

Halfords Group plc Q3 Trading Update

Halfords Group plc, the UK's leading retailer of motoring, cycling and leisure products and services, as well as a leading independent operator in garage servicing and auto repair, today updates the market on its trading performance for the 15-week period to 12 January 2018.

	Q3 (15 weeks) % change	Year-to-date (41 weeks) % change
TOTAL REVENUE		
Halfords Group	+3.2	+3.6
Retail	+3.3	+4.1
Autocentres	+1.9	+0.3
LIKE-for-LIKE ("LFL") REVENUE		
Halfords Group	+2.7	+1.9
Retail	+2.9	+2.3
<i>Motoring</i>	+0.3	+1.3
<i>Car Maintenance</i>	+2.1	+2.1
<i>Car Enhancement</i>	-1.1	-1.7
<i>Travel Solutions</i>	-4.1	+4.2
<i>Cycling</i>	+7.8	+3.9
Autocentres	+0.7	-0.7

Key points for the 15-week period

- Group revenue +3.2%, with Retail +3.3% and Autocentres +1.9% supported by good trading over peak including Christmas
- Continued strong growth in service-related Retail sales of +8.6%, driven by fitting of bulbs, blades, batteries and dash cams, new motoring services and cycle repair
- For Retail Motoring, growth continued in Car Maintenance, against a strong comparative, partly offset by anticipated declines in the smaller categories of Travel Solutions, which annualised very strong increases in child car seat sales last year due to the change in legislation, and Car Enhancement, primarily due to declining sat nav sales
- Retail Cycling LFL sales +7.8% reflected growth across all bike categories, cycle repair and PACs. Bike volumes were up marginally year-on-year despite price rises introduced across the market during the year
- Group online sales growth was +13.0%, with over 80% of Halfords.com orders collected in store, reinforcing the advice and service-led nature of transactions
- Autocentres LFL +0.7% with increased service, maintenance and repair work offsetting the planned decline in low margin tyre sales via affiliates
- Continued progress on our strategic initiatives: 40 shops now refurbished in the latest format, Cycle Republic up to 19 shops with new openings in Derby and Canary Wharf, further progress in the collection and use of customer data, electric/hybrid vehicle qualified technicians covering the whole of the UK and Autocentres operational improvements on track
- New CEO Graham Stapleton started on 15 January

Financial outlook

We anticipate that the UK retail sales environment will remain subdued for the remainder of FY18. Sales for the quarter were slightly ahead of expectations, with growth led by the lower margin cycling business. Our FX mitigation plans remain on track. We anticipate FY18 Group profit before tax broadly in line with current market expectations.

Jonny Mason, Chief Financial Officer, commented:

"We are pleased with the overall performance of the Group in the 15 week period given the difficult UK retail environment. We achieved record sales for Black Friday and Christmas thanks to great planning and execution and compelling product and service offers. Particular highlights included the growth in fitting services for car parts, cycle repair and increased sales of bikes, electric bikes and dash cams."

Enquiries

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Notes

1. Like-for-like sales represent revenues from Retail stores, Autocentres and Group websites that have traded for at least a year (excluding prior year sales from Retail stores or Autocentres closed in the year) at constant foreign exchange rates.
2. The Motoring category of sales comprises the aggregate of Car Maintenance, Car Enhancement and Travel Solutions.
3. "PACs" refers to Parts, Accessories and Clothing, for Cycling.

Conference Call

There will be a conference call for investors and sell-side analysts beginning at 9.00am today (UK time). The participant dial-in is +44 (0) 333 300 0804 or 0800 358 9473 (toll free). The PIN is 06866242#. To access a recording of the call, the participant dial-in is +44 (0) 333 300 0819 or 0800 358 2049 (toll free). The pin is 301217030#. A transcript of the call will appear online in due course.

Reporting Calendar

We will report our annual results for the 52 weeks ending 30 March 2018 on 22 May 2018.

Notes to Editors

www.halfords.com

www.halfordscompany.com

www.halfordsautocentres.com

www.cyclerepublic.com

www.boardmanbikes.com

www.tredz.co.uk

Halfords is the UK's leading retailer of motoring, cycling and leisure products and services, as well as one of the UK's leading independent operators in vehicle servicing, maintenance and repairs. Customers shop at 460 Halfords stores and 19 Cycle Republic shops in the UK and Republic of Ireland and at halfords.com or cyclerepublic.com for pick-up at their local store or direct home delivery. Customers can also shop at three Tredz stores and a Giant store in South Wales as well as online at tredz.co.uk and wheelies.co.uk for cycling products and direct home delivery. Halfords Autocentres operates from 316 sites nationally and offers motorists high-quality MOTs, repairs and car servicing at affordable prices.

Halfords employs approximately 10,000 colleagues. The Retail offering encompasses significant ranges in car parts, cycling products, in-car technology, child seats, roof boxes and camping equipment. Halfords' key own cycling brands in-stores include Apollo, Carrera, Boardman, Pendleton and Wiggins, augmented by a range of other brands of cycles and accessories, including Voodoo and Raleigh and, through Tredz, a wide range of premium brands including Giant, Specialized, Cannondale, Cube and Scott. In Motoring, the Halfords Essentials and Halfords Advanced ranges are sold alongside brands such as General Electric, Bosch, Garmin, TomTom, Karcher, Thule and Autoglym. Halfords offers more than 70 in-store services including a fitting service called '*wefit*' for car parts, child seats, satellite navigation and in-car entertainment systems, and a '*werepair*' service for cycles.

Cautionary Statement

This report contains certain forward-looking statements with respect to the financial condition, results of operations, and businesses of Halfords Group plc. These statements and forecasts involve risk, uncertainty and assumptions because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements are made only as at the date of this announcement. Nothing in this announcement should be construed as a profit forecast. Except as required by law, Halfords Group plc has no obligation to update the forward-looking statements or to correct any inaccuracies therein.