UK Snowsport Hardware Market 2015-2016

Headline Summary

This annual report provides the most accurate statistical data about the UK snowsport industry (retail not travel) based on actual sales of hardware sold into UK shops, rental operations and other purchasing organisations in the previous winter.

This is the sixteenth annual survey, which provides a clear indication of the year on year changes in the UK ski and snowboard hardware market since 2002. It reflects the underlying trends - and identifies the challenges facing a retail sector that is not only affected by the general economic state of the UK High Street but also the impact of weather (both at home and in resort), exchange rate volatility, punitive airline carriage charges and the growth of offshore web sales operations. The continued uncertainty over Brexit and a maturing participation base, adds to the list of external factors facing the snowsport industry.

But there is positivity, as the start to the 2017-18 Winter has seen significant snowfall throughout the European Alps and periods of cold weather and snow in the UK. There have also been some outstanding performances on the international stage for UK athletes, in all disciplines. The prospect for some high profile results at the Pyeongchang Winter Olympics, with attendant media exposure, has never been higher.

Various reports, including the annual Ski Club of Great Britain survey, highlight some of the core characteristics of the UK snowsport community.

❊ Snowsport continues to be one of the most inclusive activities in terms of age, although the main age groups continue to drift upwards. These older participants are becoming more time rich and have access to more disposable income than younger families.

❊ Skiers and snowboarders are remarkably resilient when it comes to spending some quality time on snow, in the mountains

❊ There are grass-roots initiatives to get more young people on snow

❊ There will be increased exposure in the build up to the Winter Olympics in 2018.

❊ The value of good service and advice is being recognised as a key factor in sporting enjoyment.

❊ Interest in back country and freeride continues to develop but recreational on-piste snowsport is still the core activity for most participants.

Brands included in this report

Skis
Armada
Atomic
Black Crows
Black Diamond
Blizzard
DPS
Dynastar
Faction
Fischer
Head
K2
Line
Movement
Nordica
Rossignol
Salomon
Scott
Volkl
Wedze
Zai

Ski Boots
Apex
Atomic
Dalbello
Full Tilt
Head
Fischer
K2
La Sportiva
Lange
Movement
Nordica
Rossignol
Salomon
Scarpa
Scott
Tecnica

Snowboards
Amplid
Burton
Capita
Drake
Endeavor
Head
K2
Never Summer
Nitro
Ride
Rossignol
Salomon
Smokin
Volkl
Wedze
Weekend

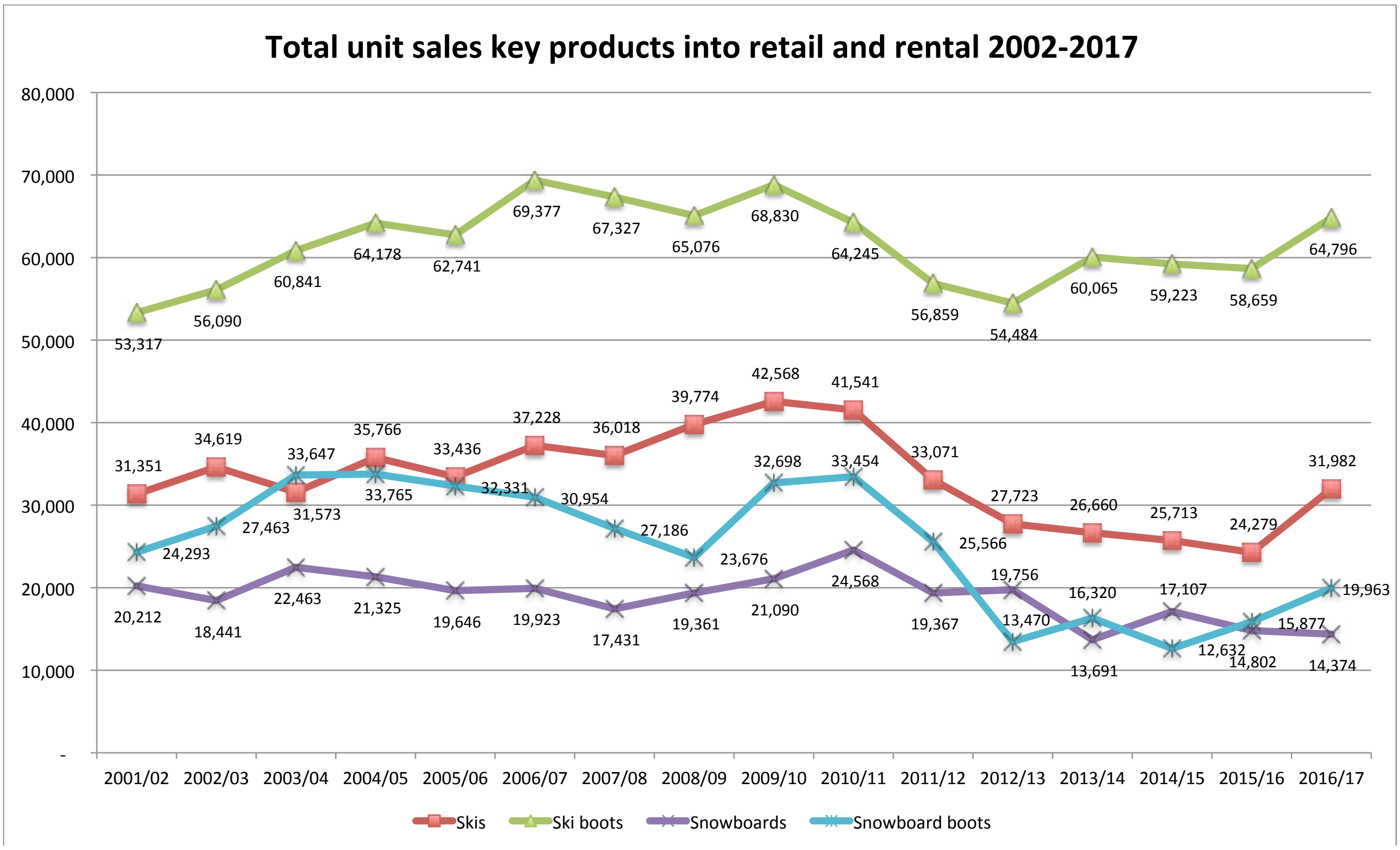
Snowboard Boots
Burton
Deeluxe
Head
K2
Nitro
Northwave
Ride
Rossignol
Salomon
SP-United
Thirty Two

Helmets
Anon
Atomic
Bern
Bollé
Burton
Cébé
Coal
Dare 2b
Head
Manbi
Ride
Salomon
Sandbox
Scott
Smith
Trespass
Uvex

- The SIGB (Snowsport Industries of Great Britain) is the UK trade association for suppliers, manufacturers, retailers, travel companies and media involved in the snowsport and associated industries.
- The SIGB has more than 170 members and its main activities are:
  - Organisation of the Slide annual trade show and the SIGB Ski Test
  - Promotion of wider snowsport participation
  - Gathering of industry data and statistics for members
  - Providing a snowsport media service to assist National Teams and Governing Bodies achieve greater awareness and coverage of snowsport activities.
- The SIGB carries out an annual trade survey of hardware suppliers which provides an accurate picture of the size of the UK snowsport hardware business. The source data was supplied by 34 companies who distribute ski and/or snowboard hardware in the UK. The respondents were a mix of members and non-members.
- This data represents most of the supplied product within the UK market - we estimate the returns represent at least 90-95% of the total ski hardware supplied in the UK and 85-90% of snowboard equipment.
- The data contained in this report has been compiled by Geoghegen & Co, Chartered Accountants from confidential submissions by participating SIGB members. The presentation of the data has been carried out by Rare Management on behalf of SIGB.

Total ski & snowboard hardware unit sales

These figures represent sales to UK based retail and rental operations from all participating suppliers for the period 1 April 2016 – 31 March 2017. They do not necessarily reflect actual sales to consumers.



- The underlying trend was an increase in sales after 7 years of flat or declining sales.This was in spite of the poor European alpine snow conditions over the important Christmas period. One of the major benefits to the UK market was competitive pricing against the Euro (caused by the decline in sterling's value), which resulted in increased online business for some UK retailers selling to purchasers in the rest of Europe, as well as fewer offshore purchases by UK consumers. This helped lift sales in all categories except snowboards.
- For skis, there was an unusually high 32% increase in sales of alpine skis in 2016/17 but taking into account the following important factors, it is reckoned the actual year on year improvement was a more realistic 8-10%.
  - A number of exceptional rental and other one-off special high volume sales took place. These are likely to distort figures for this year only.
  - An increase in brands participating in the survey. This introduced sales figures not included in previous surveys.
- Ski boots maintained position as the strongest selling item of hardware, with a 10% increase, also due in part to new brands being included. A like for like comparison with last year's participants gives a less dramatic 3-5% increase.The attraction of buying well-fitting boots in the UK and the acknowledgement that boots are the single most important purchase for participants, where ownership is a better option than renting. This real consumer benefit has been a cornerstone of the SIGB Go UK Buy UK campaign.
- Snowboard boots experienced a 26% year on year increase - which reinforces the importance of proper boot fitting for all snowsport activities.
- Snowboard sales were down 3% overall, mainly due to a significant reduction in junior board sales (down 53%). In addition the market continues to mature in terms of both sales and demographics with the interval between new board purchase increasing and the attraction of renting in resort becoming more compelling.
- Sales of female specific ski kit continues to increase, but with less growth than for unisex product. Female ski sales were up 19% compared to 30% for unisex and ski boots up 7% for female and 11% for unisex. In snowboard there was 8% growth for female specific boards against a 2% increase for unisex.
- Junior equipment sales were up for ski (22% ski, 31% boots) but worryingly down for snowboard (53% for both board and boot). This is partly explained by the increasing interest in skis for freeride, freestyle and Park and Pipe amongst younger demographics.

SIGB, 3 Coalhill, The Shore, Edinburgh EH6 6RH T.0131 555 3820 F. 0131 553 7488 E. sigb@raremanagement.co.uk