

1 October 2020

## Halfords Group plc: Trading Update

### **H1 profit before tax<sup>1</sup> expected to be in excess of £55m as a result of continued momentum in Cycling and Motoring products and services**

Halfords Group plc ("the Group"), the UK's leading provider of motoring and cycling products and services, today updates the market on its recent trading performance.

Our 20-week trading update on 8 September 2020 highlighted an improving growth trend throughout the period, reflecting continued strength in Cycling and a return to growth in Motoring products and services.

Despite the peak Cycling and Staycation season coming to an end, this positive momentum has continued, such that Group like-for-like ("LFL") growth in the five weeks to 25 September 2020 was +22%. Cycling has continued to perform well, up +46% LFL in the five-week period, reflecting the strength of our unique proposition and continual improvement in supply to meet unprecedented levels of demand. Motoring in our Retail business improved to +7.5% LFL in the five-week period. Our Autocentres business continued to grow strongly, up +18% LFL (+64% including acquisitions). This included exceptional demand for our growing Mobile Expert proposition, driven by customers seeking greater convenience and safety from our fleet of vans. With the substantial growth we have seen in our motoring services business across both Retail and Autocentres, we have launched a national campaign to recruit hundreds of skilled technicians.

Given stronger than expected trading since week 20, we now expect profit before tax<sup>1</sup> for H1 FY21 to be in excess of £55m. We do, however, remain cautious in our outlook for H2. The potential impact of second waves of COVID-19 now seems more pronounced than just a few weeks ago, and the economic impact of an end to the furlough scheme and the outcome of Brexit negotiations remains very uncertain. We are well placed to address any headwinds we may face and capitalise on the tailwinds as they arise. Our balance sheet and liquidity position remain strong.

We will report our interim results on 18 November 2020.

1. Underlying profit before tax and before adjustments for IFRS16

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Halfords is the UK's leading provider of motoring and cycling products and services. Customers shop at 444 Halfords stores, 3 Performance Cycling stores (trading as Tredz and Giant), 367 garages (trading as Halfords Autocentres and McConechy's) and have access to 91 mobile service vans (trading as Halfords Mobile Expert and Tyres on the Drive). Customers can also shop at halfords.com and tredz.co.uk for pick up at their local store or direct home delivery, as well as booking garage services online at halfords.com.

**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