

## Leisure

# Golf Industry Tracker: MODG club sales accelerate significantly, led by Ai Smoke

## Industry Overview

## Overall Golf club sales decelerated in January

Overall golf club sales increased 4.4% y/y in January (vs. +6.0% in December) in the channels that report to Golf Datatech point-of-sale data given a 0.7% increase in units and a 3.7% increase in ASPs. We believe that weather likely was a headwind for the industry in January, given colder temperatures y/y in most of the country.

## MODG club sales accelerated to +22% y/y in January

Topgolf Callaway Brands (MODG) golf club sales (89% correlated with MODG reported golf club revenue since 1Q19) increased 21.6% in January (vs. +15.5% in December) as increases in woods (+41.6%), putters (+12.7%), and irons (+7.5%) were only partially offset by a decline in wedges (-1.6%). We believe that the significant acceleration in MODG club sales is being led by success of the recently launched Paradym Ai Smoke platform and some benefit from timing shifts with Ai Smoke available at retail on January 26, vs. prior-generation Paradym available on February 24. Callaway ASPs increased 7.0% y/y, while units increased 13.6% y/y in January. On a y/y basis, MODG market share is up 310bps given less competitive pressure than last year.

## Topgolf traffic implies down HSD % comps through February 18

According to Foot Traffic data from Placer (for a cohort of clubs open since 2021), visits are down 21.9% y/y in 1Q QTD, which is a deceleration from -14.0% y/y in 4Q. Placer foot traffic data was ~12pts lower than reported Topgolf (MODG) same-venue sales over the past four quarters on average, implying 1Q same-venue sales of -HSD % (in line with guidance). Topgolf traffic has generally accelerated since peak declines in mid-January, which we believe was pressured due to colder weather, and could be benefitting from increased gameplay promos ([see our Year Ahead report](#)), including recently launched half-off gameplay Monday-Wednesday when booked using app. We also believe that Topgolf recently launched a new events promo, which includes 20% off gameplay when pre booking by February 29.

## Rounds played likely decelerated in January

Golf Rounds played (79% correlation with golf club spend) were +23.9% y/y in December but, we believe, could have decelerated in January given cold weather headwinds and given that spending at golf courses decelerated, which is highly correlated with rounds played (see our [Leisure Credit & Debit Card note](#)).

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ASP: average selling price

HSD: high single digit

QTD: quarter to date

vs.: versus

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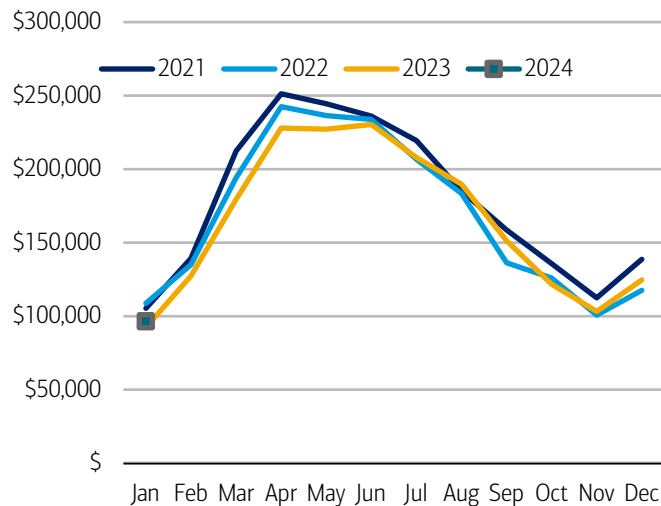
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### Exhibit 1: Overall U.S. Golf Club Sales (\$000s)

Golf club sales were up 4% in January, according to point-of-sale data from Golf Datatech

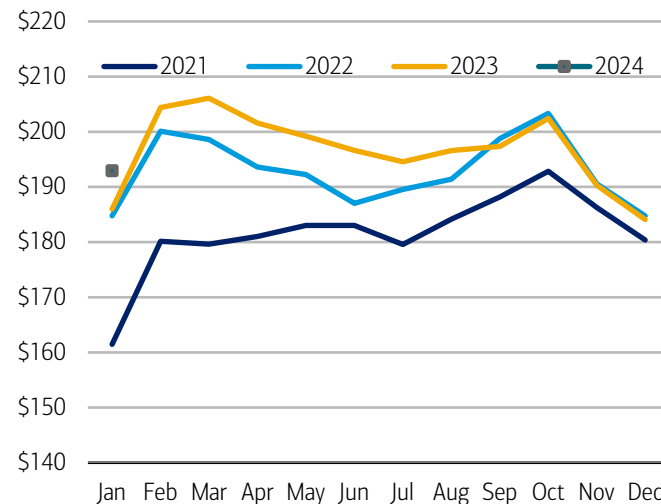


Source: Golf Datatech

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### Exhibit 2: Overall Golf Club Average Selling Prices

Golf Club ASPs are up y/y



Source: Golf Datatech

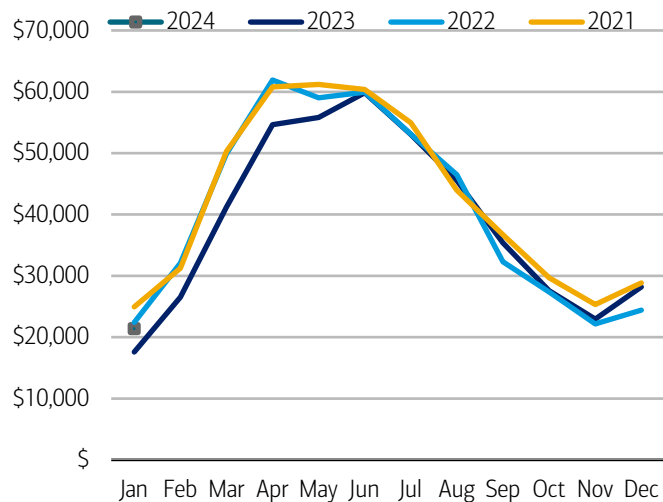
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**Exhibit 3: Callaway Golf Club Sales (\$000s)**

Callaway golf club sales were up in January

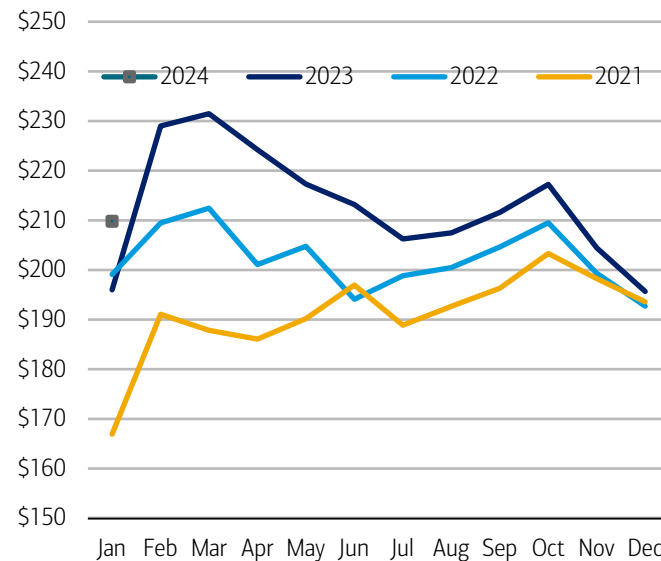


Source: Golf Datatech

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**Exhibit 4: Callaway Golf Club Average Selling Prices**

ASPs continue to track up y/y

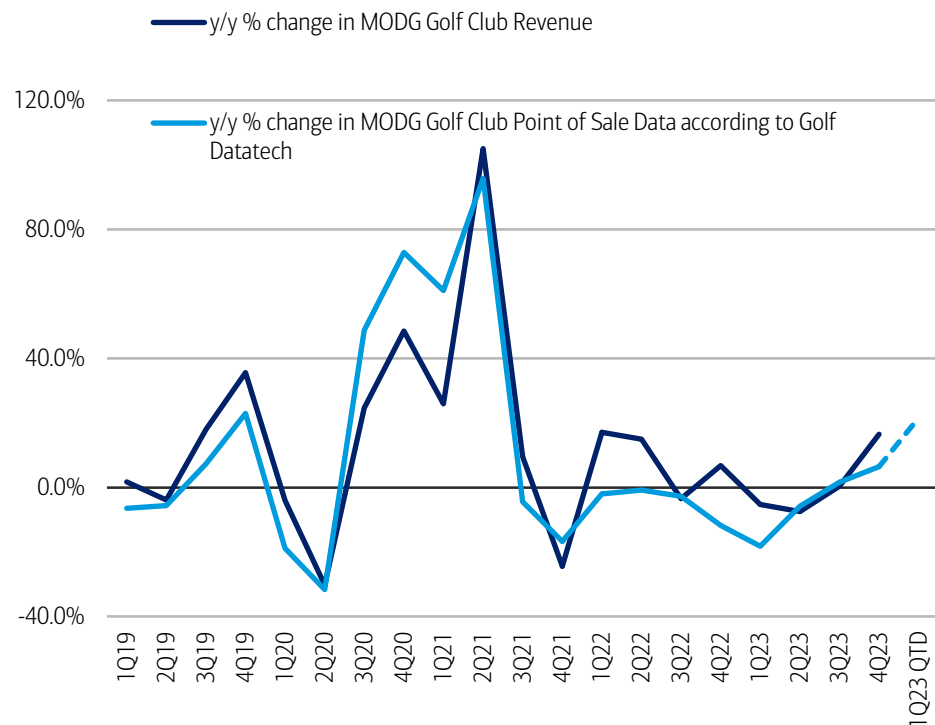


Source: Golf Datatech

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**Exhibit 5: Quarterly y/y % change in MODG Reported Club Revenue vs. Y/Y % change in Golf Datatech point-of-sale data**

Data through January implies an acceleration in MODG Golf Club Revenue

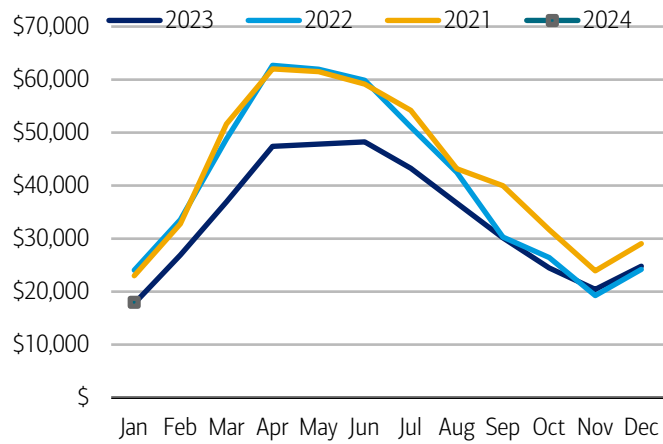


Source: Golf Datatech

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**Exhibit 6: TaylorMade Golf Club Sales (\$000s)**

Sales were positive in January

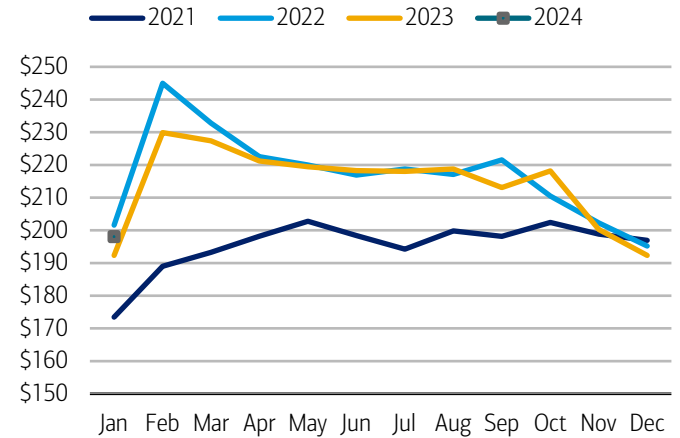


Source: Golf Datatech

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**Exhibit 7: TaylorMade Average Selling Prices**

ASPs are up vs. last year

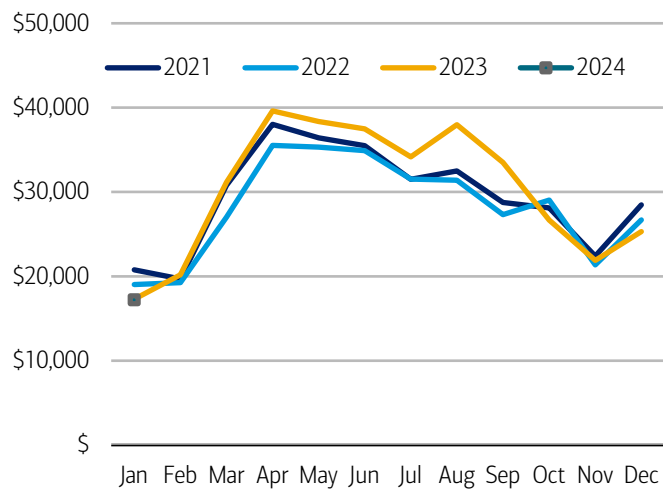


Source: Golf Datatech

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**Exhibit 8: Titleist Golf Club Sales (\$000s)**

Titleist sales were down in January

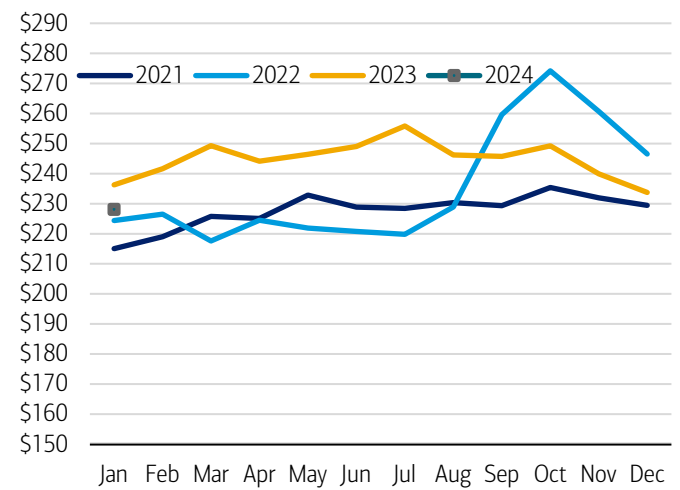


Source: Golf Datatech

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**Exhibit 9: Titleist Golf Club ASPs**

Titleist ASPs were down in January



Source: Golf Datatech

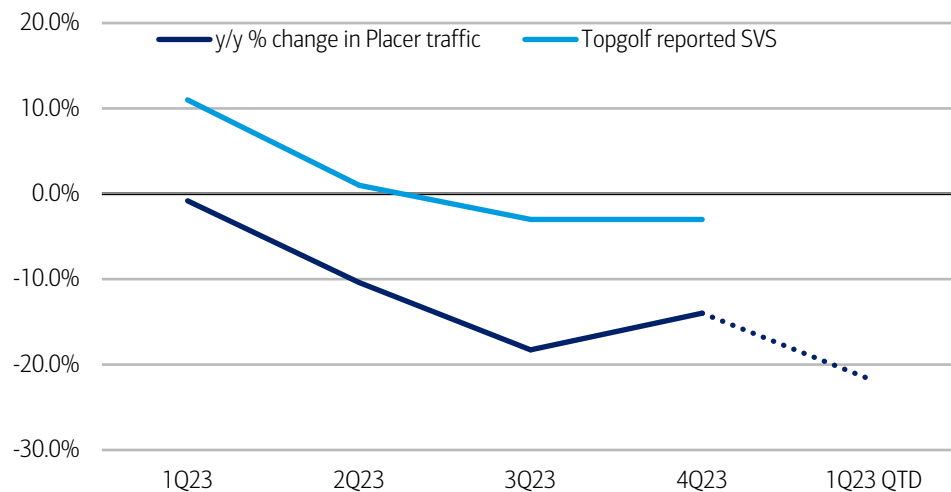
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### Exhibit 10: y/y % change in Topgolf Placer Traffic vs. Topgolf reported same-venue sales

Foot traffic data implies deceleration in Topgolf same-venue sales to -9.5% in 1Q based on traffic through February 18

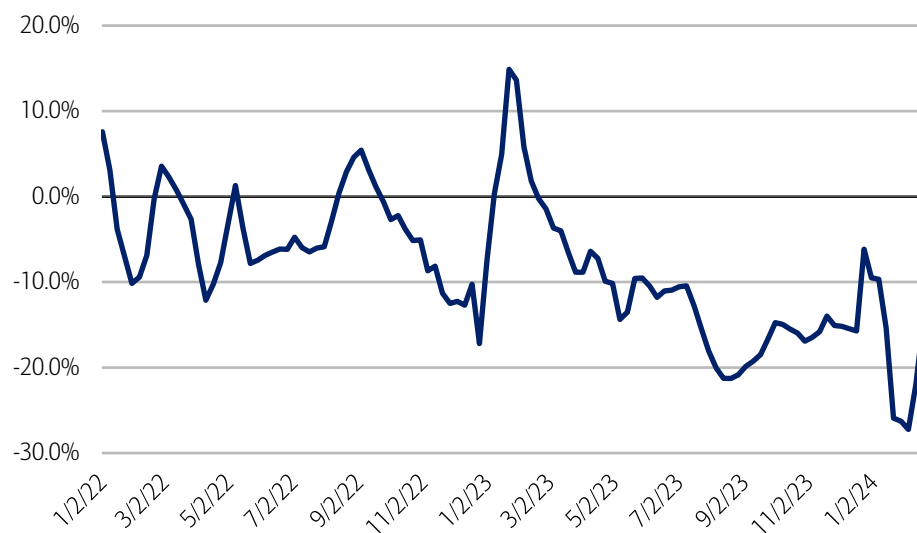


Source: Placer

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### Exhibit 11: Trailing 4 week y/y % change in foot traffic visits to Topgolf, according to Placer

Visits have accelerated since peak declines in January, which we believe was impacted by colder weather



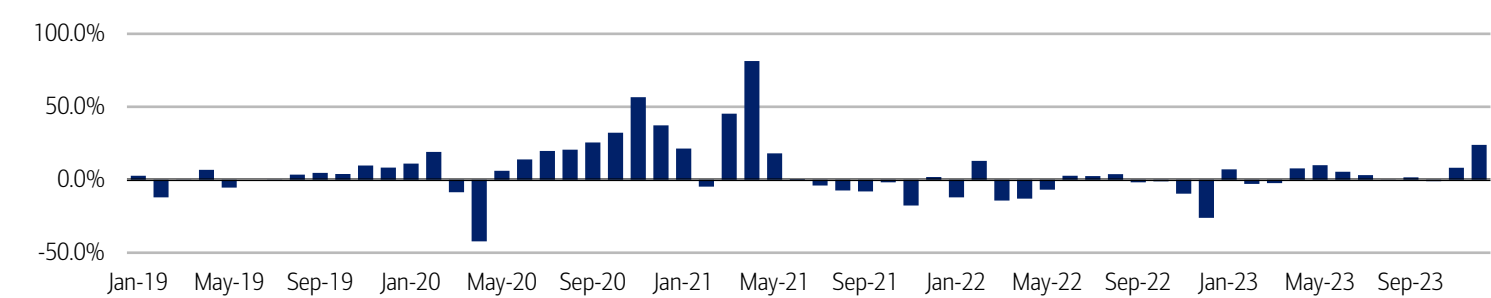
Source: Placer

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**Exhibit 12: y/y % change in rounds played**  
Rounds played accelerated in December



Source: NGF

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