



Halfords Group plc Acquisition of Tredz and Wheelies

Halfords Group plc ("Halfords") announces that it has acquired Tredz Limited ("Tredz") and Wheelies Direct Limited ("Wheelies"), specialists in the online sale of premium bikes and accessories.

Key points:

- The acquired businesses comprise an online retailer of premium bikes and cycling parts, accessories and clothing, which trades UK-wide under the brand Tredz, and the UK's largest provider of bicycle replacement for insurance companies which trades under the brand Wheelies.
- Tredz and Wheelies are based in South Wales, employ around 250 people and have been sold by the founders Keith and Michael Jones.
- From a customer and supplier perspective the businesses will continue to trade on a standalone basis and will continue to be led by Keith Jones and the existing management teams.
- Collectively these businesses generated revenue of circa £32m for the year ended 29 February 2016, up from circa £24m in the prior year, and EBITDA of £2.4m.
- The initial cash consideration is £18.4m and has been settled from the Group's existing borrowing facilities. Dependent upon the financial performance of Tredz in the year ending 28 February 2017, there will be an element of deferred consideration payable in 12 months. The total purchase price is expected to equate to an EBITDA multiple of around 7 times and the acquisition will be earnings enhancing from the first year of ownership.

Jill McDonald, Halfords Chief Executive, commented:

"We are delighted with this acquisition, which we believe is a strong and complementary addition to the Group, extending our presence in the online market for premium bikes, parts, accessories and clothing. We continue to believe in the long-term growth potential of the cycling market. Keith and his management team have done a fantastic job of building a successful online retail operation and we look forward to working with them to develop and grow the businesses further."

Keith Jones, Group Managing Director of Tredz and Wheelies, commented:

"We are very proud of the businesses that we've grown from a small shop twenty seven years ago into a strong operator in the premium cycling market, with a team of over 250 people. However, the time has come for us to work with a partner on the next phase of growth. Halfords is exactly what we were looking for. With the support and resources of a large group, we look forward to building upon what we have achieved so far to drive long-term growth."

Enquiries

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Reporting Calendar

Halfords will report annual results for the 52 weeks ending 1 April 2016 on 1 June 2016.

Notes to Editors

About Halfords Group plc:

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 garage servicing and auto repair. Customers shop at 462** Halfords stores and 10** Cycle Republic shops in the UK and Republic of Ireland and at halfords.com for pick-up at their local store or direct home delivery. Halfords Autocentres operates from 314** sites nationally and offers motorists high-quality MOTs, repairs and car servicing at affordable prices.

Halfords employs approximately 11,000 colleagues and sells around 9,000 product lines in store, 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' own cycling brands include *Apollo*, *Carrera*, *Boardman* and *13* cycles, augmented by a range of other brands of cycles and accessories, including *Kona*, *Mongoose*, *Raleigh* and *Pinarello*. In Auto, the *Halfords Essentials* and *Halfords Enhanced* ranges are sold alongside brands such as *General Electric*, *Bosch*, *Garmin* and *TomTom*. In Travel Solutions, Halfords sells a premium range of equipment including camping brands such as *CampinGaz* and *Outwell*. Halfords offers customers expert advice and a fitting service called '**wefit**' for car parts, child seats, satellite navigation and in-car entertainment systems, and a '**werepair**' service for cycles.

www.halfords.com
www.halfordscompany.com
www.halfordsautocentres.com
www.cyclerepublic.com
www.boardmanbikes.com

** as at 1 April 2016

About Wheelies and Tredz:

Wheelies began as a single bicycle shop in Swansea in the 1980s. Under Keith and Michael Jones's ownership, the business expanded into mail order and insurance replacement during the 1990s. Wheelies is now the UK's largest provider of bike replacement on behalf of insurance companies and operates a highly experienced claims handling team, supported by a comprehensive bicycle validation system.

Tredz was launched as a separate e-commerce operation in 2005, with its own bricks and mortar presence added in Cardiff and Swansea two years later. Tredz sells a wide range of bicycle, parts and accessories brands, including *Giant*, *Specialized*, *Cannondale*, *Scott*, *Cube*, *Felt* and *Endura*. In 2014 Tredz opened the UK's largest *Giant* brand store in Swansea. The majority of sales are online; fulfilled from a separate warehouse operation where a team of highly skilled and experienced bike technicians build bikes which are then carefully boxed and delivered direct to customers' homes.

The businesses are supported by office and warehousing premises in Swansea and in total employ over 250 people.

www.tredz.co.uk
www.wheelies.co.uk
www.bikereplacement.co.uk