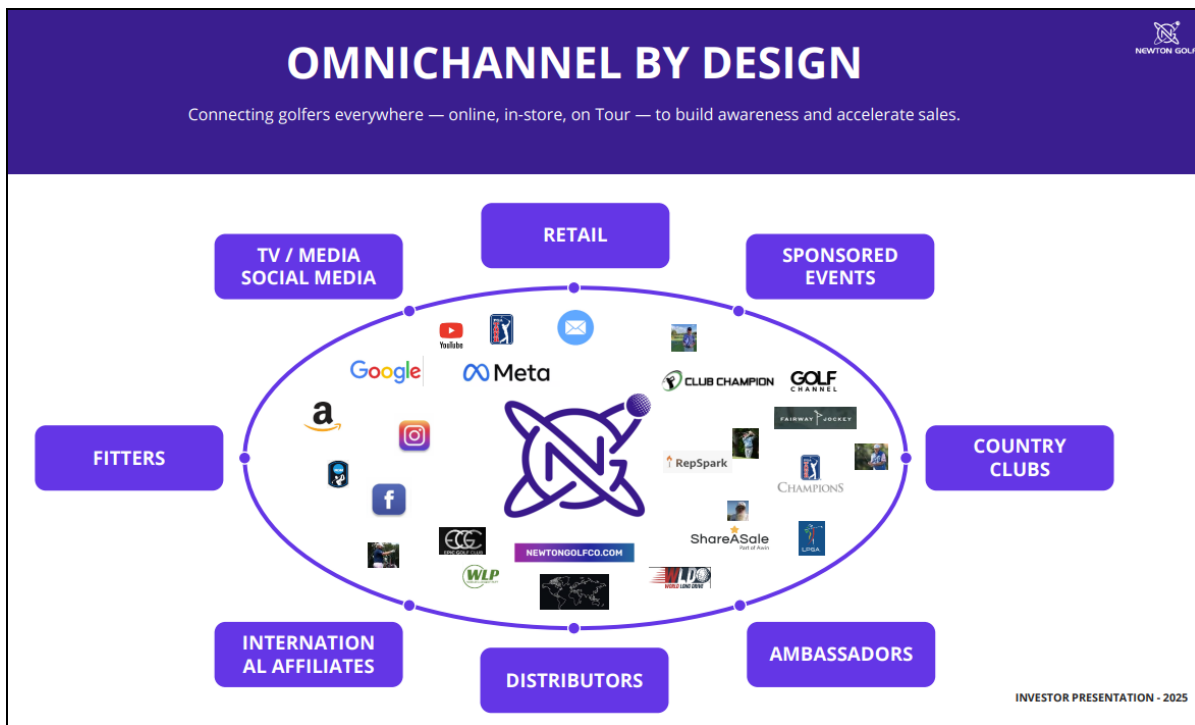
The Fast Motion shaft is already being used by at least eight professionals putting it into play across the PGA TOUR Champions and LPGA Tour. Overall, more than 30 professionals on these tours are utilizing Newton Motion shafts.

## KEY INVESTMENT POINTS



Source: [newtongolfco.com](http://newtongolfco.com)

- Newton Golf (NASDAQ: NWTG) is an innovative, technology driven golf company with a growing portfolio of golf products, including putters, golf shafts, golf grips, and other golf-related products.
- The company designs and manufactures high-performance and innovative Newton Gravity golf putters and Newton Motion Shafts for golf clubs which may be rare “homerun” products. The introduction of these products into the golf equipment market may be analogous to the introduction of Big Bertha drivers, 2-ball putters, and cavity-backed irons and may attract mass adoption from golfers worldwide.
- The company is led by an accomplished management team with proven golf industry experience (Callaway Golf, TaylorMade, Ben Hogan Golf, etc.)
- Independent lab testing offers proof that Newton Gravity putters help golfers make more and better putts.
- The company operates an in-house manufacturing facility in Missouri for its putters and shafts which should reduce supply chain risks and ensure quality control.
- The company anticipates rapid multi-year revenue growth primarily from product launches of the company’s Newton Motion Shafts and Newton Gravity putters. Primary sources of growth will come from direct-to-consumer channels and Asian markets. The company recently expanded into 126 Club Champion stores nationwide.
- There are Japanese and Korean distributors already in place that provide significant exposure to the world’s #2 and #3 golf markets.
- NEWTON GOLF has a growing number of professional golfers and golf luminaries using its products. Recently, the company’s Newton Motion driver shaft was the second most played golf shaft on the PGA TOUR Champions.
- The company went public in 2023 and currently has a market capitalization of \$8.4 million. We expect revenues to continue to grow rapidly in 2025 and beyond. As of 9/30/25, the company had \$2.5 million in cash and equivalents and no traditional long-term debt.
- The company is poised for strong growth in 2026 and 2027, and we believe the stock is worth **\$6.50** based on a discounted cash flow calculation which incorporates conservative estimates and a high discount rate.



Source: newtongolfco.com

## OVERVIEW

Newton Golf is an advanced technology golf company with a growing portfolio of golf products, including putters, golf shafts, golf grips, and other golf-related products. In order to support its growth opportunities and in-house shaft technologies, in April 2022, the company expanded its manufacturing business to include advanced premium golf shafts by opening a new shaft manufacturing facility in St. Joseph, MO. The company intends to manufacture and assemble substantially all products in the United States as is economically feasible. The company anticipates eventual expansion into golf apparel and other golf-related product lines to enhance its growth. The company currently sells its products through the company's websites, resellers, and distributors in the United States, Japan, and South Korea.

The company owns or licenses multiple utility and design patents in the U.S. and foreign countries relating to its products and product designs. The company also owns U.S. and foreign trademark registrations relating to its products, product designs, manufacturing processes and research and development concepts.

The company was formed in 2018 as Sacks Parente Golf Company, LLC, a Delaware limited liability company. On March 18, 2022, the company converted into a Delaware corporation named Sacks Parente Golf, Inc. According to the Plan of Conversion, on March 18, 2022, all of the outstanding ownership interests in Sacks Parente Golf Company, LLC, and rights to receive these interests were converted and exchanged for shares of capital stock of Sacks Parente Golf, Inc.

**NEWTON SHAFT TECHNOLOGY | LONGER, STRAIGHTER DISTANCE MADE EASY**

Force

Weight mg

Elongated Bend Section

Energy Stored =  $\int_0^L \frac{M(x)^2}{2EI(x)} dx$

$M$  = Bending moment  
 $E$  = Modulus of carbon fiber

$I = \frac{\pi}{64} (D_o^4 - D_i^4)$

$D_o$   $D_i$

**MORE ENERGY STORED**

- Easier to Load
- Smoother Release
- More Efficient Energy Transfer

Source: newtongolfir.com

The company leases approximately 9,000 square feet of manufacturing, assembly, and distribution space in St. Joseph, Missouri (approximately 60 miles from Kansas City, MO). In January 2024, the company relocated its primary golf putting instrument assembly facility from Camarillo, CA to the St. Joseph facility. The company believes this facility has the capacity to produce 200,000 units which would equate to over \$40 million in total revenues.

## PRODUCTS

The company designs its golf products to fit golfers of all skill levels, both amateur and professional. The products are designed to conform to the Rules of Golf as published by the United States Golf Association (USGA) and the ruling authority (The R&A) for countries outside of the U.S. and Mexico.

By investing in research and development and leveraging applied science and physics, the company designs golf equipment and products to be technologically superior by breaking the traditional uniformity that exists in golf equipment today. The company has the ability to create and modify product designs using computer-aided design software, finite element analysis software, and structural optimization techniques. In addition, the company utilizes a variety of robotics and testing equipment, advanced computer software, launch monitors, and an in-house laboratory for golf equipment products.

### Newton Motion Shafts



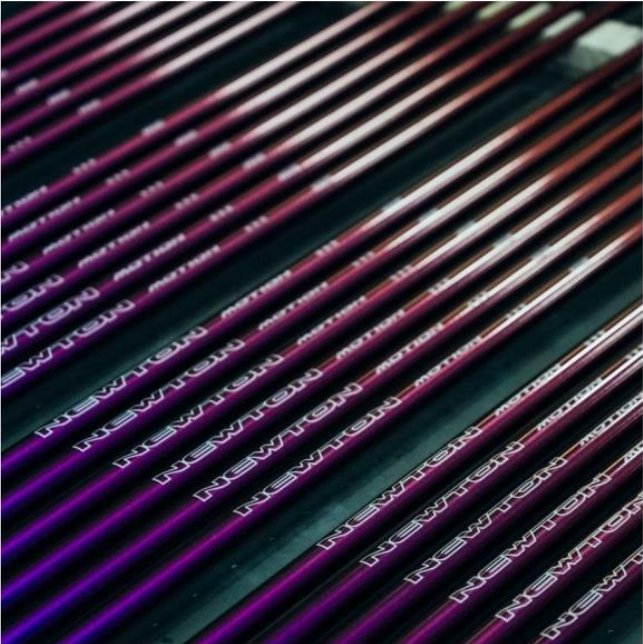
Source: newtongolfir.com

On November 20, 2023, the company announced a significant expansion of its product portfolio. The company introduced “Newton,” their latest business division and the company’s first entry into the world of golf club shafts. The Newton Motion driver shaft, the first Newton shaft to debut in the market, is a carbon fiber shaft designed to enhance a golfer’s performance by promoting straighter and longer shots with reduced effort.

Using the company's proprietary shaft design and construction, the Newton Motion shaft features four essential technologies:

- **Elongated Bend Profile** – The company has created an extreme elongated bend profile that is crucial to the shaft's design. Because of their proprietary Kinetic Storage Construction, the shaft will bend over a longer span of its length, resulting in improved club speed. The added flexibility of the carbon fiber gives the impression that the golfer doesn't need to exert excessive force during the swing, leading to a more predictable and less jarring experience. This should enhance the smoothness of the swing.
- **Kinetic Storage Construction** – The kinetic storage profile is the engine of Newton shafts. This proprietary construction empowers the fibers to store more energy that is harnessed through the elongated bend, resulting in a significant boost in exit velocity. In contrast to most carbon fiber shafts, Newton technology ensures perfect symmetry, eliminating the inconsistencies in flex and spin rates that can often lead to decreased accuracy and distance.
- **Newton Symmetry360 Design** – The Newton Symmetry360 design ensures consistent flex, regardless of the driver's clocking position. This feature allows for seamless adjustments to both the bend and torque (twist) when most flex changes occur, providing a truly versatile and adaptive solution.
- **Variable Bend Profile** – The Newton Motion driver shaft is equipped with a variable bend profile meticulously designed to match the bend and torque requirements of each flex. This innovation ensures that every player's driving performance is optimized, adapting seamlessly to the unique demands of the swing. Golfers with slower swing speeds need more torque while higher swing speeds need the opposite. Whether a player has a slow or a high swing speed, the Newton Motion technology tailors to the torque.

## NEWTON MOTION SHAFTS: POWER, PRECISION, PERFORMANCE



- Newton Motion Shafts: Power, Precision, Performance**
  - **"Distance Made Easy"** – Engineered for effortless power and control.
  - **Launched in November 2023**, now the **fastest-growing shaft on Tour Champions**.
- Innovative Engineering**
  - **Tailored flex profiles** optimize distance, accuracy, and control for all swing speeds.
  - **DOT System™** eliminates outdated flex labels, adapting dynamically to the player's speed.
- Precision U.S. Manufacturing**
  - **Made in the USA** with the highest quality standards for superior consistency.
- Pricing**
  - **\$300 Driver Shaft**
  - **\$275 Fairway Wood**

Source: newtongolfir.com

In addition to these four important technologies, instead of using the traditional categorization of shaft flexes of ladies, senior, regular, stiff, extra-stiff, etc., the Newton Motion shaft uses a proprietary DOT system. Ranging from one to six dots, the system allows for a seamless transition from the most flexible shaft at one dot to the stiffest at six dots. SPG's innovative DOT system, employed by SPG's expert shaft engineers, optimizes golf shaft performance by finetuning it to a golfer's unique abilities, which is a major competitive advantage over traditional flex systems.

•	One Dot:	Driver Swing speeds less than 75 mph/or driving distance less than 180 yards
•	Two Dots:	Driver Swing speeds 75-85 mph/or driving distance from 180 – 220 yards
•	Three Dots:	Driver Swing speeds 85-95 mph/or driving distance from 210 – 240 yards
•	Four Dots:	Driver Swing speeds 95-105 mph/or driving distance from 230 – 260 yards
•	Five Dots:	Driver Swing speeds 105-115 mph/or driving distance from 250 – 285 yards
•	Six Dots:	Driver Swing speeds 115-plus mph/or driving distance of 275+ yards

Source: newtongolfir.com

In addition, The Newton Motion shaft is visually captivating. When in motion, the shaft undergoes an attractive color transformation from green to purple and various shades in between. The coloration not only adds a dash of style to a golfer's game, but it also distinguishes itself from other shafts in the market.

On April 4th, 2024, the company announced that it was expanding beyond just driver shafts and into fairway woods. Executive Chairman Greg Campbell stated, *"In the wake of the remarkable success of our Newton Motion Driver shaft, we are witnessing not just the growth of a product line, but the flourishing of an entire Newton Shaft division dedicated to excellence and innovation. This launch marks a pivotal moment in our Company's history and sets a new standard for performance and customer satisfaction. As we unveil the Newton Motion Fairway Woods shaft, we are confident that it will exceed the high expectations set by its driver shaft predecessor."*

The ready-to-play Newton Motion Shafts come with a premium grip pre-installed and are cut to modern industry standard playing lengths, providing golfers with a seamless transition to enhanced performance. The Newton Motion Fairway Woods can be ordered in modern standard #3, #5, or #7 fairway woods lengths.

The Newton Motion shafts are manufactured in St. Joseph, Missouri at SPG's shaft manufacturing facility and have an average ASP of approximately \$250.00. We expect shafts to represent the majority of revenues in future years.

Additional information on Newton Motion Shafts can be found [here](#).

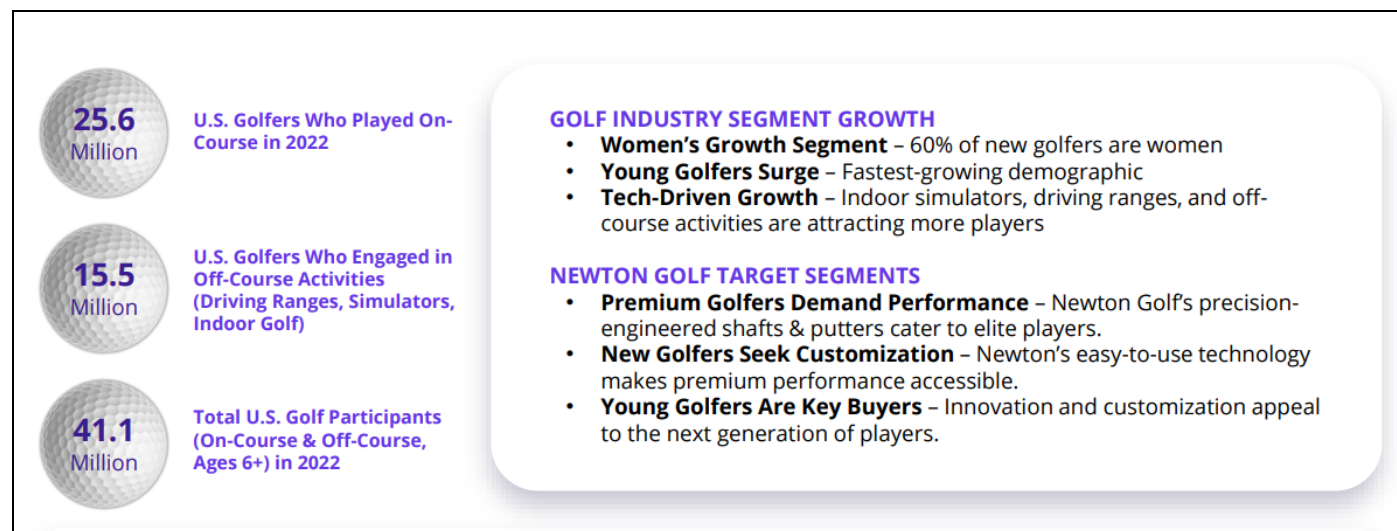
## INDUSTRY & ADDRESSABLE MARKET

The golf equipment market size was estimated to be worth approximately \$13.0 billion in 2023 and is expected to reach \$17.6 billion by 2028 which is a CAGR of approximately 5.8%. The entire golf industry, which includes courses, equipment and related services is estimated at \$86.0 billion.

Recently, there has been an increase in young golfers which is causing equipment sales to rise and is a significant driver of golf equipment sales. In addition, growing middle-class income and the increasing number of professional golfers over the last few years are contributing to the substantial increase in

demand. The participation rate in professional golf tournaments is increasing, especially among millennials, which is further boosting golf equipment sales worldwide.

Based on a survey by the National Golf Foundation, golf is now played in 206 out of 251 countries and there are approximately 38,000 golf courses worldwide. Globally, millions of people of all ages are attracted to golf and participate in the International Golf Federation's programs and events. Also, adding golf to the summer Olympic Games has contributed to a sudden increase in golfers worldwide. Certain European countries are investing heavily in infrastructure developments of the game and hosting many international golf events and competitions. These investments in golf courses are further anticipated to boost the inflow of sports tourists and influence the market positively during the study period.



Source: newtongolfir.com

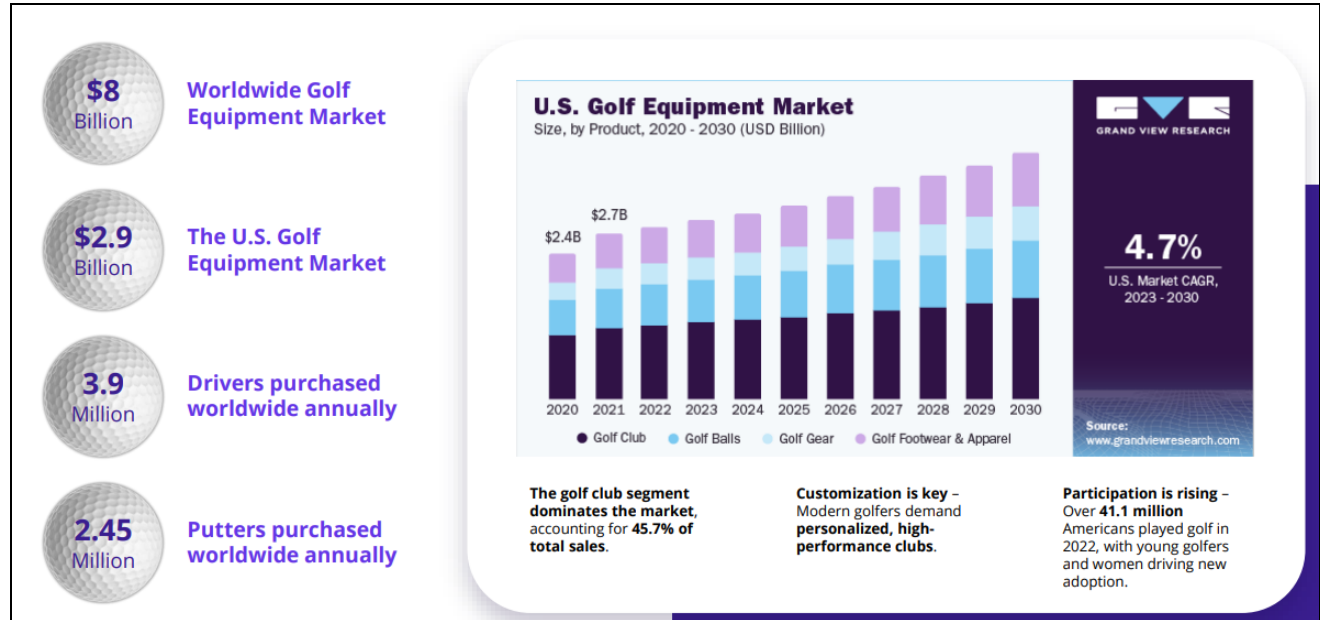
There has also been a rise in demand for golf equipment from the Asia-Pacific region. This golf equipment market is driven by the rising popularity of golf in Japan, China, South Korea, and Thailand. In coming years, the golf equipment and accessories market in the Asia-Pacific region is expected to grow with major countries such as China, India, Australia, and Japan contributing to the market growth as well. Japan is one of the major countries in the Asia-Pacific region in terms of the number of golf players, owing to the rising awareness about golf and an increase in the golfer population in the country. According to the Ministry of Economy, Trade, and Industry (METI), the golfing population in Japan increased from 8.9 million in 2018 to approximately 10.5 million in 2023.

As the population becomes more aware of sports and the disposable income of individuals rises, there is a strong likelihood that the regional market will continue to grow. In addition to already established international brands, the market in the region is being driven by a rise in participation in golf tournaments and spending money and time on sports activities. Increasing media exposure to international golf events has aided the rise in the popularity of golf among the masses. This trend encourages the youth to play such sports, further boosting the sales of golf equipment in the region.

According to Golf Datatech, LLC, and Yano Research Institute Ltd, two of the golf industry's leading independent research and data firms, Japan and Korea rank second and third in the listing of the '*top five World Golf Markets*'. Furthermore, Korean golfers spend more per capita on their golf equipment and apparel than any other country, while the U.S. and Japan are responsible for about two-thirds of the world golf equipment market.

In addition, there has been a tremendous boom in indoor golf which is typically played within a high tech golf simulator where the player hits a ball against a large screen and shot results and scores are displayed digitally. Of the approximate 41 million golfers in the U.S., roughly 1/3<sup>rd</sup> are indoor golfers only.

This category also includes participants at Topgolf, a large golf entertainment complex with approximately 80 locations currently on a global basis.



Source: newtongolfir.com

## MANUFACTURING FACILITY

The company leases approximately 9,000 square feet of manufacturing, assembly, and distribution space in St. Joseph, Missouri (approximately 60 miles from Kansas City, MO). In January 2024, the Company relocated its primary golf putting instrument assembly facility from Camarillo, CA to the St. Joseph facility. The company believes this facility has the capacity to produce 160,000 shafts and 40,000 putters which would equate to over \$40 million in total revenues.

### THE COMPETITIVE EDGE OF U.S. MANUFACTURING

**Quality & Performance**

**Strict quality control** ensures consistency in every shaft and putter.  
**Every product is inspected** for precision and durability.

**Supply Chain Efficiency**

**Faster lead times** and improved responsiveness to demand.  
**More agile production** reduces delays and inventory risk.

**Sustainability & Branding**

**Lower carbon footprint** from domestic manufacturing.  
**Appeals to eco-conscious consumers** who value sustainability.

**Economic & Strategic Benefits**

**Supports local jobs** and strengthens U.S. manufacturing.  
**Simplifies compliance** with trade regulations and tariffs.

Source: newtongolfir.com

It is the company's goal to develop, design and manufacture as many of the company's products, as is economically feasible in the U.S. There are currently limited assembly/fitting capabilities in Japan and South Korea.


Overall, the golf club assembly process is fairly labor intensive, requires extensive supply chain coordination and utilizes raw materials that are obtained from suppliers both internationally and within the United States.

## TOUR PLAYERS

Newton Golf has over 60 professional golfers utilizing its Newton Shafts across the PGA TOUR Champions, LPGA, and Korn Ferry tours


### Miguel Ángel Jiménez

- Signed with Newton Golf in 2025
- Two PGA TOUR Champions wins using Newton Fast Motion shaft:
  - Principal Charity Classic (2025) – won in playoff
  - Chubb Classic (2025) – earlier season victory
- Currently leading the PGA TOUR Champions money list.



### Tour Pros Fuel Newton's Momentum

- Over 50 pros on PGA TOUR Champions and LPGA Tour gaming Newton shafts
- Chosen for elite feel, control, and performance
- Rising adoption boosts Newton's brand on Tour



Source: newtongolfir.com

## COMPETITION

The company primarily competes based on its advanced technology and the ability to improve a player's experience and provide quality customer service at a level higher than some competitors.

To better understand industry trends, management receives and evaluates internally generated market research for U.S. and foreign markets, as well as periodic public and customized market research on a global basis. Research providers include Golf Datatech and The National Golf Foundation which include trends and data from on-course and off-course retailers. In addition, the company utilizes data from other market research firms in Asia.

Major competitors for putting instruments are TaylorMade, Ping, Acushnet (Scotty Cameron, Titleist brand) and Callaway Odyssey/Toulon brands. Major competitors for golf shafts include Fujikura Composites, Mitsubishi Chemical MCC, Graphite Design, (Asia) Co Ltd, Nippon Shaft. Ltd, and Paderson

Kinetixx, Taiwan. All these competitors have extensive business histories and substantially greater resources than the company.



Source: newtongolfir.com

## MANAGEMENT

### **Akinobu Yorihiro**

Interim CEO, Director, Chief Technology Officer

Akinobu Yorihiro, one of the company's co-founders, has been a Director, Chief Technology Officer, and Chief Legal Officer since March 2018. Mr. Yorihiro also served as Chief Financial Officer from March 2018-February 2022. Mr. Yorihiro has served as Chairman of the Board for Nippon Xport Ventures, Inc. since 2017. Mr. Yorihiro served as Chief Executive Officer of Yoshimoto Entertainment USA, the U.S. Subsidiary of Yoshimoto Kogyo of Japan, and the Chief Executive Officer of Bellrock Media, a digital media company backed by Dentsu, NTT Docomo and Yoshimoto Entertainment, from 2006-2017. He was a Corporate M&A Partner of Bingham McCutchen LLP, a large national U.S. law firm, where he specialized in cross-border transactions, representing Japanese and U.S. clients across a wide range of industries including manufacturing, pharmaceutical, technology, banking, sports and entertainment, from 1993–2006. Bilingual and Bicultural in Japanese, he earned his B.A. in Economics and Mathematics from Claremont McKenna College and J.D. from Georgetown University Law Center.

### **Jeff Clayborne**

Chief Operating Officer & Chief Financial Officer

Mr. Clayborne brings over three decades of financial leadership across public and private companies in the consumer, technology, and entertainment sectors. He has led successful IPOs, built scalable financial systems, and helped grow design-led, consumer-facing brands. Jeff previously served as CFO of premium apparel brand Perfect Moment, public SaaS company Verb Technology, and e-mobility startup SONDORS, where he drove transformation using platforms like NetSuite and Shopify. His disciplined, tech-enabled approach to finance supports Newton Golf's mission to scale with operational rigor and long-term value creation.

## RISKS

- A reduction in the number of rounds of golf played or in the number of golf participants could negatively affect sales. The demand for golf-related products in general, as well as the demand for golf-related soft goods, is directly related to the number of golf participants and the number of rounds of golf being played by these participants. In the future, the overall dollar volume of the market for golf-related products may not grow or may decline.

- Unfavorable economic conditions, future pandemics, or inflation could hurt consumer discretionary spending and therefore negatively impact company sales. The company's products are recreational and are therefore discretionary purchases for consumers. A significant or prolonged decline in general economic conditions or uncertainties regarding future economic prospects could adversely affect consumer discretionary spending in domestic and international markets.
- The company faces intense competition in all of its markets, and if they are unable to compete effectively, it could have a material adverse effect on business operations. Putters, shafts and grips operate in a highly competitive marketplace that is served by a number of well-established and financially stable companies with recognized brand names.
- The company has a limited operating history having been formed in 2018. The company has experienced limited sales since its inception and has largely been considered a development stage company. The company needs to substantially grow its revenue base in order to generate net profits and free cash flow. The company may need to raise additional capital to fund operations which may include high interest rate bank loans or dilutive equity financing.

## SUMMARY

We believe Newton Golf is positioned to deliver substantial revenue growth and sustained profitability over the next decade as its shaft and putter product lines scale and benefit from operational efficiencies. Our outlook anticipates strong double-digit annual revenue expansion over this period, accompanied by margin improvement toward industry norms. We further expect the company's higher-margin shaft segment to comprise the majority of sales as adoption increases.

Newton's innovative performance-driven shaft technologies represent potentially transformative product introductions in the golf equipment category which are comparable, in impact, to the launch of Big Bertha drivers, 2-ball putters, and the broader adoption of cavity-back irons, each of which reshaped competitive dynamics within the industry.

At current levels, investors may have a rare opportunity to gain early exposure to a sporting goods company with meaningful growth catalysts ahead. We believe the present share price does not adequately reflect Newton Golf's long-term earnings potential, resulting in a valuation that appears significantly below intrinsic value.

### WHY NEWTON GOLF IS A HIGH-GROWTH INVESTMENT OPPORTUNITY



- **Expanding Market Opportunity** – Positioned in a **\$8B global golf equipment market**, growing with increased participation.
- **Strong Gross Margins** – Premium pricing and **U.S.-based manufacturing** support a clear path to profitability.
- **Competitive Advantage** – Proprietary **Motion Shafts & Gravity Putters** leverage cutting-edge engineering.
- **Omni-Channel Sales Strategy** – Combining **DTC, retail, OEM, fitters, and digital marketing** for maximum reach.
- **Attractive Valuation with Significant Upside** – Early-stage opportunity with room for exponential growth.

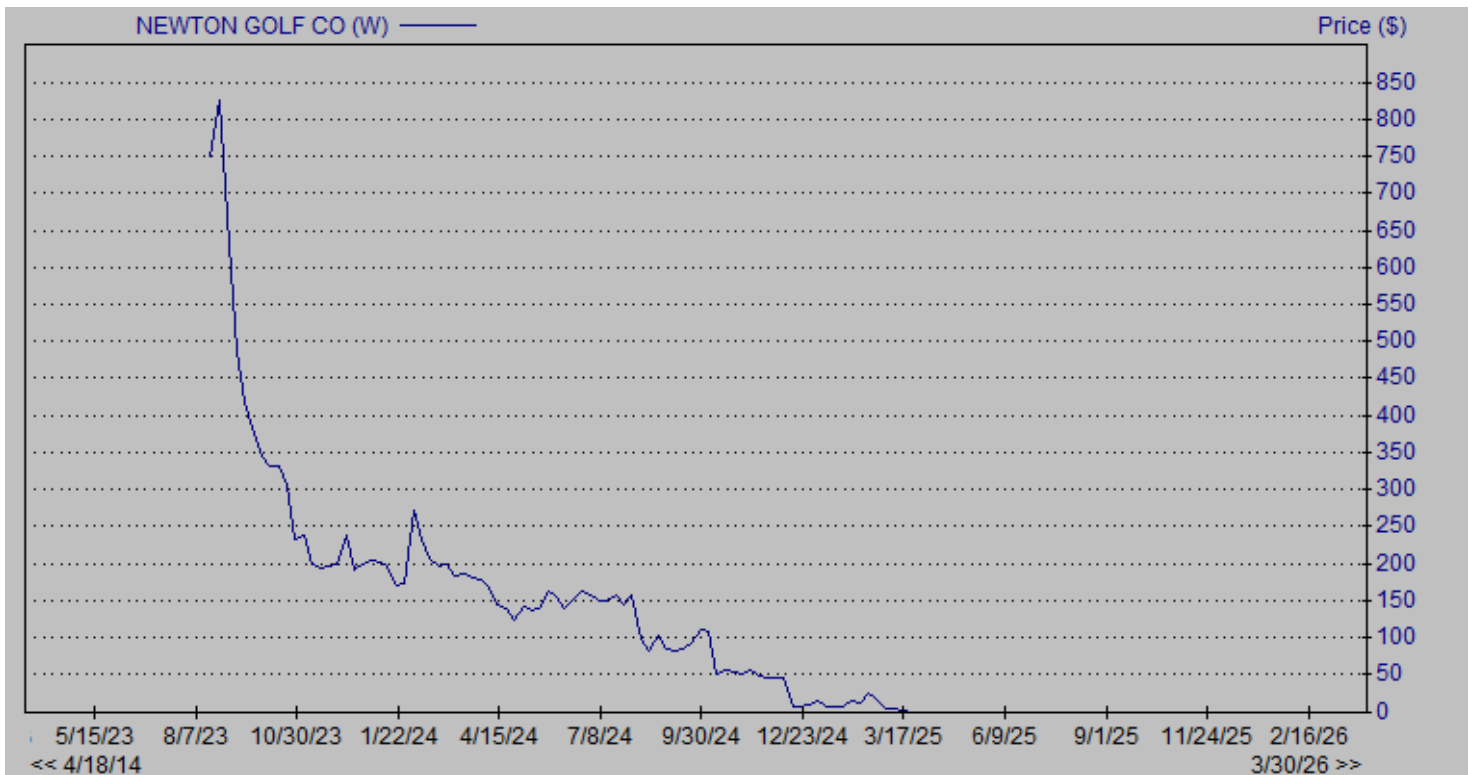
Source: newtongolfir.com

## PROJECTED INCOME STATEMENT

<u>Income Statement</u>	<u>Dec-23</u>	<u>Dec-24</u>	<u>Dec-25</u>	<u>Dec-26</u>	<u>Dec-27</u>
Net Sales	349,000	3,445,000	8,135,000	12,219,500	17,107,300
<b>Growth</b>	83.7%	887.1%	136.1%	50.2%	40.0%
Cost of Goods Sold	195,000	1,006,000	3,276,000	4,187,676	5,606,137
%	55.9%	29.2%	40.3%	34.3%	32.8%
Depreciation & Amort	32,000	165,000	305,000	311,100	318,878
Gross Profit	122,000	2,274,000	4,554,000	7,720,724	11,182,286
<i>Margin</i>	35.0%	66.0%	56.0%	63.2%	65.4%
Selling General & Administrative Expenses	4,471,000	6,458,000	11,289,000	9,313,425	9,779,096
<i>% of sales</i>	1281.1%	187.5%	138.8%	76.2%	57.2%
Research & Development	258,000	743,000	779,000	623,200	685,520
<i>% of sales</i>	73.9%	21.6%	9.6%	5.1%	4.0%
Other Expenses	0	0	0	0	0
<i>% of sales</i>	0.0%	0.0%	0.0%	0.0%	0.0%
Amortization	26,000	51,000	34,000	34,000	20,000
<i>% of sales</i>	7.4%	1.5%	0.4%	0.3%	0.1%
Operating Income	(4,633,000)	(4,978,000)	(7,548,000)	(2,249,901)	697,669
<i>Margin</i>					
<b>EBITDA</b>	<b>(4,517,000)</b>	<b>(4,762,000)</b>	<b>(7,209,000)</b>	<b>(1,904,801)</b>	<b>1,036,547</b>
<i>Margin</i>	-1294.3%	-138.2%	-88.6%	-15.6%	6.1%
Other Expenses/(Income)	(8,000)	6,774,000	(1,528,000)	(58,707)	2,117
%	-2.3%	196.6%	-18.8%	-0.5%	0.0%
EBIT	(4,625,000)	(11,752,000)	(6,020,000)	(2,191,194)	695,553
%	-1325.2%	-341.1%	-74.0%	-17.9%	4.1%
Total Interest Exp (net)	0	0	0	0	0
%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Profit Before Tax	(4,625,000)	(11,752,000)	(6,020,000)	(2,191,194)	695,553
%	-1325.2%	-341.1%	-74.0%	-17.9%	4.1%
Income Tax	0	0	0	0	0
<i>% Effective Rate</i>	0.0%	0.0%	0.0%	0.0%	0.0%
<i>% Cash Tax Rate</i>	0.0%	0.0%	0.0%	0.0%	0.0%
Minority Interests	0	0	0	0	0
Net Profit	(4,625,000)	(11,752,000)	(6,020,000)	(2,191,194)	695,553
%	-1325.2%	-341.1%	-74.0%	-17.9%	4.1%
	0.0%	0.0%	0.0%	0.0%	0.0%
Non-recurring income (expense)					
Average Diluted Shares Outstanding	40,791	65,899	3,701,444	4,610,422	4,610,422
Reported FD EPS					
Zacks Cash EPS	(112.75)	(177.56)	(1.62)	(0.47)	0.16
Zacks EPS	(113.38)	(178.33)	(1.63)	(0.48)	0.15

Source: Zacks SCR analyst

# HISTORICAL STOCK PRICE



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