After a pretty bonkers start to the year - (we were nearly 9% up on March 2018 and 23% on 2015) things took a turn for the worse. May and June were both down compared to 2018. According to Golf Datatech's retail audit, the first 6 months value change across the core categories were:

- January up 4%,
- February up 10%
- March up 10%
- April up 2%
- May down 2%
- June down 5%

Year to date, at the end of June we were up about 2% overall. Comparing to the longer term this was up 21% on 2015 and nearly 4% on 2017. So overall things are moving in a positive direction. Also lets not forget May last year was the biggest month we have recorded in the UK so to expect to beat that this year was a pretty tall ask. However with the momentum building it was disappointing to be down in June - most of which we can put down to terrible weather. More on that later.

Year to date is a mixed bag. Clubs and Consumables up. Apparel and light durables are down.

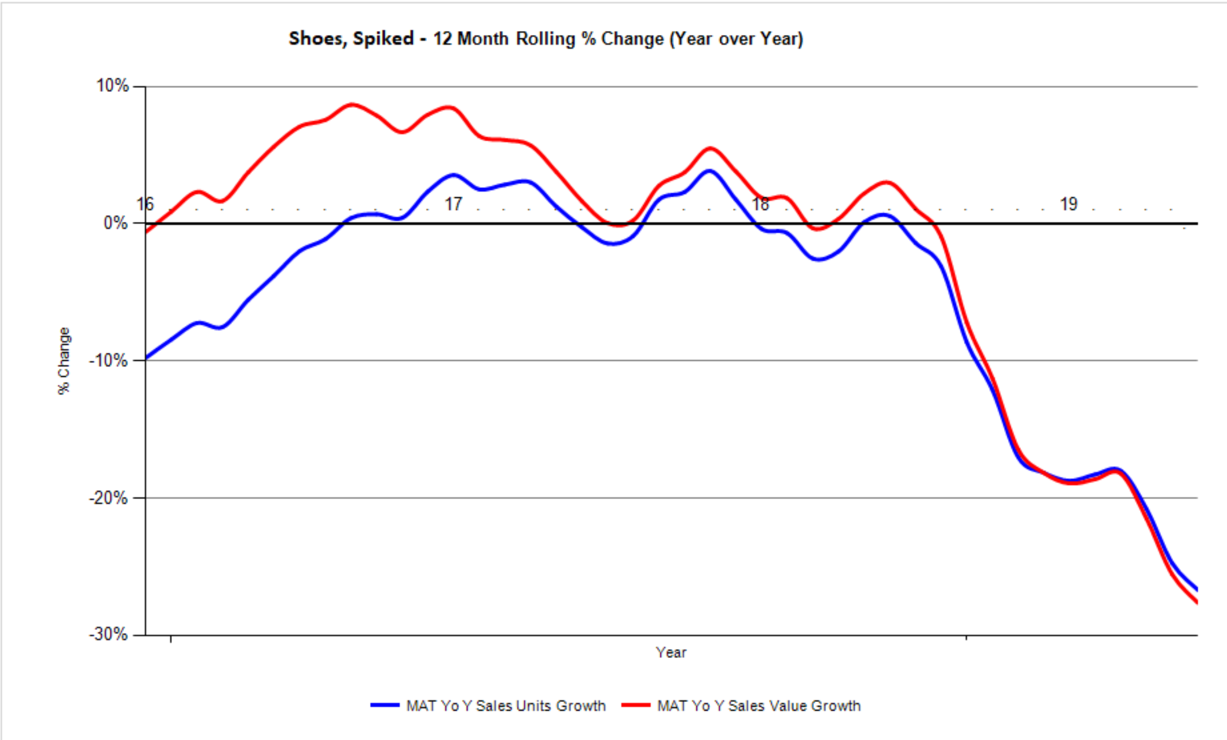
Sales Value		June YTD
Channel	**Product Type**	**% change**
On & Off Course Combined	All Categories	+2.0%
	Clubs	+2.4%
	Apparel	-3.4%
	Apparel (excl. Outerwear)	-1.9%
	Consumables	+3.5%
	Light Durables	-2.1%
	Other	+19.2%

Looking in more details at each category.

Bags have seen a year on year decline in units since the middle of 2016. This might be due to two things. 1 is continual ASP growth - ASP is up a couple of percentage points both on and off course YTD and has been for the last few years. Another impact on bag units might be driven by promotion from the trolley brands. The key players have both offered free bags with new trolleys which is likely to have had some impact on the category.

Balls had been making a bit of a come back in both units and value up to May. However a terribly wet June put an end to all that. Both on and off course have been affected however the Off course has suffered a bit more. On course still dominates the channel and is selling higher value product. This falls in line with the increase in usage of premium and tour played balls. In the speciality sector we have seen a move away from Value balls. In fact since 2013 premium an tour played balls unit sales have grown every year. Over the same period Value balls have seen a decline. This is probably as a combination of factors. 1 – people are seeing the value in playing better balls and are willing to pay a bit more for them. 2 – golfers are buying lower priced balls out of channel.

Footwear has a few challenges. Both on and off course have seen a decline this year in units. Asp's have seen a small increase – more so off course. However looking at some longer term stats we seem to be in a period of decline. On a rolling 12 months the decline is now at 10% and seems to indicate a change of behaviour. It looks like consumers are choosing spikeless in preference of instead of in addition to spiked shoes. Spiked shoes are down nearly 25% on a 12 month basis.



Gloves have performed differently on and off course. On course has benefited from the warm weather and increased participation. As a result sales are up nearly 1.5% in units. ASP is relatively flat. Off course has probably lost out due to increased participation – people are going to club and not the store. Other factors could have affected this - perhaps promotions this year haven't been quite as strong.

Irons have had a good year in value terms but units are down. Off course has been hit worse than on course. ASP continues to go up on and off course. On course seems to have faired slightly better. This is probably down the success of the most recent Ping launch which is well distributed on course. Longer term prognosis is a bit weak with units having fallen steadily since 2013 with only a little growth for a couple of months during 2017. Custom fitting and smaller set make ups are hitting this sector in terms of units but have helped maintain value for the last few years.

Putters is a positive category for both channels. Both units and asp are up year to date. Unlike Irons and woods, Putter units had been pretty evenly split between on and off course. However a move to more expensive putters and custom fittings seems to have helped the on course grow their share of this sector. Selling more units and at higher prices.

Trolleys have seen a reverse in the clubs trend and seen Off course strengthen its position. Some of this change is to do with an adjustment to the reporting model however we feel this is now more representative of the comparative strengths of the channels. There is a mix of both electric and manual trolleys in the data which accounts for some of the differences in ASP. The off course consistently sells more manual trolleys than the on course.

Wedges have had a relatively no descript year. Asp's have continued to grow in line with the other categories but units have declined both on and off course. With the on course fairing a bit worse. The main area of interest in this category is the brand mix. With the two of the large equipment brands making large strides in this category at the expense of some of the specialists.

Woods year to date have performed in line with the market seeing a couple percent growth. This is driven by ASP that has seen a significant increase again. Units have been a bit softer off course compared to on. Again this may be down to the current brand mix similar to the irons market. Custom fitting and shot tracking seem to have hit the overall units in this sector. We have seen 5 to 10% decline for the past 5 years. We hope it bottoms out soon. Current pricing and shot tracking has meant that customers now more than ever can quantify the value of those extra yards.

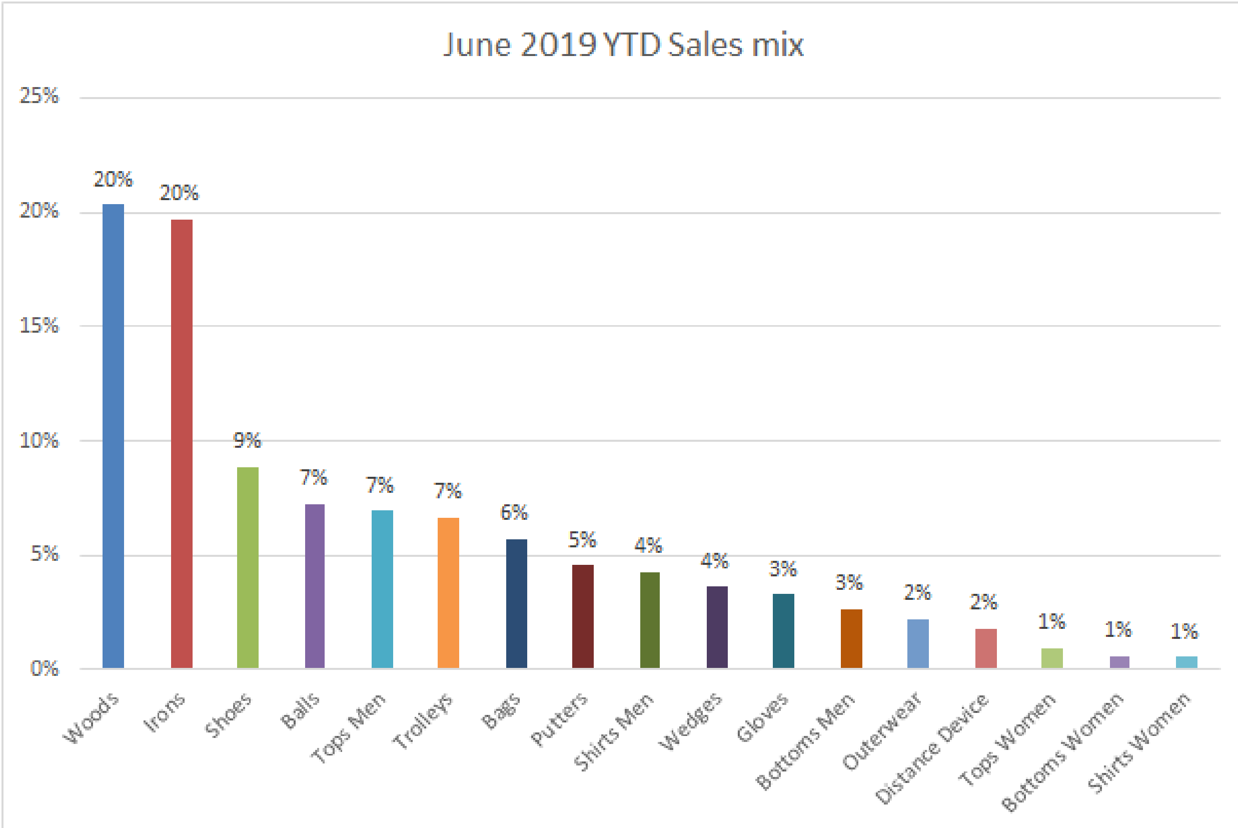
Apparel

Generally apparel is driven by the weather. Shirts sell more when its sunny, tops when its cold and outerwear when its wet. Tops seem to have had the best of the season so far and are up while everything else is down. Some of this might be to do with the hybrid nature of some of the tops with both warmth, breathability and some water protection. Meaning that you can have a top for all weathers. However the good weather to the end of May didn't help shirt sales much – with this category down. Likewise bottoms have struggled – this might have been down to reduced shorts sales – I don't know for sure. Unlike the hardware categories pricing has been pretty stable in this segment. So demands seems to be driven purely by play, with tops winning out.

Weatherwear has generally had a bad year. Nothing other than the weather can be blamed for this. If its dry and warm – you don't need protection from the rain. Off course has been more badly affected – it usually benefits in the winter months when people visit the off course instead of the rainy course. However this year its just not rained enough. Prices remain static if not a bit depressed.

Sales mix

Overall Sales mix this year has been pretty similar to other years, with Woods and Irons the biggest categories. The gap is now much closer than it was a few years ago with woods being the biggest category (just) at the moment.



June 2019 YTD Sales mix
25%
20%
15%
10%
5%
0%
20%
20%
9%
7%
7%
7%
6%
5%
4%
4%
3%
3%
2%
2%
1%
1%
1%
Woods
Irons
Shoes
Balls
Tops Men
Trolleys
Bags
Putters
Shirts Men
Wedges
Gloves
Bottoms Men
Outerwear
Distance Device
Tops Women
Bottoms Women
Shirts Women