

# SINGLE TENANT ABSOLUTE NNN

Investment Opportunity



2022 Construction | 10% Rental Increases Every 5 Years | Topgolf International, Inc. Corporate Guaranty |  
New Prototype Concept Includes 9-Hole Mini Golf Course



2976 N. Greenwich Road

**WICHITA KANSAS**

ACTUAL SITE



NATIONAL  
NET LEASE  
GROUP





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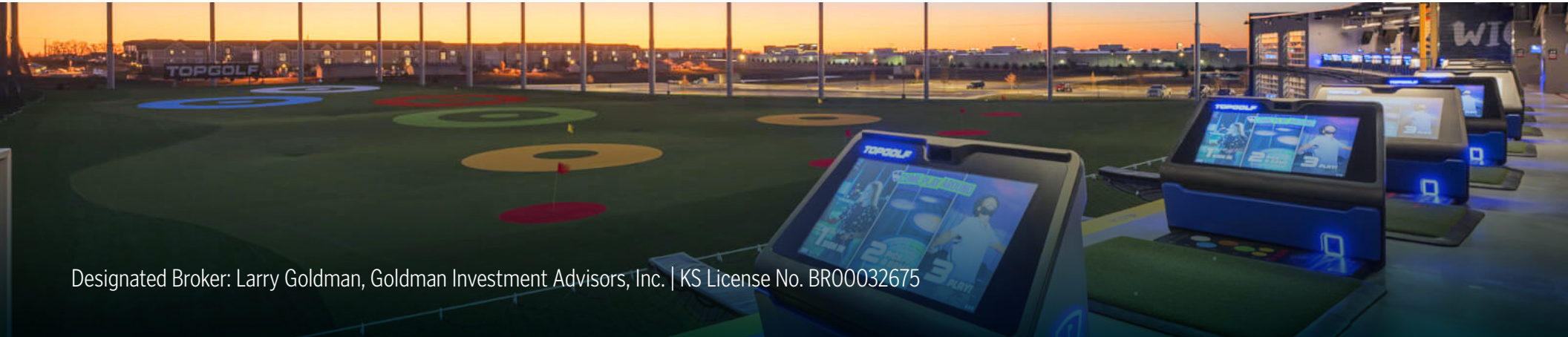
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# PROPERTY PHOTO



# PROPERTY PHOTOS



# OFFERING SUMMARY



## OFFERING

<b>Price</b>	\$21,183,000
<b>Net Operating Income</b>	\$1,271,000
<b>Cap Rate</b>	6.00%
<b>Guaranty</b>	Topgolf International, Inc.
<b>Tenant</b>	Topgolf
<b>Lease Type</b>	Absolute NNN
<b>Landlord Responsibilities</b>	None
<b>Options</b>	4 (5-Year) (est.)
<b>Increases</b>	10% Every 5 Years & Beg. of Each Option

## PROPERTY SPECIFICATIONS

<b>Rentable Area</b>	+/- 40,000 SF
<b>Land Area</b>	10.04 Acres
<b>Property Address</b>	2976 N. Greenwich Road Wichita, Kansas 67226
<b>Year Built</b>	2022
<b>Parcel Number</b>	112-03-0-22-01-002.00
<b>Ownership</b>	Fee Simple (Land & Building Ownership)

# RENT ROLL & INVESTMENT HIGHLIGHTS



LEASE TERM				RENTAL RATES						
Tenant Name	SF	Lease Start	Lease End	Begin	Increase	Monthly	Annually	PSF	Cap Rate	Options
<b>Topgolf</b>	+/- 40,000	December 2022	December 2042	Current	-	\$105,917	\$1,271,000	\$32	6.00%	4 (5-Year)
(Corporate Signature)				December 2027	10%	\$116,508	\$1,398,100	\$35	6.60%	(est.)
				December 2032	10%	\$128,159	\$1,537,910	\$38	7.26%	
				December 2037	10%	\$140,975	\$1,691,701	\$42	7.99%	
				Option 1	10%	\$155,073	\$1,860,870	\$47	8.78%	
				Option 2	10%	\$170,580	\$2,046,957	\$51	9.66%	
				Option 3	10%	\$187,638	\$2,251,653	\$56	10.63%	
				Option 4	10%	\$206,402	\$2,476,818	\$62	11.69%	
<b>Blended Cap Rate:</b>									<b>8.58%</b>	

## Topgolf Q2 2023 Earnings Highlights | Meeting Expectations

- Opened 2 new venues in the U.S. and plans to add 11 total by the end of 2023
- Topgolf's strong growth contributed to a 16.6% revenue increase
- Net revenues increased by 5.7%, or 6.5% on a constant currency basis
- Same revenue sales experienced a noteworthy growth of approximately 1%
- Topgolf demonstrated strong performance in adjusted EBITDA, surpassing guidance and reaching a figure of \$206.2 million, exceeding the high end of their expectations
- Notably, there was a 1.7% increase in adjusted EBITDA on a constant currency basis, showcasing resilience against unfavorable currency impacts through improved operational efficiencies
- Topgolf is expected to deliver same venue sales growth of 1%-3% YOY, which would represent 12% to 14% same venue sales growth on a two-year stack bases

## Topgolf Outlooks & Assumptions | Q3 2023 & Full Year Guidance

- Open 11 new Topgolf owned and operated venues in 2023, with 8 expected to open in the fourth quarter 2023
- Install 7,000+ Toptracer range bays
- Same venue sales expected to be up mid to high single digits for full year 2023 compared to 2022
- Capital expenditures are expected to decrease year-over-year due primarily to the timing of venue financing
- Topgolf expects to generate full year 2023 adjusted EBITDA of \$315 - \$325 million
- The Topgolf segment of Topgolf Callaway Brands expects an approximate revenue of \$1.9 billion



### **Corporate Guaranty (S&P: B+) | 19+ Years of Term | Options To Extend | Scheduled Rental Increases**

- The tenant, Topgolf, has 19+ years remaining on their lease with a corporate guaranty by Topgolf International, Inc.
- In October 2020, Topgolf was acquired by Callaway Golf Co. (NYSE: ELY) in an all-stock deal that values Topgolf net worth of \$3.63 Billion as of July 19, 2023
- There are 4 (5-year) in place options to extend the lease, generating a potential 40-year occupancy
- The lease boasts 10% rental increases every 5 years, including each option to extend

### **Absolute NNN Lease | Fee Simple Ownership | Zero Landlord Responsibilities**

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment for a passive investor

### **Local Demographics In 5-Mile Trade Area | Affluent 1-Mile | Six-Figure Incomes | 14 Miles From Downtown Wichita**

- More than 98,000 residents and 61,000 employees support the trade area
- \$133,070 average household income within a 1-mile radius
- 14 miles from Downtown Wichita, providing residents with a short and convenient commute to the site

### **Signalized, Hard Corner Intersection | New Development | Surrounding Retailers | Greenwich Place Shopping Center**

- Topgolf is strategically located at the signalized, hard corner intersection of E 29th Street N and Greenwich Rd
- The immediate trade area is supported by surrounding retailers such as Target, Hobby Lobby, Marshalls, Academy Sports & Outdoors, and more
- Ideally positioned 1 block North of the Greenwich Place Shopping Center, which features 150,000+ SF of retail space anchored by Michaels, ULTA, World Market, and more
- The newly built Stoney Point Townhome development (65+ units) is directly next door, providing a direct consumer base from which to draw
- According to the Kansas Commerce website, the city is experiencing new development such as Integra Technologies' \$1.8B Wichita Semiconductor Plant which will create nearly 2,000 new jobs (click [HERE](#) for more information)

### **Topgolf - Wichita | 9-Hole Mini Golf Course | 50+ Hitting Bays | Bar & Restaurant**

- New prototype concept that includes 9-hole mini golf course
- Topgolf Wichita is the city's premier entertainment destination
- 52 climate-controlled hitting bays provide year-round comfort
- The complex includes a 22-foot video complimented by an additional 100+ HDTVs
- The Topgolf Wichita restaurant is accommodated by an accomplished Executive Chef and supported by an experienced team that uses high-quality ingredients to deliver a fresh twist on familiar favorites



## Experiential Retail Remains In High Demand 3 Years After Onset Of Pandemic

By: Olivia Lueckemeyer | October 19, 2023

The Metroplex is experiencing a surge in demand for unique and entertaining experiences, and Topgolf is at the forefront of this trend. The desire for activities outside the home has increased significantly, especially after lockdowns and precautions.

Businesses like Topgolf have seen a substantial increase in popularity, with a **386% growth between 2021 and 2023**, according to a nationwide report by Cushman & Wakefield. Topgolf is a prime example of a brand that caters to the demand for competitive socializing.

Source: BISNOW  
Read Full Article [HERE](#)



## PGA Championship Field Includes Topgolf Pro For First Time

By Erik Matuszewski | May 17, 2023

Gabe Reynolds probably had the most unique preparation of any player at this week's PGA Championship. That's because most of his practice time was at Topgolf rather than a golf course.

“We have almost **100 really talented PGA professionals teaching lessons for Topgolf** and a lot of them are excellent players as well,” said Reynolds. “We have some younger pros going through the PGA process now. Once they're Class A Professionals, they'll be able to give it a run too.”

Source: Forbes  
Read Full Article [HERE](#)



## Why golf's trending demographics are a positive story for the future

By Jerry Tarde | July 11, 2023

For the first time **off-course golfers exceed the number of on-course golfers in the United States.**

The leading proponent of the off-course game is Topgolf, a kind of casino-meets-driving-range with lots of music, alcohol and chicken wings, which has 80 triple-decker facilities dotted strategically in urban environments across the country (up from three in 2006). It's owned by Callaway, but to give you an idea of the expected reversal of fortune, the new corporate name is Topgolf Callaway, and its success has created a whole category of competitors like Drive Shack, Big-Shots Golf and Game Golf.

Source: Golf Digest  
Read Full Article [HERE](#)





## CISON PR NEWSWIRE - Q2 2023 RESULTS

In Q2 2023, Topgolf's Consolidated Results highlighted a robust quarter marked by a 5.7% surge in net revenues (6.5% in constant currency). Notably, Topgolf's segment revenue demonstrated impressive growth, surging by 16.6%, accompanied by a notable 1% increase in same venue sales growth. Despite an \$8.0 million foreign currency impact, the Company showcased resilience. While income from operations dipped 10.1%, non-GAAP income from operations maintained steady consistency on a constant currency basis.

On a GAAP basis, net income surged by \$12.0 million, reflecting positive financial momentum, though non-GAAP net income decreased by \$15.7 million to \$77.8 million, impacted by a \$20.3 million interest expense increase due to higher rates and term loan debt. Adjusted EBITDA surpassed expectations, reaching \$206.2 million, slightly above the guidance range's high end. Despite a year-over-year decline due to currency changes, operational efficiencies partly mitigated this effect, leading to a commendable 1.7% constant currency increase.

Topgolf continued its impressive narrative, witnessing a segment revenue surge of \$67.1 million (16.6%) to \$470.8 million. The brand's appeal to the Modern Golf

consumer was evident, buoyed by new venues and 1% same venue sales growth. In Golf Equipment, despite a marginal 0.2% revenue decrease, the segment showcased resilience, achieving a 1.0% increase on a constant currency basis. Although operational adjustments led to a \$3.9 million decrease in segment operating income, underlying strength was evident.

The Active Lifestyle sector demonstrated remarkable expansion, with a significant 28.0% (32.1% constant currency) revenue growth, propelled by Travis Mathew and Jack Wolfskin. Impressively, the segment's operating income saw substantial growth of \$10.6 million (39.7%), attributed to sustained momentum and favorable cost dynamics.

Topgolf Callaway Brands remains primed for ongoing success in the dynamic market. The company's unique portfolio is a strong contender in the golf industry, strategically poised to capitalize on growth opportunities both on and off the course.

Published: August 8th, 2023 - Source: [CISON PR Newswire](#)



### UNIQUE AND COMPELLING INVESTMENT OPPORTUNITY

<p><b>Proven</b> Demonstrated Results Across All Segments</p>	<p><b>Scaled</b> Unmatched Global Reach in Modern Golf</p>	<p><b>Diversified</b> Growth Not Determined by Any One Segment</p>	<p><b>Protected</b> High Barriers to Entry, Premium Brands, Create Deep Moats</p>	<p><b>Growth-Oriented</b> Positioned for Sustainable Growth within a Growing Category</p>
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**BOTH TOTAL COMPANY AND TOPGOLF REMAIN ON TRACK TO BE FREE CASH FLOW POSITIVE IN 2023**



## Q2 2023 FINANCIAL RESULTS

### NON-GAAP RESULTS<sup>1</sup>

(\$ in millions, except per share data)

	Q2 2023	Q2 2022	Change (%)	Constant Currency Change (%) <sup>2</sup>
Net Revenues	\$ 1,179.7	\$ 1,115.7	5.7 %	6.5%
Income from Operations	\$ 130.5	\$ 135.1	(3.4)%	—%
Other Expense, net	\$ (44.3)	\$ (19.5)	127.2 %	
Income before Income Taxes	\$ 86.2	\$ 115.6	(25.4)%	
Net Income	\$ 77.8	\$ 93.5	(16.8)%	
Earnings per Share – Diluted <sup>3</sup>	\$ 0.39	\$ 0.47	(17.0)%	
Adjusted EBITDA	\$ 206.2	\$ 207.3	(0.5)%	1.7%

### GAAP RESULTS

(\$ in millions, except per share data)

	Q2 2023	Q2 2022	Change (%)
Net Revenues	\$ 1,179.7	\$ 1,115.7	5.7%
Income from Operations	\$ 116.0	\$ 129.0	(10.1)%
Other Expense, net	\$ (44.4)	\$ (20.7)	114.5%
Income before Income Taxes	\$ 71.6	\$ 108.3	(33.9)%
Net Income	\$ 117.4	\$ 105.4	11.4%
Earnings per Share – Diluted <sup>3</sup>	\$ 0.59	\$ 0.53	11.3%

## 2023 TOPGOLF KEY METRICS OUTLOOK

### Third Quarter Guidance Assumptions

Topgolf is expected to deliver same venue sales growth of 1% to 3% year-over-year, which would represent 12% to 14% same venue sales growth on a two-year stack basis

### Q3 2023<sup>1</sup>

(\$ in millions)	Q3 2023 Guidance	Q3 2022 Reported Results
Net Revenue	\$1,050 - \$1,075	\$989
Adjusted EBITDA	\$141 - \$154	\$144

(\$ in millions)	2023 Guidance	FY 2022 Reported Results
Net Revenue	~\$1,900	\$1,549
Segment Adjusted EBITDA <sup>1</sup>	\$315-\$325	\$235
Non-GAAP Depreciation & Amortization <sup>2</sup>	~\$155	\$125
Capital Expenditures <sup>3</sup>	~\$190	\$281
Venue Financing Liability <sup>4</sup>	~\$1,200	\$886
Venue Financing Interest	~\$80	\$55

### Outlook Assumptions

- Open 11 new Topgolf owned and operated venues in 2023
- Install 7,000+ Toptracer range bays
- Same venue sales expected to be up mid to high single digits for full year 2023 compared to 2022

Read Full Report HERE: [TopGolf Callaway Brands Q1 2023 Earnings Release](#)

# PROPERTY OVERVIEW



## LOCATION



Wichita, Kansas  
Sedgwick County

## ACCESS



Greenwich Road: 1 Access Point

## TRAFFIC COUNTS



Greenwich Road: 9,600 VPD  
State Highway 96: 37,600 VPD

## IMPROVEMENTS



There is approximately +/- 40,000 SF of existing building area

## PARKING



There are approximately 255 parking spaces on the owned parcel.  
The parking ratio is approximately 6.4 stalls per 1,000 SF of leasable area.

## PARCEL



Parcel Number: 112-03-0-22-01-002.00  
Acres: 10.04  
Square Feet: 437,342 SF

## CONSTRUCTION



Year Built: 2022

## ZONING



Commercial

# PROPERTY PHOTOS





37,600  
VEHICLES PER DAY

9,600  
VEHICLES PER DAY

**TOPGOLF**

E. 29TH ST. N.

N. GREENWICH RD.

State Farm

QT  
QuikTrip

DAVE & BOSTER'S

TRINITY ACADEMY

Shepherd Insurance Group

HOME 2  
SUITES BY HILTON

REGAL

SPRINGHILL SUITES  
MARRIOTT

VMI

W  
SPORTS FORUM  
AVIATE

LA QUINTA  
INNS & SUITES

SKECHERS

GREENWICH PLACE  
SHOPPING CENTER

CAVENDER'S

DULUTH TRADING

Academy  
SPORTS+OUTDOORS

CHILPOTE  
MEXICAN GRILL

MATTRESS FIRM

Starbucks

Michaels  
Where Creativity Happens

Marshalls

KeyMe  
LOCKSMITHS

STATE HIGHWAY 96

ROSS  
DRESS FOR LESS

FLEET FEET

SLEET GRASS  
STEAK & BURRITO

Hampton Inn

HomeGoods

DSW

ULTA  
BEAUTY

OLD NAVY

Schlotzsky's  
IT'S A MOUTHFUL

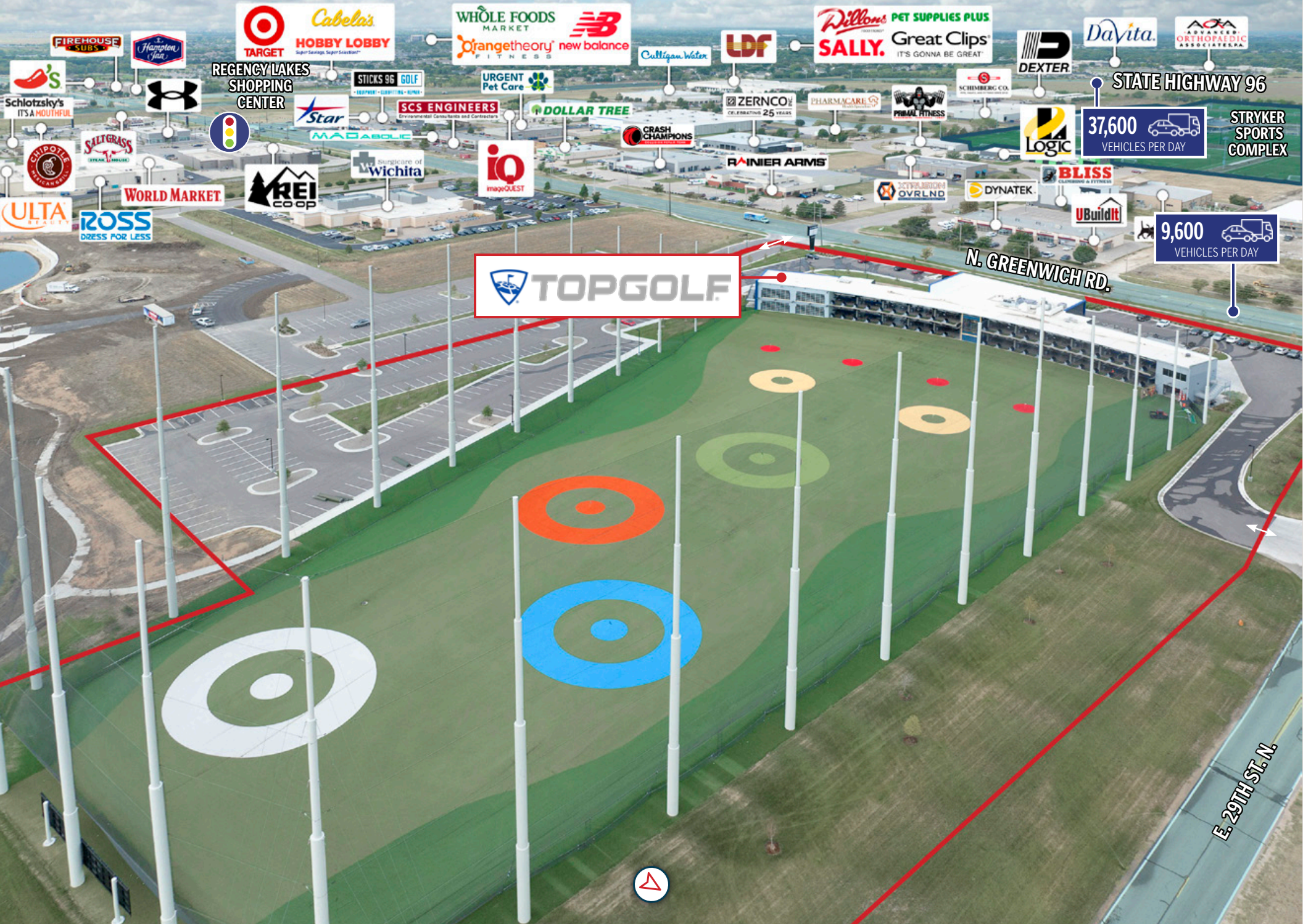
SMOOTHIE KING

WORLD MARKET

REI  
COOP

Burglars of  
Wichita





**TOPGOLF**

STATE HIGHWAY 96

37,600  
VEHICLES PER DAY

9,600  
VEHICLES PER DAY

N. GREENWICH RD.

E. 29TH ST. N.





EAST 29TH ST. N.

9,600  
VEHICLES PER DAY

**TOPGOLF**

N. GREENWICH RD.

GREENWICH PLACE  
SHOPPING CENTER

STRYKER  
SPORTS COMPLEX

37,600  
VEHICLES PER DAY

STATE HIGHWAY 96







9,600



VEHICLES PER DAY



EAST 29TH ST. N.

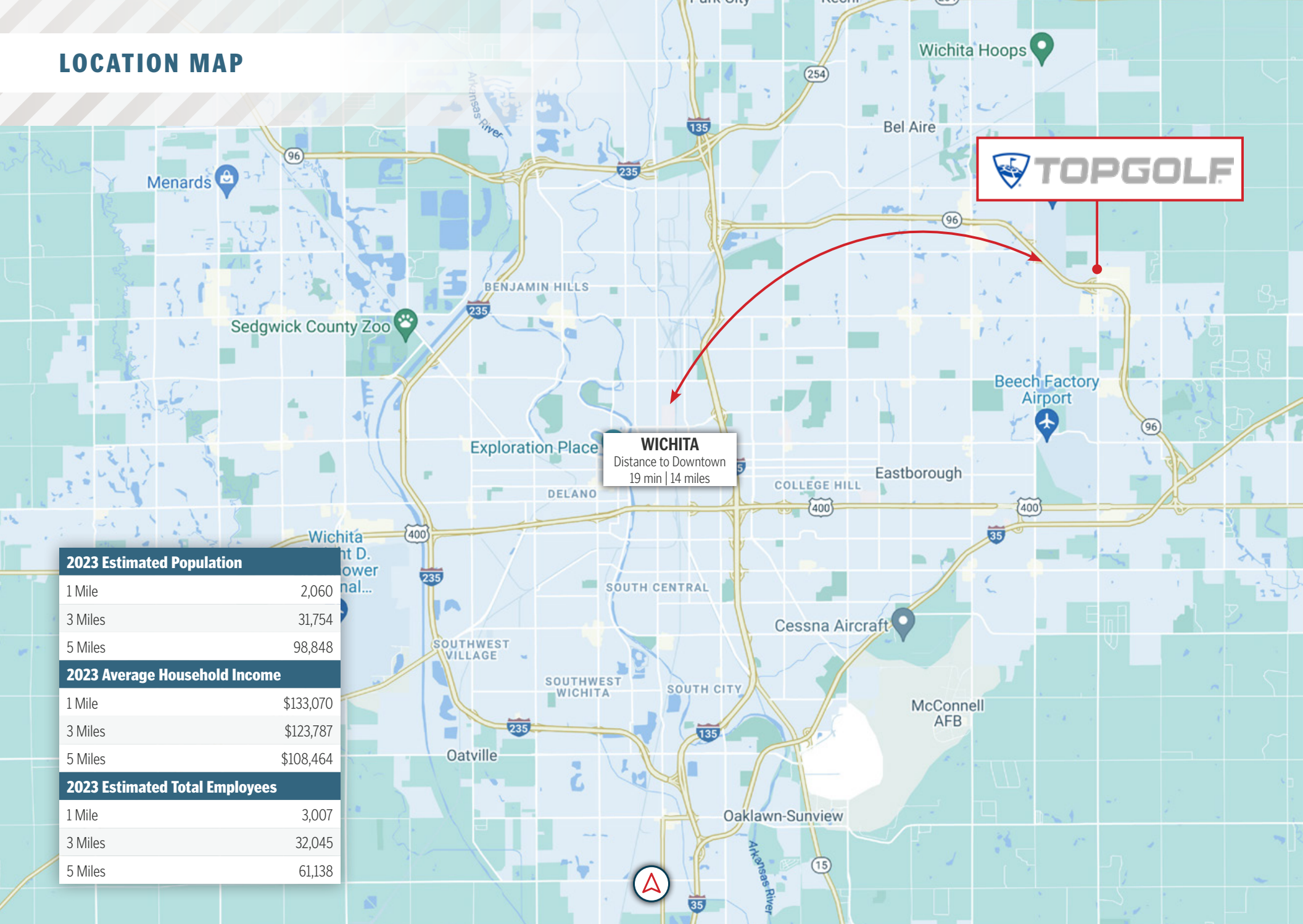
N. GREENWICH RD.



PYLON SIGN



# LOCATION MAP



### 2023 Estimated Population

1 Mile	2,060
3 Miles	31,754
5 Miles	98,848

### 2023 Average Household Income

1 Mile	\$133,070
3 Miles	\$123,787
5 Miles	\$108,464

### 2023 Estimated Total Employees

1 Mile	3,007
3 Miles	32,045
5 Miles	61,138



## WICHITA, KANSAS

Wichita, located in south-central Kansas at the confluence of the Arkansas and Little Arkansas rivers, is the largest city in the state. The City of Wichita and its component units provide a full range of municipal services, including police and fire protection, parks and recreation programs, libraries, cultural arts, public housing and community services, infrastructure improvements, public transportation, airports, water and sewer utilities, planning and zoning, cemetery maintenance, internal support services and general administration. The City of Wichita is the largest city in Kansas with a population of 401,338 as of July 1, 2023.

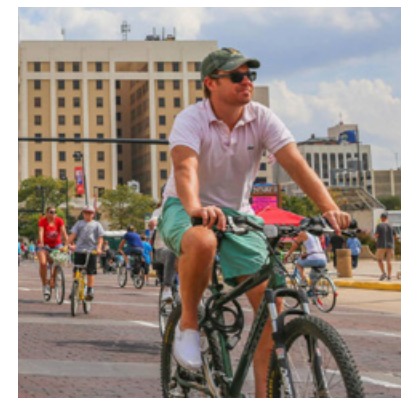
Wichita is the commercial and industrial center of the state. Known as the air capital of the world, Wichita is home to Airbus, Boeing, Bombardier, Cessna and Raytheon. Other important segments of the city's economy now include consumer goods, electronics and high-technology industries. Principal employers of the City are Kansas Gas & Electric, Simon Property Group, Walmart, City of Wichita, Kansas Gas Service, Southwestern Bell Telephone, BF Owner LLC, Wesley Medical Center LLC, Ruffin Riverfront Hotel LLC/Ruffin Epic LLC, Target Corporation, Builders, Inc, Bradley Fair One LLC and Dillon Real Estate.

Wichita is the cultural hub of the central plains, with a symphony orchestra, several art museums and galleries, and history, transportation and aviation museums. The Kauffman Museum, located 22 miles north of the city, showcases the culture and history of the area including the immigration of the Mennonites to Kansas in the 1870s. The Old Cowtown Museum is a living re-enactment of the Old West. The Kansas Cosmosphere and Space Center in nearby Hutchinson, an affiliate of the Smithsonian, has space artifacts from the US and Soviet space programs and an IMAX theater. The site of jazz great Charlie Parker's first recording in 1940, Wichita hosts the 2-day Wichita Jazz Festival at multiple venues each April. The River Festival each spring is a 9-day event featuring all varieties of food, music and fireworks.

# AREA DEMOGRAPHICS



	1 Mile	3 Miles	5 Miles
<b>Population</b>			
2023 Estimated Population	2,060	31,754	98,848
2028 Projected Population	2,283	32,348	100,224
2010 Census Population	1,417	26,921	87,115
Projected Annual Growth 2023 to 2028	2.08%	0.37%	0.28%
Historical Annual Growth 2010 to 2020	3.82%	1.57%	1.13%
<b>Households &amp; Growth</b>			
2023 Estimated Households	807	13,038	39,117
2028 Projected Households	912	13,368	39,954
2010 Census Households	511	10,970	34,594
Projected Annual Growth 2023 to 2028	2.48%	0.50%	0.42%
Historical Annual Growth 2010 to 2020	4.62%	1.57%	1.04%
<b>Race &amp; Ethnicity</b>			
2023 Estimated White	79.64%	74.07%	69.24%
2023 Estimated Black or African American	3.74%	9.75%	13.60%
2023 Estimated Asian or Pacific Islander	9.85%	8.16%	7.66%
2023 Estimated American Indian or Native Alaskan	0.49%	0.60%	0.74%
2023 Estimated Other Races	1.60%	2.16%	3.23%
2023 Estimated Hispanic	6.07%	7.43%	9.48%
<b>Income</b>			
2023 Estimated Average Household Income	\$133,070	\$123,787	\$108,464
2023 Estimated Median Household Income	\$103,256	\$80,993	\$76,210
2023 Estimated Per Capita Income	\$49,225	\$50,933	\$43,160
<b>Businesses &amp; Employees</b>			
2023 Estimated Total Businesses	194	2,093	4,382
2023 Estimated Total Employees	3,007	32,045	61,138



## BRAND PROFILE



## TOP GOLF

**topgolf.com**

**Company Type:** Subsidiary

**Locations:** 80+

**Parent:** Topgolf Callaway Brands

**2022 Employees:** 32,000

**2022 Revenue:** \$4.00 Billion

**2022 Net Income:** \$157.9 Million

**2022 Assets:** \$8.59 Billion

**2022 Equity:** \$3.77 Billion

**Credit Rating:** S&P: B+

Topgolf is a golf driving range game with electronically tracked golfballs and automatically scored drives that started in 2000 and grew to become a multinational sports entertainment company. A Topgolf Callaway Brands Corp. (NYSE: MODG) brand, Topgolf is the ultimate instigator of play. Thanks to our 80+ venues around the globe, industry-leading Toptracer technology, mobile games and app, we're leading the charge of modern golf wherever our Players are. We offer a variety of tech-driven games, a top-tier food and drink menu, and a vibe focused on more play for all. Topgolf brands are on a mission to enable Players to hit 50 billion golf balls between 2022 and 2025.

Source: prnewswire.com, finance.yahoo.com



NATIONAL  
NET LEASE  
GROUP



GOLDMAN  
INVESTMENT  
ADVISORS  
COMMERCIAL REAL ESTATE SERVICES

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