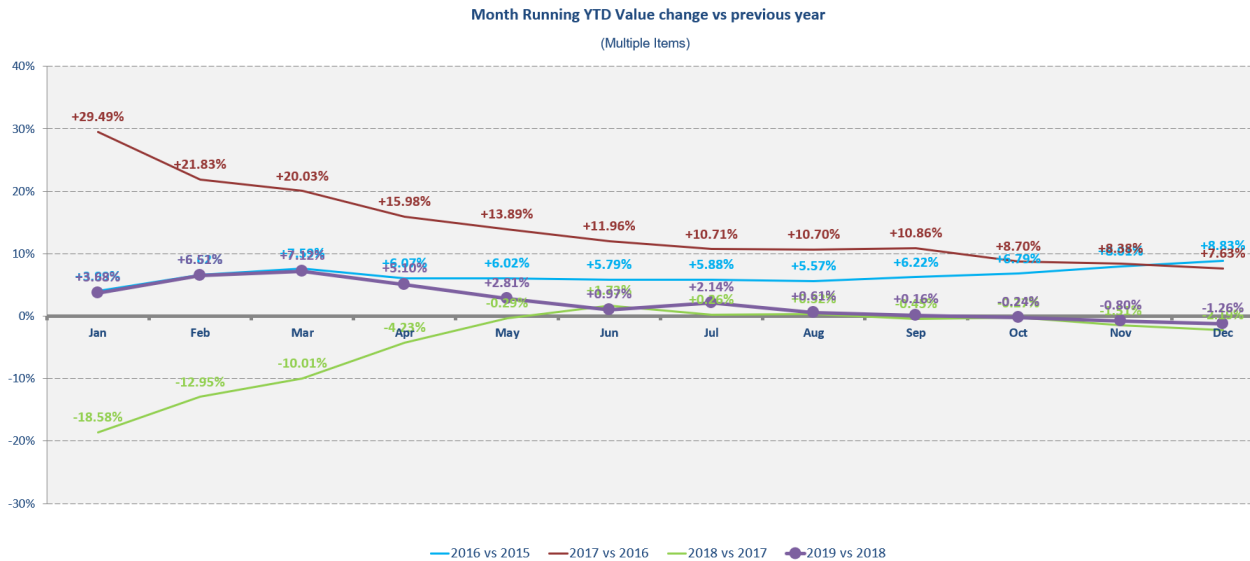


2019 Overview

In footballing parlance this really was a season of two halves. The first half saw the market get off to a roaring start. We were over 7% up YTD in March and things were looking good. May was ok but June was poor, little did we know this was a sign of things to come. The second half of 2019 say 20% more rain than average. The net result was the market ended up finishing more than 1%* down on 2018. A similar trend to 2018 on 2017. So during the whole Brexit debacle we have seen a softening in the golf market. They may not be related but you have to feel that the uncertainty has had some impact.



2019 ended up being a mixed bag. While most categories were down there were a few upsides.

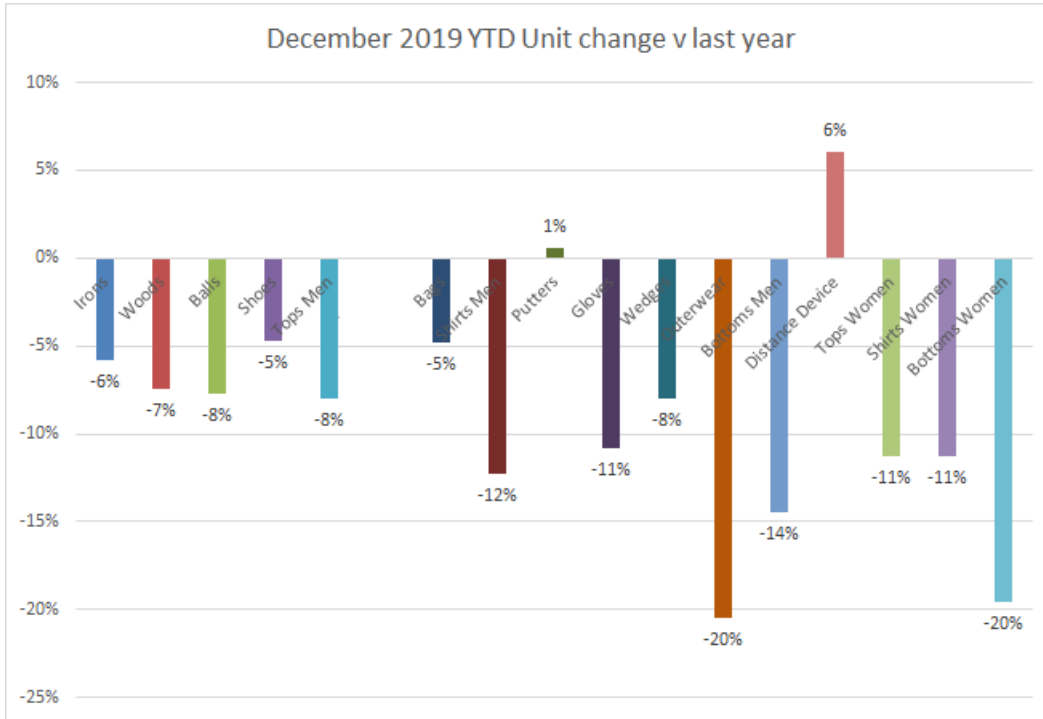
Sales Value		19 v 18
Channel	Product Type	% change
On & Off Course Combined	All Categories	-1.3%
	Clubs	+0.5%
	Apparel	-4.5%
	Apparel (excl. Outerwear)	-3.6%
	Consumables	-3.5%
	Light Durables	-1.5%

Clubs have been ok – showing slight overall growth driven by Irons and Putters. Elsewhere declines have been between 0 and -15%. Apparel seems to have suffered the most.

In all the categories monitored by the Golf Datatech retail audit in the UK 3 were up, 2 were flat and 11 were down. I have ignored Trolleys from these stats as we have made a change in the model this year that throws the trends off a bit.

How about Units?

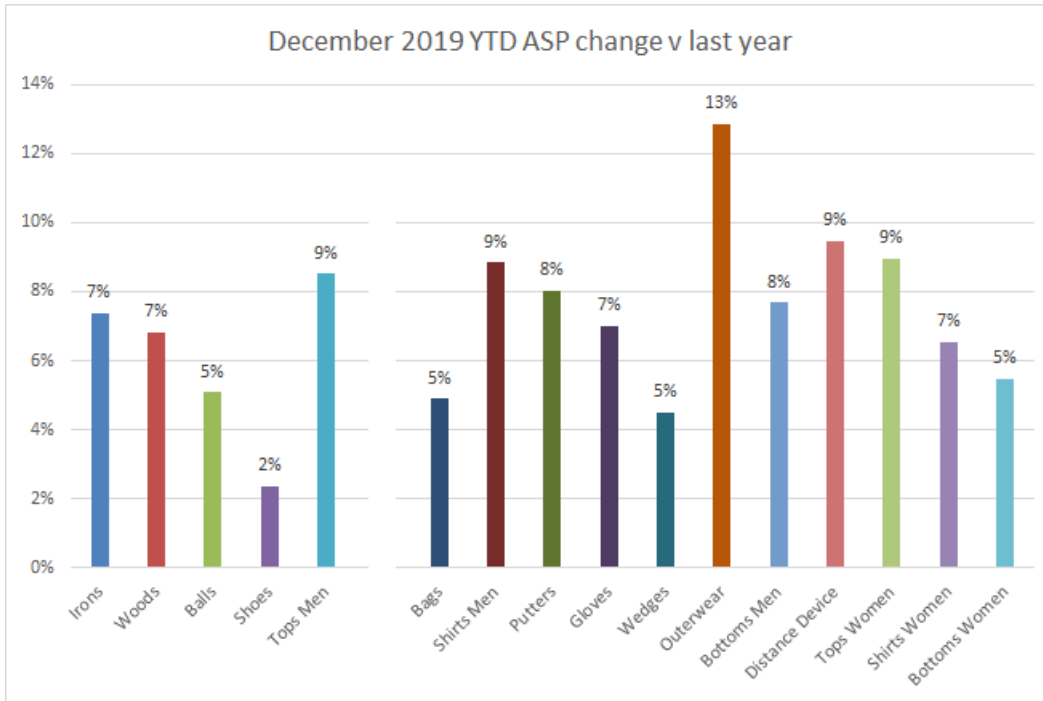
We saw a similar trend to previous years in unit sales – general decline across most categories. Putters and Distance devices did grow – however they were the only plus points.



In unit terms the 14 other categories declined between -5% and -20% with Outerwear being the worst affected.

And Asp's

In ASP terms we hit a first. This was the first year that all 16 tracked categories saw an increase in price. Smallest was Shoes at 2% largest was outerwear at 13%. So classic economics might have been at play – price goes up, unit sales goes down.



Is it just the price increase that put a damper on the market?

We don't really know but it's my hunch that a number of factors have had an effect. The economy isn't exactly booming – that doesn't help. The Brexit confusion leading to a general election has left everyone scratching their heads as to what is going to happen - often choosing not to get the wallet out. At least things appear to be moving forward with some of the uncertainty having gone – we have left the EU.

Looking at the general sales mix, two of the categories that grew are high value items – Irons and Distance devices. My thought is that if people weren't spending money then you would expect the expensive categories to take a hit. However that is not the case. In contrast Balls and Gloves are both down 8% and 11% respectively in units. This has to indicate that less people were are the course, meaning less golf being played, less people in the store and therefore less money spent.

If you look at the weather – the second half of the year had 20% more rain than average. We also had more what I call rain days. In fact I think we probably lost over 2 weeks of golf when compared to the average for the last 6 months of the year. All things considered it would seem that the weather has had the biggest impact on sales. Not a lot we can do about that.