



SEPT. 21-26, 2021

WHISTLING STRAITS

KOHLER, WISCONSIN

"There have been 37 Ryder Cup sites since 1927.

I'm going to say that Whistling Straits is the best one."

Jaime Diaz – "Golf Channel" Contributor and "Golf World" Editor-in-Chief



#### **Learning Objectives**

 Measuring success and the economic impact to Destination Kohler

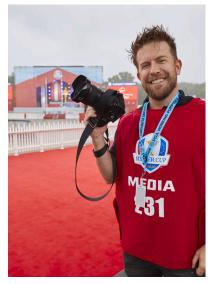
 Flexible financial planning and value of scenario driven decision making (regarding how we delt with postponement, attendance, safety, costs etc.)

 Critical partnerships with key stakeholders and the value of understanding contracts and roles Finance plays (insurance portion, renegotiation of the event contract)











### UNPARALLELED KOHLER ASSOCIATE SUPPORT

More than **1000 Kohler associates** were critical to the success of the 43<sup>rd</sup> Ryder Cup as onsite volunteers, direct support functions for a gracious hospitality experience, as well as indirect functional support to make all the initiatives come together. With the challenges of a year-long delay, COVID complications, labor shortages, and even a last-minute required player "bubble", Kohler associates were the true behind-the-scenes heroes.







## WE LIVED OUR MISSION IN MANY AREAS

- All areas of Destination Kohler featured
- Ensured success of "Team/Player Bubble"
- Thousands of volunteers on-site during week
- Golf staff and grounds crew provided world-class course conditions seen by millions on TV and in-person
- Committee Chairs & Executive Leaders provided extensive experience
- Dozens of other Kohler associates provided critical support
- And hundreds more were cheering on Team USA!





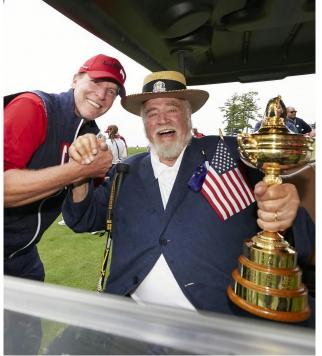


#### Interesting Facts

- 60,000 sq ft Ryder Cup Shops (largest in PGA history)
- Three single-day merchandise sales records
- 4,000 volunteers
- 1,300 temporary jobs
- 1,000 radios
- 500 golf carts
- 32 miles of windscreen
- 8 miles of chain link fence















- More than 45,000 fans per day Friday-Sunday
- 300+ Corporate Clients
  - 2 Kohler Co. Chalets hosted over 500 VIPs from 11 different countries
- 1.4M sq ft of temporary infrastructure



#### **Finance Critical Partnerships**

- PGA & Kohler Partnership, PGA controls the event, the spend and the decision making of the event.
- Kohler acts as an advisor but shares in the risk of the event results.
- Value of understanding contracts and roles Finance plays (insurance portion, renegotiation of the event contract).
  - Monthly reviews for +2 years down to the invoice level.
  - Insurance and force majeure.
  - Revised contract.
  - Final review and audit.



#### Flexible Financial Planning

- +5 years of planning leading up to 2020.
- July of 2020 The PGA of America announces event delay.
- Events leading up to delay:
  - March 2020 The PGA Championship was canceled.
  - April US Open canceled.
  - June reality of the event set in.
  - No less than 25 scenarios: no fans, no corporate hospitality, delay, 50% fans, cost of delay etc. Why? Understand the risk.
  - Detailed reviews paid off, insurance was paid for by the partnership.
  - Contract renegotiation.
- Restart of financial review and forecast.







### Global Spotlight



- The Ryder Cup was distributed to more than 1/2 a billion households in more than 170 territories globally
- 27 hours of live broadcast coverage
- Best Day 1 since 2012
- Highest rated Golf Channel weekday telecast (Friday)
- Peaked at 4.8M viewers for USA clinching Ryder Cup (Sunday)



#### On Air Coverage





With Stephen Watson

"It's an honor beyond words to host this golf tournament." Herb Kohler









"We wanted to preserve the tradition of the Ryder Cup but elevate it to a new level. So we had high expectations, but this is beyond our wildest dreams." David Kohler





With Cara Banks



#### **National PR Coverage**

#### **GOLF**

**GOLF.com: Tour Confidential: How Did the U.S. Finally Capitalize On Its Potential** 

"Patrick Cantlay's coach, GOLF Top 100 Teacher Jamie Mulligan, said it best: Whistling Straits is the perfect venue for this competition, because you can birdie every hole as easily as you can bogey it."



GolfPass.com: How Whistling Straits' Brilliance Buoyed a Historic Ryder Cup Rout

"The venue cemented its place among the great championship golf courses of the world."



SI.com: Whistling Straits Aces Its Ryder Cup Test

"Whistling Straits delivered a greater number of individually memorable holes than any Ryder Cup course ever, starting with eight cliff-top stunners overlooking Lake Michigan."

The New York Eimes

The New York Times: The Challenges of Whistling Straits

"Whistling Straits is a tremendous test, a beautiful piece of property," he said. "It's just one of those iconic places here in our state thanks to Herb and his family. It started right here for Wisconsin golf, to be quite honest."



# Measuring success and the economic impact to Destination Kohler

- Event Financial Results
  - Record Revenue (record expenses)
  - Record Retail Sales
  - PGA of America and Kohler profit share
  - Revenue and Income exceeded forecast
- Impact to Destination Kohler
  - Challenge to directly measure on an income statement
  - Record golf rounds and revenue in 2021 and 2022
  - The Ryder Cup impact will last +30 years (1991 Kiawah, SC, Ocean Course)
  - Ongoing demand for hotel rooms, golf and amenities
  - Secures our legacy as place where champions play



#### U.S. TEAM WINS 43RD RYDER CUP



"We won. We showed the world what we can do as a team, and I think it's the precedent for the future of American golf." - Tony Finau



"We wanted to showcase to the world that this is a new generation for United States golf." - Bryson DeChambeau

#### The 43<sup>rd</sup> Ryder Cup – One for the Records

- The oldest player on a young and talented U.S. team, Dustin Johnson became the first American to go 5-0 in a single Ryder Cup since Larry Nelson in 1979.
  - Likely feels vindicated after grounding his club and being penalized at the PGA Championship in 2010, which likely cost him the championship.
- Each member of the 12-man U.S.A. team registered at least one point on way to 19-9 victory.
- Whistling Straits and 2020 Ryder Cup could be a turning point for professional golf and the US. Team moving forward with a promising and talented core of young golfers for future teams.
  - Youngest team ever to compete at Ryder Cup.
  - 8 of the 12 players are in their 20s.
  - Average age is 29.1 with Dustin Johnson the oldest at 37.
- Last time the U.S. team had six rookies was 2008 in an American victory at Valhalla.
- On first day of play at Whistling Straits, rookies were in pairings that did not lose (win or tie).
- Largest first-day lead for the U.S. since 1975 at Royal Lytham & St. Annes in the UK.



