

## Halfords Group plc Q1 Trading Statement

Halfords Group plc (“the Group”), the UK’s leading retailer of motoring, cycling and leisure products and services and a leading independent operator in garage servicing and auto repair, today updates the market on its trading performance for the 13-week period to 1 July 2016:

	<b>Q1 (13 weeks) % change</b>
<b>TOTAL REVENUE</b>	
<b>Halfords Group</b>	<b>+2.1</b>
Retail	+1.5
Autocentres	+5.9
<b>LIKE-for-LIKE (LFL) REVENUE</b>	
<b>Halfords Group</b>	<b>-0.6</b>
Retail	-1.2
<i>Motoring</i>	+0.6
<i>Car Maintenance</i>	+2.3
<i>Car Enhancement</i>	-4.2
<i>Travel Solutions</i>	+4.4
<i>Cycling</i>	-4.0
Autocentres	+3.1

### Key points

- Group revenue +2.1%, with Retail +1.5% and Autocentres +5.9%
- Adjusting for the timing of Easter, LFL revenue was Group 0.0%, Retail -0.2% and Autocentres +1.7%
- A robust Motoring performance, with Car Maintenance growth led by bulbs, blades, batteries and new product and service offerings
- Car Enhancement was impacted by a further decline in sat nav sales, partially offset by strong dash cam sales
- Strong performance in Travel Solutions led by double digit growth in child safety seats
- Good sales growth of premium bikes, although Cycling sales overall were impacted by both the timing of Easter and poor weather in April and late June affecting the timing of mainstream bike and PACs purchases
- Tredz performing well since acquisition
- Service-related sales grew by 15%, with growth across all services including 3B fitting and cycle repair
- 11<sup>th</sup> consecutive quarter of Autocentres LFL growth, aided by sales of tyres and enhanced opening hours, growth in online sales and improved customer satisfaction
- We will report on the 20 weeks to 19 August on 6 September after summer peak

### Financial outlook

In June we outlined a net impact of £3m on profit for FY17 at a USD:GBP rate of 1.45. We now have over 75% of our FY17 purchases hedged at around 1.45. If the USD:GBP rate continues to be weaker than 1.45 it may have a small further impact later in this financial year, depending on the extent to which it can be mitigated.

All other financial guidance and the financial targets that we published on 1<sup>st</sup> June remain unchanged. Much of Halfords’ sales are needs-based, we have a strong brand, are leaders in fragmented markets and have a robust balance sheet.

### Jill McDonald, Chief Executive, commented:

“This was a solid performance from our motoring categories, which account for around 70% of Group sales, with continued growth in service-related sales, demonstrating Halfords’ credentials as a specialist retailer. In Autocentres our sales continued to grow through improvements in the customer offer. We had good sales growth of premium bikes but Cycling sales across the quarter were impacted by both the timing of Easter and poor weather, particularly in April. We look forward to the peak summer cycling season, including our exciting new ranges from Laura Trott and Sir Bradley Wiggins launched ahead of the Olympics. While the recent decision to leave the EU does create uncertainty, we are well-positioned as a business and focused on delivering sustainable long-term growth.”

## **Reporting Calendar**

On 6 September 2016 Halfords will report on the sales for the 20 weeks to 19 August 2016, which covers the summer cycling season. In future years Halfords will report on an initial trading period of 20 weeks, rather than a first quarter of 13 weeks, in order to include the summer cycling sales and to spread market updates more evenly through the year.

On 10 November 2016 we will report on the interim results for the 26 weeks ending 30 September 2016.

On 19 January 2017 we will report on the 15 weeks to 13 January 2017, which includes the peak Christmas trading period.

## **Enquiries**

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## **Notes**

1. Like-for-like sales represent revenues, including those attributable to Click & Collect, from UK and Irish stores and UK autocentres trading for greater than 365 days, plus online revenues from direct deliveries. Where appropriate, revenues denominated in foreign currencies have been translated at constant rates of exchange
2. The Motoring category of sales comprises the aggregate of Car Maintenance, Car Enhancement and Travel Solutions

## **Conference Call**

There will be a conference call for investors and sell-side analysts at 8:45am today. The participant dial-in is 020 3139 4830 or 0808 237 0030 (toll free). The PIN is 28568321#. To access a recording of the call, the participant dial-in is 020 3426 2807 or 0808 237 0026 (toll free). The PIN is 674748#. A transcript of the call will appear online in due course.

## **Notes to Editors**

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 11\* 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. 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 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 Motoring, 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](http://www.halfords.com)  
[www.halfordsautocentres.com](http://www.halfordsautocentres.com)  
[www.halfordscompany.com](http://www.halfordscompany.com)

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

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

\*as at 1 July 2016

## **Cautionary Statement**

This report is based on information from unaudited management accounts and 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.