

Halfords Group

Strategy Update 2025

27th November 2025

Transcript



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Henry Birch, CEO:

Good morning everyone and welcome to our strategy update for the Halfords Group. You will be aware that today we have also announced a strong set of interim results for the 26 weeks to 26th September 2025 and these, together with a webcast, are available on our corporate website.

I am very pleased to be setting out my vision for Halfords over the next 5 years and believe that we are at an exciting and compelling moment in time from an investor point of view.

I joined Halfords because I believed in its potential. Seven months on I am even more convinced in its potential and believe we have a pathway to growing our business and creating value and benefit for all our stakeholders – our customers, colleagues and, most relevant to this forum, our shareholders.

At the heart of my conviction is the unique set of assets and capabilities that Halfords possesses and the dynamics of the markets in which we operate.

We have leading positions in fragmented and evolving markets. We have an unmatched and scaled combination of stores, garages, mobile vans and digital capability across motoring products and services and cycling. We have a trusted, universally-recognised brand and over 12,000 expert, trained colleagues. We have structural resilience with a focus on needs-based products and services and a third of our revenue comes from B2B. We have a debt free balance sheet together with strong cashflow generation. And, in combining assets and capabilities under one roof, the Halfords group as a whole is far more valuable and has more potential than the sum of its component parts.

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Today I want to drill down into some of those capabilities and assets. I want to deliver some home truths about our past and where we are today. And, most importantly, I want to elaborate on why I am so confident in our future, and detail our plans to deliver for all our stakeholders. I will talk to how we are going to measure progress and ensure financial discipline. And I will introduce our team and wrap up proceedings.

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I mentioned scale and breadth of our assets. As a retailer, we have 370 stores across the United Kingdom and the Republic of Ireland combined with a strong digital platform together generating about £1bn in annual retail sales. We have 500 consumer garages delivering service, maintenance and repair together with tyres. We have our Halfords Mobile Expert service with 250 vans. And we have our commercial fleet services business with 550 vans serving business customers up and down the country. And we have Avayler, our SaaS business, providing garage management software to third parties. Our more than 12,000 colleagues are solutions experts, trained and knowledgeable, and we continue to invest in young people, bringing 150 new apprentices through our doors last year.

Amongst many other impressive statistics, that scale means that we serve over 20m customers a year, it means we sell over half of all bikes in the UK and handle a significant share of the UK's car keys. Scale in our business drives competitive advantage and is extremely difficult to replicate.

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But the power in Halfords is in its combination of assets and capabilities and the additional value that it drives. At the most obvious level, we have a single Halfords brand across all our businesses and services. That drives brand authority, relevance and resonance across all things motoring and cycling, and gives us the potential for service and product extensions. The Halfords brand is served by a single consumer website where customers can buy products or book garage services. We have a combined loyalty programme allowing customers to move seamlessly between our different services, driving higher engagement and subscription revenue. We deploy central specialist functions across our businesses, driving cost and capability advantages. We have buying power, with many of the same suppliers across our divisions. And our B2B efforts, a key and growing part of our business, deliver benefits for corporate clients across the group, whether that is commercial fleet services, trade card or cycle to work. The power in Halfords is the power of the Group and the assets we bring together under one roof.

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From a customer point of view, we aim to deliver three guiding customer benefits: convenience, value and expertise. The convenience of digital and nationwide coverage with 85% of the population not further than 15 minutes from a Halfords; value enabled through our scale, supplier relationships and own brand products; and expertise through our dedicated 12,000 colleagues. Our customers are diverse in their make-up, but broadly fall into two categories. Those we classify as Do It For Me's and those we classify as Do it Yourselves. DIFM's are much greater in number and, as their name suggests, are looking for advice or a service. And, candidly, Halfords is often the only place they can get that advice or service, whether it is having a wiper blade or roof box fitted or getting advice on which oil to buy. The DIFM population is large and we have a significant opportunity in greater penetration of this market. DIY customers are typically high value, high frequency customers who recognise the depth and breadth of our range and our product and service expertise.

Our B2B customers share many of the same priorities—convenience, value and expertise—but place an even greater emphasis on reliability and turnaround speed. Through our national footprint and fleet service capability, we offer a comprehensive, single-provider solution that keeps businesses moving throughout our nation. Over the last 5 years we have built a much bigger B2B business across different sectors. This includes our commercial fleet services business, combining what were Lodge, McConechy's and Universal, where we are typically serving HGV's and light commercial vehicles. B2B is also an important demand driver for our consumer garages where we serve fleet cars and light commercial vehicles with a growing proportion of them being electric vehicles. And on the retail side, our cycle to work scheme helps drive bicycle sales, with trade card also contributing B2B revenue. B2B gives us a reliable source of demand, can drive a higher utilisation of our asset base and is more insulated from the volatility of consumer confidence and spending.

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If we look at the markets in which we operate, Halfords is in a strong position.

Our largest market is garages or motoring services, a market which is around £17bn in size. In this space, small, local independents still represent the biggest share, leaving room for Halfords as a scaled, professional operator with the capability and credibility to meet the growing complexity of modern

motoring. Many of these independent garages are owner-operated and may face issues not just with generational succession, but with the scale of investment in equipment and skills needed to meet the changing dynamics of motoring. So whilst it is early days, we expect competitor garage supply to diminish over time.

We have spoken previously about a weak tyre market that has struggled for the past two years. The important thing here is that, irrespective of growth or decline in the market, with the brand and scale that we have, we should be able to grow and take share in tyres.

The motoring products market is worth around £4 billion. We see significant potential in developing our digital offer, but believe our unique strength is in the combination of digital and physical stores. This is illustrated by the fact that 80% of our digital orders are click and collect. Our combination of products with an attached service, is not something that Amazon or any other online retailer can easily provide.

The cycling market remains a core part of our proposition and strategically important both as a significant business in its own right but also as a gateway to Halfords—from the first bikes that introduce families to our brand, to the enthusiasts who invest in the latest innovations through our specialist brand, Tredz. This year we have seen good growth in cycling and the market overall seems to be in improving health. Across the Group we represent more than half of the cycling market in volume terms, including all parts and accessories as well as bikes themselves.

Taken all together, the markets we operate in are large, robust and dynamic—providing a strong foundation for Halfords' long-term growth and future strategy.

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I mentioned that our markets are dynamic and there are some clear trends that Halfords must navigate. Firstly, and most obviously, is the move to electric – and that's both cars and bikes. Electric vehicles currently constitute about 5% of the UK car parc of 35 million cars. Despite successive government inconsistency, we know two things with absolute certainty. First, that the EV number will grow. And second, internal combustion engine cars will be on our roads for many, many years to come. Whatever the growth or scenario, we are well-prepared. We have almost 700 EV-trained technicians and the majority of our garages work on EV cars. We are ahead of the curve—investing early and building capability to serve EV customers at scale as the demand arrives. And although there are differences between EVs and ICE cars they all need tyres and they all need to be serviced maintained and repaired. It is worth saying that the same goes for any other car powered by a different technology or fuel. At the end of the day, we are fuel and technology agnostic and are confident that we can navigate any shifts or trends.

At the other end of the spectrum, another structural trend to touch on is the ageing car parc in the UK. Despite the rise of EV's and new technology, the average vehicle in the UK is now close to 10 years old, shifting demand away from dealer-based, early-life servicing towards independent aftermarket providers—a space where Halfords is exceptionally strong.

Over the last decade the UK has seen the rise of the convenience economy and this has been reflected in the motoring products and services market. More than ever, consumers want convenience—they want someone to “do it for them,” removing hassle and fitting around their busy lives. Today's

customers are also more demanding and digitally engaged. With our nationwide reach, integrated service model, and advanced digital capability, Halfords is uniquely placed to deliver on this shift toward convenience and service, both in our garages and our stores.

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Halfords has a long and illustrious history, but similar to most consumer businesses it has had a fairly volatile decade, post Brexit and latterly Covid. In that time, it has had to navigate some choppy waters, but it has made three important strategic shifts which I have mentioned but want to reiterate. First is a shift to a greater proportion of services, with service-related revenue now representing over half the total. Service revenue is typically higher margin and more resilient, being more needs-based. Secondly, we have grown our B2B business with around a third of revenue now generated by B2B sources. B2B revenue is generally less impacted by economic swings and consumer confidence and is therefore more consistent and reliable. And thirdly, we executed a material cost reduction programme to mitigate the inflationary pressures over the last 3 years. These shifts are the right ones to have made and set us up well for future success.

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Halfords is a fantastic company, brimming with potential, but arguably our performance over the last 3 years has not matched that potential. And I think an element of candour and self-reflection is needed to ensure that, as we map out the years ahead, we take the necessary learnings forward with us.

First, as I have said, we have rightly evolved into a services-led business. But with that change, we have failed to deliver the uplift in margin we should expect from services being a higher proportion of revenue. That must and will change and, in particular, we will be targeting margin expansion in our garages business.

Over the last few years we have made a number of acquisitions. These acquisitions have given us additional scale and capability, but our integration has not been good enough and we have not driven expected returns. There is more to do here, but I am clear that in the immediate term any further acquisitions would be a distraction from the task in hand.

Halfords is a diversified business with breadth and inherent complexity, but we have often found ourselves spread too thinly, chasing too many priorities. That will change with a simplification of action and a focus on the things that matter and the things that will drive value in our business.

Halfords has an envably rich and powerful dataset, which we use effectively for CRM and segmentation. But we are yet to use this data for real time decisioning, personalisation or predictive analytics and we need to develop our data platform further. Doing so effectively will increase customer lifetime value and drive profit growth.

I talked about the power of the Halfords group, how the combination of our assets yields considerable benefit. But we have not sufficiently joined these assets from a customer point of view. The customer journey between our group assets is not smooth enough and it is not evident enough to customers what exactly we offer. We need to better join our assets together and better promote what we offer. If we do this well, there is much to gain.

And overall, I believe we need to drive better and more visible returns on the capital we deploy. This is very much front of mind and something we will ensure gets the required focus.

So there are both lessons to be learnt and challenges to meet, but fundamentally we have a unique and fantastic business. And while I've been candid about where we need to improve, it's equally important to recognise the many strengths already in place.

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Hopefully I have given a clear articulation of where I see our strengths and also some of the home truths that we need to face into. I have also covered some of the dynamics and trends of the markets we play in. But I now want to talk about where we believe we can take our business and the future ahead.

When I decided to join Halfords, it was because I could see a business with deep foundations, a strong sense of purpose, and a differentiated platform most companies would envy. Now, having spent time across the organisation I'm even more convinced. The fundamentals are intact, the potential is significant, and the challenges we face are executional, not structural.

And it is not just me who believes that, let's hear from two of the newest members of our executive team

[VIDEO]

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What I've seen since joining confirms that we don't need to reinvent Halfords — we need to execute with focus. The opportunity isn't in radical change; it's in doing the important things consistently well and sequencing them properly.

Our strategy ahead is simple, disciplined, and built around three clear phases: Optimise, Evolve, and Scale.

I will go into the detail of these phases shortly, but at a summary level, Optimise means maximising what we already have and what we already do. It is about getting more value, faster and more consistently, from the assets already in place. This is the near-term value creation phase, and the work is already underway.

The Evolve phase means having a business that is future proof: lean, effective and efficient. It means strengthening our foundations to deliver sustainable growth and continuing to invest in key areas such as technology, data and our physical estate.

And then, as our core strengthens and our foundations evolve, we can have the confidence to grow in scale, taking advantage of our operating leverage. And the nature of how we scale will vary across our business divisions as I will discuss.

These three phases are time-bound with some overlap between them as you can see on this slide. But the important thing to note is that our optimisation is already underway and realising short term benefits, contributing to the strong H1 results we announced earlier this morning.

And likewise, we see opportunity for scaling and building real value within a relatively short timeframe.

So let's look at these phases in more detail.

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The Optimise phase is a crucial first step in our strategy, designed to establish early momentum and unlock the latent value within our core business.

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We have three focus areas to optimise our retail business: better category management, services expansion and e-commerce.

Firstly, Category management.

We believe that improved category management has the potential to significantly drive our sales and margin. Candidly, it is not something we currently do well at Halfords. In summary terms, it means taking each major product category and applying a forensic lens to optimise our product assortment, our pricing and promotions to drive relevance for customers and unlock growth. It requires a very keen eye on customer and competitor dynamics and, for us, building on our strong own brand products to create even more differentiation that is unique to Halfords. It is worth mentioning here that we have an amazing track record in own brand products that is sometimes overlooked or forgotten. In cycling we have developed Carrera, the leading mainstream cycling brand in the UK by value, and Apollo, the largest brand by volume.

Improving our category management will take a little time as we cycle through our categories, but we have started over the last month with cycling parts and accessories and a few selected areas of motoring. We expect to start to see results from this initiative as soon as early FY27. But we have confidence in the scale of impact we can create when we focus on the right need states for customers – through work in our impulse category we've already driven over 70% YOY growth through much stronger impulse and gifting lines.

Our second opportunity is to improve and better promote our services proposition, which sits at the heart of what makes Halfords unique.

For millions of customers, we are not just a retailer. We are a trusted expert that solves their problems in one visit. We're therefore really focusing on optimising our service offering across both motoring and cycling, ensuring we have the right offer, pricing and operating model in place. And we're driving awareness of the full breadth of our services to attract more customers – which you'll start to see in our marketing and media in the coming months

The opportunity is clear: services are one of our most defensible advantages. They also offer higher margin revenue and less price sensitivity. They cannot be replicated credibly by online pure players or mass/discount retailers, and they deepen our relationships with customers who increasingly value the convenience and reassurance we bring them.

Thirdly, as I mentioned, digital already represents around 25% of our total retail sales – and around 80% of those orders are collected in-store. That shows the strength of our integrated model and the

importance of our digital channel in generating customer footfall. But it also highlights a simple truth: with the scale of our online reach and the breadth of our retail and services proposition, we should be capturing more of that demand, more consistently.

In short, we have an opportunity to grow our online share. Having come from a pureplay online retailer, I know that applying the right focus and resources will yield results and, moving forward, I expect our digital sales growth to outstrip our core physical retail sales growth.

Progress here is about improving core website functionality and performance and it is about improving customer journeys and processes. Alongside this, we are sharpening our offer: expanding our online ranges, improving availability, tightening product descriptions, and applying a more scientific approach to pricing and presentation. These are the basics of good digital retailing, and with our scale, they will have a meaningful impact.

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If we turn now to our garages division, there is much we can do to optimise our business over the short term. As I have already explained, motoring services is a large, fragmented market and our biggest opportunity over the next few years. I will start with the programme you will know the most about, our Fusion rollout.

By the end of this financial year we will have more than 100 Fusion garages in operation with up to another 50 or so to roll out in FY27. We have a tried and tested formula that customers love and typically drives a doubling of profitability within 2 years.

Over the last 5 years we have materially changed the shape of our garages business. Today we have scale and effective national coverage, but we now need to drive operating standards and improve garage utilisation rates to drive margin accretion and profitability. The same principles apply in our mobile van business and our commercial fleet services. Fundamentally this is about operational excellence and a ruthless focus on efficiency and process improvement.

We have a range of activities underpinning this that are in flight. We are implementing a zonal operating model, which allows us to redeploy labour to high demand garages rather than recruit new technicians, effectively balancing supply and demand.

As well as improving total utilisation, we are now focused on ensuring we have the right skills mix in each site, with our master technicians focusing on the complex work, and service & diagnostic technicians picking up the rest. By getting the right people on the right job we will deliver a better service and reduce the cost per job.

We are also bringing in new equipment to reduce job times. For example we are rolling out new equipment for wheel alignment which halves the time taken to complete the work.

These are just a few examples of the work already in train in our garage business that I am confident will create a more profitable garage & mobile business and deliver an even better customer experience.

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I mentioned that the power in Halfords is the power of the group and the fact that our assets are stronger together than alone. And there is much we can do to optimise that group dynamic.

Uniting the group is the Halfords brand, trusted and well-recognised. But for understandable reasons over the last few years we have not sufficiently invested in our brand. That has meant that we have lost ground in terms of consideration and some of our performance marketing channels such as Google and PPC have lacked cut-through.

We have been running localised trials in certain geographic areas and we have a high degree of confidence that an investment in advertising will strengthen the foundations of the Halfords brand and yield a rapid payback.

This is not about a big bet marketing campaign. This is iterative. Spending a little, proving the return, and driving overall business performance.

We'll measure our success and returns here in customer numbers and in our brand health metrics and transaction volumes. .

Halfords Motoring Club has been a stand-out achievement over the last few years. From a standing start, we have built a loyalty base of 6m customers with over 400,000 of those taking up a paid subscription in premium membership. They generate around £20m of annual recurring revenue for an MOT subscription which also offers a host of other benefits while providing us with valuable vehicle data.

Over the medium term, we have plans to transform Club and make it the central destination for our customers to manage all their motoring and cycling needs. But in the short term, we'll continue to prioritise premium and ensure that our promotional mechanics are driving incremental margin through our standard membership. We'll measure success here in the numbers and contribution of premium membership.

So there is a lot to get our teeth into in optimising our business. What I have mentioned today are some of the key parts of our optimise phase but it is not exhaustive and there other aspects of that we need to tackle. But none of it is revolutionary or rocket science. And that is good news. It is all clearly within our grasp and we are on with it with clear plans and associated resources.

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But we also need to think about how we drive value over the medium and longer term. How we strengthen and evolve our business. Some of this will require investment, but we are very clear on two things.

First, we need to earn the right to invest further. That means that we need to show progress in optimising the business and we need to show improved financial performance. And second if we do invest we have to show a very clear line between investment and returns. So there is a phasing here. Optimise first and earn the right to invest and evolve.

The evolve phase is not just about investment, it is about self-help and business improvement. There are two clear areas or pillars that will help drive value. First is having a lean and effective business, being fit for the future. Second is evolving our tech and data capability. I will take each in turn.

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As a business we have managed our costs over the last few years. But there is an element of painting the Forth Road Bridge here. As soon as you've finished running a cost programme you need to go again. And frankly that should be part of any well-run business. But I believe there are bigger opportunities to structurally reduce our costs and realise ongoing annual savings, as well as having a more effective business.

Having driven a £20m annualised supply chain benefit in my previous business, I believe we have a compelling opportunity to improve our supply chain logistics, take out cost and improve productivity. We will need to work through cost and benefit details, but we believe there will be a clear business case and compelling returns here.

And likewise, we see an opportunity to reengineer our back office, build better business intelligence, and reduce costs by upgrading our enterprise resource planning – or ERP - system. These programmes of work once ground businesses to a halt in their scope and enormity, but this will likely be an upgrade not a replacement and we will take a phased and iterative approach rather than in one big bang.

This will also be an important enabler of our future “scale” phase, which I will come on and talk about

Finally, we believe that there is an opportunity to improve effectiveness and reduce cost by looking at our organisational structure and how we work with outsourcers.

It is worth saying that in all of these areas we are highly functional today so there are choices we can make. But to be crystal clear, we will only proceed with a clear and quantified line between spend and return. However, with a debt free balance sheet, we should have the confidence to pursue projects with clear returns that give us an uplift in our long term profitability.

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Technology and data have the potential to fuel significant growth in our business. In the medium term, there are tech projects that we have already clearly identified that will drive value. Amongst these, we plan to fully roll out Avayler, our proprietary garages management software, to all parts of our garage business. This will further drive utilisation, improve margins and provide a better customer experience. And in time in retail, we'll want to upgrade our current point of sale system iServe, improving speed to serve and freeing up colleagues to spend more time helping and advising customers.

I mentioned earlier, as part of our home truths, that we had not yet made full use of our data potential and that we had work to do.

Today we use data effectively to reward loyalty and drive CRM. And this activity drives both spend and customer engagement. But we have the potential to do much more with significant benefit by further developing our data platform.

Through our Evolve stage we'll build the capability for real-time decisioning and much greater personalisation. We see an opportunity for predictive analytics for customers and their cars, allowing us

to anticipate issues before they arise, provide proactive maintenance, and deliver a rapid, seamless service. This will differentiate our customer experience, drive sales, and reduce cost to serve.

We will also improve how we use data to inform business reporting and decision-making enabling faster, evidence-based decisions across the business. In particular we see the potential to improve market effectiveness, pricing and use of promo.

We have a lot of data. 20 million customers engage with us every year. We have 12m VRN's with owner data. And in Halfords Motoring Club we're building an even richer dataset with marketing permissions. Utilising that data for our own purposes and in partnership with others, such as through a retail media network or through introducing other services, will be a key focus for us.

The next five years will likely see the widespread adoption of AI in businesses and those who have workable data are likely to benefit the most. Whilst we don't have a crystal ball, we see AI as being much more of an opportunity than a threat. We see significant opportunity in automating processes, improving back office efficiency and improving insight. And we are on with it – we have started at a small scale to experiment and change things using both internal and external resource. This is test and learn rather than anything transformational at this point, but we are enthused and excited about the potential and will continue to look at ways we can harness AI. But at the other end of the spectrum, we do not believe our business or the services we provide risk being made redundant or being disintermediated. Much of the physical work in a garage is very difficult to automate and likewise AI or automation would struggle with many of the services we perform in our retail stores. Indeed, it is not just our opinion, in October of this year Microsoft published a list of the Top 40 jobs likely to be replaced by AI and the Top 40 with most resilience, which included tyre and garage technicians. Our services and products are unlikely to be made redundant, but AI should help us be much more efficient and free up our colleagues to spend more time supporting customers and so generating revenue.

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The third and final phase of our strategy is about the scaling of the business.

Clearly, we are trying to scale our business organically every day of the week. But our strong belief is that as we optimise and evolve and invest in our business, we will be in a position to scale at a much greater pace.

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From a garages' perspective, this will mean opening more garages – but only once our estate is at optimum utilisation. More garages can be achieved through organic openings, but more likely we will scale through acquisition. The dynamics here play in our favour, and we expect there to continue to be a number of opportunities on the market that will allow us to scale rapidly.

For retail, scaling is likely to come via our digital channel where we see significant opportunity to grow our existing business but also expand our markets and range in a low risk, capex-light fashion.

We also believe we can ultimately broaden our offer in partnership to become the digital go-to destination for all things motoring and cycling. A digital one-stop shop. A single point where you can access products and services for all things motoring and cycling under one brand, one account, with a singular website or access point. Today we offer products and we offer servicing, maintenance, repair

and MOTs. In partnership we see the potential to offer breakdown, insurance, financing, parking and other benefits. From a customer point of view, the hassle of car ownership is removed – you have one entity to deal with and one monthly or annual fee that covers all your motoring needs.

This is not an unachievable pipe dream, we have built the core component parts and have a working model in our Halfords Motoring Club premium tier. But there is much we can do and need to do before we really push and scale this. But ultimately we believe we are by far and away the best positioned company to achieve this and we see real value and potential here.

So I have outlined the three phases of execution that we will implement and what those will mean in practice, but I now wanted to hand over to Jo to talk about how we will measure success, the financial performance and returns we can expect, and the disciplines we will look to adhere to.

Jo Hartley, CFO:

Thank you Henry, and good morning everyone.

Last time we talked about strategy was at our CMD in April 2023. We shared in detail our future targets and the building blocks that would get us there.

The reality since then is that while we have worked hard to deliver the cost savings and market share growth we targeted, we have struggled to meaningfully grow profits against a challenging consumer and inflationary backdrop. Our markets have been slower to recover to pre COVID levels than anticipated, and the £90m of cost savings delivered in the 3 years to March 25 have not quite mitigated over £98m of cost inflation during the same period. We have, however, managed cash and working capital well and strengthened our balance sheet throughout this time period.

Notwithstanding the challenges of the last few years, I am pleased to say, I am more optimistic about our future. While I am not going to share detailed forecasts today, I will lay out how we will measure success, the trajectory we anticipate, and how we will allocate capital and manage our balance sheet going forward.

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As we move through the next few years, we will consistently come back to the same measures to indicate progress.

Financially, we expect to deliver Like for like Sales growth, with faster growth through our digital channels, Operating Margin expansion, underlying PBT progression and a Return on Capital Employed that grows to exceed the cost of capital.

Clearly as we look forward we cannot predict the external forces that may impact us - specifically how consumer spending patterns may change, what successive governments and budgets may bring, or how geopolitics will evolve and the impact this may have on our cost base.

But we do know our business - the strength of our brand, the attractive markets we operate in, and the unmatched scale we have through our unique combination of digital and physical assets. We have a hugely differentiated service-led customer proposition delivered through 12,000 skilled colleagues and led by a new and experienced management team. We also know we are starting from a relatively low

profit base, and the opportunity from data and technology is significant. And importantly, we have a strong balance sheet and a cash generative business – which gives us not only resilience, but the ability to invest in projects that will drive growth in underlying profit and returns for shareholders.

As such, we do believe that with discipline we can deliver against these measures sustainably and over time.

That said, each phase of the plan will have slightly different dynamics.

Throughout the plan we anticipate capex to maintain and drive optimisation improvements within our existing business continuing at broadly similar levels to those seen historically, with investment between £55m and £65m per annum.

In the evolve phase, we see opportunity to deliver returns from additional investment to drive efficiency and cost savings in our supply chain and in our central overhead, including through upgrading our ERP.

In this phase, we will make incremental investment where we see attractive and incremental returns. And we won't move beyond the previously mentioned £55m - £65m per annum investment range until we earn the right to do so by showing good momentum in our underlying business. We will come back to you with more detail on these programs and their costs and benefits once we are confident in the business case returns and ready to get started.

Finally, and to be clear, only once our model is optimised and our investments are paying off, we will enter the scale phase - using our balance sheet to enable investment in acquisitions, expansion and further growth.

We will operate with discipline throughout all phases of the plan, delivering progress on the KPIs I have described, and always operating within our previously guided net debt to EBITDA range of 0 to 0.8x excluding leases.

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One of our strengths today is undoubtedly our strong balance sheet. We have a £180m debt facility committed to April 29, our balance sheet is currently in a net cash position of £18.6m as reported this morning, and our lease lengths and therefore liabilities are low. Leverage including lease debt is 1.3x.

We therefore have resilience in uncertain times, and the financial firepower to invest where there is opportunity to drive compelling returns.

As we have updated the strategy, we have revisited our capital allocation priorities - and there is very little change.

Maintaining a strong balance sheet remains our core guardrail and number one priority as we look forward. We will continue to operate such that leverage, excluding lease debt, does not exceed 0.8x underlying EBITDA at any stage throughout the plan.

Secondly, we continue to see opportunity to invest to maintain and grow our business as Henry has described.

The dividend becomes our third priority, now ahead of M&A. This switch reflects our focus on growing the core business and returning to shareholders through an intention that the dividend progresses as underlying profit progresses. As such, our dividend policy remains unchanged, in that we will pay a dividend that is covered 1.5x to 2.5x by underlying profit after tax.

M&A therefore becomes our fourth priority, most likely once we get to the scale phase of our plan.

Thereafter, we would return surplus cash to shareholders.

To conclude, the plan Henry has described is clear and compelling. There is a refreshed leadership team in place with clear priorities and a focus on execution, and as a team we are all excited about this next chapter.

I believe the potential in this business is enormous, and there are clear opportunities to drive shareholder value in the years to come. We will report consistently on the metrics I have laid out today in future announcements, and will lay out our quantified investment plans and anticipated returns when we have earned the right to move into the next phase. The results going forward should speak for themselves.

I'll hand you back now to Henry.

Henry Birch, CEO:

Thank you Jo.

So what I hope I have shown is that we have a clear, achievable and compelling plan for Halfords over the next 5 years. It may not be as shiny or gimmicky as the Tesla Cybertruck or Robotaxi launch, but we are okay with that. We are not pulling rabbits out of hats here and we do not need to. Success and growth will be achieved by clear focus and execution of a plan.

But it does ask the question WHO is executing the plan and why will things be different moving forward.

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Well I am very excited to be working alongside a very talented team of people, some of whom are new to Halfords, and all of them bring relevant experience and a track record of success as well as genuine leadership and drive.

Earlier this year, we hired Adam Pay as the managing director of our Garages business. Adam spent 10 years of his career at KwikFit and most recently was the managing director of My Car, Australia's largest garages business. Over the course of 10 years he transformed the business from loss making to market leader. Adam brings energy, leadership and hands-on expertise. He is the only person I know who can change a fan belt and read a balance sheet. And at the same time.

Jess Frame joined us 4 months ago as managing director of our retail business. Jess was previously the managing partner of BCG's London office, advising many of the UK's largest retailers, and has done stints

at Tesco and as chief executive of a PE backed veterinary business. Jess has landed with pace and drive and has high ambitions for our retail business.

Most recently, Sarah Haywood joined us as our Chief Information Officer. Sarah had previously been the global CIO for the Carlsberg Group and brings a wealth of experience. Sarah's leadership will be key in navigating a changing tech world and guiding us through change.

Our three newest executives join an existing team with huge experience and capability. Alongside Jo our CFO, Paul O'Hara our Chief people officer, Karen Bellairs our Chief Customer Officer, and Chris McShane our B2B & Avayler MD make up our team. With exception of Karen all are here today and Jess and Adam will join our Q&A.

And culturally and stylistically, we intend for things to be different.

In addition to driving more of a performance culture, we are pushing a simplification of activity. Focusing on the core levers that matter, that create customer benefit or drive performance. Halfords is a broad and complex business but over the years I think we have made it unnecessarily complicated and have added too many new initiatives and projects. These have stretched us, spread us too thinly and distracted us from the basics of the business. We are looking to bring simplicity, focus and clear prioritisation to what we do. Part of that is governance and cadence, part of it is having the right people and leadership. And it is about creating the right culture. The good news is that we are pushing against an open door when it comes to our people and the change agenda we want to implement.

As Jo outlined, we also want to make sure that we are disciplined and rigorous in spending capital and driving returns. And, if we're not getting the returns, to be transparent and explain why. I also want to shift our narrative from sharing plans that then struggle to materialise to reporting on what we have actually done and achieved and the associated financial outcome.

SLIDE 28

So I wanted to draw matters to a conclusion and summarise some of the key points that you have heard today.

I believe we have a unique and valuable business capable of sustained top and bottom line growth. No one else has our asset base and we are operating in markets that play to our strengths.

Although there are explainable reasons, I recognise our more recent financial performance has been underwhelming compared to our potential. I also recognise that the Halfords machine is not yet humming. We have a fantastic group of assets but both in isolation and as a combination, they are some way from their potential. We do not need a strategic pivot, we need delivery of the basics. There is nothing broken, but we need to apply focus, simplicity and disciplined, operational execution.

In the short term this focus will deliver progression in our profit performance across all our divisions. As we drive improved performance, we earn the right to further invest in and evolve our business, building additional foundations for growth. We see a significant opportunity to better utilise the data at our disposal and harness technology. And as we optimise and evolve we will significantly increase our ability to scale.

It is a phased approach, but one that delivers returns along the way and will drive value.

We are purposefully not giving detailed forecasts today, but we will consistently track and report on key performance indicators that will measure our progress. But we are clear - our first job is to build confidence in our investor base that we can consistently deliver results and drive required returns on capital.

We have clear plans to do this, we have a great senior team and we have over 12000 colleagues who are committed and passionate about the business. I am excited for what together we can achieve.

That concludes today's presentation and we will now move to Q&A.

Q&A:

Henry Birch: So that concludes today's presentation, and I'd like to invite Jo, Adam, and Jess to join us for Q&A. And I think in terms of asking questions, if you can identify who you are and what organization you are from. Let's go. Kate.

Kate Calvert: Morning everyone. I'm Kate Calvert from Investec. Three questions from me. On the physical estate, does Halfords have too many retail stores? And what is the ideal sort of number of auto centres over the longer term? In terms of my second question, I know you're not giving a forecast, but could you talk a little bit about the margin recovery opportunity? You did talk about expansion of margins within auto centres, but you didn't mention retail. So, is the sort of 7% historic auto centres profit margin that's being talked about, is that still valid? And what are your thoughts on retail? And I think my third question is when I go into a retail store in three to five years' time, how different is it going to look versus today? What sort of new product categories might there be or service proposition?

Henry Birch: Okay, brilliant. So just the one question there Kate.

Kate Calvert: Yeah.

Henry Birch: Brilliant. Okay, so if I tackle the first bit around size of estate and then maybe get some commentary from Adam and Jess on that too, if Jo, you talked to the margin point on, I can't read that, the margin point...

Jo Hartley: Margin recovery

Henry Birch: Margin recovery, and then what was the last bit?

Jo Hartley: Retail stores, how will they look?

Henry Birch: Then I'll just take that. So, I think look, in terms of the retail estate, important thing to note today is that they are all profitable and they're all on short leases and broadly we're comfortable with that. I think moving forwards there may be some change to that, but nothing radical. And I think on the garages estate post-

acquisition, we've done a little bit of trimming in terms of ensuring that we've got the right garages in the right local markets. But again, we don't see significant change there. In any given year, there may be a few closures and a few openings. Indeed, we opened a new store this year in Reading, but fundamentally those won't change significantly. I think over the longer term, and I think we've mentioned of like 800 garages, my view actually is that there shouldn't necessarily be an upper limit because actually the garages market is typically very local. So actually, one of the attractive things about garages is that frankly we can continue to scale up and up and up, but it does require opening more units, whereas clearly with digital retail you don't need to do that. But yeah, broadly speaking, I don't think there'll be a significant change. Jo, do you want to do the margin point and then maybe Adam and Jess can talk about...

Jo Hartley:

Yeah, absolutely. So, in terms of the margin opportunity in auto centres, I think the numbers we previously had out there were 5 to 6% Kate, and I think we do continue to believe that's an achievable target for our auto centre business. The opportunity lies in driving utilization and reducing, effectively, the cost to serve as well as adding more high margin add-on services, particularly within our tire business. And we've had a very successful first half of the year in terms of increasing income at tire and growing our wheel balance and alignment services using some of the equipment that Henry described earlier. So, I do believe we can get to those targets in time. Adam, I dunno if you've got anything to add on that?

Adam Pay:

No, spot on, spot on Jo. I think they're realistic numbers. I think the work that we're doing to simplify processes, improve equipment, speed things up in garages, will help us get there in the short to medium term.

Henry Birch:

Jess, do you want to take retail, tackle the retail?

Jess Frame:

I think Kate, your question on have we got too many shops is the same in terms of what you're going to see. So to just sort of reinforce on Henry's point. So Halford does have real discipline over the size of its estate over the last few years. So we've actually exited 100 shops since 2018. So what you see today is a tight footprint, which as Henry said, positive contributes across the estate. And as Henry mentioned his presentation, our network, our footprint is what gives us this convenience offer and the root of the omnichannel proposition. We must remember that Halford's as we move more and more into services, our stores don't play a traditional role as they do for many retailers. This is where our service events are taking place in the carpark essentially. So it's a really important role, it's a huge part of the omnichannel proposition. And at the same time there are clearly opportunities to drive sales densities out of our stores. So it's not necessarily about fewer, but it's certainly about making that space work much harder. In terms of how different we look today, I don't want to presuppose the answer of four months in. I can say that my current point of view is that format innovation is not going to be where we see a lot of value in the short to medium term. There's a huge amount we can do. You alluded to it,

Kate, with our categories driving more sales densities, really focusing our core range to create space for newness and innovation and frankly more reasons for customers to come and shop with us. I won't predict ahead what those cash are going to look like. We will absolutely stay core to the motoring and cycling needs that we surround our castle with, but there is plenty of opportunity that we see to do that.

Jonathan Pritchard: Thanks, Jonathan Pritchard, at Peel Hunt. You said that the brand is extremely well known, recognition of the brand is high. What are the bits that people don't get? What don't they associate Halfords with that they should and how are you going to change that? And then just to see to the one rule but add another one on, just a one-word answer, a cycle membership club feasible in short term or more medium or long term?

Henry Birch: Yeah, so I think that on the brand and what people don't necessarily get, I think there are two things. One, I think our garages is offering, I'm not sure everyone fully understands that. And then I think the other piece is the services element, the convenience of actually going to a retail store and being able to have a wiper blade fitted or get advice or do more of this kind of do it, do it for me. So we talk about broadly our DIY customers who I think are fully knowledgeable about what Halford's offers, but I think they can also go to a Halford's and serve themselves, the do it for me customers I think just don't understand the full range of our proposition either in terms of into garages or the fact that actually they can bring any motoring or cycling problem to us and we will fix it. So I think it's those kind of core things. Cycling club, I would say is not a priority for us right now, and I think going back to, it'd be very easy for me to say, yeah, a great idea. We're trying to drive this prioritization and simplification of focus. So, it is not a high priority right now. Ben, sorry, did you?

Ben: Hi there. Just a couple of questions. Firstly, just on the emphasis on online seems to be coming more through retail, how does that sort of square with the whole sort of cross-selling more into the garages and are there any margin implications and well, I guess you've answered Kate's question on the size of a retail estate, but any sort of thoughts how you're going to square that? Secondly, just on Motoring Club it seems to have accelerated really strongly. What's been necessarily driving that? Has that actually been incremental customers who are new to Halfords who are coming in or anything really you can add to that? And I guess the third question is on the evolve side, looks like there's quite a lot of work to be done in the supply chain and how you are going to maintain your CapEx and the guide rails. It feels like there's quite a lot to spend there, but really any thoughts there would be great. Thanks.

Jo Hartley: Sorry, would you mind repeating the first question?

Henry Birch: Sorry Ben

Jo Hartley: Ben.

Ben: The first question is just on - there seems to be an emphasis on online within the retail and how that squares with the need to cross sell services into garages.

Henry Birch: So look, I think overall we got one website which our customers go to whether they want to buy a roof box or screen wash or book their car in for an MOT. So there is a big focus for us in terms of making sure that those kind of digital customer journeys are improved. So when we talk about digital, it's both the kind of experience which hits all part of our business. For retail, we then have e-commerce where we're selling those products. For garages, people will find and pay for services, but they will also then book to have that service in a garage. So for garages it tends to be more about the journey to the physical unit, whereas in e-commerce people can buy from us without actually setting foot in one of our physical outlets. But absolutely digital is important for garages as well, but there is that distinction in terms of products and services. The Halford's Motoring club, we haven't done anything particularly to drive that. It is something that we do push in our stores and in our garages. So I think it's just a reflection of successful execution of that. But yes, it is growing and yes, it is important for us. And the...

Jo Hartley: The third question is on the CapEx to evolve the supply chain. The CapEx guidance that I gave of 55 to 65 million is really the CapEx that we need to maintain and optimize our core business. What we said was we would only move beyond that 55 to 65 million investment envelope once we'd earned the right to do so by showing momentum in our underlying business. And then we would come back with the investment opportunities and clear line of sight to the returns that they would generate. So, I think we would expect to invest beyond that to optimise the supply chain, but only when there's clear line of sight to returns and whether that's a CapEx or OPEX investment remains to be seen.

Manjari Dhar: Thank you, it's Manjari Dhar, RBC. I just had two broader ones and maybe one quick one. Just on the garage optimisation work, I was just wondering how much of that needs to be done on the existing Halfords garages and how much it needs to be done on the garages you've acquired over the last few years. Just trying to get a sense of where that integration stands now. And then secondly, I think you mentioned it very briefly about, in the evolved stage, about retail media and other opportunities. Just wondering if you give some more color on what that could look like, what that means for the proposition. And then just finally Jo, I think in the pre-recorded presentation you gave the H1 FX hedge rates - I just wonder if you give the H2 rates as well. Thank you.

Henry Birch: Okay. Adam, do you want to talk to the, in terms of where we need the optimisation, is it existing Halfords or our acquisition areas? I mean the answer is both but you'll give more, more colour.

Adam Pay: It is both and there are a lot more together than they were previously now, so we're not talking about them internally any differently. The opportunity to work through improving processes, providing equipment, providing tooling and

training that we need to have a smooth through at the front end is exactly the same, whether it's a Halford auto centre or one of the acquisitions. It's working really well for us now and I think the fact that we've got so much unity across those brands now is really helping.

Henry Birch:

I think it's worth noting that National was predominantly a tire brand. One of the things that we've done is moved more service maintenance repair into that which has driven higher margin revenue so, that's been a kind of clear and obvious thing to do. On the retail media network, we do actually use retail media today, but it is predominantly with existing suppliers. So if you think on the kind of battery side we work with Yuasa, you'll find online and with our customers we are promoting Yuasa and various other existing suppliers. There is an opportunity to go beyond our supplier base, so I'm kind of making it up, but a Nissan or a Toyota, if they want to access 20 million UK customers, car buying UK customers, then obviously Halfords would be a kind of important partner. We don't currently do that at the moment, so I think there is a much bigger opportunity. We do make money today from a kind of limited, what you call, a retail media network, but there is a potential above that. Is there anything Jess, sorry that you wanted to add to that?

Jess Frame:

No, no, honestly, I think the third party in offsite is actually really exciting and much bigger, but that won't be until medium longer term.

Jo Hartley:

Your last question on FX Manjari. So yes, in H1 this year we saw a hedge rate in cost of goods sold coming through at 1.28 versus 1.24 in the prior year, which was obviously helpful and supportive of our margin progression during the first half. In the second half of the year, we expect broadly similar. It all depends on the stock turn really that comes through. We've bought all of our currency requirement for the purchases we'll make in FY26 at around 1.29 and we've bought about 60% of what we need for our purchases next year at about 1.32. So we should continue to expect to see a bit of a tailwind from FX as we look forward.

Henry Birch:

Russell.

Russell Pointon:

Russell Pointon from Edison, two questions going back to your criticisms at the start, Henry, first one was on the category of management, said you haven't done a good job of that. How quickly will you actually get through reviewing all the categories? Will it be done pretty quickly over 12 months? And the second one was you also criticise the lack of synergies between the businesses. So do you need to incentivise staff in a slightly different way to push that through?

Henry Birch:

Yeah, I wouldn't necessarily classify them as criticisms, more maybe observations, but maybe if Jess can talk to category management and the speed there. I think on the synergy point we do, I mean Fusion actually, our garage model, is a really good example of actually how assets work within Halfords in garages and in retail in as much as the model is driving retail customers into our garages. So, we are doing that to good effect. I think my point is there is more

that we can do. I'm not sure it is necessarily about incentives, but that is one way that we could do it. I think it's more around actually removing any kind of points of friction and making sure that our colleagues understand how we drive value in the business. So, I think it's more about operational management and communication. Jess, do you want to talk to the category management?

Jess Frame:

Yeah, sure, very happy to. I mean the short version is this will be pulsing, we'll go through waves through all of the categories. This isn't 18 to 24 month job. This is a massive, massive rebuild of all those ranges, starting with what does the customer need, how do we provide that, and within that undoubtedly there'll be a real opportunity for own brand development. So Halford has got incredible heritage in own brand, which is both higher quality and much, much better margin. So, when we think about category management, it's not just a quick range review that really, really is challenging bottom up all of those ranges. So we're very excited. We've already started the first two, but this is real sort of heavy lifting that we'll go on over the next two years essentially.

Carl Smith:

Morning, it's Carl Smith from Zeus. Two questions please. First is on Fusion Town. So previously earlier this year you've talked about doubling of profitability at the sites that you've invested in, now you are sort of over halfway through your 150. Are those return rates still applying? Now that you're getting a bit further along and expanding on that, do you think you'll go beyond 150 sites into the evolve phase even if the return rates become a bit lower for the incremental ones beyond 150? And then the next question is about the Motoring Club. How do you intend to get more people onto premium? Is it more incentives, is it more marketing or lower pricing, or what's going to get more people to shift to premium?

Henry Birch:

So, on the return rates for Fusion, the short answer is no. We haven't seen any deterioration and clearly we've kind of gone back and checked that prior to coming out today so no, we're in good shape there. In terms of whether we can go beyond the 150, I mean Adam is maybe best placed to talk to that, but I think there is then the question of what do we do beyond, we've got 600 odd garages, but Adam, do you see a opportunity for Fusion be extended or Fusion light or...

Adam Pay:

Well it is interesting. I mean, if I think about, part of the reason that I joined the Halfords group was the Fusion concept. I was really excited by that and I continue to be excited. The fact that we can largely double profit in two years is absolutely fabulous. I mean we're going to have 100 by the end of this year, somewhere near another 50, it'll get us to the 150. I think for me, the customer experience and the colleague experience is something that really stands out. So I think the broader question is not Fusion past 150, it's kind of what elements can we take forward into the rest of the estate moving forward? And I think there's some real benefits and some great learning. So yeah, it's very positive.

Henry Birch:

And on the Halford's Motoring Club look, I think, to my mind, we've made a brilliant start and you may query me saying start when we've already got 6 million customers, but I think there is a piece of work that we need to do in

terms of saying actually how do we drive premium more? What are the mechanics to drive membership to drive value from that? So I think this is a kind of ongoing project that we are going to kind of drill down into, but it is an absolutely brilliant kind of asset and base to start from.

Ben: Sorry, just one more question if possible and less on strategy, but I'm wondering if we could just dwell a little bit on the 'sick child' - being tires. You mentioned that you think you can re-energise that. What's been going on there and where do you see that turning around?

Henry Birch: So look, I think without question, tires over the last couple of years have been struggling in the UK in terms of growth. I think we've seen some improvement in that. I think as a company and talking to investors, I want to kind of change the narrative from talking about the tire market to talking about our performance because I fundamentally think that actually even in a static or declining market, we've got the potential to take share. And I think actually some of the stuff that we're doing, and I'm going to ask Adam to talk about wheel balancing and alignment and actually how you can sell a tire and make money not just on the tire, but the services around it and the margin that drives as something which actually we're starting to do to good effect. So I think my kind headline is I don't want to be talking about the kind of tire market endlessly. I want to talk about our overall garages' performance and within that, that actually we are running a healthy and growing tire business. It may not be immediately, but we're getting there. Adam, do you want to talk about your specialist subject maybe?

Adam Pay: Yeah, I'll come dip up to one side and fit a fan belt in a second too. Yeah, the opportunity for tires that I've seen since I've landed is significant for Halfords. The market has been tricky. There's no doubt about that and I don't want to go into all of the technical detail that sits behind that, but we are only 9% of that market and it's a very, very attractive segment and there's a lot that we can do internally to smooth the path for tires. So there's work underway around training for our colleagues - that's technical and soft skills. There's also different ranges being put into garages right now, we've got different equipment that speeds up that process. So I think over the next short to medium term we're going to start to see an uplift in our tire performance; despite whether the market is in decline or in growth. I think we can certainly take market share and growth.

Mark: Hi, morning it's Mark from Canaccord. Just on cycling, you talked about pushing into premium, and parts and accessories. Could you maybe just give us a sense of what those two categories represent in terms of the billion pound market. And the group has moved into that area before, particularly premium, it didn't necessarily go to plan, I just wonder what gives you confidence that you can make inroads this time around.

Henry Birch: Jo, do you want to talk to that?

Jo Hartley:

Yeah, I'll talk to that and Jess may have some points to add on it. But if we start at your last point, we were in premium cycling several years ago and we came out of specific premium cycling shops actually some time ago. Our move back into premium cycling is not, to be clear, opening a load of premium cycling shops that are separate from our own Halfords business today. What we have seen though over the last six months is really good growth in those premium price bikes in e-bikes and also in those slightly higher price point bikes. And it's really noticeable that Tredz, our performance cycling business, which to be clear just has three shops and a big online business, had the strongest growth in the group in the first half of the year with double digit like-for-like sales growth. So, that market is definitely coming back and it's really where enthusiasts want to play, are playing. We've got quite a lot of innovation that's been happening in that space and I'll let Jess talk a little bit more about that in a second, but we're confident that there's a good growth opportunity for us there as we look forward.

Jess Frame:

Yeah, just to build on, as Jo said, I think it's really important that there's nuance in terms of what is premium cycling, what is not, and that the reality is there's an entire spectrum where we see a lot more people trading up than we used to do. And so actually with our Tredz business and Halfords' core, it's a really, really exciting opportunity for us to actually serve across the set of need states. And we've identified some areas that aren't currently served across those two areas. There's some really interesting white space opportunity and back to the point on own brands we've developed and have just started to launch now, you'll see them drop into shops over the next three, four months, a really, really impressive range of more premium e-bikes that we're very, very proud of that we've developed with integrated technology and so forth. Which again, so that sort of Halfords product capability and own brand actually allows us to take features that are typically premium only and bring that more into the mass market and make it more accessible for customers. So I think we have a really exciting role to play in that one.

Henry Birch:

I think we're nearly, Rupert you had a question, nearly at time. Oh, okay.

Rupert:

You've largely covered it, but sorry, the 9% like for likes, I just wonder whether that was aided by price promotion? In a challenge consumer environment and that feels like a good number and bit of colour on what was behind it please.

Henry Birch:

I mean Jess can talk to it in a bit more detail. We didn't do anything massively promotionally. I think you'll remember earlier in the summer we had warm weather that came in the spring, which I think probably helped some of that performance, maybe pulled forward some of the cycling sales from later in the year. But no, there wasn't anything that we did promotionally.

Jo Hartley:

We did outperform the market.

Jess Frame: Quite significant, but that wasn't through trading. That's essentially, we've got a great range. Tredz is the number two online player in premium cycling. So across that when the market wants a bike, Halfords is the place to come.

Jo Hartley: And particularly strong in kids and electric in the first half of the year from a cycling perspective.

Kate Calvert: Alright, so I stand last. I was just going to come back on the garage utilisation. What are the sort of main levers, short term to improve utilization? Is it all about systems and processes or is there a skill issue and equipment issue in some of these centres?

Adam Pay: No, it's a really good question. So the processes are the underlying piece, but what you've got then is making sure that we've got the right headcount and skills mix to your point in each and every one of our garages that meets the market needs and gives us the opportunity to grow. There's also an opportunity for us to really accelerate our apprentice programs too, to get more colleagues into garages and make sure that we've got more people on the ground, in the right place at the right time, but also protecting the future health of the workforce for us too.

Henry Birch: Brilliant. Thank you very much everyone for attending today. Thank you for those joining online. This concludes our presentation. Thank you.