

## Halfords Group plc 20-week Trading Update

Halfords Group plc (“the Group”), the UK’s leading retailer of motoring, cycling and leisure products and services, and a leading independent operator in vehicle servicing, maintenance and repairs, today updates the market on its trading performance for the 20-week period to 18 August 2017:

	<b>FY18 Year-to-date (20 weeks) % change</b>
<b>TOTAL REVENUE</b>	
<b>Halfords Group</b>	<b>+4.8</b>
Retail	+6.2
Autocentres	-1.4
<b>LIKE-for-LIKE (“LFL”) REVENUE</b>	
<b>Halfords Group</b>	<b>+2.7</b>
Retail	+3.5
<i>Motoring</i>	+2.3
<i>Car Maintenance</i>	+2.8
<i>Car Enhancement</i>	-2.6
<i>Travel Solutions</i>	+8.2
<i>Cycling</i>	+5.2
Autocentres	-2.0

### Financial highlights

- Group revenue +4.8%, with Retail +6.2% and Autocentres -1.4%
- Continued service-related Retail sales growth of +18.3% and new services launched
- Group online sales growth of +11.2% with over 85% of Halfords.com orders collected in store
- Retail Motoring sales +2.3% LFL, driven by growth in fitting services and associated parts, dash cams, camping, roof boxes and cycle carriers; supported by the demand for staycations
- Retail Cycling sales +5.2% LFL, reflecting good growth in sales of premium bikes and PACs, with electric bikes and cycle repair services as highlights; Cycle Republic and Tredz also continued to grow strongly
- Autocentres sales -2.0% LFL, as planned and previously guided, with gross margin up year-on-year
- Revolving credit facility amended from £170m to £200m and extended from 2019 to 2021

### Strategic highlights

- 11 Halfords stores now in the new refresh format, with accelerated roll-out planned for rest of year
- New motoring services launched including: AdBlue top-up, car key fob repair and fuse fitting
- Continued improvements in collection and use of customer data, now matching over 50% of Retail sales and generating incremental revenue
- New and increased range of own-brand electric bikes launched, now stocked in an additional 300 Retail stores, alongside relevant colleague training
- 17 Cycle Republic stores now operational in line with plans and as previously guided

### Financial outlook

We continue to anticipate FY18 Group profit before tax to be in line with current market expectations. All financial guidance for the full year remains unchanged. As previously guided, the depreciation of Sterling brings a c.£25m gross cost headwind in FY18 and as expected we anticipate c.£15m will relate to the first half of the financial year. Our FX mitigation plans have been implemented and are on track; we continue to anticipate that we will fully recover the FX impact over time.

### Jill McDonald, Chief Executive, commented:

“I am pleased with the trading performance over the first 20 weeks of the year in both Motoring and Cycling. A combination of good planning and execution meant that we optimised sales from the staycation summer, with strong growth in camping, roof boxes and cycle carriers. This complemented our service-related Retail sales, which grew significantly faster than our total sales, as we continue to demonstrate our relevance to the growing ‘do-it-for-me’ customer. Our foreign exchange mitigation plans are working in line with expectations and we are well prepared for the peak trading period through winter.”

## **Enquiries**

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## **Notes**

1. Adjusting for the timing of Easter, underlying Retail LFL growth was +2.7%.
2. Like-for-like sales represent revenues from Retail stores, Autocentres and websites that have traded for at least a year (excluding prior year sales from Retail stores and Autocentres closed in the year) at constant foreign exchange rates.
3. The Motoring category of sales comprises the aggregate of Car Maintenance, Car Enhancement and Travel Solutions.
4. "PACs" refers to Parts, Accessories and Clothing, for Cycling.

## **Reporting Calendar and Conference Call**

On 9 November 2017 we will report on the interim results for the 26 weeks ending 29 September 2017.

There will be a conference call for investors and sell-side analysts at 09.00am today. The participant dial-in is +44 (0)20 3139 4830 or 0808 237 0030 (toll free). The PIN is 98411816#. To access a recording of the call, the participant dial-in is +44 (0)20 3426 2807 or 0808 237 0026 (toll free). The pin is 690324#. A transcript of the call will appear online in due course.

## **Notes to Editors**

[www.halfords.com](http://www.halfords.com)

[www.cyclerepublic.com](http://www.cyclerepublic.com)

[www.wheelies.co.uk](http://www.wheelies.co.uk)

[www.halfordscompany.com](http://www.halfordscompany.com)

[www.boardmanbikes.com](http://www.boardmanbikes.com)

[www.halfordsautocentres.com](http://www.halfordsautocentres.com)

[www.tredz.co.uk](http://www.tredz.co.uk)

Halfords is the UK's leading retailer of motoring, cycling and leisure products and, through Halfords Autocentres, is also one of the UK's leading independent operators in vehicle servicing, maintenance and repairs. Customers shop at 460 Halfords stores and 17 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. Halfords Autocentres operates from 315 sites nationally and offers motorists high-quality MOTs, repairs and car servicing at affordable prices. 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 employs approximately 10,000 colleagues and sells around 9,000 product lines in its Retail stores, increasing to around 165,000 Retail products online. 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 30 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.