In-Line Muzzleloader Industry Analysis

Upon examining the data, one point is obvious. The muzzleloading market is dominated by players whose businesses rely almost exclusively on the manufacture and sale of black powder arms. Although some crossover does exist, the three key players in the in-line muzzleloading market, Thompson Center, Knight, and CVA have essentially divided the market into three price point segments. Knight dominates the higher end, Thompson Center the mid point and CVA carries the ball in the low price segment.

When the in-line muzzleloading rifle market emerged, Remington enjoyed a tremendous boost in business through the introduction of the Model 700 ML series of black powder rifles. In 1997 alone, Remington produced and shipped over 65M units of Model 700 ML rifles. When the in-line market first erupted, the Remington Model 700ML offered the shooter a familiar platform with an established reputation that was easy to use. Since that time the following has occurred:

- The market for premium in-line muzzleloading rifles has become saturated.
- Competitors have pursued a proactive approach to providing the market with differentiated product while the Remington design has remained essentially unchanged.
- The in-line muzzleloading rifle market has shifted from a high end product to more of a commodity approach with the market for entry level priced rifles and "grab and go" starter kits becoming the driving factor in the market.

Remington had very good reason for not further exploiting the in-line muzzleloading market. The Model 700 ML rifle consumed regular Model 700 centerfire capacity which is relatively fixed in nature. In addition, the Model 700ML line cost essentially the same to manufacture as its centerfire counterpart while earning nearly $100 less per unit. These factors when weighed against an exploding bolt-action centerfire rifle category resulted in the sound decision to utilize the Ilion plant's rifle capacity to build bolt-action centerfire rifles at the expense of the muzzleloading line. As a result the Model 700 ML is perceived as a higher end, specialty product that is simply not competitive by today's standards.

Remington Segment Performance

In 2001, Remington shipped 7.3M units at a total value of $2.38MM. This was an 11% increase in units and a 30% increase in sales dollars due to a more favorable mix of higher dollar density stainless steel product. Historical performance is as follows:

Model 700 ML*	1998 Actual	1999 Actual	2000 Actual	2001 Actual	2002 ECST	2002 PO
Unit Sales (M)	19.1	9.2	6.6	7.3	8.2	9.1

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