

1 March 2021

Halfords Group plc: Trading Update

Full year profit before tax¹ expected to be within a range of £90m-£100m after the repayment of furlough support.

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.

In our Q3 trading update on 14 January 2021, we highlighted a weaker like-for-like (“LFL”) growth rate as we exited the quarter. This was due to regional lockdowns impacting motoring demand, as well as global container shortages and port disruption delaying stock arriving into the business. Although we have continued to experience a volatile trading environment across the first seven weeks of Q4, overall trading has been stronger than we initially anticipated across the business, and we now expect full year profit before tax¹ to be within the range of £90m - £100m. The Board has taken the decision to repay in full £10.7m of furlough income received, and the profit range is after this repayment.

For the first seven weeks of Q4, from 2 January 2021 to 19 February 2021, Group LFL growth was +6.2%, with Retail +5.1% and Autocentres +13.3%. Despite journeys being c.40% below pre-pandemic levels, our Autocentre business has continued to demonstrate signs of growing market share, with strong demand for both our garage business and Halfords Mobile Expert vans. In Retail, our Motoring business, whilst being -14% LFL, has again performed better than traffic levels would suggest, with sales of blades, bulbs, batteries and general maintenance products performing better. Cycling has seen LFL growth rates improve as supply disruption has eased, although overall supply remains sub-optimal. Cycling LFL over the period was +43%, with our unique and exclusive range of kids and adult mechanical bikes performing well, along with our performance cycling business, Tredz, which continues to see exceptional growth, up +60% LFL in the period.

Although only six weeks remain of FY21, the expected profit range remains quite broad as trading patterns continue to be volatile, with sales ahead of Easter particularly difficult to predict whilst the UK remains in lockdown. As the country starts to open up once more, our overriding priority remains the health and safety of our colleagues and customers.

Our next planned trading update will be our Preliminary results announcement on 17 June 2021.

1. Underlying profit before tax and before adjustments for IFRS16

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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