
halfords
FY27
INTERIM RESULTS AND UPDATE
26 November 2026
AGM 096
START STOP
12V AGM BATTERY
halfords
Jonathan

STRONG PERFORMANCE DRIVING FY27 UPGRADE

- ✓ Strong LfL sales growth of 7.1% alongside gross margin expansion and well-controlled costs
- ✓ +66% increase in underlying PBT to £39.0m, +32% adjusting for estimated £8m weather benefit
- ✓ Excellent cash generation and net cash balance sheet
- ✓ Progress across all key metrics and in both divisions
- ✓ Upgraded FY27 underlying PBT of £60m to £65m
- ✓ Increased interim dividend of 3.5p, up 0.5p YoY
- ✓ Investment in upgraded supply chain infrastructure as we enter the *'Evolve'* phase of our plan

Optimise

~0 to 24 months
Building near-term value with disciplined and focused execution

Evolve

~12 to 36 months
Driving structural efficiency and enabling future growth

Scale

~36+ months
Expanding reach, taking advantage of operating leverage

AGENDA

1. HY27 performance
2. Strategic progress
3. Transitioning to *'Evolve'*
4. Outlook
5. Q&A




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HY27
PERFORMANCE
carrera

GROWTH ACROSS KEY METRICS WITH PBT +66%

LfL sales
+7.1%
HY26: +4.1%

Underlying operating margin
4.6%
HY26: 3.2%
+140bps YoY

Underlying profit before tax
£39.0m
HY26: £23.5m
+66.0% YoY

ROCE
18.9%
HY26: 13.6%
+530bps YoY

Free cashflow
£38.0m
HY26 (restated): £32.4m
+£5.6m YoY

Dividend per share
3.5p
HY26: 3.0p
+0.5p YoY

Note: HY26 comparatives have been restated for the change in treatment of amortisation of acquired intangibles as non-underlying items. The definition of free cashflow has been updated in the period to exclude the impact of non-underlying items.

PROGRESS ALSO EVIDENT ADJUSTING FOR WEATHER

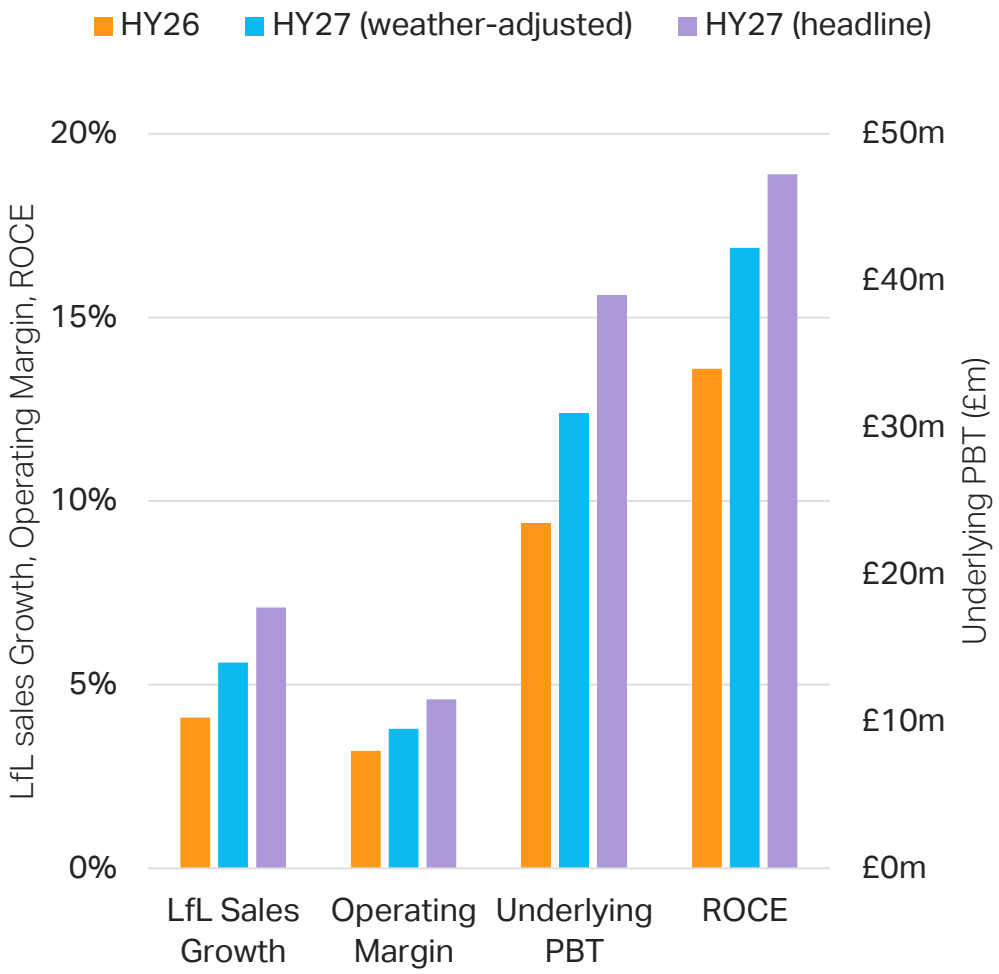
Metrics below exclude the impact of an estimated £8m of seasonal benefit

LfL sales
+5.6%
HY26: 4.1%

Underlying operating margin
3.8%
HY26: 3.2%
+60bps YoY

Underlying profit before tax
£31.0m
HY26: £23.5m
+31.9% YoY

ROCE
16.9%
HY26: 13.6%
+330bps YoY



Note: HY26 comparatives have been restated for the change in treatment of amortisation of acquired intangibles as non-underlying items.

GROWTH IN UNDERLYING OPERATING MARGIN TO 4.6%

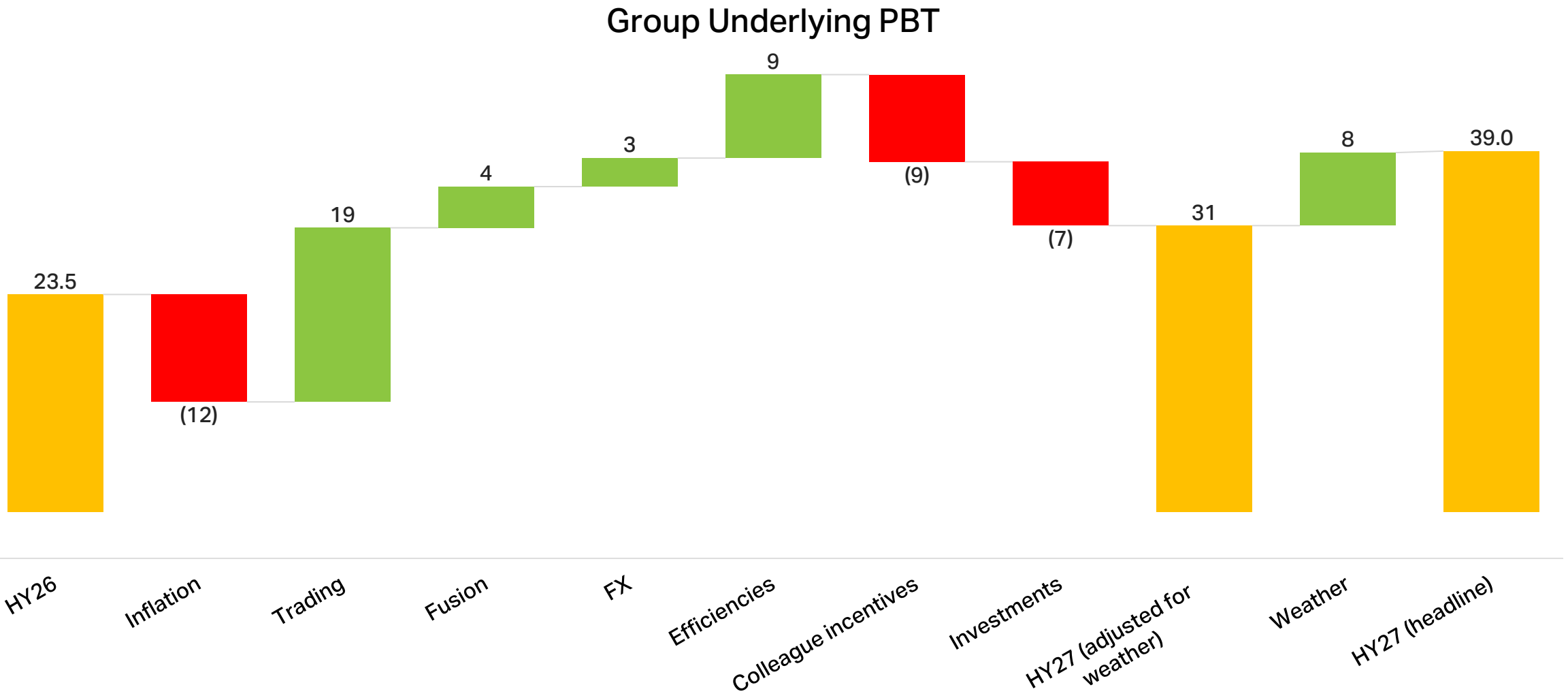
Performance weighted to H1 due to weather and planned investments in H2

Group (£m)	HY27 (£m)	HY26 (£m)	Change YoY
Revenue	953.3	893.3	6.7% 7.1% LfL
Gross margin (%)	52.6%	51.4%	120bps
Operating costs	(457.2)	(430.5)	6.2%
Underlying operating margin	4.6%	3.2%	140bps
Underlying PBT	**39.0**	**23.5**	**66.0%**
Non-underlying items	(3.5)	(6.3)	2.8
Reported PBT	35.5	17.2	18.3

- Strong LfL sales growth across both divisions driven by volume and price
- Gross margin yet to fully reflect increased oil cost prices
- Operating costs falling as a % of sales despite increased incentive accruals
- Significant uplift in PBT enabling investment for future growth in H2
- Non-underlying items include initial costs of supply chain modernisation as we start to *Evolve*

Note: HY26 comparatives have been restated for the change in treatment of amortisation of acquired intangibles as non-underlying items.

TRADING AND EFFICIENCIES DROVE PROFIT GROWTH

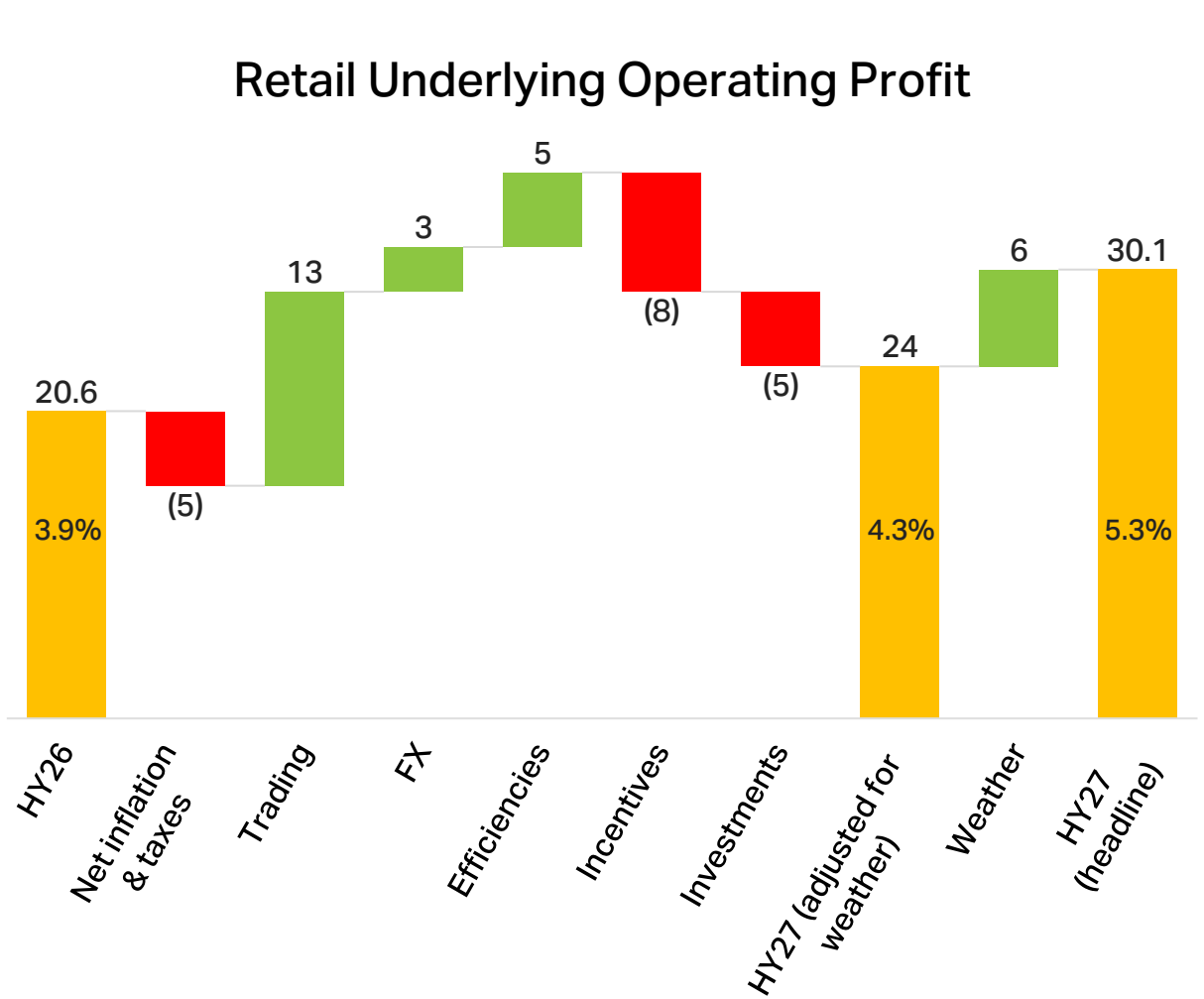


Note: HY26 comparatives have been restated for the change in treatment of amortisation of acquired intangibles as non-underlying items.

RETAIL OPERATING PROFIT INCREASED 46%

Underlying operating margin of 4.3% adjusted for estimated £6m incremental profit from seasonal categories

Retail	HY27	HY26	Change YoY
Revenue	572.0	533.2	7.3% 7.7% LfL
- Motoring	347.9	324.3	7.3% 7.3% LfL
- Cycling	224.1	208.0	7.7% 8.3% LfL
Gross margin (%)	50.6%	49.3%	130bps
Operating costs	(259.2)	(242.5)	6.9%
Underlying operating profit	30.1	20.6	46.1%
Underlying operating margin (%)	5.3%	3.9%	140bps

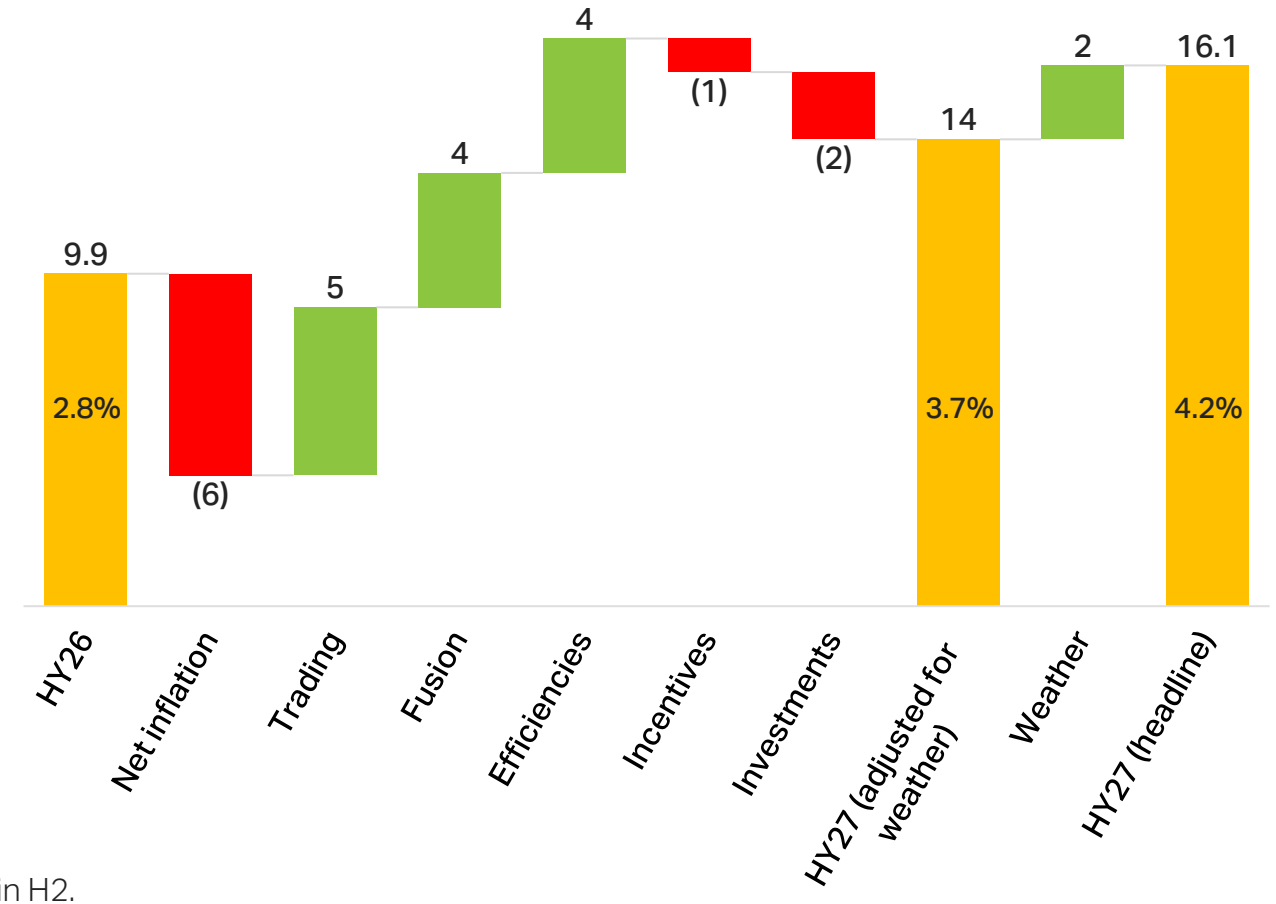


AUTOCENTRES OPERATING PROFIT INCREASED 62%

Autocentres ex-Avayler	HY27	HY26	Change YoY
Revenue	380.2	359.0	5.9% 6.1% LfL
Gross margin (%)	55.5%	54.4%	110bps
Operating costs	(194.8)	(185.5)	5.0%
Underlying operating profit	16.1	9.9	62.3%
Underlying operating margin (%)	4.2%	2.8%	140bps

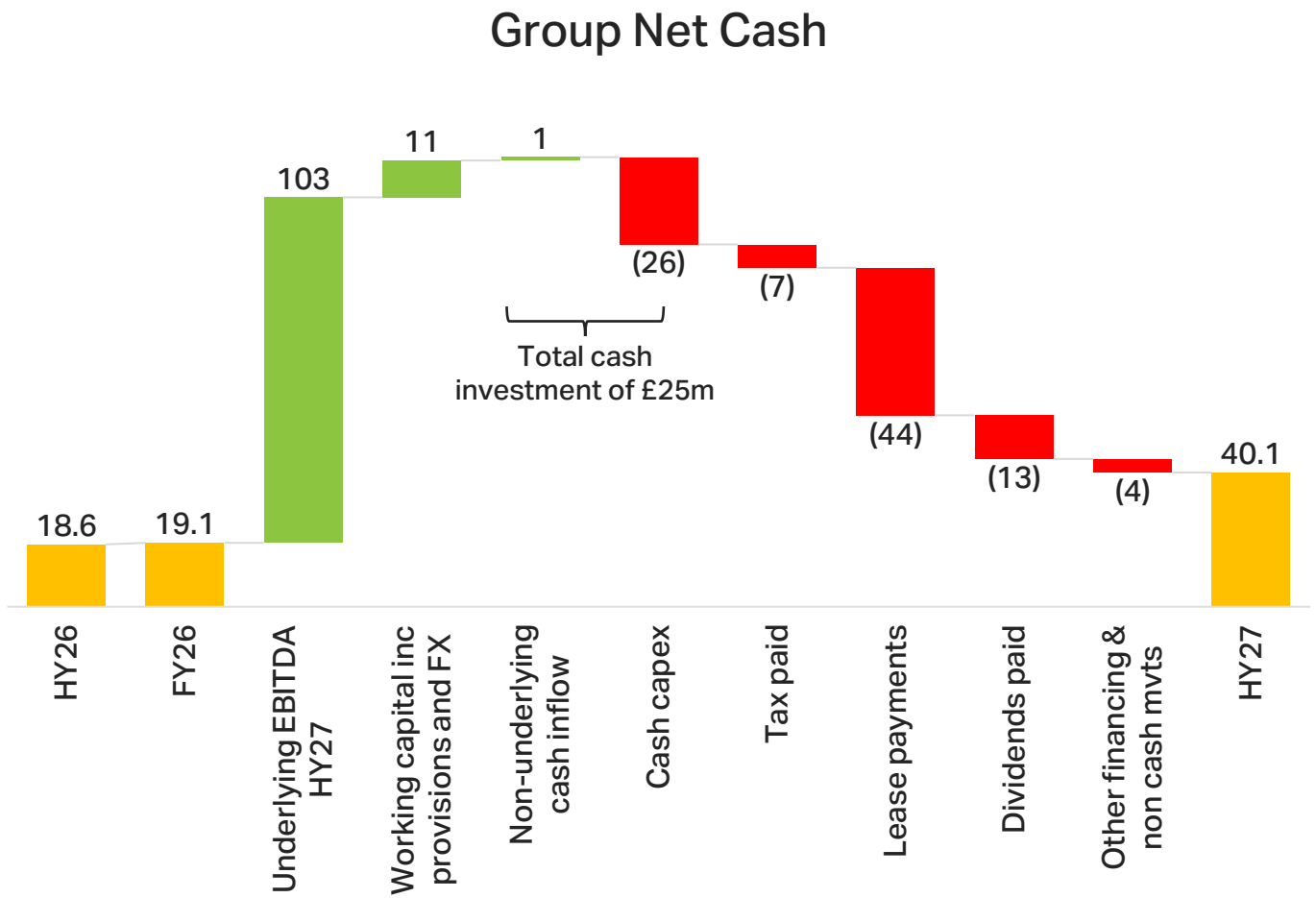
Avayler	HY27	HY26	Change YoY
Revenue	1.1	1.1	-
Operating profit	(2.3)	(1.8)	(0.5)

Underlying operating margin of 3.7% adjusted for estimated £2m of incremental profit from seasonal categories



Note: In light of continuing losses, a review of the Avayler business is planned in H2.

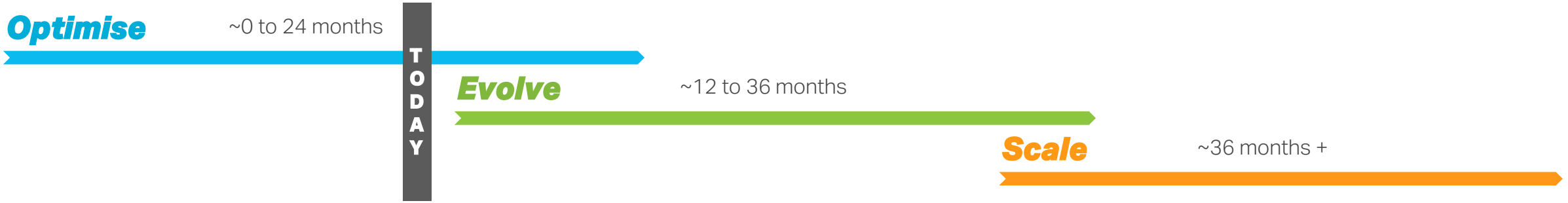
STRONG BALANCE SHEET PROVIDES FLEXIBILITY



- Net cash of £40.1m at HY27, a significant increase both YoY and vs. HY26
- Free cash inflow of £38.0m due to very strong profit generation and effective working capital management
- Cash investment of £24.8m vs. full-year envelope of £55m to £65m, comprising:
  - Capex of £25.6m
  - Non-underlying cash investment of (£0.8m)
- Including lease debt, net debt was £207.0m at period end (FY26: £228.7m)
- Access to £180m RCF running to April 2029

Note: Net cash / debt excludes lease liabilities.

CLEAR PROGRESS AGAINST 'FIT FOR THE FUTURE'



HY27 outcomes	Headline	Weather-adjusted	Progress
LfL sales growth	+7.1%	**+5.6%**	☑
Operating margin expansion	4.6% +140bps YoY	**3.8%** +60bps YoY	☑
Progression in underlying PBT	£39.0m +66% YoY	**£31.0m** +32% YoY	☑
ROCE	18.9% +530bps YoY	**16.9%** +330bps YoY	☑

INVESTING WITH CLEARLY DEFINED GUARDRAILS

‘Fit for the Future’ guardrails



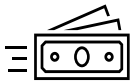
Cash investment (i.e. capex plus non-underlying charges) of £55m to £65m



Incremental returns-accretive investment, following progression in underlying PBT



Leverage no greater than 0.8x adjusted EBITDA (excluding IFRS 16 leases)



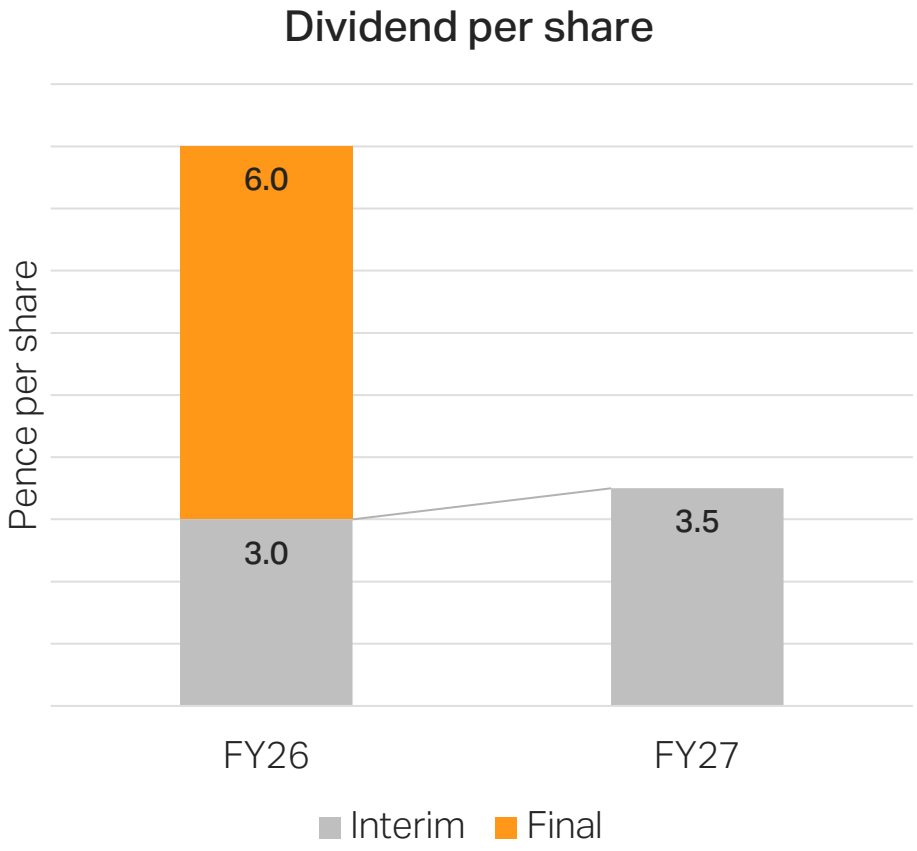
Dividend 1.5x to 2.5x covered by profit after tax

Investing in our supply chain

- New, national distribution centre for retail will result in a low to mid-teens £m annual P&L benefit at maturity, delivering an attractive rate of return relative to the cost of capital
- Initial plans assumed external financing or leasing but strong recent performance allows capex element to be financed using cash, driving significantly enhanced returns
- Total investment, spread over three years, comprises:
  - £35-45m of non-underlying opex falling within the cash investment guardrail
  - £40-50m of capex, sitting outside the guardrail
- Balance sheet will remain comfortably within our leverage guardrail throughout the project

INCREASED INTERIM DIVIDEND, UP 0.5P YOY

1. Maintain a prudent balance sheet with a leverage ratio not exceeding 0.8x.
2. Invest for growth with a focus on strong returns.
3. Pay a dividend 1.5x to 2.5x covered by underlying profit after tax.
4. M&A in priority areas in the *'Scale'* phase.
5. Surplus cash returned to shareholders.

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STRATEGIC
PROGRESS

‘FIT FOR THE FUTURE’

Optimise

~0 to 24 months
Building near-term value with disciplined and focused execution

Evolve

~12 to 36 months
Driving structural efficiency and enabling future growth

Scale

~36 months +
Expanding reach, taking advantage of operating leverage


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AUTOCENTRES

OPTIMISE: GARAGES

Building near-term value through disciplined and focused execution



Complete Fusion

Grow profit by driving higher garage-level contribution

Key opportunities:

- Complete Fusion programme
- Transfer learnings for the rest of the estate, e.g. technician recruitment



Operational excellence

Grow profit by reducing cost-to-serve

Key opportunities:

- Improve utilisation through changing labour models
- Reduce cost-to-serve through improved equipment and skills mix
- Improve processes to increase capacity from existing resource



Resourcing and Skills Mix

Grow capacity with higher colleague retention

Key opportunities:

- Enable flexible contracting to reduce fixed cost base during low demand periods
- Develop colleague engagement initiatives to reduce turnover
- Expand apprenticeships

CONTINUED OPERATIONAL PROGRESS IN GARAGES

Fusion

121 sites trading

Programme almost complete

Utilisation

Labour % of sales down >200bps YoY

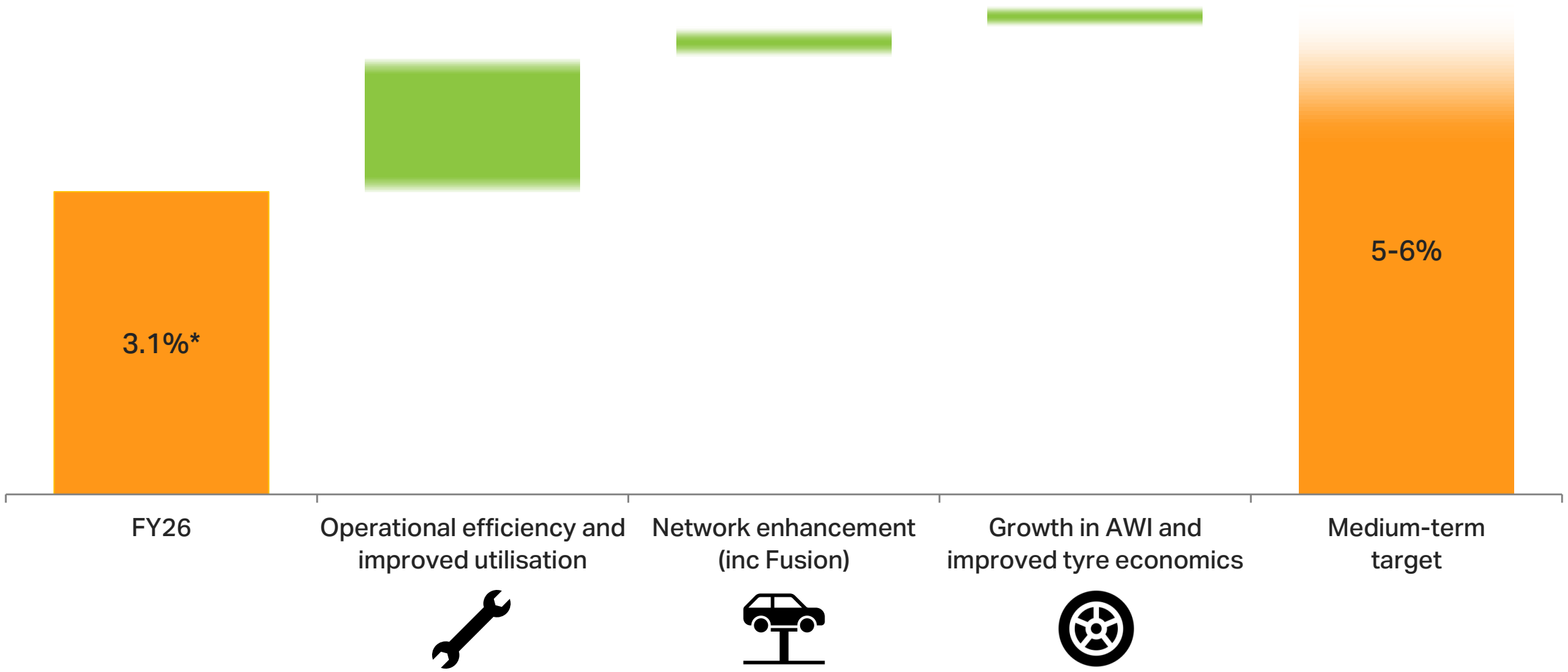
AWI & Tyres

Share gains in tyres supported by Fleet

Strong growth in AWI and tyre add-ons



BUILDING TO TARGET OPERATING MARGIN OF 5-6%



*FY26 Autocentres (ex-Avayler) underlying operating margin. Chart for illustrative purposes only.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RETAIL
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OPTIMISE: RETAIL

Building near-term value through disciplined and focused execution



Category management

Grow revenue and profit from higher sales density in stores

Key opportunities:

- Improve pricing and promotional effectiveness
- Relaunch categories to enhance customer relevance and capture growth opportunities
- Identify opportunities to expand our own brand offer
- Expand premium cycling ranges and leverage Tredz capabilities

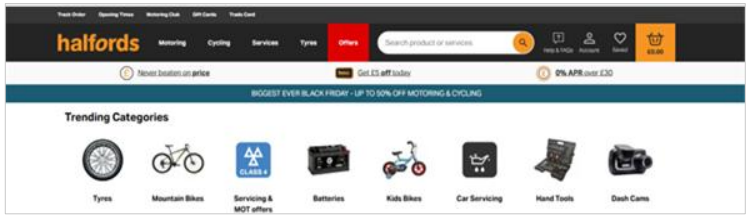


Service & advice

Improve penetration and profit from increased margin-rich services

Key opportunities:

- Drive customer awareness of full range of services
- Optimise margin across our service offering
- Increase appointment availability & capacity to support growth
- Improve retention and skills development of services colleagues



Digital

Grow revenue from capturing higher online market share

Key opportunities:

- Transform digital product and service journeys
- Improve site speed and search functionality
- Create richer digital content and product pages

SCALING CATEGORY MANAGEMENT



Category management

Grow revenue and profit from higher sales density in stores

HY27 outcomes:

5%+
sales uplift in Wave 1 store trials

5%+
margin uplift in Wave 1 store trials

Progress to date:

- Commenced Wave 1 category relaunches covering c.15% of sales with trials in c.20 stores, now rolling more widely across the estate
- Technology space optimisation initiatives trialled in 50 stores, repurposing excess space for new ranges in growth categories

What's next?

- Phased rollout to 60% of range by FY28

	FY27	FY28	FY29	% of Retail sales in scope:
WAVE 1	Workshop | Flagship Cycling | Cycling Parts & Accessories			15%
WAVE 2		Car Accessories | Travel Equipment | Car Cleaning | Camping		15% 20%
WAVE 3			c.60% of retail sales in scope by the end of Wave 3	15% 20% 25%

LEVERAGING SERVICES AND DIGITAL



Service & advice

Improve penetration and profit from increased margin-rich services

Progress to date:

Improved customer journeys, optimised pricing and invested in colleague training and proposition awareness

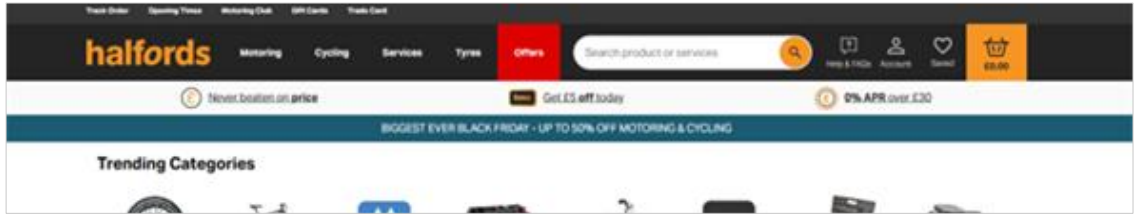
HY27 outcomes:

12%
growth in sales of services

15%
uplift in profit per job

What's next?

- Trials of adjacent services: security, diagnostics, e-bikes
- Further colleague training and improved customer journeys



Digital

Grow revenue from capturing higher online market share

Progress to date:

Strengthened foundations: re-platformed website, enhanced search and restructured product data

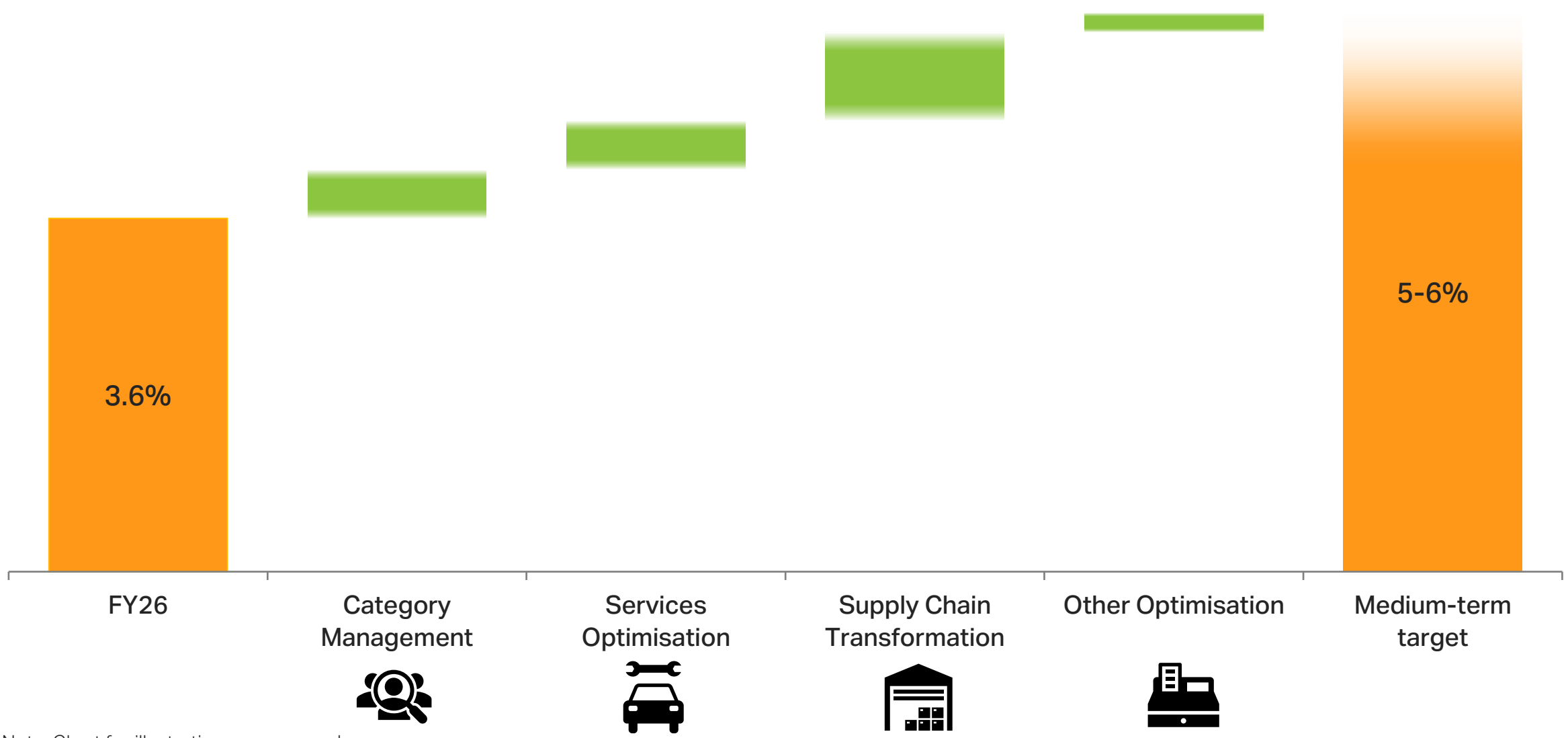
HY27 outcomes:

5.7%
Group online sales growth

What's next?

- Improvement in end-to-end customer journeys
- Trial AI-powered assistant to improve conversion

CLEAR ROUTE TO OPERATING MARGIN OF 5% TO 6%



Note: Chart for illustrative purposes only.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GROUP
23
halfords
mobile expert

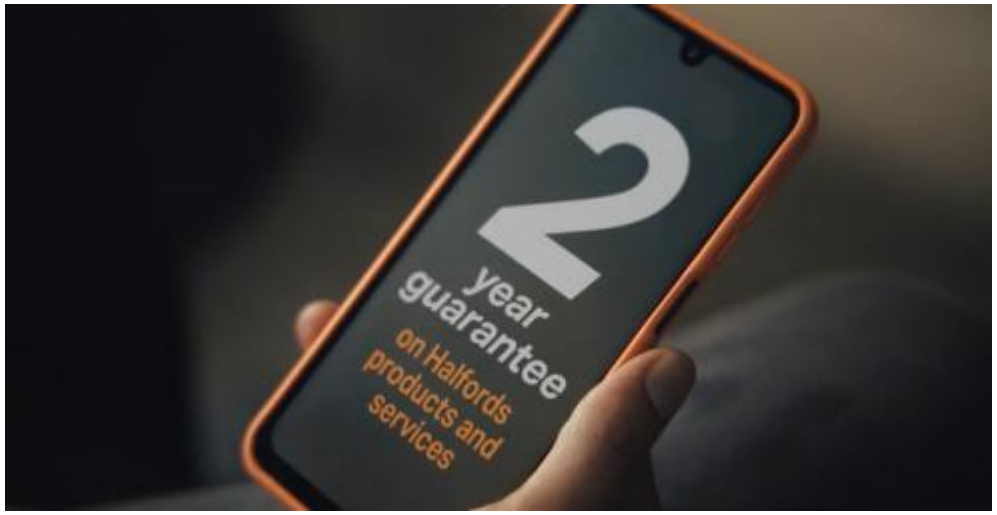
‘HERE FOR ALL WHEELKIND’: INVESTING IN BRAND

A key driver of long-term customer growth and relevance

- An established, recognisable brand but:
  - Lower historical investment
  - Low awareness of services
  - A brand “not for me”



- ‘Here for all Wheelkind’
  - Launched Sept 2026 emphasising service and advice
  - Targets growing, convenience-driven “DIFM” customer group
  - Broadcast, digital, social and owned channels



- Mid-single digit % uplift in consideration metrics in key areas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TRANSITIONING TO
EVOLVE
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‘FIT FOR THE FUTURE’

Optimise

~0 to 24 months
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Scale

~36 months +
Expanding reach, taking advantage of operating leverage

A TRANSFORMATIVE INVESTMENT IN SUPPLY CHAIN

An opportunity to reimagine our retail distribution network for the Halfords of the future

Today:

A retail distribution operation spread across multiple sites with ageing infrastructure and manual processes



FY30:

A new, national retail distribution centre in Coventry

✓Better service for customers

- Improved delivery proposition and better availability

✓Better environment for colleagues

- A more modern and comfortable workplace

✓Better returns for shareholders

- Network simplification giving rise to low to mid-teens £m of annual benefit at maturity
- Rate of return significantly higher than the cost of capital


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OUTLOOK

UPGRADED FULL YEAR GUIDANCE

A strong H1 and continued strategic progress give us confidence in an upgraded full year outlook

Strong HY27 driving upgrade

- Strong execution of strategic priorities: progress on customer numbers, volume, sales and profit
- Effectively capitalised on favourable weather conditions
- FY27 underlying PBT between £60m and £65m

Investing for future growth

- H1 weighted FY27 with some HY27 outperformance reinvested in H2 for future growth
- Sales growth returning to more typical levels
- Strategic momentum gives confidence, notwithstanding the cautious consumer backdrop

Confidence in the outlook

- Clear route to medium-term operating margin 5% to 6% in both business units
- Interim dividend increased to 3.5p
- Major supply chain investment driving low to mid-teens £m annual benefit at maturity

CONFIDENCE IN THE FUTURE



Strong fundamentals
Unrivalled scale, genuine expertise, differentiation through services and a trusted brand



Experienced leadership
Strengthened team focused on performance and culture



Focus on returns
Improved capability and discipline driving better returns from the existing platform



Opportunity ahead
Clear plan to drive structural efficiencies through high-returning, targeted investment



A more resilient Halfords
Unlocking the power of the Group and building higher quality earnings

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A COMPELLING INVESTMENT CASE

Our plan leverages our unique combination of assets across motoring and cycling, creating value in both the short and long term.

Trusted, heritage brand	Attractive markets	Unrivalled scale	Structural and financial resilience	Service, advice and expertise	Data and technology opportunity
130 years in motoring and cycling	Large, fragmented markets	1650 fixed and mobile locations nationwide	>50% service-related sales	>12,000 skilled colleagues	Data and technology opportunity
Leadership positions in all markets	Needs-based products and services	Unique showrooming via a scaled physical footprint	c.30% B2B with contractual revenues	On-demand advice, checks and fitting	Current owner details for 12m vehicle (1/3 of the UK car parc)
Ability to reach into adjacent markets	Structural and cyclical growth drivers	Effective digital platform	Cash generative with balance sheet firepower	Cross-shop into garages	7m loyalty club members

Enabled by an experienced management team driving short-term optimisation and longer-term strategic advantage

HALFORDS 5-YEAR RECORD

All numbers shown below are underlying and on a total operations basis.

Group	FY22*	FY23	FY24	FY25	52 weeks to 27 March 2026
Revenue	1,382.4	1,591.8	1,712.8	1715.2	1,764.5
Cost of sales	(660.7)	(816.6)	(887.5)	(846.1)	(832.2)
Gross profit	**721.7**	**775.2**	**825.3**	**869.1**	**932.3**
Operating expenses	(617.5)	(713.5)	(770.4)	(814.4)	(875.9)
Underlying operating profit	**104.2**	**61.7**	**54.9**	**54.7**	**56.4**
Net finance expense	(11.3)	(12.1)	(13.1)	(11.1)	(11.0)
Underlying PBT from total operations	**92.9**	**49.6**	**41.8**	**43.6**	**45.4**
Income tax expense from total operations	(17.8)	(10.2)	(9.9)	(9.7)	(11.5)
Underlying PAT from total operations	**75.1**	**39.4**	**31.9**	**33.9**	**33.9**
Non-underlying items	2.6	(11.3)	(15.0)	(67.7)	(4.7)
Profit for the period	**77.7**	**28.1**	**16.9**	**(33.8)**	**29.2**

FY27 guidance: underlying PBT of **£60m to £65m**

*FY22 result includes £11m of COVID business rates relief.