FY26 RESULTS AND STRATEGY UPDATE

25 June 2026

AGENDA

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1. Reflecting on the year

2. ‘Fit for the Future’ progress update

3. FY26 performance

4. Looking ahead

5. Q&A

REFLECTING ON THE YEAR

STRONG PROGRESS AGAINST OUR PLAN

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The 'Optimise' phase of our plan has improved performance in FY26 and will continue to do so in FY27

- ✓ Strong LfL sales growth of 4.8%
- ✓ Gross margin of 52.8%, its highest in a decade
- ✓ Costs well-managed
- ✓ Underlying PBT of £45.4m
  (equivalent excluding change of accounting policy: £41.5m)
- ✓ Strong cash generation and net cash balance sheet
- ✓ 9.0p dividend recommended, +0.2p YoY
- ✓ Momentum into FY27

Optimise

Evolve

Scale

Note: FY26 was a 53-week reporting period. All numbers on this slide are stated on a 52-week basis to aid comparability with the prior period.

FY26: A YEAR TO RESET AND REFOCUS

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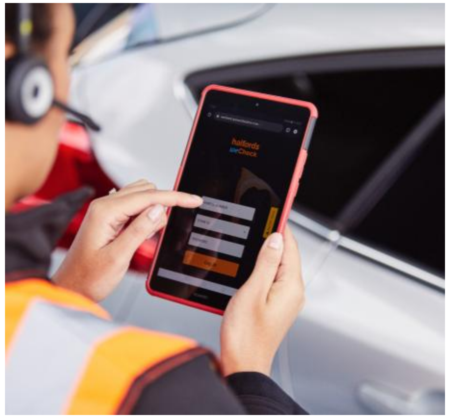
1.

New leadership

New CIO and MD appointments in Retail and Autocentres bring renewed energy and focus

2.



Updated strategy

Fit for the Future strategy leverages our competitive advantage over three phases: Optimise, Evolve and Scale

3.

Focus on execution

Excellent early progress on Optimise, building near-term value with disciplined and focused execution

4.

Strong financial performance

Revenue growth and margin expansion driving PBT ahead of expectations

Cash generation and balance sheet strength supporting increased dividend

5.

Reframed purpose

Emphasising the role of the colleague in delivering for customers and society at large

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FIT FOR THE FUTURE

PROGRESS UPDATE

A PLAN TO DRIVE SUSTAINABLE VALUE CREATION

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Fit for the Future addresses some home truths relation to historical performance

Home truths

- **Service profitability**
- **Integration**
- **Focus and simplification**
- **Leveraging data**
- **Synergy from the Group**
- **Return on capital**

Strategy

Optimise

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

Evolve

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

Scale

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

Outcomes

LfL sales growth

Operating margin expansion

Progression in underlying PBT

ROCE growing to exceed cost of capital

Guardrails

£55m to £65m annual cash investment

Leverage <0.8x underlying EBITDA (IAS 17 basis)

M&A only in 'Scale' phase

DELIVERING 'OPTIMISE'

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Retail

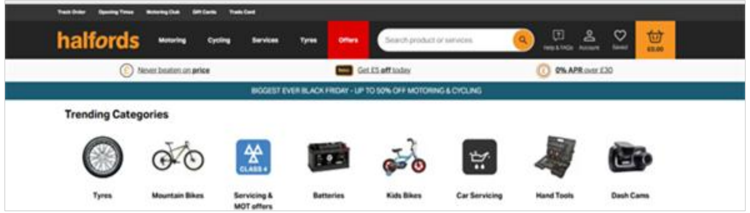
Key priorities:

1. **Category management** to drive improved sales density
2. **Services growth** via improved availability and increased customer awareness
3. **E-commerce improvements** driving online market share

Garages

Key priorities:

1. **Complete Fusion** to transform returns from existing garage sites
2. **Operational excellence** to increase utilisation across the entire estate
3. **Resourcing and skills mix** enabling improved technician attraction and retention



Group

Key priorities:

1. **Brand awareness** driving increased transaction volumes and cross-shop
2. **Loyalty and life-time value** including via Halfords Motoring Club

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FY26 OPTIMISE: RETAIL

CATEGORY MANAGEMENT

A customer-led approach designed to accelerate growth and profitability in Retail

- Each category treated as an end-to-end business from range design to sale
- Four categories relaunched to date: workshop, car cleaning, flagship cycling, cycling parts and accessories
- Rolling programme of category relaunches through FY27 and FY28

Halfords Advanced 200-piece black socket set
2025 Black Friday best-seller

Example category: Workshop

- Relatively low share of a £1bn market including Trade and Enthusiast customers
- Changes include:
    - New Halfords Advanced product ranges
    - Improved pricing hierarchies
    - Targeted promotion encouraging trade up
    - Clearer explanation of features and benefits
    - Wider in-store distribution for online top sellers
    - ‘Perfect Garage’ trial (designed to grow basket size) in selected stores

THE FLAGSHIP CYCLING CONCEPT

A clear opportunity to leverage market leadership through a more inspirational in-store experience

- **Flagship cycling pilot**
  - Local ranges
  - Layout by 'tribe'
  - Informative labelling
  - Technical training

- Closer **Halfords / Tredz alignment**
  - Tredz click and collect in 6 Halfords stores
  - Expanding Tredz reach
  - Showcasing premium product in Halfords

- **FY27: focus on e-bike**
  - Growing market where our share is lower
  - New ranges including high quality integrated batteries, branded components and robust aftercare
  - Leveraging our reputation for quality and safety

Boardman SLR 9.4 LTD
Bike Radar's 2025 best value performance endurance bike

FY26 OPTIMISE: GARAGES

FUSION AND LEARNINGS FOR OUR OTHER GARAGES

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Fusion has been a meaningful contributor to improving garage profitability

- 103 Fusion garages trading and delivering on plan
  - £200k capex per site
  - c.2-year payback
  - Doubling site-level contribution
- c.35 sites identified for conversion in FY27
- Opportunities to drive utilisation and improve customer experience beyond Fusion:
  - Learnings from the Fusion operating model
  - Rollout of new technology and equipment
  - Investment in leadership and skills
  - Potential for lower cost refreshes

OPERATIONAL EXCELLENCE IN ACTION

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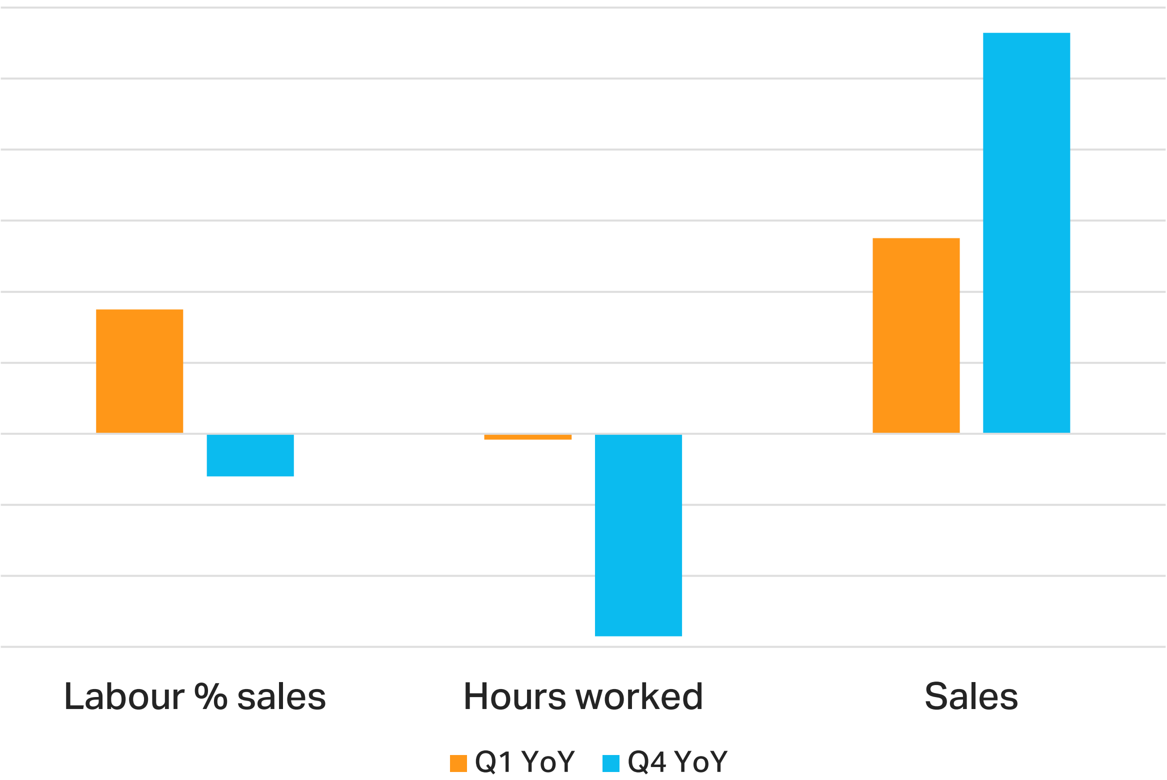
50bps YoY expansion in garage operating margin

Optimisation of garage labour has driven improved utilisation in FY26



- Operational excellence driving improved utilisation
  - Rise in employment cost effective April 2025 caused labour % of sales to increase YoY in Q1
  - More effective resourcing delivered strong sales growth with fewer labour hours in Q4
  - Result: labour % of sales down YoY in Q4 – more than offsetting wage inflation and NI
- Increased services uptake driving both margin and customer satisfaction
  - Income per tyre +30% YoY
  - Additional work identified +7% YoY
  - Lifetime Google score +0.6 Yo2Y to 4.5

FY26 OPTIMISE: GROUP

STRENGTHENING OUR DIGITAL INFRASTRUCTURE

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We have made foundational improvements to our digital platform

Progress in FY26

- Improved customer experience
    - Fewer clicks
    - Up to 50% site speed improvement
- Upgraded search functionality
    - Faster, more accurate, better personalised
    - Search conversion +50%
- Modernised customer service platform
    - Faster resolution
    - Reduced cost to serve

Harnessing AI

- AI search a small but growing % of traffic
- Target customers ('do-it-for-me') are high AI users
- Conversion higher than standard search
- Investment in FY27:
    - Data and technical foundations
    - Online customer journeys
    - Relevant and authoritative content

INVESTING IN OUR BRAND

Significant opportunity to grow awareness and consideration of our motoring services proposition

- Emphasis on performance marketing has resulted in a brand that is widely recognised but less well understood
- This creates a clear opportunity to drive growth via investment in brand marketing
- Phased approach with careful monitoring of results to maximise returns consistent with 'Optimise'
- Initial trial of above-the-line advertising in H2 yielded positive short-term results
- Supports continued investment in a more balanced marketing plan in FY27 and FY28
- Plan also includes Halfords Motoring Club:
    - Further membership growth to 6.5m
    - 420k Premium members
    - c.£22m of annual subscription revenue


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FY26
PERFORMANCE

BASIS OF PREPARATION

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Unless otherwise stated, all numbers in this presentation are:

- Based on 52-week performance to ensure comparability with the prior period
- Stated on an IFRS 16 basis with the exception of net cash / debt, which excludes lease liabilities
- Excluding non-underlying items

In the current period the Group revised its policy in relation to non-underlying items relating to amortisation of intangibles acquired as part of business combinations. This amortisation is now treated as non-underlying and comparative financial information has also been restated to reflect this change.

A reconciliation of FY26 performance on a 52-week basis to statutory numbers, which cover a 53-week reporting period, is included on a slide in the appendix to this presentation, as is a reconciliation of profit metrics before and after the accounting policy change.

A STRONG PERFORMANCE IN FY26

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LfL sales
+4.8%
(FY25: +2.5%)

Gross margin
52.8%
(+210bps YoY)

Underlying PBT[1]
£45.4m
(+4.1% YoY)

ROCE[2]
14.2%
(+160bps YoY)

Free cashflow
£25.3m
(FY25: £43.0m)

Dividend per share
9.0p
(FY25: 8.8p)

Note: all numbers on this slide are stated on a 52-week basis.
[1] Excluding the change of policy relating to amortisation of acquired intangibles, FY26 underlying PBT would have been £41.5m, an increase of 8.1% from the £38.4m reported in FY25.
[2] ROCE is calculated as 52-week underlying operating profit divided by 53-week average net assets (excluding goodwill plus net debt).

UNDERLYING PBT ABOVE MARKET EXPECTATIONS

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FY26 consensus restated for change in accounting policy is £44.2m with a range from £43.4m to £45.3m.

Group (all numbers stated on a 52-week basis)	FY26 (£m)	FY25 (£m)	Change YoY
Revenue	1,764.5	1,715.2	2.9% 4.8% LfL
Gross margin (%)	52.8%	50.7%	210bps
Operating costs	(875.9)	(814.4)	7.6%
Underlying operating margin	3.2%	3.2%	-
Underlying PBT	**45.4**	**43.6**	**4.1%**
Non-underlying items	(6.4)	(73.6)	(67.2)
Reported PBT (52-week basis)*	39.0	(30.0)	69.0

*Actual reported PBT reflects a 53-week period and was £43.6m (reconciliation included in appendix)

- Like-for-like sales growth ahead of 52-week sales growth due to closure of underperforming garages
- Gross margin expansion and cost control offset high levels of inflation to deliver growth in underlying PBT
- Underlying operating margin flat YoY, (and +10bps YoY to 3.0% excluding change in accounting policy)
- Excluding the change in accounting policy, underlying PBT would be £41.5m (FY25: £38.4m)
- Non-underlying items include H1 warehouse management system costs and amortisation of acquired intangibles

STRONG PROFIT GROWTH DESPITE HIGH INFLATION

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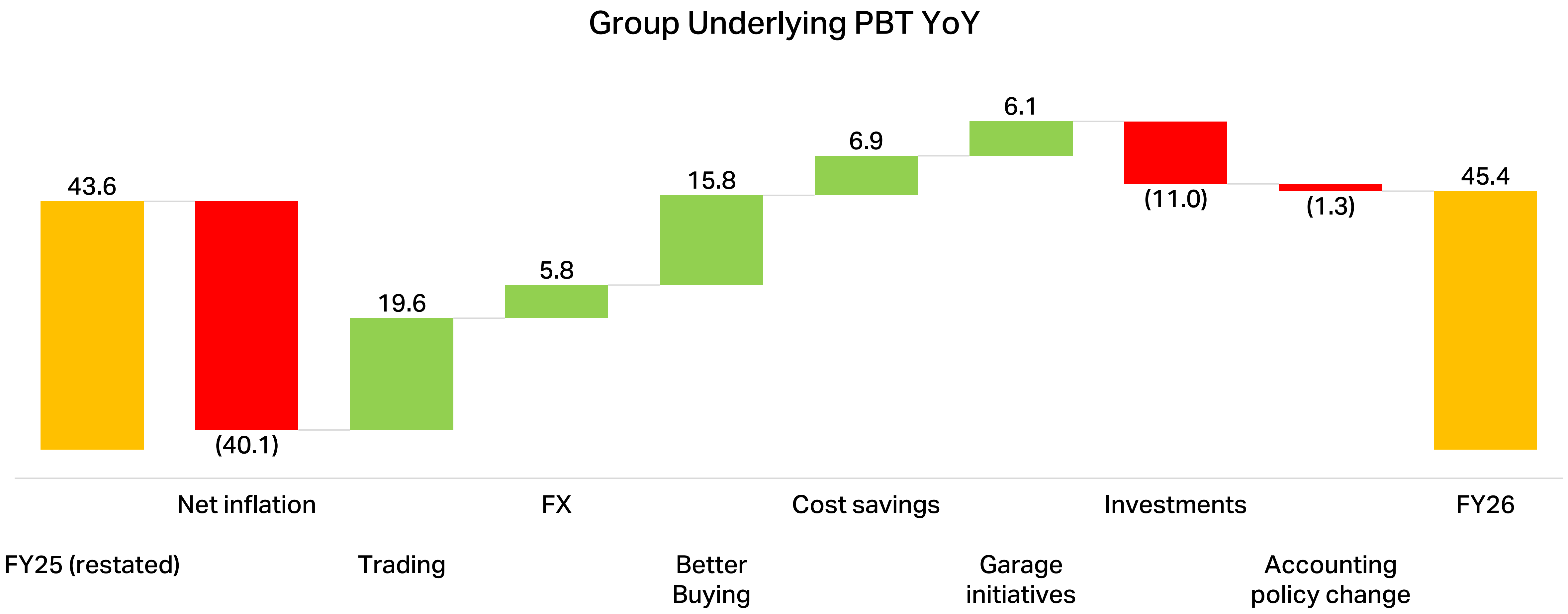

Note: all numbers on this slide are stated on a 52-week basis.

GROSS MARGIN REACHED A 10-YEAR PEAK

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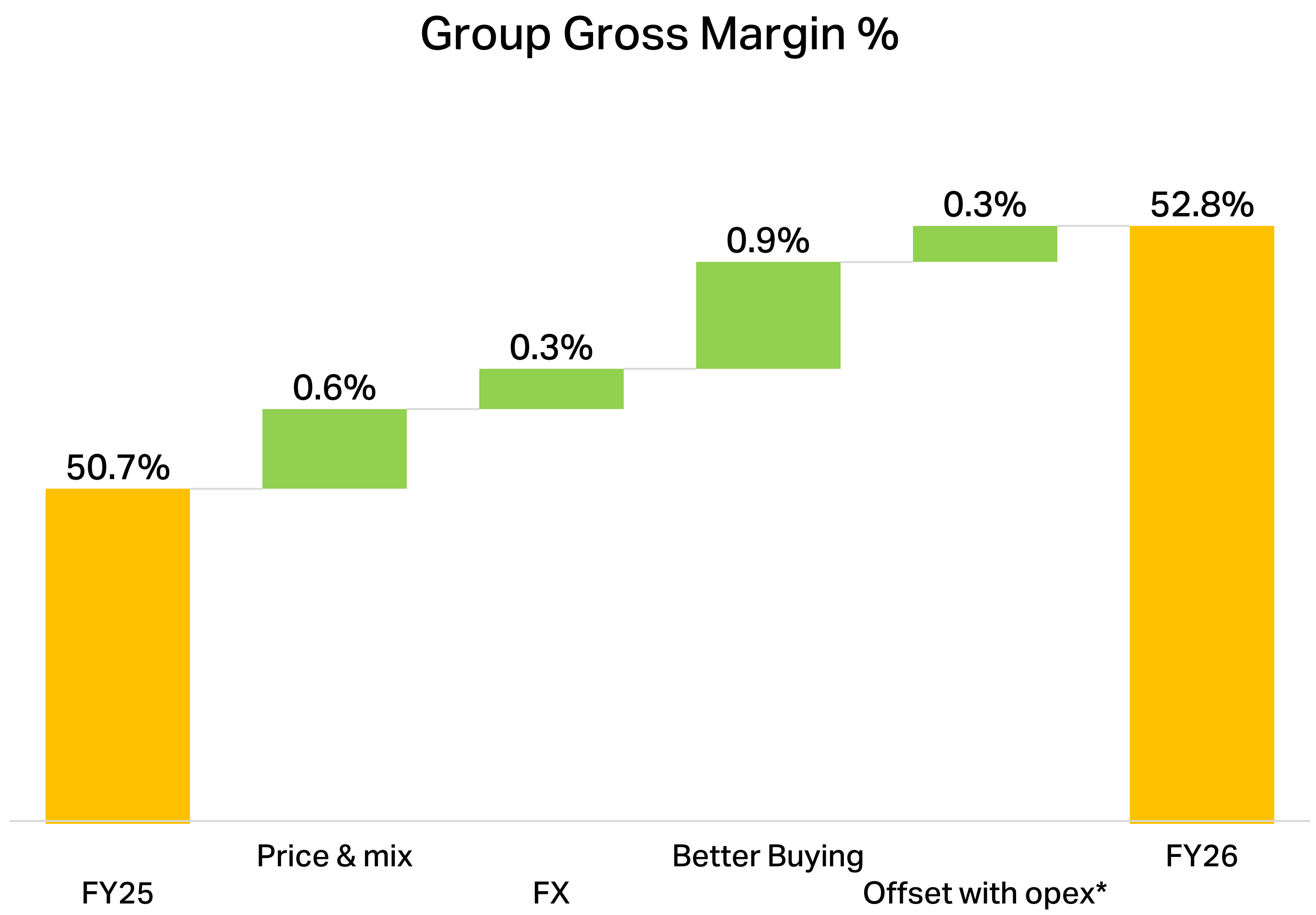
460bps of gross margin expansion over 2 years



- Further Better Buying gains
- Data-driven pricing and promotion optimisation
- FX tailwind
  Average $1.29 (FY25: $1.24)

* Contractual arrangements with suppliers resulted in a YoY increase in gross margin and corresponding increase in operating expenses.

RETAIL: ACCELERATING SALES AND MARGIN GROWTH

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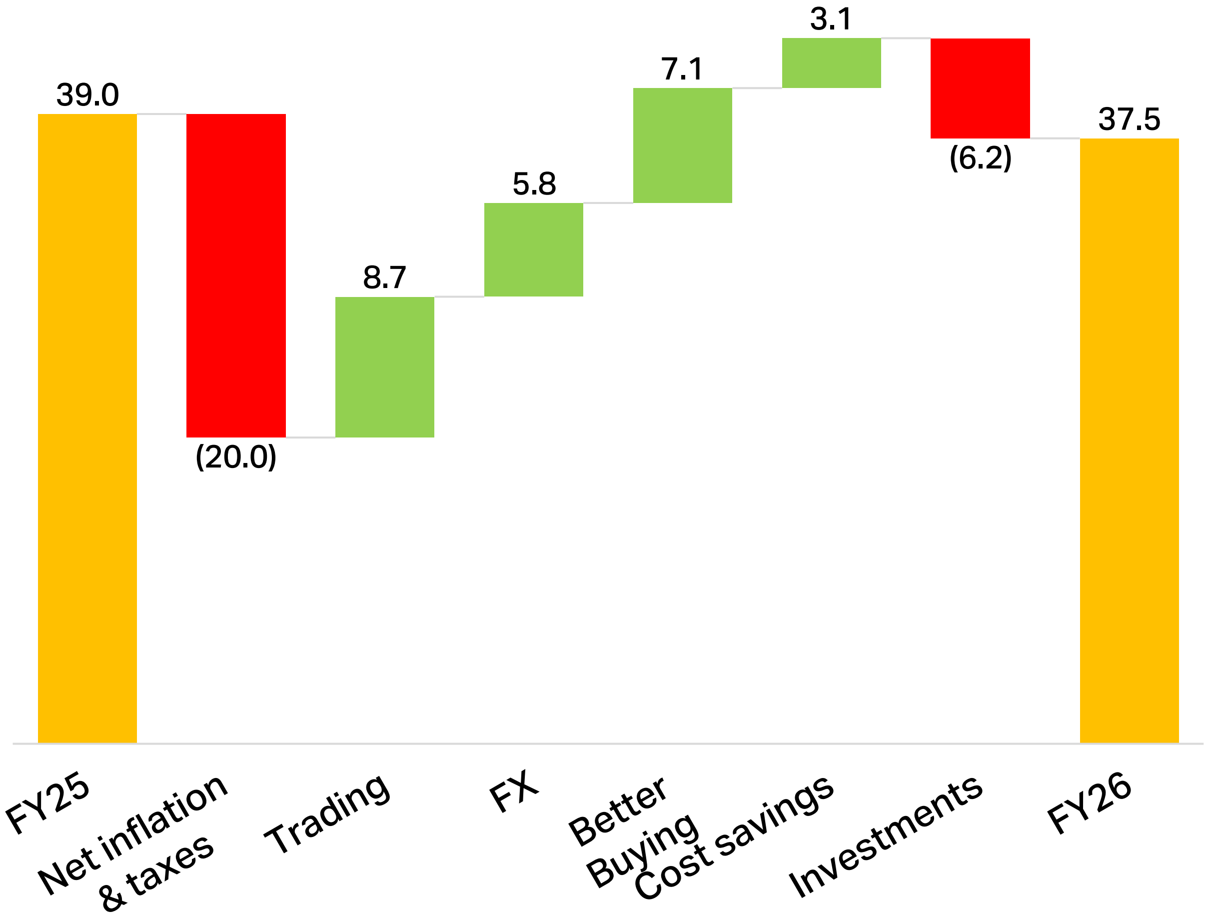
Retail	FY26	FY25	Change YoY
Revenue	1,039.3	1,004.9	3.4% 4.1% LfL
- Motoring	660.4	648.6	1.8% 2.9% LfL
- Cycling	378.9	356.3	6.3% 6.4% LfL
Gross margin %	50.9%	49.3%	160bps
Operating costs	(491.5)	(456.7)	7.6%
Underlying operating profit	37.5	39.0	(3.8%)

Retail Operating Profit (£m)



Note: all numbers on this slide are stated on a 52-week basis.

GARAGES: PROFIT +22% DESPITE LABOUR INFLATION

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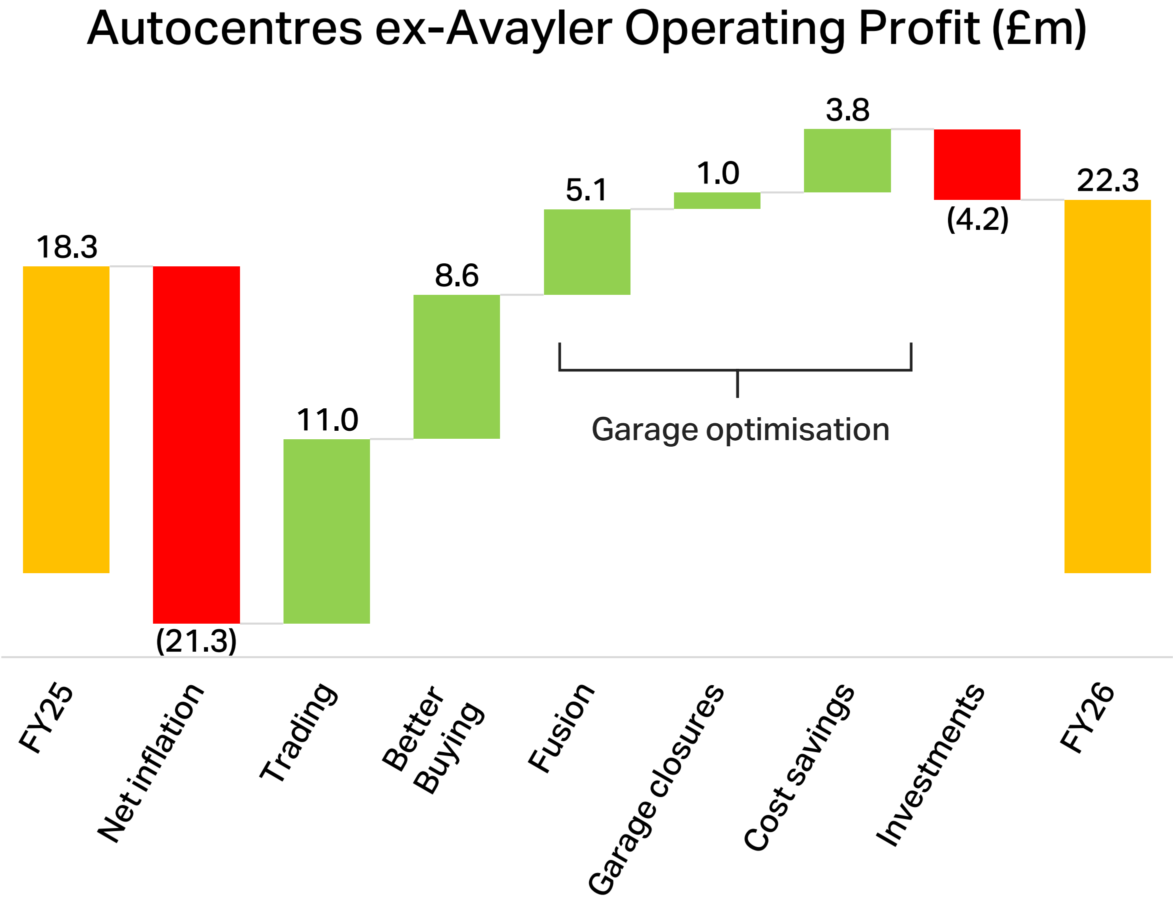
Autocentres ex-Avayler	FY26	FY25	Change YoY
Revenue	723.1	707.6	2.2% 5.8% LfL
Gross margin (%)	55.6%	53.1%	250bps
Operating costs	(379.4)	(357.1)	6.2%
Underlying operating profit	22.3	18.3	21.9%
Operating margin (%)	3.1%	2.6%	50bps

Avayler	FY26	FY25	Change YoY
Revenue	2.1	2.7	(0.6)
Operating profit	(3.4)	(2.6)	(0.8)

Note: all numbers on this slide are stated on a 52-week basis.



PRIORITISING BALANCE SHEET STRENGTH

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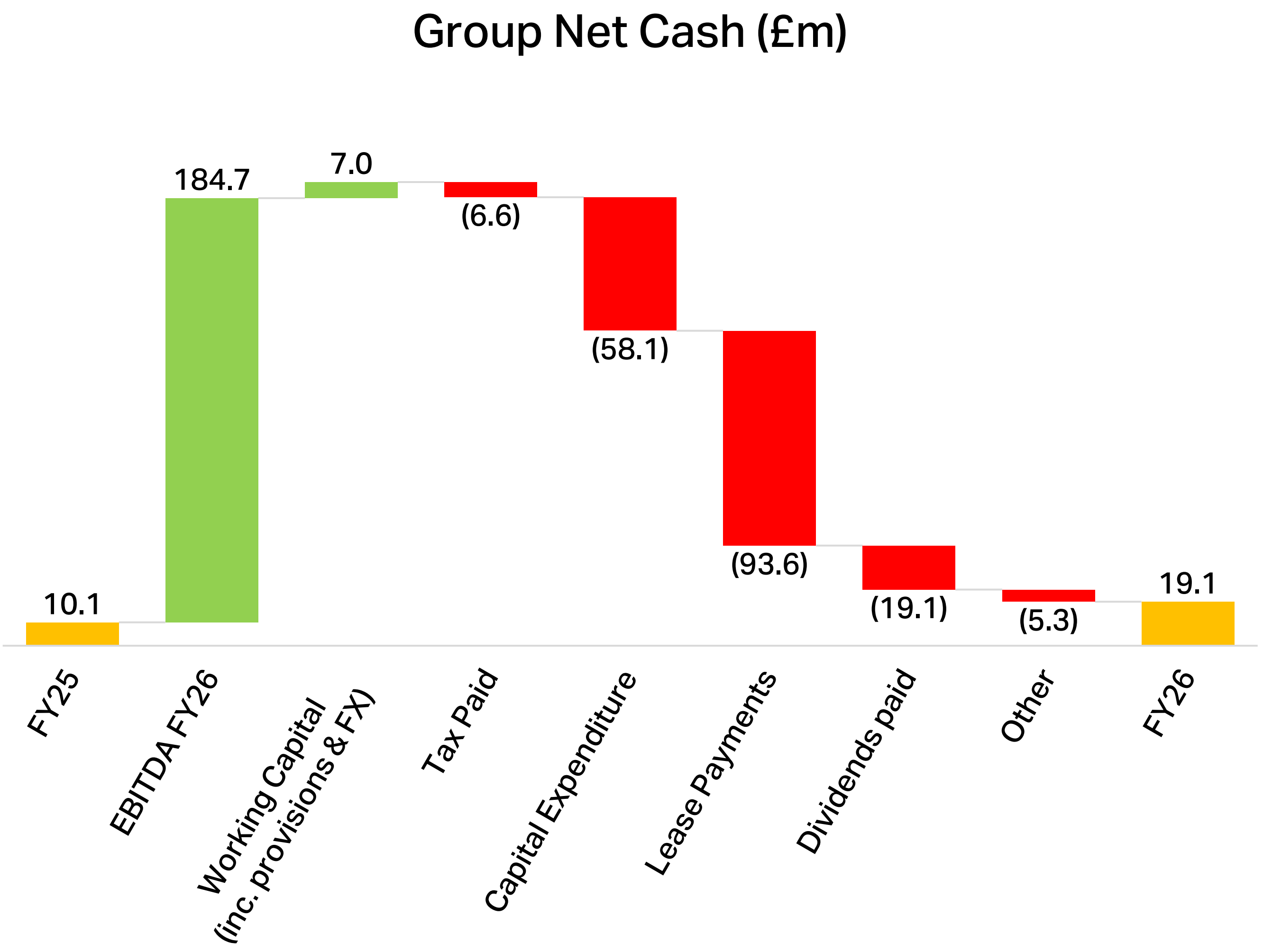
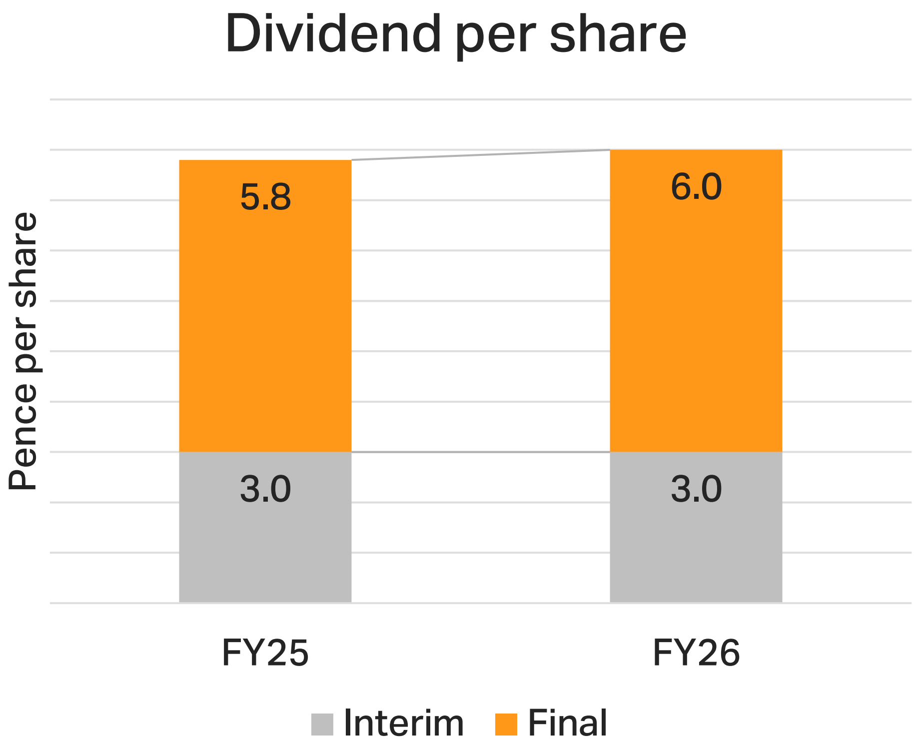


- FY26 free cash inflow of £33.3m (52 weeks: £25.3m) includes payment of FY25 colleague bonus
- Cash capex within our £55m to £65m annual cash investment envelope
- Inventory grew £5.6m to £230.8m as we built stock for the summer cycling season
- Result is net cash (ex-leases) of £19.1m, (0.1)x EBITDA (52 weeks: £11.2m)
- Including leases, net debt was £228.7m, 1.2x EBITDA (52 weeks: £236.7m)
- £180m RCF runs to April 2029 following extension agreed in H1

Note: numbers on this slide are on a 53-week basis unless otherwise stated.

DIVIDEND INCREASED TO 9.0 PENCE

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



FY26 dividend of 9.0p is 1.7x covered by underlying profit after tax (52-week basis)

FIT FOR THE FUTURE: EVIDENCING OUR PROGRESS

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Optimise → *Evolve* → *Scale*

Outcomes

LfL sales growth	**+4.8%**	✓
Operating margin expansion	**Flat**	-
Progression in underlying PBT	**+4.1%**	✓
ROCE > cost of capital**	**14.2%**	✓

Guardrails

Cash investment £55m - £65m	**£58.1m**	✓
Leverage < 0.8x underlying EBITDA	**(0.1x)**	✓
Dividend 1.5x to 2.5x covered by underlying profit after tax	**1.7x**	✓

Note: all numbers on this slide are stated on a 52-week basis and include the change in accounting policy relating to amortisation of acquired intangibles. Excluding the change in treatment, metrics are as follows: operating margin +10bps YoY from 2.9% to 3.0%, underlying PBT +8.1%, ROCE 12.9% (vs. cost of capital at 10.7%).

LOOKING AHEAD

OUR PLAN FOR FY27

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Continue to drive enhanced returns through Optimise and start to plan for Evolve

Fit for the Future outcomes

LfL sales growth	Operating margin expansion	Progression in underlying PBT	ROCE > cost of capital

In FY27 that means...

Retail

Category management rollout

Scale successful in-store trials

Product training

Garages

Complete final c.35 Fusions

Further utilisation initiatives

Investment in new equipment

Group

Brand building

AI investment

Planning for Evolve

While adhering to our guardrails

£55-65m cash investment	Leverage <0.8x EBITDA	Dividend 1.5x to 2.5x covered

FY27 OUTLOOK

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- Continued momentum in April, May and June trading with strategic progress supported by market recovery
- Consumer behaviour so far unaffected by events in the Middle East, albeit second order impacts could arise in H2
- FY27 underlying PBT expected around the top end of the consensus range, weighted towards H1
  - Note: change in accounting policy impacts current consensus as follows:

	Average	Low	High
FY27 underlying PBT (current)	£45.3m	£42.0m	£48.6m
FY27 underlying PBT (restated)	**£49.0m**	**£45.7m**	**£52.3m**

  - FY28 and FY29 estimates will increase by a similar amount

A RESILIENT BUSINESS FIT FOR THE FUTURE

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- Differentiated, service-led business model
- Focused and energised management team
- Clear strategy delivering tangible progress with further opportunities to optimise in FY27
- Performance momentum supported by macro factors:
  - Market recovery
  - FX tailwind
  - Inflation easing
- Strong balance sheet enabling selective investment to drive future growth

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APPENDIX

OUR COMPELLING INVESTMENT CASE

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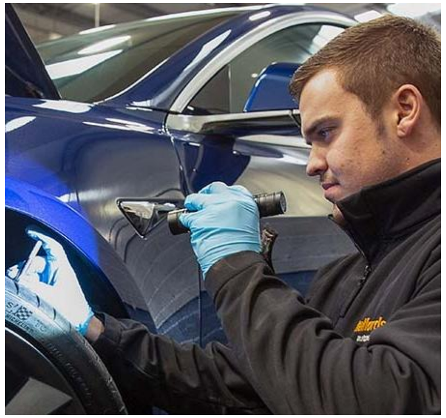
Our plan leverages our unique combination of assets across motoring and cycling, creating value in both the short and long term.

Trusted, heritage brand	Attractive markets	Unrivalled scale	Structural and financial resilience	Service, advice and expertise	Data and technology opportunity
130 years in motoring and cycling Leadership positions in all markets Ability to reach into adjacent markets	Large, fragmented markets Predominantly needs-based products and services Structural and cyclical growth drivers	c.1650 fixed and mobile locations nationwide Unique showrooming via a scaled physical footprint Effective digital platform	>50% service-related sales c.30% B2B with contractual / recurring revenues Cash generative model with balance sheet firepower	>12,000 skilled colleagues On-demand advice, checks and fitting in stores Complex servicing in garages	Huge data and technology opportunity Current owner details for 12m vehicle (one third of the UK car parc) >6m loyalty club members

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

OPPORTUNITIES FROM MAJOR MARKET TRENDS

1.



Electrification and transition to EV

Most cars on the road still have internal combustion engines, but the transition to electric is accelerating. EVs still need tyres, servicing and maintenance, creating growing demand for Halfords' expanding capability.

2.

Ageing car parc and the shift to value

With the average UK car now over ten years old, more work is moving from dealer networks to value-driven aftermarket providers like Halfords.

3.

Convenience and 'do-it-for-me'

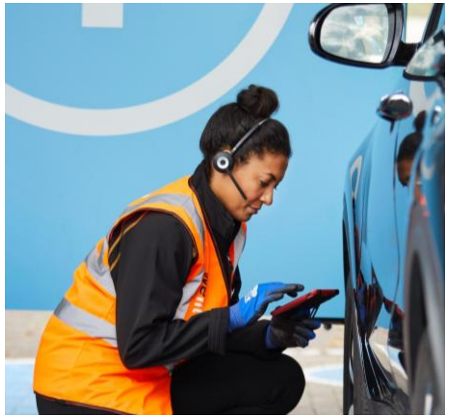
Customers increasingly want trusted, hassle-free solutions that fit around their busy lives. Our national reach, digital tools and mobile service offer make us uniquely capable of meeting this need.

4.

Needs-based, resilient markets

Halfords operates in predominantly essential, needs-based markets. While confidence may fluctuate, motoring and mobility remain everyday necessities, providing stable and resilient demand.

5.



Digital enablement

Technology and AI are reshaping how customers engage with our business. Our digital platform provides the foundation to deliver smarter, more personalised and connected service experiences.

RECONCILIATION OF 52 TO 53 WEEK PERFORMANCE

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Group	52 weeks to 27 March 2026	Week 53	53 weeks to 3 April 2026
Revenue	1,764.5	37.2	1,801.7
Cost of sales	(832.2)	(16.6)	(848.8)
Gross profit	**932.3**	**20.6**	**952.9**
Operating expenses	(876.3)	(15.8)	(892.1)
Other income	0.4	-	0.4
Underlying operating profit	**56.4**	**4.8**	**61.2**
Net finance expense	(11.0)	(0.2)	(11.2)
Underlying PBT	**45.4**	**4.6**	**50.0**
Income tax expense	(11.5)	(1.2)	(12.7)
Underlying PAT	**33.9**	**3.4**	**37.3**
Non-underlying items	(4.7)	-	(4.7)
Profit for the period	**29.2**	**3.4**	**32.6**

IMPACT OF CHANGE IN ACCOUNTING POLICY

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FY26	Pre change	Adj	Post change
Underlying operating expenses	(880.2)	3.9	(876.3)
Underlying operating profit	52.5	3.9	56.4
Underlying operating profit margin	3.0%		3.2%
Underlying PBT	41.5	3.9	45.4
Underlying PAT	31.0	2.9	33.9
Underlying EPS	14.3p		15.7p
ROCE	13.3%		14.2%

FY25	Pre change	Adj	Post change
Underlying operating expenses	(820.3)	5.2	(815.1)
Underlying operating profit	49.5	5.2	54.7
Underlying operating profit margin	2.9%		3.2%
Underlying PBT	38.4	5.2	43.6
Underlying PAT	30	3.9	33.9
Underlying EPS	13.8p		15.6p
ROCE	11.4%		12.6%

In FY26 we updated our policy relating to non-underlying items to include the amortisation of acquired intangible assets.

This change was introduced to simplify our profit metrics and is consistent with the treatment adopted by many other companies.

This change has the effect of increasing FY25 underlying PBT by £5.2m to £43.6m, and increasing FY26 underlying PBT by £3.9m to £45.4m.

All FY26 numbers on this slide are presented on a 52-week basis.

HALFORDS 5 YEAR RECORD

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

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