26 November 2026

Halfords Group plc
Interim results for the 26-week period ended 2 October 2026 ("HY27")

Further upgrade to guidance with strong results across the business

Halfords Group plc ("Halfords" or "the Group"), the UK's leading provider of motoring and cycling services and products, today announces its interim results for the 26-week period ended 2 October 2026 ("HY27").

£m	HY27	HY26**	Change	LfL Change*
Group Revenue	953.3	893.3	6.7%	7.1%
Retail Revenue	572.0	533.2	7.3%	7.7%
Autocentres Revenue	381.3	360.1	5.9%	6.1%
Gross Margin	52.6%	51.4%	120bps	
Net Operating Expenses	457.2	430.5	6.2%	
Underlying Profit Before Tax*	39.0	23.5	66.0%	
Reported Profit Before Tax	35.5	17.2	106.4%	
Underlying Basic Earnings Per Share*	13.9p	8.6p	61.6%	
Reported Basic Earnings Per Share	12.7p	6.5p	95.4%	
Dividend Per Share	3.5p	3.0p	16.7%	
Net Cash*	40.1	18.6	115.6%	

*Alternative Performance Measures ("APMs") are defined on page 11.
** HY26 has been restated to reflect a change in the Group's non-underlying items policy to include amortisation of intangible assets acquired as part of business combinations as communicated in the FY26 preliminary results announcement. See note 19 to the interim financial statements.

Financial highlights

- Strong progress across all key financial metrics and both the Retail and Autocentres segments[1], with underlying profit before tax ("PBT") up 66% to £39.0m (HY26: £23.5m)[2].
- Strong result reflects effective delivery of strategic priorities alongside c.£8m of profit generated as the business effectively capitalised on favourable summer weather.
- Group sales up 7.1% like-for-like ("LfL") including Retail up 7.7% and Autocentres (ex-Avayler) up 6.1%, with volume growth in all key markets (motoring products, cycling, tyres and service, maintenance and repair ("SMR")).
- Gross margin reached 52.6% (HY26: 51.4%) and cost discipline resulted in operating costs falling as a percentage of sales.
- £38.0m of free cash flow generated (HY26 restated: £32.4m) with net cash[3] of £40.1m at the period end (HY26: £18.6m).
- Declared an interim dividend of 3.5 pence, an increase of 0.5 pence year-on-year ("YoY").

Strategic progress

- We have made strong progress in the first year of our '*Fit for the Future'* strategy, with the *'Optimise'* phase delivering tangible improvements across the Group, including improved garage utilisation and tyre economics alongside a more profitable retail services proposition and an ongoing programme of category relaunches.
- Based on these stronger foundations, we are now in a position to unlock structural cost and efficiency opportunities in the '*Evolve'* phase of our plan while continuing to execute our *'Optimise'* agenda.
- Our first major project will simplify and modernise the Group's supply chain and distribution network, including development of a new national distribution centre, delivering low to mid-teens £m of annual benefit at maturity.
- We see a clear route to sustainable operating profit margins of 5% to 6% in both business units in the medium term.

Outlook

- As previously communicated, the combination of a weather-related boost to performance in H1 and the decision to reinvest some of that outperformance in H2 to drive further growth into FY28 and beyond will result in FY27 profit being H1-weighted.
- October and November have returned to more typical rates of sales growth, as anticipated. Whilst we are mindful that many macroeconomic indicators point to a weaker consumer outlook, our strategic momentum continues to build.
- Notwithstanding planned investment, this momentum gives us the confidence to upgrade our guidance to the upper end of our previously communicated range, and we now expect FY27 underlying PBT to be between £60m and £65m.
- We are also declaring a 0.5 pence increase in the interim dividend and announcing a transformative investment in our future supply chain which will drive significant longer-term shareholder value.

Next update

- We are planning a retail store visit for analysts and investors in early 2027. Our next formal update will be an FY27 trading update in April, followed by the preliminary results announcement in June.

Henry Birch, Chief Executive of Halfords, commented:

"We are very pleased to have delivered a strong first half, with growth across all of our key markets, significantly improved profitability and a further strengthening of our balance sheet. None of this would be possible without our 12,500 expert colleagues and I would like to thank them for their efforts in delivering an excellent result for the Group.

We continue to make strong progress as we deliver the 'Optimise' phase of our strategy, and our focus on improved execution also meant that we were well set up to capitalise on the warm summer weather. Momentum in our underlying business remains encouraging and we enter the second half of the financial year with confidence. As such, we are both increasing our interim dividend and upgrading our full-year underlying PBT guidance to £60m to £65m.

Looking ahead, we see clear opportunities to invest for long-term shareholder value creation. To this end, we are pleased to be announcing investment in a new, national distribution centre which will support the next phase of Halfords' growth and drive attractive shareholder returns, ensuring we keep the nation moving for many years to come."

Investor and analyst meeting:

A presentation for analysts will take place at 09:30 this morning at Peel Hunt, 100 Liverpool Street, London, EC2M 2AT. To join the live webcast of this presentation, please follow this link: https://brrmedia.news/HFD_HY27. The webcast will be available for playback after the event.

A recording will subsequently be uploaded to www.halfordscompany.com.

At 12:00 today, we will also host a live interactive webcast for retail investors via the Engage Investor platform. To join the retail investor webcast, please follow this link: https://engageinvestor.news/HFD_IP1126.

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Notes to Editors

Halfords is the UK's leading provider of motoring and cycling services and products. We operate via 366 Halfords stores, two Performance Cycling stores (trading as Tredz), 497 consumer garages and a network of 83 commercial fleet locations nationwide. Customers also have access to c.280 mobile service vans (trading as Halfords Mobile Expert and National) and c.550 commercial vans. Customers can 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. Through its subsidiary Avayler, Halfords also sells the Group's bespoke, internally developed SaaS solution to clients in the USA and Australia.

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.

[1] Retail c.60% of Group sales, Autocentres c.40%. Motoring across both segments c.80% of Group sales.

[2] In FY26, the Group changed its non-underlying items policy to include amortisation of intangible assets acquired as part of business combinations. Applying this change retrospectively to the HY26 result increases underlying PBT for that period from £21.2m to £23.5m.

[3] Net cash excluding IFRS 16 lease debt.

CEO Review

HY27 has been an extremely strong period for Halfords. Our wide-ranging programme of optimisation initiatives generated underlying momentum in the business, while we also capitalised on external factors, including favourable summer weather. The exceptionally warm, dry summer contributed an estimated £8m of profit in the first half, principally through increased demand for vehicle air conditioning servicing and discretionary seasonal products, with limited promotional intensity. Both the favourable weather conditions and the scale of the associated profit benefit may not recur in future periods. This strong performance nevertheless provides the opportunity to accelerate planned investments to support sustainable growth into FY28 and beyond.

When we set out our plan to be *'Fit for the Future'* twelve months ago, we outlined four outcome metrics by which investors would be able to track our progress. We are committed to providing regular updates on these and, in HY27, the business delivered meaningful improvement across the board, as shown in the table below.

Target outcome	HY27	Status
LfL sales growth	7.1%	✓
Underlying operating profit margin expansion	4.6% +140bps YoY	✓
Progression in underlying PBT	£39.0m +66% YoY	✓
ROCE growing to exceed cost of capital	18.9% +530bps YoY	✓

Even after adjusting for the estimated weather benefit described above all metrics showed positive progress in the period. While we expect these metrics to normalise somewhat as we progress through H2, our focus on execution is nevertheless delivering sustainably improved returns. Halfway through the two-year *'Optimise'* phase of our strategy, this progress gives us the confidence to start work on *'Evolve'*, deploying capital in pursuit of structural efficiencies and long-term growth.

Driving stronger returns across our garages

In our Autocentres division, we continued to make progress towards a target operating profit margin of 5% to 6%, delivering an improvement of 140bps in HY27 to reach 4.2% (ex-Avayler). This result includes an estimated £2m benefit from heightened demand for seasonal activities such as servicing of vehicle air conditioning systems. Tyres performed particularly strongly, with our performance outstripping that of competitors and higher attachment rates for wheel alignments and warranties supporting improved profitability.

Progress on our *'Optimise'* agenda in HY27 was driven largely by a continued focus on operational excellence across our consumer garage estate. Through a sharper focus on our labour model, ensuring we have the right technician doing the right job in the right location, we are reducing our cost to serve. Labour costs as a percentage of sales declined by more than 200bps YoY, building on the improvement reported on this key utilisation metric during FY26.

Our progress here was also supported by selective investment in new tools and equipment. In HY27, we rolled out new tablet devices that enable prompt, transparent communication with customers while simultaneously driving better conversion of additional work identified and improving customer satisfaction. Fusion has also continued to deliver compelling returns as we approach the end of the programme, with 121 of the planned garages now trading and the remainder due to complete in H2. As we look forward, we are applying the key learnings from the programme to shape further operating model improvements and investment plans for implementation across the wider network on a site-by-site basis.

B2B continues to be an important driver of our Autocentres business, spanning both our Fleet Solutions and Commercial Fleet Services ("CFS") businesses. The former, in which we service business fleets through our network of consumer garages, provides a more predictable source of revenue and is a helpful tool in managing utilisation across the estate. Fleet Solutions performed particularly strongly in HY27 as a significant competitor exited the market, notably benefiting tyre volumes. Meanwhile, we continued to expand capacity in our CFS business by growing our technician base, supporting a c.4% YoY increase in the number of jobs performed in the period. Our B2B offerings continue to represent an important source of future value for our Autocentres business.

Reinvigorating retail through category-led growth

Our Retail business performed very strongly in HY27, delivering an excellent underlying performance in addition to being in a position to capture an estimated £6m of incremental operating profit by trading a strong offer in our seasonal categories that benefitted from unusual levels of demand due to the hot summer weather. We see a clear route for our Retail business to sustainably achieve a 5% to 6% operating profit margin in the medium term, and our HY27 performance is a material step forward on this journey. While strength in our end markets undoubtedly contributed to our performance in the period, this result was primarily driven by our focus on delivering stronger retail basics, optimising our unique retail services proposition and making progress with our phased programme of category relaunches.

At its heart, our category management approach is about building ranges of products and services, and the price, promotion, advice and merchandising choices around them, in a way that meets customers' needs better than anyone else can. This in turns drives sales and margin growth. At its core, this is just good retailing. It is a proven way of working that gives us confidence in the returns it will deliver. Given the lead times required to source new products and reconfigure physical space in stores, the end-to-

end process takes 12-18 months per category. However, as our early results show, we are able to deliver incremental value along that timeline.

The first wave of categories to be addressed represents c.15% of Retail sales across cycling and workshop, and will complete in H2. Benefits build over time as new SKUs are introduced, in-store layouts are rolled out at scale and digital development is completed. We are seeing positive sales and margin performance as a result of these trials. As an example, our 'Perfect Garage' format saw sales in the workshop category grow 7% faster in trial stores than in the rest of the estate. We are looking forward to welcoming analysts and investors to one of these stores to bring our approach to life in the new year.

We will begin work on the second wave of categories, representing a further 20% of sales, in H2. This will focus on car accessories, travel, camping and car cleaning. A third wave of categories will be addressed in FY28, at which point the category management approach will have been initiated across c.60% of our range. Over time, we expect this programme of work to drive a meaningful improvement in sales densities in our Retail business.

Finally, in-store services continue to be a crucial point of difference for Halfords, particularly for the rapidly growing "do-it-for-me" group of time-poor or non-technical motorists who prioritise convenience, peace of mind and expert reassurance. Retail services are already a significant contributor to sales and margin, with c.80% of service events across the Group taking place in our retail stores. Our range of vehicle inspections also provides an important route into our garages when the need for more complex work is identified.

We see significant potential to improve and expand our proposition as vehicles become increasingly complex and more basic tasks require professional intervention. In FY27, we are strengthening our foundations with a more forensic approach to pricing, unlocking capacity in our operating model and investing in colleague training. As a result of these changes, HY27 saw 12% YoY growth in sales of retail services alongside a double-digit percentage uplift in profit per job. In the remainder of the year, we will begin trialling additional services in our retail store car parks while taking steps to optimise our operating model and improve the customer journey.

Unlocking the power of the Group

In our preliminary results announcement in June, we explained how, despite exceptionally high brand recognition, customer understanding has not kept pace with the increasing breadth of what Halfords has to offer as the business has evolved. Halfords Motoring Club has been one tool we have used to bring customers into the wider Halfords ecosystem. Membership has continued to grow, including in the valuable 'Premium' tier, with more than 7m members in total. Around 435k are Premium members generating annualised subscription revenue of c.£24m and with a lifetime value around 4x that of a non-member. However, we also see a clear opportunity to grow brand relevance and consideration among customer groups that have previously viewed Halfords as "not for them", particularly those who are not motoring enthusiasts and actively choose to pay a trusted partner to handle vehicle maintenance and repairs.

Following encouraging results from a small-scale return to TV advertising in the final quarter of FY26, in September we launched a new brand platform and accompanying above-the-line marketing campaign. "Here for all Wheelkind" is designed to improve customer understanding of Halfords' differentiated products, services and expertise through an integrated media campaign across broadcast, digital, social and all owned channels. Over the very short period since launch, we have already seen evidence that our approach is working, with improvements in brand awareness and salience and a mid-single-digit percentage uplift in consideration metrics in key areas such as tyres, SMR and retail motoring products and services.

Our digital platform represents a further lever for future growth, with Halfords' current online growth and market share lagging that of our physical estate. We have continued to strengthen the foundations of our digital platform, building on the work delivered in FY26 to improve site speed, reduce friction points and create more intuitive customer journeys to drive better conversion. We have also refined our approach to online pricing and promotion and integrated new AI tools including review summaries and improved personalisation that dynamically rank products based on individual customer preferences.

Entering the Evolve phase of our plan

We will continue to execute our *'Optimise'* plans with focus and discipline in the year ahead, building on the performance benefits already delivered. Alongside this work, the progress made to date gives us the confidence to begin *'Evolve'*: investing in structural efficiency and future growth, with a keen focus on enhanced shareholder returns.

We have recently secured a site for a new distribution centre, set to bring our existing supply chain footprint together into a single, purpose-built facility expected to complete in FY30. This investment will improve customer and colleague experience, generate returns significantly ahead of our cost of capital and deliver low to mid-teens £m of annual benefit at maturity.

Over a three-year period, it will require £40m to £50m of capital expenditure and £35m to £45m of non-underlying operating expenditure, with the former being financed from the Group's balance sheet in light of strong recent performance and the superior economic case associated with this route. We will remain comfortably within our leverage guardrail of net debt (excluding lease debt) at a maximum of 0.8x EBITDA throughout the programme and will provide regular updates as the project progresses.

Outlook

As previously indicated, we expect FY27 profit to be weighted towards the first half of the year, in which we delivered underlying PBT of £39.0m. We will reinvest some of our H1 outperformance in discrete, clearly scoped projects through H2, including our customer data platform, retail technology infrastructure and above-the-line marketing, to drive ongoing momentum and support longer-term growth.

Sales growth has returned to more typical levels in October and November following the exceptionally strong seasonal demand in H1, and we continue to see good underlying momentum across the business. We do not anticipate the rates of like-for-like growth or the gross margin achieved in the first half to continue through H2, reflecting the normalisation of seasonal demand, a more cautious consumer backdrop and cost price inflation in oil-related categories.

Notwithstanding these factors, our '*Optimise'* plan is delivering strong results and driving ongoing momentum in our underlying business. In the short term, we are raising our guidance for FY27 towards the upper end of the range and expect underlying PBT to be between £60m and £65m. Our progress to date also gives us confidence in the longer term. We are therefore increasing our dividend and moving forward with a transformational investment in our distribution network to unlock significant shareholder value in the future.

Next update

In addition to hosting a retail store visit for investors and analysts early next year, our next planned update will be a trading statement for the FY27 period in April 2027.

Henry Birch
Chief Executive Officer

25 November 2026

Group financial results

In the prior period the Group changed its non-underlying items policy to include amortisation of intangible assets acquired as part of business combinations. This update was made to simplify the Group's profit measures and provide greater clarity on the Group's underlying trading performance. The comparative financial information disclosed in this report has been restated to reflect this change in accounting policy. Refer to Note 19 of the financial statements for details.

	26 weeks to 2 October 2026 £m	26 weeks to 26 September 2025 (restated) £m	Change (%)
Revenue	953.3	893.3	7.1% (LfL)
Gross Profit	501.1	459.2	9.1%
Gross Margin	52.6%	51.4%	120bps
Net Operating Costs	(457.2)	(430.5)	6.2%
Underlying Operating Profit	43.9	28.7	53.0%
Underlying Operating Profit Margin	4.6%	3.2%	140bps
Finance Costs	(4.9)	(5.2)	(5.8)%
Underlying Profit Before Tax	**39.0**	**23.5**	**66.0%**
Non-Underlying Items Before Tax	(3.5)	(6.3)	£2.8m
Profit Before Tax	35.5	17.2	£18.3m
Underlying Basic Earnings Per Share	13.9p	8.6p	61.6%

Group underlying PBT was £39.0m in HY27, reflecting a YoY increase of 66.0% (HY26 restated: £23.5m). Approximately £8m of this is estimated to have resulted from favourable weather conditions during the summer months and, as such, may not repeat in future periods. The remainder reflects a combination of strategic progress and self-help by the business, with some support from FX. At the same time the very high inflation experienced in recent years has moderated somewhat. Reported HY27 PBT was £35.5m (HY26: £17.2m).

The Group delivered a strong sales performance in the period, with Group revenue of £953.3m reflecting growth of 6.7% YoY, or 7.1% on a LfL basis. Pleasingly, this performance reflects volume growth across the business as well as effective pricing and promotional activity. In parallel, Group gross margin was 52.6%, an increase of 120bps YoY (HY26: 51.4%) as favourable weather conditions resulted in less promotional activity across key categories and FX continued to be a tailwind. As we look ahead to H2, we expect gross margin to be impacted by lagging cost price inflation in oil-related products which was absent in H1.

Group operating costs increased by 6.2% to £457.2m (HY26 restated: £430.7m), but fell as a percentage of sales despite higher incentive costs recognised in the period. The reduction reflected operating leverage from stronger trading, moderating cost inflation and continued delivery of our '*Optimise'* agenda, which has supported both sales growth and operating efficiency. We expect operating costs as a percentage of sales to increase in H2 as we reinvest some of our H1 outperformance in marketing and technology projects to support sustainable longer-term growth.

The Group's underlying profitability, management of inventory and disciplined approach to working capital management supported £38.0m of free cash flow generation (HY26 restated: £32.4m), resulting in £40.1m of closing Net Cash on the balance sheet (HY26: £18.6m). This strong cash position gives us the flexibility to self-fund the £40m to £50m capital investment in our new distribution infrastructure over the next three years, marking the first major investment under the '*Evolve'* phase of our strategy. Our previously communicated £55m to £65m annual cash investment envelope, which includes both capex and non-underlying project costs, assumed that the new distribution centre would be lease-financed. However, the strength of our balance sheet now enables us to fund the capital investment directly, delivering significantly better returns than the leasing alternative. This capital expenditure will therefore sit outside our communicated investment envelope, while the associated non-underlying operating costs will remain within it. We expect the project to deliver low to mid-teens £m of annual benefit and returns significantly above our cost of capital over the medium term, while remaining comfortably within our leverage guardrail of 0.8x net debt to EBITDA (excluding leases) throughout the investment period.

Non-underlying items resulted in a charge of £3.5m during the period (HY26 restated: £6.3m), predominantly relating to the supply chain optimisation programme referenced above (£4.6m) and amortisation of intangible assets acquired in business combinations (£1.9m), offset by compensation received for enforced closure of one of our garages (a credit of £2.9m). The cash impact of non-underlying items was a net inflow of £0.8m in the period (HY26: net cost of 4.6m).

Reporting segments

Retail

	26 weeks to 2 October 2026	26 weeks to 26 September 2025 (restated)	Change* (%)	Sales mix (%)
	£m	£m		
Revenue	572.0	533.2	7.7%	
- Motoring**	347.9	324.3	7.3%	60.8%
- Cycling**	224.1	208.0	8.3%	39.2%
Gross Profit	289.3	263.1	10.0%	
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 Profit Margin	5.3%	3.9%	140bps	
Non-Underlying Items	(4.6)	(3.9)	(£0.7m)	
Operating Profit	25.5	16.7	52.7%	
Operating Profit Margin	4.5%	3.1%	140bps	

*Change in revenue is on a LfL basis.
** Sales breakdown excludes miscellaneous sales of £0.1m (HY26: £0.9m).

The Retail segment delivered a robust trading performance with LfL sales up 7.7% (HY26: 4.0%). Pleasingly, the growth reflected both volume and value growth, as we outperformed recovering end markets in both motoring and cycling. Retail also benefitted from most of the weather-related sales and profit impact described above. Our ongoing optimisation work enabled us to respond quickly and effectively to heightened demand in categories such as cycling, touring, camping and air conditioning, generating an estimated £6m of incremental operating profit. Tredz was once again a standout performer, with double digit sales growth YoY.

Retail gross margin increased by 130bps YoY to 50.6% (HY26: 49.3%), supported by effective pricing and promotional activity, growth in retail services and favourable FX. Margins also experienced a short-term benefit from cost price increases in oil-related categories lagging commodity price movements. Operating costs increased, partly reflecting the earlier accrual of colleague incentives following a strong H1 performance, but grew more slowly than sales. As a result, underlying operating profit increased by 46.1% to £30.1m (HY26 restated: £20.6m).

Underlying operating profit margin reached 5.3%, a 140bps increase YoY (HY26: 3.9%), and even excluding the weather benefit described above, the Retail segment saw a meaningful improvement in profitability in the period. In the medium term, we believe continued delivery of our '*Optimise'* agenda, alongside the benefits of the supply chain optimisation programme described above, should allow us to sustainably generate an operating profit margin of 5% to 6%. The progress we have made so far this year represents a meaningful step forward on this journey.

Non-underlying items of £4.6m reflect costs associated with investment in the new distribution centre (referred to as "supply chain optimisation") described above.

Autocentres (inc. Avayler)

	26 weeks to 2 October 2026	26 weeks to 26 September 2025 (restated)	Change (%)
	£m	£m	
Revenue	381.3	360.1	6.1% LfL
Gross Profit	211.8	196.1	8.0%
Gross Margin	55.5%	54.5%	100bps
Operating Costs	(198.0)	(188.0)	5.3%
Underlying Operating Profit	13.8	8.1	70.4%
Underlying Operating Profit Margin	3.6%	2.2%	140bps
Non-Underlying Items	1.2	(2.4)	-150%
Operating Profit	**15.0**	**5.7**	163.2%
Operating Profit Margin	3.9%	1.6%	230bps

Autocentres (ex-Avayler) grew by 6.1% LfL to reach £380.2m (HY26: £359.0m). Our consumer garages continued to lead the growth, with a particularly strong performance in tyres, including due to growth in fleet work in our consumer garages. While the changing mix adversely impacted our gross margin rate, this was offset by inflation-driven pricing changes alongside self-help measures through our '*Optimise'* agenda which have resulted in increasing sales from additional work identified ("AWI") and improved the economics of our tyres business in recent years. Overall, Autocentres (ex-Avayler) gross margin grew by 110bps to 55.5% (HY26: 54.4%), further supported by elevated demand for high margin seasonal services, including air conditioning.

Fusion continued to drive strong results in converted garages, of which there are now 121 in operation. Alongside this, improvements in our operating model resulted in labour costs continuing to fall as a percentage of sales, contributing to a 62.3% increase in Autocentres (ex-Avayler) underlying operating profit YoY to £16.1m (HY26 restated: £9.9m), representing an underlying operating profit margin of 4.2% (HY26 restated: 2.8%). Approximately £2m of the uplift was attributable to exceptionally favourable weather driving heightened demand for air conditioning services but even after adjusting for this impact the Autocentres (ex-Avayler) business demonstrated clear progress towards our 5% to 6% medium-term target.

The Avayler business is reported within the Autocentres segment but operates as a standalone business within the Group. It generated revenue of £1.1m (HY26: £1.1m) and reported an operating loss of £2.3m (HY26: £1.8m) as product development continues. In light of the continued losses being generated by Avayler, a review of the business is being performed. Including Avayler, Autocentres revenue was £381.3m (HY26: £360.1m) and underlying operating profit was £13.8m (HY26: £8.1m).

Net non-underlying items

The following table outlines the components of the non-underlying items recognised in the period:

	HY27 £m	HY26 (restated) £m
Supply chain optimisation	4.6	-
Compensation for compulsory store closures	(2.9)	-
Closure costs	(0.1)	0.9
Amortisation of assets acquired on business combinations	1.9	2.3
Organisational restructure cost	-	3.1
Total non-underlying items before tax	3.5	6.3
Tax on non-underlying items	(0.9)	(1.6)
Net non-underlying items charge	2.6	4.7

In the prior period, the Group changed its non-underlying items policy to include amortisation of intangible assets acquired as part of business combinations. This update is intended to simplify the Group's profit measures and provide greater clarity over the underlying trading performance of the Group. The amortisation charge associated with these assets of £1.9m (HY26: £2.3m) has been removed from underlying operating profit, as the associated assets would not have been capitalised in the ordinary course of business. The change has been applied retrospectively, resulting in the restatement of comparative financial information. Meanwhile, revenue and profit from these acquisitions are included in the Group's underlying results.

Supply chain optimisation costs of £4.6m (HY26: £nil) relate to the initial work to prepare for construction of a new, purpose-built distribution centre. Development of the site is expected to continue until FY30, with further transition and closure costs anticipated as the Group moves to its new distribution network.

Compensation income of £2.9m (HY26: £nil) relates to compensation received following the enforced closure of one of our autocentres. The income comprises compensation for loss of trade and disruption, partially offset by associated closure costs.

No organisational restructuring costs were recognised in the current period (HY26: £3.1m). The prior period charge related to additional costs incurred during implementation of the Group's Warehouse Management System replacement programme, which completed during FY26.

Net finance expense

Our net finance expense fell by £0.3m YoY to £4.9m (HY26: £5.2m) due to an improvement in our average cash position.

Taxation

The taxation charge on profit for the financial period was £8.4m (HY26: £3.4m), including a £0.9m credit (HY26 restated: £1.6m credit) in respect of non-underlying items. The effective tax rate of 23.7% (HY26 restated: 19.8%) differs from the UK corporation tax rate of 25% principally due to differences in measurement required by the relevant accounting standards and tax legislation in respect of share options.

The FY27 effective tax rate is expected to be c.23.6% which is lower than the statutory rate for the same reason.

Earnings per share

Underlying basic earnings per share ("EPS") was 13.9 pence (HY26 restated: 8.6 pence) and after non-underlying items was 12.7 pence (HY26: 6.5 pence). Basic weighted-average shares in issue during the period were 215.0m (HY26: 216.3m). The decrease in

basic weighted-average shares in issue during the period is due to the increase in the weighted-average number of shares held by the Employee Benefit Trust.

Dividend

The Board has declared an interim dividend of 3.5 pence per share in respect of the period to 2 October 2026 (HY26: 3 pence). The interim dividend will be paid on 15 January 2027 to shareholders who are on the register of members, with an ex-dividend date of 10 December 2026 and a record date of 11 December 2026.

Portfolio management

The Group's property portfolio remains extremely flexible. With the exception of nine long-leasehold and three freehold properties in Autocentres, the Group's locations are occupied under short-term leases, the majority of which are on standard lease terms.

The Retail store portfolio as at 2 October 2026 comprised 366 stores (HY26: 370 stores), having closed four stores during the period as we took our usual rigorous approach to evaluating leases as they come up for renewal. The average remaining lease length on our Retail store estate is 2.2 years, with 345 leases, equivalent to more than 90% of our portfolio, expiring within five years.

The Autocentres portfolio as at 2 October 2026 comprised 580 locations, including 497 consumer garages and 83 commercial locations (HY26: 587 locations including 499 consumer garages and 88 commercial locations). The average remaining lease length on our Autocentres is around 4.0 years, and, as in Retail, we carefully evaluate all lease renewals when due.

Capital expenditure

Capital expenditure in the period totalled £24.4m (HY26: £31.1m).

Retail capital expenditure was £11.6m (HY26: £10.3m), of which £7.3m (HY26: £4.9m) related to digital infrastructure and e-commerce, mainly focused on the development of the Group's websites. £4.3m (HY26: £5.4m) was invested in stores.

Autocentres capital expenditure was £12.8m (HY26: £20.8m) of which the majority (£9.7m) (HY26: £16.7m) was expenditure on property and garage equipment, including £3.7m supporting the rollout of the Fusion motoring services model, £3.6m on garage equipment and £2.4m on other property improvement works. The remaining £3.1m (HY26: £4.1m) related to IT software expenditure on the development of Avayler and PACE, the garage workflow system.

Cash capital expenditure was £25.6m as detailed under 'Cashflow and borrowings' below.

Inventories

Group inventory held at the period end was £239.0m (HY26: £235.3m), an increase of £3.7m YoY. Retail inventory was £189.5m (HY26: £190.3m), a decrease of £0.8m YoY. Autocentres inventory was £49.5m (HY26: £45.0m), an increase of £4.5m YoY.

Cashflow and borrowings

The net cash inflow from operating activities during the period was £106.8m (HY26: £103.0m). After capital expenditure, net finance costs, supplier financing, lease payments and non-underlying items, free cash inflow of £38.0m (HY26 restated: £32.4m) was generated in the period. The £5.6m increase in free cashflow from HY26 was predominantly due to the improved profitability YoY, offset by higher tax payments and working capital due to the timing of the period end.

Total Net Debt was £207.0m at the balance sheet date (HY26: £232.7m), consisting of Net Cash of £40.2m (HY26: £18.8m), (£0.1m) of other borrowings (HY26: (£0.2m)) and (£247.1m) of lease liabilities (HY26: (£251.3m)). Group net cash excluding leases improved by £21.0m to £40.1m (HY26: net cash of £18.6m). This was attributable to the free cash flow noted above and a £0.8m cash inflow associated with non-underlying items (HY26: cash outflow of £4.6m), partially offset by dividend payments of £12.9m (HY26: £12.6m) and purchases of own shares of £4.6m (HY26: £6.0m).

Our total net cash investment in capital expenditure and non-underlying items in the period (i.e. the basis on which our £55m to £65m cash investment guardrail is set) totalled £24.8m. This comprised cash capex of £25.6m and cash non-underlying investment of (£0.8m), as most non-underlying charges in the period were non-cash items, including amortisation charges and movements in provisions. The Group expects FY27 cash investment to remain within the guided £55m to £65m range, excluding c.£5m of capital expenditure relating to supply chain optimisation. Non-underlying charges throughout the project will fall within the guided envelope, while the remainder of the £40m to £50m of capital expenditure expected in FY28 and FY29 will be funded using cash on the Group's balance sheet and will therefore sit outside the envelope as described above.

The Group has a committed £180.0m revolving credit facility ("RCF") maturing on 16 April 2029, of which £20.0m is available as an overdraft facility.

Principal Risks and Uncertainties

The Board considers risk assessment, identification of mitigating actions and internal control to be fundamental to achieving Halfords' strategic corporate objectives. In the Annual Report & Accounts, the Board sets out what it considers to be the principal commercial and financial risks to achieving the Group's objectives. The main areas of potential risk and uncertainty in the financial year are described in the Strategic Report on pages 54 to 58 of the Halfords Group plc Annual Report and Accounts for the period ending 3 April 2026 and all are considered relevant to the HY27 reporting. These include:

- Business Strategy
    - Technology transformation capability and capacity
    - Customer proposition and relevance
- Financial
    - Macroeconomic volatility
- Compliance
    - Regulatory and compliance
    - Cybersecurity
- Operational
    - Disruption to end to end supply chain
    - Health and safety

Jo Hartley
Chief Financial Officer

25 November 2026

Glossary of Alternative Performance Measures

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures ("APMs"). These measures of performance are used in managing the business and are not defined or specified under the requirements of IFRS because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. The Group believes that these alternative performance measures, which are not considered to be substitutes for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These alternative performance measures are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Some of these alternative performance measures are also used for the purpose of setting remuneration targets. These alternative performance measures should be viewed as supplemental to, but not as a substitute for, measures presented in the consolidated financial statements relating to the Group, which are prepared in accordance with IFRS. The Group believes that these alternative performance measures are useful indicators of its performance. However, they may not be comparable with similarly titled measures reported by other companies due to differences in the way they are calculated.

The key APMs that the Group focuses on are as follows:

1. **Like-for-like ("LfL") sales** represent revenue from continuing operations that have been trading as part of the Group for at least a year (but excluding prior-year sales of stores and Autocentres closed during the period) at constant foreign exchange rates.

   LfL sales are determined using sales made in the 26-week period ending 2 October 2026 compared to the 26-week prior period ending 26 September 2025 to aid comparability.

   The measure is used widely in the retail industry as an indicator of sales performance and is a comparable measure of our period-on-period performance.

2. **Like-for-like sales growth** is the period-on-period change in like-for-like sales. The measure is used widely in the retail industry as an indicator of sales performance. It excludes the impact of new stores, closed stores and stores with significant square footage change. Like-for-like sales growth is calculated on a 26-week basis for both HY26 and HY27.

3. **Underlying operating profit** is the result from operating activities before non-underlying items as shown in the Group Consolidated Income Statement.

4. **Underlying operating profit margin** is calculated as the total underlying operating profit for the Group divided by total Group revenue, expressed as a percentage.

	26-weeks ending 2 October 2026	**26-weeks ending 26 September 2025 (restated)**
	£m	£m
Revenue	953.3	893.3
Underlying operating profit	43.9	28.7
Underlying operating profit margin	4.6%	3.2%

5. **Operating profit margin** is calculated as the total operating profit for the Group divided by total Group revenue, expressed as a percentage.

	26-weeks ending 2 October 2026	**26-weeks ending 26 September 2025 (restated)**
	£m	£m
Revenue	953.3	893.3
Non underlying items	(3.4)	(6.3)
Operating profit	40.5	22.4
Operating profit margin	4.2%	2.5%

6. **Underlying earnings before interest, tax, depreciation and amortisation** ("**Underlying EBITDA**") further removes depreciation and amortisation from Underlying operating profit. In the prior period, the Group changed its policy on non-underlying items and accordingly restated comparative information. Please refer to note 19 to the financial statements, below, for further information.

   The Group considers this to be an important measure of Group performance and is consistent with how the business performance is reported and assessed by the Board and the Executive Team.

	Total operations	
	26-weeks ending 2 October 2026	26-weeks ending 26 September 2025 (restated)
	£m	£m
Profit before tax	**35.5**	17.2
Non-underlying items (note 8)	**3.5**	6.3
Underlying net finance expense (note 9)	**4.9**	5.2
Underlying operating profit	**43.9**	28.7
Underlying depreciation & amortisation	**58.6**	60.5
Underlying EBITDA	**102.5**	89.2

7. **Underlying profit before tax** is profit before income tax and non-underlying items as shown in the Group Consolidated Income Statement. Details of the non-underlying items are disclosed in note 8 to the financial statements.

   The Group considers this to be an important measure of Group performance and is consistent with how the business performance is reported and assessed by the Board and the Executive Team.

   This is a measure used within the Group's incentive plans. Refer to the Remuneration Report within the FY26 Annual Report for an explanation of why this measure is used within incentive plans.

8. **Underlying basic earnings per share** is profit after income tax attributable to the owners of the parent before non-underlying items (as shown in the Group Consolidated Income Statement) from total operations, divided by the weighted average number of shares in issue during the financial period. This is a measure used within the Group's incentive plans. Refer to the Remuneration Report for an explanation of why this measure is used. The calculation of Underlying Basic Earnings Per Share is detailed in note 12 to the financial statements.

   The Group considers this to be an important measure of the Group's underlying profit generation relative to the number of shares in issue and, as such, measures delivery against strategic objectives. It is consistent with how the business performance is reported and assessed by the Board and the Executive Team.

9. **Underlying diluted earnings per share** is profit after income tax attributable to the owners of the parent before non-underlying items (as shown in the Group Consolidated Income Statement), divided by the weighted average number of shares in issue during the financial period adjusted for the effects of any potentially dilutive options. The calculation is disclosed in note 12 to the financial statements.

   The Group considers this to be an important measure of Group performance and is consistent with how the business performance is reported and assessed by the Board and the Executive Team.

10. **Total net debt** is current and non-current borrowings, including lease debt, less cash and cash equivalents, both in-hand and at bank, as shown in the Consolidated Statement of Financial Position. The calculation of Net Debt is included in the notes to the Consolidated Statement of Cash Flows within the Group financial statements and is widely used by credit rating agencies.

    Net Debt is a measure of the Group's net indebtedness that provides an indicator of the overall strength of the Consolidated Statement of Financial Position.

	2 October 2026	26 September 2025
	£m	£m
Cash and cash equivalents	**52.4**	18.8
Borrowings – current	**(12.3)**	(0.2)
Lease liabilities – current	**(70.1)**	(74.5)
Borrowings – non-current	**-**	-
Lease liabilities – non-current	**(177.0)**	(176.8)
Total net debt	**(207.0)**	(232.7)

11. **Net debt/(cash) excluding leases** is current and non-current borrowings, excluding lease debt, less cash and cash equivalents, both in-hand and at bank, as shown in the Consolidated Statement of Financial Position. The calculation of net debt/(cash) is included in the notes to the Consolidated Statement of Cash Flows within the Group financial statements.

    Net Cash excluding leases is a measure of the Group's net indebtedness that provides an indicator of the overall strength of the Consolidated Statement of Financial Position and is widely used by credit rating agencies. It is also a single measure that can be used to assess the combined effect of the Group's cash position and its indebtedness. Net Cash before leases is considered to be an alternative performance measure as it is not defined in IFRS.

12. **Net (debt to underlying EBITDA** ratio is represented by the ratio of total net debt/(cash) excluding leases to underlying EBITDA (both of which are defined above). This ratio can be used to measure the leverage of the group against performance in the period.

	2 October 2026	26 September 2025 (restated)
	£m	**£m**
Total net cash (excluding lease liabilities)	**(40.1)**	(18.6)
Underlying EBITDA	**102.5**	89.2
Net cash to Underlying EBITDA	**(0.4)**	(0.2)

13. **Free cash flow** is defined as net cash from operating activities adjusted to exclude cash flows from non-underlying items, less capital expenditure, net finance costs, supplier financing payments, and lease payments, as reconciled below. The definition has been updated in the current period to show the impact of non-underlying items on the cash generation of the group.

	26-weeks ending 2 October 2026	26-weeks ending 26 September 2025 (restated)
	£m	**£m**
Net cash from operating activities	106.8	103.0
Add:		
Cash (inflows)/outflows attributable to non-underlying items	(0.8)	4.6
Less:		
Capital expenditure	(25.6)	(30.8)
Net finance costs	1.0	0.7
Supplier financing payments	-	0.2
Lease payments	(43.4)	(45.3)
Free cash flow	38.0	32.4

This performance measure is an important alternative to profit in understanding the performance of the business, and specifically its ability to generate cash from its activities.

Below is a reconciliation of free cash flow to the movement in net debt in the period:

	26-weeks ending 2 October 2026	26-weeks ending 26 September 2025 (restated)
	£m	**£m**
Free cash flow	38.0	32.4
Cash flows in the period:		
Cash flows attributable to non-underlying items	0.8	(4.6)
Proceeds from disposal of subsidiary	-	0.6
Dividends paid to shareholders	(12.9)	(12.6)
Purchase of own shares	(4.6)	(6.0)
Proceeds on share issuance	0.4	-
RCF facility fees	(0.7)	(1.3)
Movement in net debt	**21.0**	**8.5**
Total net cash (excluding leases) at the start of the period	19.1	10.1
Total net cash (excluding leases) at the end of the period	**40.1**	**18.6**

14. **Effective tax rate** is calculated as the total income tax charge for the Group divided by the profit before tax as shown in the Group Consolidated Income Statement. This measure is an indicator of the ongoing tax rate for the Group.

	26-weeks ending 2 October 2026	26-weeks ending 26 September 2025 (restated)
	£m	£m
Income tax expense	8.4	3.4
Profit before tax	35.5	17.2
Effective tax rate	23.7%	19.8%

15. **Underlying effective tax rate** represents the ratio of the tax charge on underlying profit to underlying profit before tax. The tax charge on underlying profit is calculated by excluding the tax effects of non-underlying items from the total income tax charge. This measure provides an indication of the Group's ongoing effective tax rate on underlying earnings.

	26-weeks ending 2 October 2026	**26-weeks ending 26 September 2025 (restated)**
	£m	£m
Underlying income tax expense	9.3	5.0
Underlying profit before tax	39.0	23.5
Underlying effective tax rate	23.8%	21.3%

16. **Capital expenditure** is calculated as the purchase of property, plant and equipment and intangible assets during the year, less proceeds from asset disposals excluding any assets acquired or disposed of as part of a business combination or through an investment in an associate.

17. **Return on capital employed ("ROCE")** is defined as underlying operating profit divided by average capital employed, being net assets less goodwill and adding back net debt. Average capital employed is determined based on the average of the capital employed at the period end date and the preceding period end date.

	2 October 2026	**26 September 2025**	**28 September 2024**	**29 September 2023**
	£m	£m	£m	£m
Group net assets	**531.5**	495.9	553.5	550.6
Less goodwill	**(355.7)**	(355.7)	(403.6)	(403.6)
Add back total net debt	**207.0**	232.7	276.5	372.3
Capital employed	**382.8**	372.9	426.4	519.3
Average capital employed	**377.9**	399.7	472.9	

	52-weeks ended 2 October 2026	**52-weeks ended 26 September 2025**	**52-weeks ended 28 September 2024**
	£m	£m	£m
Underlying operating profit (restated)	**71.6**	54.4	60.4
Average capital employed	**377.9**	399.7	472.9
Return on capital employed	**18.9%**	13.6%	12.8%

ROCE is calculated using underlying operating profit for the 52 weeks ended at the reporting date, rather than the 26-week interim period, to aid comparison with the annual measure. Average capital employed is calculated as the average of capital employed at the reporting date and the corresponding reporting date in the previous period. As FY26 was a 53-week period, the underlying operating profit for week 53 of £4.8m, as disclosed in the FY26 Annual Report and Financial statements, has been subtracted in arriving at profits for the 52-week period to 2 October 2026.

Halfords Group plc
Condensed Consolidated Income Statement
For the 26 weeks to 2 October 2026

For the period	Notes	26 weeks to 2 October 2026 (Unaudited) Underlying £m	Non-underlying Items (note 8) £m	Total £m	26 weeks to 26 September 2025 (restated)[1] (Unaudited) Underlying £m	Non-underlying Items (note 8) £m	Total £m
Revenue	6, 7	**953.3**	**-**	**953.3**	893.3	-	893.3
Cost of sales		**(452.2)**	**-**	**(452.2)**	(434.1)	-	(434.1)
Gross profit		**501.1**	**-**	**501.1**	459.2	-	459.2
Operating expenses		**(457.4)**	**(6.3)**	**(463.7)**	(430.7)	(6.3)	(437.0)
Other income		**0.2**	**2.9**	**3.1**	0.2	-	0.2
Operating profit		**43.9**	**(3.4)**	**40.5**	28.7	(6.3)	22.4
Net finance expense	9	**(4.9)**	**(0.1)**	**(5.0)**	(5.2)	-	(5.2)
Profit before income tax		**39.0**	**(3.5)**	**35.5**	23.5	(6.3)	17.2
Income tax (expense) / credit	10	**(9.3)**	**0.9**	**(8.4)**	(5.0)	1.6	(3.4)
Total profit for the period		**29.7**	**(2.6)**	**27.1**	18.5	(4.7)	13.8
Attributable to:							
Equity shareholders		**29.8**	**(2.6)**	**27.2**	18.7	(4.7)	14.0
Non-controlling interest		**(0.1)**	**-**	**(0.1)**	(0.2)	-	(0.2)
Earnings per share							
Basic	12	**13.9p**		**12.7p**	8.6p		6.5p
Diluted	12	**13.2p**		**12.0p**	8.4p		6.3p

[1] In FY26, the Group revised its policy in relation to non-underlying items relating to amortisation of intangibles acquired as part of business combinations and has restated comparative financial information for HY26 to reflect this change. Refer to note 19 of the interim financial statements for details.

The notes on pages 21 to 31 form part of these condensed consolidated financial statements.

Halfords Group plc
Condensed Consolidated Statement of Comprehensive Income
For the 26 weeks to 2 October 2026 (Unaudited)

	26 weeks to 2 October 2026	26 weeks to 26 September 2025
	£m	£m
	Unaudited	Unaudited
Profit for the period	**27.1**	13.8
Other comprehensive (expense) / income		
Cash flow hedges:		
Fair value changes in the period	**(0.6)**	(4.3)
Income tax on other comprehensive income	**0.1**	0.8
Other comprehensive expense for the period, net of income tax	**(0.5)**	(3.5)
Total comprehensive income	**26.6**	10.3
Total comprehensive income	**26.6**	10.3
Attributable to:		
Equity shareholders	26.7	10.5
Non-controlling interest	(0.1)	(0.2)

All items within the Condensed Consolidated Statement of Comprehensive Income are classified as items that are or may be recycled to the Income Statement.

The notes on pages 21 to 31 form part of these condensed consolidated financial statements.

Halfords Group plc
Condensed Consolidated Statement of Financial Position
As at 2 October 2026 (Unaudited)

	Notes	**2 October 2026 Unaudited £m**	3 April 2026 Audited £m
Assets			
Non-current assets			
Goodwill		**355.7**	355.7
Intangible assets	6	**68.5**	69.8
Property, plant and equipment	6	**104.6**	103.8
Right-of-use assets	6	**229.2**	226.8
Derivative financial instruments	14	**0.4**	1.0
Trade and other receivables		**1.4**	1.4
Deferred tax asset		**3.6**	2.1
Total non-current assets		**763.4**	760.6
Current assets			
Inventories		**239.0**	230.8
Trade and other receivables		**151.2**	156.2
Derivative financial instruments	14	**2.2**	1.3
Cash and cash equivalents	13	**52.4**	19.3
Total current assets		**444.8**	407.6
Total assets		**1,208.2**	1,168.2
Liabilities			
Current liabilities			
Borrowings	13	**(12.3)**	(0.2)
Lease liabilities		**(70.1)**	(69.9)
Derivative financial instruments and options	14	**(0.4)**	(0.2)
Trade and other payables		**(380.4)**	(372.1)
Current tax liabilities		**(2.9)**	(2.7)
Provisions		**(17.4)**	(13.9)
Total current liabilities		**(483.5)**	(459.0)
Net current liabilities		**(38.7)**	(51.4)
Non-current liabilities			
Lease liabilities		**(177.0)**	(177.9)
Derivative financial instruments and options	14	**(0.5)**	(1.5)
Trade and other payables		**(4.1)**	(4.3)
Provisions		**(11.6)**	(12.0)
Total non-current liabilities		**(193.2)**	(195.7)
Total liabilities		**(676.7)**	(654.7)
Net assets		**531.5**	513.5
Shareholders' equity			
Share capital	15	**2.2**	2.2
Share premium	15	**212.4**	212.4
Investment in own shares		**(7.0)**	(5.9)
Other reserves		**1.5**	1.8
Retained earnings		**322.6**	303.1
Total equity attributable to equity holders of the Company		**531.7**	513.6
Non-controlling interest		**(0.2)**	(0.1)
Total equity		**531.5**	513.5

The notes on pages 21 to 31 form part of these condensed consolidated financial statements.

Halfords Group plc
Condensed Consolidated Statement of Changes in Shareholders' Equity
For the 26 weeks to 2 October 2026 (Unaudited)

	Attributable to the equity holders of the Company								
				Other reserves					
	Share capital	Share premium account	Investment in own shares	Capital redemption reserve	Hedging reserve	Retained earnings	**Total shareholders equity**	Non-controlling interest	**Total equity**
	£m	£m	£m	£m	£m	£m	**£m**	£m	**£m**
Closing balance at 28 March 2025	2.2	212.4	(1.6)	0.3	0.4	286.4	500.1	0.2	500.3
Total comprehensive income /(expense) for the period									
Profit for the period	-	-	-	-	-	14.0	14.0	(0.2)	13.8
Other comprehensive loss									
Cash flow hedges:									
Fair value changes in the period	-	-	-	-	(4.3)	-	(4.3)	-	(4.3)
Income tax on other comprehensive loss	-	-	-	-	0.8	-	0.8	-	0.8
Total other comprehensive loss for the period net of tax	-	-	-	-	(3.5)	-	(3.5)	-	(3.5)
Total comprehensive (expense)/income for the period	-	-	-	-	(3.5)	14.0	10.5	(0.2)	10.3
Hedging gains and losses transferred to the cost of inventory	-	-	-	-	3.1	-	3.1	-	3.1
Transactions with owners									
Purchase of own shares	-	-	(6.0)	-	-	-	(6.0)	-	(6.0)
Share options exercised	-	-	1.1	-	-	(1.1)	-	-	-
Share-based payment transactions	-	-	-	-	-	0.8	0.8	-	0.8
Dividends to equity holders	-	-	-	-	-	(12.6)	(12.6)	-	(12.6)
Total transactions with owners	-	-	(4.9)	-	-	(12.9)	(17.8)	-	(17.8)
Balance at 26 September 2025	2.2	212.4	(6.5)	0.3	-	287.5	495.9	-	495.9

The notes on pages 21 to 31 are an integral part of these condensed consolidated financial statements.

	Attributable to the equity holders of the Company								
				Other reserves					
	Share capital	Share premium account	Investment in own shares	Capital redemption reserve	Hedging reserve	Retained earnings	**Total shareholders equity**	Non-controlling interest	**Total equity**
	£m	£m	£m	£m	£m	£m	**£m**	£m	**£m**
Closing balance at 3 April 2026	**2.2**	**212.4**	**(5.9)**	**0.3**	**1.5**	**303.1**	**513.6**	**(0.1)**	**513.5**
Total comprehensive income /(expense) for the period	-	-	-	-	-	27.2	27.2	(0.1)	27.1
Profit for the period									
Other comprehensive loss									
Cash flow hedges:									
Fair value changes in the period	-	-	-	-	(0.6)	-	(0.6)	-	(0.6)
Income tax on other comprehensive loss	-	-	-	-	0.1	-	0.1	-	0.1
Total other comprehensive loss for the period net of tax	-	-	-	-	(0.5)	-	(0.5)	-	(0.5)
Total comprehensive (expense) /income for the period	-	-	-	-	(0.5)	27.2	26.7	(0.1)	26.6
Hedging gains and losses transferred to the cost of inventory	-	-	-	-	0.3	-	0.3	-	0.3
Income tax on hedging gains and losses and costs of hedging transferred to the cost of inventory	-	-	-	-	(0.1)	-	(0.1)	-	(0.1)
Transactions with owners									
Remeasurement of NCI option	-	-	-	-	-	1.0	1.0	-	1.0
Purchase of own shares	-	-	(1.9)	-	-	-	(1.9)	-	(1.9)
Share options exercised	-	-	0.8	-	-	(0.4)	0.4	-	0.4
Share-based payment transactions	-	-	-	-	-	2.4	2.4	-	2.4
Income tax on share-based payment transactions	-	-	-	-	-	2.2	2.2	-	2.2
Dividends to equity holders	-	-	-	-	-	(12.9)	(12.9)	-	(12.9)
Total transactions with owners	-	-	(1.1)	-	0.2	(7.7)	(8.6)	-	(8.6)
Balance at 2 October 2026	2.2	212.4	(7.0)	0.3	1.2	322.6	531.7	(0.2)	531.5

The notes on pages 21 to 31 are an integral part of these condensed consolidated financial statements.

Halfords Group plc
Condensed Consolidated Statement of Cash Flows
For the 26 weeks to 2 October 2026 (Unaudited)

	Notes	**26 weeks to 2 October 2026** **£m**	26 weeks to 26 September 2025 £m
Cash flows from operating activities			
Cash generated from operating activities	16	**114.2**	106.6
Income tax paid		**(7.4)**	(3.7)
Net cash from operating activities		**106.8**	103.0
Cash flows from investing activities			
Deferred consideration received/(paid)		**-**	0.6
Purchase of intangible assets		**(9.2)**	(8.9)
Purchase of property, plant and equipment		**(16.4)**	(21.9)
Net cash used in investing activities		**(25.6)**	(30.2)
Cash flows from financing activities			
Purchase of own shares		**(4.6)**	(6.0)
Proceeds from share options exercised		**0.4**	-
Finance income received		**1.2**	0.7
Finance costs paid		**(0.3)**	(0.2)
RCF drawdowns	13	**-**	13.4
RCF repayments	13	**-**	(22.0)
RCF commitment fees		**(0.7)**	(0.9)
RCF facility costs		**-**	(0.4)
Interest paid on lease liabilities	9	**(5.0)**	(4.6)
Payment of capital element of leases	13	**(38.4)**	(40.7)
Payments relating to supplier financing		**(64.2)**	(51.9)
Receipts relating to supplier financing		**64.2**	52.1
Dividends paid		**(12.9)**	(12.6)
Net cash used in financing activities		**(60.3)**	(73.1)
Net increase/(decrease) in cash and bank overdrafts		**20.9**	(0.3)
Cash and cash equivalents at the beginning of the period		**19.3**	19.1
Cash and cash equivalents at the end of the period	13	**40.2**	18.8

The notes on pages 21 to 31 are an integral part of these condensed consolidated financial statements.

Halfords Group plc
Notes to the condensed consolidated financial statements
For the 26 weeks to 2 October 2026

1. General information and basis

The condensed consolidated interim financial statements of Halfords Group plc (the "Company") comprise the Company together with its subsidiary undertakings (the "Group").

The Company is a public limited company incorporated, domiciled and registered in England and Wales. Its registered office is Icknield Street Drive, Washford West, Redditch, Worcestershire, B98 0DE.

The Company is listed on the London Stock Exchange.

These condensed consolidated interim financial statements were approved by the Board of Directors on 25 November 2026.

Adoption of new and revised standards

The Group has adopted the following amendments to standards which have been endorsed by the UK Endorsement Board ('UKEB'):

- The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability (Amendments to IAS 21).

None of the above amendments to standards are considered to have a material effect on these consolidated financial statements.

New standards and interpretations not yet adopted

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. With the exception of IFRS 18, these standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. The impact of IFRS 18 on the Group is currently being assessed and it is not yet practicable to quantify the effect of IFRS 18 on these consolidated financial statements, however there is no impact on presentation for the Group in the current year given the effective date of adoption is for periods beginning on or after 1 January 2027.

2. Basis of Preparation

The condensed consolidated interim financial statements for the 26 weeks to 2 October 2026 have been prepared in accordance with IAS 34 'Interim financial reporting' as adopted for use in the UK. They do not include all the information required for full annual financial statements and should be read in conjunction with the Annual Report and Accounts for the period ended 3 April 2026, which have been prepared in accordance with UK adopted international accounting standards.

The comparative figures for the financial period ended 3 April 2026 are not the Group's statutory accounts for that financial period. Those accounts have been reported on by the Group's auditors and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Seasonality

The Group's trading performance is influenced by seasonal factors, including weather-sensitive categories and key trading periods. Consequently, revenue and profitability are not earned evenly throughout the financial year, and first-half performance should not be viewed in isolation when assessing the Group's full-year prospects. Historically around half of the Group's Profit before tax has arisen in the first half of the year. Further detail on the expected seasonality of profit before tax in the current year is set out in the Chief Financial Officer's Report.

Going Concern

The directors have reviewed the current financial performance, liquidity and forecasts of the business. Further details of the assessment are provided on page 59 of our Annual Report and Accounts for the period ended 3 April 2026. The directors have updated the financial forecasts to reflect the actual performance of the business during the period covered by these condensed consolidated interim financial statements. Stress tests have been performed on these forecasts and no issues have been raised.

The Group has a committed £180.0m revolving credit facility, of which £20.0m is designated as an overdraft facility, at the date of approval of these financial statements, expiring on 16 April 2029.

Having reviewed current performance and forecasts, the Directors consider that the Group has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the condensed consolidated interim financial statements. The Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group has adequate resources to continue in operational existence and are compliant with all covenants for a period of at least 12 months from the date of approval of these financial statements.

3. Principal risks and uncertainties

The Directors consider that the principal risks and uncertainties which could have a material impact on the Group's performance in the remaining 26 weeks of the financial year remain the same as those stated on pages 54 to 58 of our Annual Report and Accounts for the period ended 3 April 2026, which are available on our website www.halfordscompany.com.

4. Material accounting policies

As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed consolidated interim financial statements have been prepared by applying the accounting policies and presentation that were applied in the preparation of the Annual Reports and Accounts for the period ended 3 April 2026. The interim period tax expense is calculated by applying the forecast full year effective tax rate to the period's pre-tax profits.

5. Estimates and judgements

The preparation of the consolidated financial statements requires the Group to make estimates and judgements that affect the application of policies and reported amounts. The critical accounting judgements and key sources of estimation uncertainty remain consistent with those presented in the accounting policies disclosures of the Group's Annual Report and Financial Statements for the 53-week period ended 3 April 2026.

6. Operating segments

IFRS 8 "Operating segments" requires operating segments to be identified on the basis of internal reporting on components of the Group that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance.

The chief operating decision-maker has been identified as the Group's Executive Directors. The Group's Executive Directors review the Group's internal reporting in order to assess performance and allocate resources across each operating segment.

The Group's reportable operating segments have therefore been identified as follows:

- Retail – comprising our Retail and Tredz operating segments; and
- Autocentres – comprising our Garages & Mobile, Commercial Fleet Services and Avayler operating segments.

The strategic business units offer different products and services and are managed separately because they require different operational, technological and marketing strategies. The Group's operating segments have been aggregated within the two reportable segments in line with the criteria laid out in IFRS 8 as they are deemed to exhibit similar economic characteristics and provide closely related products and services.

The operations of the Retail reporting segment comprise the retailing of automotive, leisure and cycling products and services through retail stores and online. The operations of the Autocentres reporting segment comprise vehicle servicing and repair performed from garages and vans, along with the operations of Avayler Software as a Service products to both internal and external customers.

The tables below show the performance of the operations in each of the Group's reportable segments. Performance is measured based on segment operating profit, as included in the management reports that are reviewed by the Executive Directors. These internal reports are prepared in accordance with IFRS accounting policies consistent with these Group consolidated financial statements.

All material operations of the reportable segments are carried out in the UK and Republic of Ireland and all material non-current assets are located in the UK. The Group's revenue is driven by the consolidation of individual small value transactions and as a result Group revenue is not reliant on a major customer or Group of customers.

Income statement - 26 weeks to 2 October 2026	Retail £m	Autocentres £m	Total Unaudited £m
Revenue	**572.0**	**381.3**	**953.3**
Underlying operating profit	**30.1**	**13.8**	**43.9**
Underlying operating profit margin	5.3%	3.6%	4.6%
Non-underlying items	**(4.6)**	**1.2**	**(3.4)**
Operating profit	**25.5**	**15.0**	**40.5**
Operating profit margin	4.5%	3.9%	4.2%
Net finance expense			**(5.0)**
Profit before tax			**35.5**
Taxation			**(8.4)**
Profit after tax			**27.1**
Products and services transferred at a point in time	**567.8**	**369.2**	**937.0**
Products and services transferred over time	**4.2**	**12.1**	**16.3**
Total Revenue	**572.0**	**381.3**	**953.3**

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6. Operating segments (continued)

Income statement - 26 weeks to 26 September 2025 (restated – note 19)	Retail £m	Autocentres £m	Total Unaudited £m
Revenue	533.2	360.1	893.3
Underlying operating profit	20.6	8.1	28.7
Underlying operating profit margin	3.9%	2.2%	3.2%
Non-underlying items	(3.9)	(2.4)	(6.3)
Operating profit	16.7	5.7	22.4
Operating profit margin	3.1%	1.6%	2.5%
Net finance expense			(5.2)
Profit before tax			17.2
Taxation			(3.4)
Profit after tax			13.8
Products and services transferred at a point in time	530.0	349.7	879.7
Products and services transferred over time[1]	3.2	10.4	13.6
Total Revenue	533.2	360.1	893.3

[1]The prior period split of products and services transferred at a point in time and over time has been restated to more accurately reflect the classification of revenue based on the Group's accounting policies.

Other segment items for the 26 weeks to 2 October 2026	**Retail £m**	**Autocentres £m**	**Total Unaudited £m**
Intangible asset/PPE additions	**11.8**	**12.9**	**24.7**
Depreciation and impairment expense of PPE	**6.2**	**6.6**	**12.8**
Impairment of right-of-use asset	**0.6**	**(0.2)**	**0.4**
Amortisation of right-of-use asset	**22.5**	**13.9**	**36.4**
Amortisation of intangible assets	**7.0**	**4.7**	**11.7**

Other segment items for the 26 weeks to 26 September 2025 (restated)	Retail £m	Autocentres £m	Total Unaudited £m
Intangible asset/PPE additions	10.3	20.8	31.1
Depreciation and impairment expense of PPE	7.6	6.4	14.0
Impairment of right-of-use asset	-	0.1	0.1
Amortisation of right-of-use asset	25.0	13.4	38.4
Amortisation of intangible assets	6.0	4.7	10.7

Within intangible assets held by the Group of £68.5m (FY26: £69.8m) are £14.9m (FY26: £14.0m) related to the Avayler business. In light of the continued losses being generated by Avayler, a review of the business is being performed in H2 of FY27.

There have been no significant transactions between segments in the 26 weeks ended 2 October 2026 (HY26: £nil).

7. Revenue

The Group's operations comprise the retailing of automotive, leisure and cycling products, vehicle servicing and repair operations and the provision of Software as a Service.

Revenue split by the Group's operating segments is shown in Note 6.

All significant revenue is recognised in the United Kingdom and Republic of Ireland.

8. Non-underlying items

	26 weeks to 2 October 2026 Unaudited £m	26 weeks to 26 September 2025 (restated) Unaudited £m
Non-underlying operating expenses:		
Supply chain optimisation (a)	**4.6**	-
Closure costs (c)	**(0.2)**	0.9
Amortisation of assets acquired on business combinations (d)	**1.9**	2.3
Organisational restructure costs (e)	**-**	3.1
Total non-underlying operating expenses	**6.3**	6.3
Non-underlying other income:		
Compensation for early termination of lease (b)	**(2.9)**	-
Total non-underlying other income	**(2.9)**	**-**
Non-underlying finance costs:		
Closure costs (c)	**0.1**	-
Non-underlying finance costs:	**0.1**	-
Total non-underlying items before tax	**3.5**	6.3
Tax on non-underlying items (f)	**(0.9)**	(1.6)
Total non-underlying items	**2.6**	4.7

Non-underlying items are those items that are unusual because of their size, nature (one-off, non-trading costs) or incidence. Management considers that these items should be separately identified within their relevant income statement category to enable a full understanding of the Group's results.

(a) Supply chain optimisation costs of £4.6m (HY26: £nil) relate to the initial implementation of the Group's programme to construct a new, purpose built National Distribution Centre. These costs are directly attributable to implementing the new distribution model. They are presented as non-underlying to distinguish the implementation costs of this significant programme from ongoing trading expenditure. Implementation is expected to extend across multiple financial years, with further transition costs anticipated until FY30.

(b) £2.9m net income (HY26: £nil) recognised in relation to compensation received following the closure of one garage. The payment represented compensation for loss of trade and disruption of £3.0m, partially offset by closure-related costs of £0.1m. The compensation and associated costs are presented together as non-underlying because they arise from the same externally imposed closure event, outside the ordinary course of the Group's operations, rather than from ongoing trading.

(c) Closure costs (£0.1m credit, HY26: £0.9m charge) relate to historic store, garage and wholesale tyre operation closure programmes undertaken following strategic reviews of the Group's physical estate. The current period credit primarily reflects sublet income, impairment reversals on sites that entered into sublease arrangements, and provision releases, partially offset by property-related expenditure and revisions to estimates associated with remaining lease obligations. Costs and credits relating to former trading sites are expected to continue until the remaining lease liabilities and associated obligations have been settled or the properties have otherwise been exited. These items are presented as non-underlying as they arise from historic restructuring programmes and represent the unwind and settlement of obligations created by the original closure decisions.

(d) Amortisation of assets acquired as part of business combinations totalled £1.9m (HY26: £2.3m). These items are classified as non-underlying as the associated assets would not have been capitalised in the ordinary course of business. Whilst the cost has been removed, underlying revenue and profit from these acquisitions are included within the Group's underlying results. Amortisation will be recognised over the remaining useful lives of the assets. Annual costs exceeding £0.1m are expected to be incurred until 2036.

The HY26 comparative has been restated to classify £2.3m of amortisation of intangible assets acquired in business combinations as non-underlying, consistent with the presentation adopted in the prior financial period (see note 19). This reclassification changes the allocation between underlying and non-underlying results but does not change the total amortisation charge recognised in the reported statutory results.

(e) No organisational restructuring costs were recognised in the current period (HY26: £3.1m). The prior-period charge related to the Warehouse Management System replacement programme, for which costs concluded in the prior period.

(f) The tax credit in H1 FY27 represents a tax rate of 25.7% applied to non-underlying items (H1 FY26: Credit, 25.3%, FY26 full year: Credit 26.6%). The effective tax rate is broadly in line with the UK corporation tax rate of 25%.

9. Net finance expense

Recognised in profit or loss for the period	**26 weeks to 2 October 2026 Unaudited £m**	26 weeks to 26 September 2025 Unaudited £m
Finance Income:		
Bank Interest	**1.2**	0.6
Finance costs:		
Amortisation of issue costs on loans	**(0.2)**	(0.3)
RCF commitment fees	**(0.7)**	(0.7)
Supplier financing expense	**(0.2)**	(0.2)
Unwind of discount on provisions	**(0.1)**	-
Interest payable on lease liabilities	**(4.9)**	(4.6)
Total underlying finance costs	**(6.1)**	(5.8)
Net finance costs before non-underlying items	**(4.9)**	(5.2)
Interest payable on lease liabilities – non-underlying	**(0.1)**	-
Total Net finance costs	**(5.0)**	(5.2)

10. Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year, applied to the pre-tax income of the interim period.

The taxation charge on profit for the financial period was £8.4m (HY26: £3.4m), including a £0.9m credit (HY26 restated: £1.6m credit) in respect of non-underlying items. The effective tax rate of 23.7% (HY26 restated: 19.8%) differs from the UK corporation tax rate (25%) principally due to the difference in measurement between the accounting charge and tax deductions in respect of share options.

The corporation tax rate remained at 25%, effective from 1 April 2023. The deferred tax asset in the period has been calculated based on the headline rate of 25%.

Pillar Two legislation, which introduced a global minimum effective tax rate of 15%, has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation is effective for the Group's financial year beginning 30 March 2024. The Group is within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two global minimum tax legislation. The Group has completed its first Pillar Two filing for the period ended 28 March 2025 which resulted in an immaterial top-up tax charge in respect of one jurisdiction. The Group will complete the filing in respect of the period ended 3 April 2026 in the coming months and expects a similar position to the prior year. The Group has updated its assessment of its potential exposure to Pillar Two top-up taxes based on its most recent financial data and country-by-country reporting metrics. The majority of the jurisdictions in which the Group operates qualify for transitional safe harbours or have effective tax rates above 15%. A limited number of jurisdictions are subject to top-up taxes, and the resulting charge for the period ended 2 April 2027 and is not expected to be material to the Group. As required by the amendments to IAS 12, the Group applies the mandatory temporary exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

11. Dividends

The Directors paid a final dividend of 6.0 pence per share on 15th September 2026 in respect of the financial period ended 3 April 2026 (FY25: 5.8p per share paid on 12th September 2025).

12. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period. The weighted average number of shares excludes shares held by an Employee Benefit Trust and has been adjusted for the issue/purchase of shares during the period.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. These represent share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the 26 weeks to 2 October 2026.

The Group has also chosen to present an alternative earnings per share measure, with profit adjusted for non-underlying items because it better reflects the Group's underlying performance as described in notes 6 and 7 in the glossary of alternative performance measures.

	26 weeks to 2 October 2026 Unaudited Number	26 weeks to 26 September 2025 Unaudited Number
For the period	**m**	m
Weighted average number of shares in issue	**218.9**	218.9
Less: shares held by the Employee Benefit Trust (weighted average)	**(3.9)**	(2.6)
Weighted average number of shares for calculating basic earnings per share	**215.0**	216.3
Weighted average number of dilutive shares	**10.9**	7.0
Total number of shares for calculating diluted earnings per share	**225.9**	223.3

	26 weeks to 2 October 2026 Unaudited	26 weeks to 26 September 2025 (restated) Unaudited
Attributable to equity shareholders for the period	**£m**	£m
Earnings for the period	**27.2**	14.0
Non-underlying items after tax (Note 8)	**2.6**	4.7
Underlying Earnings	**29.8**	18.7

	26 weeks to 2 October 2026	26 weeks to 26 September 2025 (restated)
For the period	**Unaudited**	Unaudited
Basic earnings per ordinary share	**12.7p**	6.5p
Diluted earnings per ordinary share	**12.0p**	6.3p
Underlying basic earnings per ordinary share	**13.9p**	8.6p
Underlying diluted earnings per ordinary share	**13.2p**	8.4p

13. Analysis of Movements in the Group's Net Debt in the Period

	At 3 April 2026	Cash Flow Unaudited	Other non-cash changes Unaudited	**At 2 October 2026 Unaudited**
	£m	£m	£m	**£m**
Cash and cash equivalents	19.3	33.1	-	**52.4**
Bank Overdrafts	-	(12.2)	-	**(12.2)**
Net cash and cash equivalents	**19.3**	**20.9**	**-**	**40.2**
Other borrowings due in less than one year	(0.2)	-	0.1	**(0.1)**
Borrowings due after one year	-	-	-	**-**
Total net cash excluding leases	**19.1**	**20.9**	**0.1**	**40.1**
Current lease liabilities	(69.9)	43.4	(43.6)	**(70.1)**
Non-current lease liabilities	(177.9)	-	0.9	**(177.0)**
Total leases	**(247.8)**	**43.4**	**(42.7)**	**(247.1)**
Total net debt	**(228.7)**	**64.3**	**(42.6)**	**(207.0)**

Non-cash changes comprise finance costs in relation to the amortisation of capitalised debt issue costs of £0.2m (HY26: £0.3m), and movements in leases.

Cash and cash equivalents at the period end consist of £51.6m (HY26: £18.2m) of liquid assets, £0.8m (HY26: £0.6m) of cash held in Trust and (£12.2m) (HY26: £Nil) of bank overdrafts.

	At 28 March 2025	Cash Flow Unaudited	Other non-cash changes Unaudited	**At 26 September 2025 Unaudited**
	£m	£m	£m	**£m**
Cash and cash equivalents	19.1	(0.3)	-	**18.8**
Borrowings due in less than one year	(0.2)	-	-	**(0.2)**
Borrowings due after one year	(8.8)	8.6	0.2	**-**
Total net cash excluding leases	**10.1**	**8.3**	**0.2**	**18.6**
Current lease liabilities	(78.6)	45.3	(41.2)	**(74.5)**
Non-current lease liabilities	(192.8)	-	16.0	**(176.8)**
Total leases	**(271.4)**	**45.3**	**(25.2)**	**(251.3)**
Total net debt	**(261.3)**	**53.6**	**(25.0)**	**(232.7)**

Non-cash changes comprise finance costs in relation to the amortisation of capitalised debt issue costs of £0.3m (HY25: £0.3m), and new leases in the period.

Cash and cash equivalents at the period end consist of £18.2m (HY25: £77.9m) of liquid assets, £0.6m (HY25: £0.7m) of cash held in Trust and £nil (HY25: £43.5m) of bank overdrafts.

Cashflow movements in debt relate to the drawdown of funds from the Groups' revolving credit facility and payments in relation to lease liabilities.

14. Financial Instruments and Options

a) Treasury policy

The Group's treasury department's main responsibilities are to:
- Ensure adequate funding and liquidity for the Group;
- Manage the interest risk of the Group's debt;
- Invest surplus cash;
- Manage the clearing bank operations of the Group; and
- Manage the foreign exchange risk on its non-sterling cash flows.

Treasury activities are delegated by the Board to the Chief Financial Officer ("CFO"). The CFO controls policy and performance through the line management structure to the Group Head of Treasury and by reference to the Treasury Committee. The Treasury Committee meets regularly to monitor the performance of the Treasury function.

Financial risks are governed by Board approved policies and procedures, which are reviewed on an annual basis.

The Group's debt management policy is to provide an appropriate level of funding to finance the business plan over the medium term at a competitive cost and ensure flexibility to meet the changing needs of the Group. Details of the Group's current borrowing facilities are contained in Note 13. There have been no material changes in the Group's risk management policies during the period.

b) Accounting classifications and fair value

	Carrying amount		
	Fair value	**Amortised cost**	**Total carrying amount**
2 October 2026 – Unaudited	**£m**	**£m**	**£m**
Financial assets measured at fair value			
Forward exchange contracts used for hedging	2.6	-	2.6
	2.6	-	2.6
Financial assets not measured at fair value			
Trade and other receivables*	-	103.1	103.1
Cash and cash equivalents	-	52.4	52.4
	-	155.5	155.5
Financial liabilities measured at fair value			
Forward exchange contracts used for hedging	(0.4)	-	(0.4)
	(0.4)	-	(0.4)
Financial liabilities not measured at fair value			
Borrowings	-	(12.3)	(12.3)
Lease liabilities	-	(247.1)	(247.1)
Trade and other payables**	-	(323.9)	(323.9)
Option to acquire minority interest in subsidiary***		(0.5)	(0.5)
	-	(583.8)	(583.8)

*Prepayments of £15.1m,accrued income of £34.4m and sublease receivable of £1.7m are not included as financial assets.

**Other taxation and social security payables of £41.2m, deferred income £17.8m and other payables of £1.5m are not included as financial liabilities.

*** Option held by minority interest to require the Group to repurchase shares in Avayler Trading Limited should certain conditions be met

14. Financial Instruments and Options (continued)

b) Accounting classifications and fair value (continued)

	Carrying amount		
	Fair value	Amortised cost	Total carrying amount
3 April 2026	**£m**	**£m**	**£m**
Financial assets measured at fair value			
Forward exchange contracts used for hedging	2.3	-	2.3
	2.3	-	2.3
Financial assets not measured at fair value			
Trade and other receivables*	-	96.2	96.2
Cash and cash equivalents	-	19.3	19.3
	-	115.5	115.5
Financial liabilities measured at fair value			
Forward exchange contracts used for hedging	(0.2)	-	(0.2)
Share repurchase commitment	-	(2.7)	(2.7)
	(0.2)	(2.7)	(2.9)
Financial liabilities not measured at fair value			
Borrowings	-	(0.2)	(0.2)
Lease liabilities	-	(247.8)	(247.8)
Trade and other payables**	-	(293.5)	(293.5)
Option to acquire minority interest in subsidiary***	-	(1.5)	(1.5)
	-	(543.0)	(543.0)

*Prepayments of £14.1m, accrued income of £46.2m and sublease receivable of £1.1m are not included as financial assets.

**Other taxation and social security payables of £41.5m, other payables of £4.2m, deferred income due within one year of £33.3m and due after more than one year of £3.9m are not included as financial liabilities.

*** Option held by minority interest to require the Group to repurchase shares in Avayler Trading Limited should certain conditions be met

Option to acquire minority interest in subsidiary
Put and call options are in place over the remaining non-controlling interest in a subsidiary undertaking, Avayler Trading Limited. The Group recognises put and call options over non-controlling interests in its subsidiary undertakings as liabilities in the Consolidated Statement of Financial Position at the present value of the estimated exercise price of the put and call option. Upon initial recognition of put and call options, a corresponding entry is made to equity (retained earnings), and for subsequent changes on remeasurement of the liability the corresponding entry is made to equity, reflecting that the change in valuation reflects the change in transaction price with a non-controlling interest in a Group subsidiary. The repurchase liability is determined using the option formula set out in the option agreement. At each reporting date, the fair value of the option is remeasured. This requires estimates to be made over revenue and net debt for Avayler Trading Limited.

Measurement of fair values
The fair values of each class of financial assets and liabilities is the carrying amount, based on the following assumptions:

Trade receivables, trade payables and lease obligations, short-term deposits and borrowings	The fair value approximates to the carrying amount because of the short maturity of these instruments.
Long-term borrowings	The fair value of bank loans and other loans approximates to the carrying value reported in the statement of financial position as the majority are floating rate where payments are reset to market rates at intervals of less than one year.
Forward currency contracts	The fair value is determined using the market forward rates at the reporting date and the outright contract rate.
Option to acquire minority interest in subsidiary	The fair value is determined according to a valuation methodology set out in the related option agreement and subsequently measured at amortised cost.

14. Financial Instruments and Options (continued)

Fair value hierarchy
Financial instruments carried at fair value are required to be measured by reference to the following levels:

• Level 1: quoted prices in active markets for identical assets or liabilities;
• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial instruments carried at fair value have been measured by a Level 2 valuation method, with the exception of the option to acquire minority interest in subsidiary which is measured using a Level 3 valuation method and had a fair value of £0.5m.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group does not have any individually significant customers and so no significant concentration of credit risk. The majority of the Group's sales are paid in cash at point of sale which further limits the Group's exposure. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period for customers. There are no material trade receivable balances with customers based outside of the United Kingdom.

The Group has taken into account the historic credit losses incurred on trade receivables and adjusted it for forward looking estimates. The movement in the allowance for impairment in respect of trade receivables during the period was £0.9m (HY26: £0.5m).

15. Share capital

	Number of shares m	Share capital £m	Share premium account £m
As at 3 April 2026 and 2 October 2026	218.9	2.2	212.4

During the 26 weeks to 2 October 2026 and 26 September 2025, there were no movements in company share capital.

16. Cashflows from operating activities

	Notes	**26 weeks to 2 October 2026** **£m**	26 weeks to 26 September 2025 (restated) £m
Cash flows from operating activities			
Underlying profit after tax		**29.7**	18.5
Non-underlying items	8	**(2.6)**	(4.7)
Profit after tax for the period		**27.1**	13.8
Depreciation of property, plant and equipment	6	**12.8**	14.0
Amortisation of right-of-use assets	6	**36.4**	38.4
Net impairment of right-of-use assets	6	**0.4**	0.1
Amortisation of intangible assets	6	**11.7**	10.7
Net finance expense	9	**5.0**	5.2
Loss on disposal of property, plant and equipment		**0.4**	0.2
Gain on disposal of leases		**(1.4)**	(1.2)
Equity-settled share-based payment transactions		**2.4**	0.8
Foreign exchange movement		**(1.2)**	1.2
Income tax expense	10	**8.4**	3.4
Increase in inventories		**(7.1)**	(8.9)
Decrease in trade and other receivables		**4.5**	1.6
Increase in trade and other payables		**11.8**	27.6
Increase/(decrease) in provisions		**3.0**	(0.2)
Cash generated from operating activities		**114.2**	106.6

17. Commitments & Contingencies

On 11 September 2026 the Company entered into an agreement for a 10 year lease (with a 5 year extension option) for a new distribution facility. The lease will not be recognised on the Company balance sheet until the Company obtains access to the site, which is expected to be in early 2029. The initial present value of the lease liability for this agreement is estimated to be £53.3m.

18. Related party transactions

The key management personnel of the Group comprise the Executive and Non-Executive Directors and the Halfords Limited and Halfords Autocentres management boards. The details of the remuneration, long-term incentive plans, shareholdings and share option entitlements of individual Directors are included in the Directors' Remuneration Report on pages 90 to 114 of the Group Annual Report and Accounts for the period ended 3 April 2026.

During the period no share options (HY26: none) were granted to directors in relation to the Performance Share Plan ("PSP") and 216,531 share options (HY26: 183,703) were granted in relation to the Deferred Bonus Plan ("DBP").

19. Change in accounting policy

For the financial period ended 3 April 2026, the Group updated the non-underlying items policy to include the amortisation of acquired intangible assets. This update is intended to simplify the Group's profit measures and provide greater clarity over the underlying trading performance of the Group. The amortisation charge associated with these assets has been removed as the associated assets would not have been capitalised in the ordinary course of business. Whist the cost has been removed, underlying revenue and profit from these acquisitions are included within the Group's underlying results.

The change has been applied retrospectively, resulting in the restatement of comparative financial information.

The tables below show the impact of the change in accounting policy on the HY26 financial statements:

Impact on amounts before non-underlying items disclosed in the group income statement

£m	Previously reported	Adjustment	Restated
Operating expenses	(433.0)	2.3	(430.7)
Operating profit	26.4	2.3	28.7
Profit/Loss before income tax	21.2	2.3	23.5
Income tax expense/credit	(4.4)	(0.6)	(5.0)
Total profit / (loss) for the period	16.8	1.7	18.5

Impact on non-underlying items disclosed in the group income statement

£m	Previously reported	Adjustment	Restated
Operating expenses	(4.0)	(2.3)	(6.3)
Operating profit	(4.0)	(2.3)	(6.3)
Profit/Loss before income tax	(4.0)	(2.3)	(6.3)
Income tax expense/credit	1.0	0.6	1.6
Total profit / (loss) for the period	(3.0)	(1.7)	(4.7)

Impact on adjusted basic earnings per share

£m	Previously reported	Adjustment	Restated
Adjusted earnings attributable to equity shareholders (£m)	17.0	1.7	18.7
Weighted average number of shares for calculating basic earnings per share (million)	216.3	-	216.3
Adjusted basic earnings per share (pence)	7.9	0.8	8.7

Impact on adjusted diluted earnings per share

£m	Previously reported	Adjustment	Restated
Adjusted earnings attributable to equity shareholders (£m)	17.0	1.7	18.7
Weighted average number of shares for calculating diluted earnings per share (million)	223.3	-	223.3
Adjusted diluted earnings per share (pence)	7.6	0.8	8.4

20. Events after the reporting period

Subsequent to the balance sheet date, the Group has monitored trade performance, internal actions, as well as other relevant external factors. No material changes in key estimates and judgements have been identified as adjusting post balance sheet events.

The Directors have declared an interim dividend for the 26 weeks to 2 October 2026 of 3.5 pence per share (HY26: 3p per share paid on 16th January 2026). The interim dividend will be paid on 15 January 2027 to shareholders who are on the register of members, with an ex-dividend date of 10 December 2026 and a record date of 11 December 2026.

We confirm that to the best of our knowledge:

- the interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK;
- the interim management report includes a fair review of the information required by:

    a. DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

    b. DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Jo Hartley, Chief Financial Officer

25 November 2026

INDEPENDENT REVIEW REPORT TO HALFORDS GROUP PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 2nd October 2026 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by Halfords Group plc (the 'Company') to review the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 2nd October 2026 which comprise of the following:

- Condensed Consolidated Income Statement
- Condensed Consolidated Statement of Comprehensive Income
- Condensed Consolidated Statement of Financial Position
- Condensed Consolidated Statement of Changes in Shareholders' Equity
- Condensed Consolidated Statement of Cash Flows
- The related explanatory notes

Basis for conclusion

We conducted our review in accordance with the International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting'.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London, UK
25 November 2026

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