HALFORDS GROUP PLC

CAPITAL MARKETS DAY

SEPTEMBER 27TH 2018

halfords

INTRODUCTION

GRAHAM STAPLETON, CEO

halfords
retail

halfords
autocentre

halfords

cycle republic

tz tredz® bikes

Key strategic changes

- More specialist, unique and differentiated shopping experience
- More convenient, easier to shop and integrated services business
- Building customer relationships for a lifetime

Why we have to change

- Customers’ needs are changing and our competitors grow stronger
- There is huge unfulfilled potential in this business
- As a Group we will be stronger and more efficient together

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halfords
autocentre

cycle republic

tredz bikes

Presenting today

halfords

Graham Stapleton
Chief Executive Officer

Karen Bellairs
Chief Operating Officer

Steve Knights
Group Commercial Director

Andy Randall
Managing Director – Halfords Autocentres

Adam Phillips
Group Strategy & Investor Relations Director

Agenda

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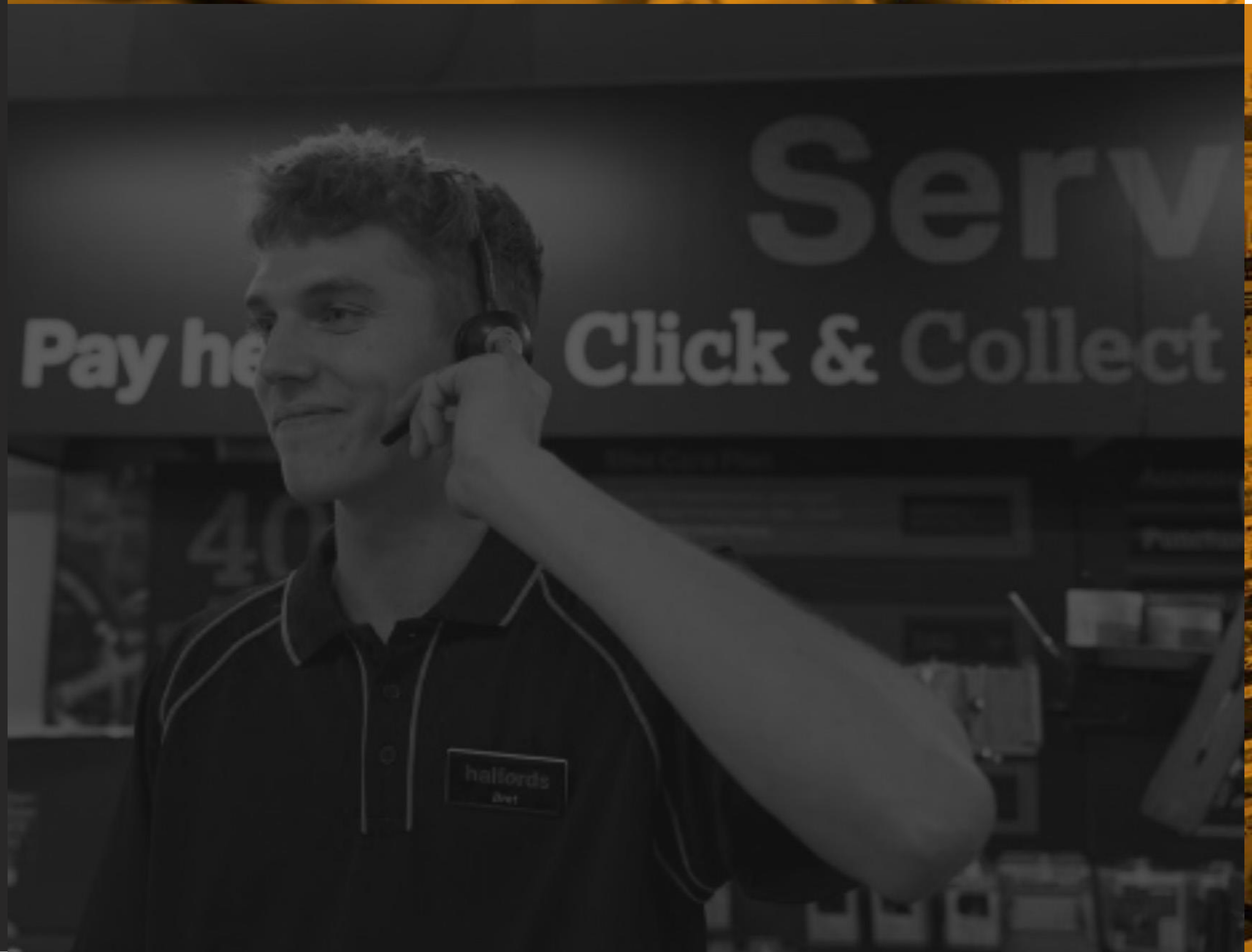
Halfords' Strengths	Graham
Strategic Process	
Customer, market and competitor insight	Karen
Opportunities and threats	
Our new Customer Strategy:	
- Overview	Graham
- Inspire	Steve
- Support	Andy
- Lifetime	Karen
- Summary	Graham
Operational Efficiencies	Adam
Financial Guidance	
Summary	Graham
Q&A	

HALFORDS' STRENGTHS

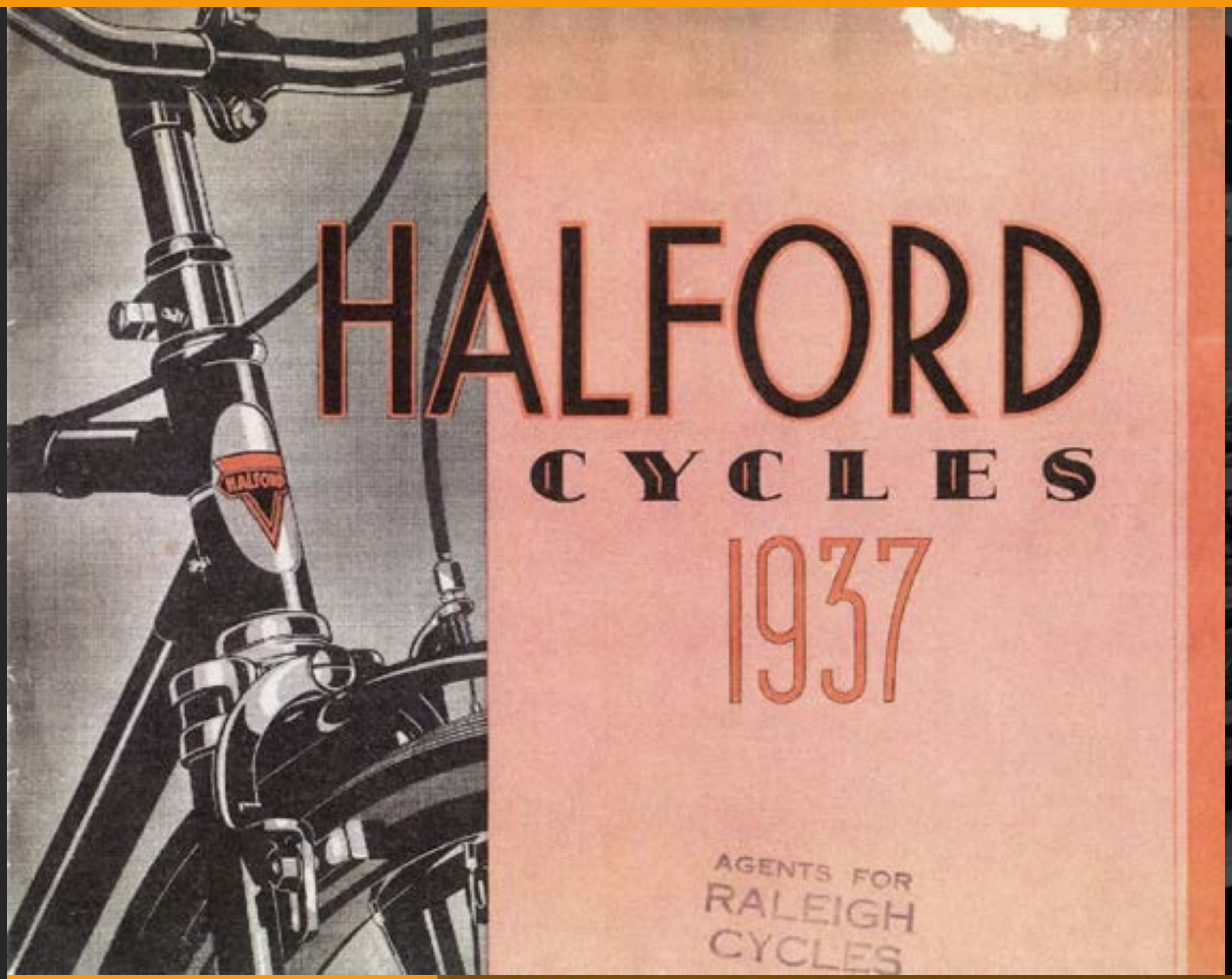
Key strengths

- Engaged colleagues with great training
- Group-wide Single Customer View
- A scaled and growing services business
- Mix of needs-based and discretionary offer



Key strengths

- A strong heritage and good brand awareness
- Leading positions in attractive markets
- Flexible property portfolio
- Cash generative and consistent dividend returns



STRATEGIC PROCESS

INTERNAL

- Review of previous strategies
- Colleague insight
- Single customer view
- Financial analysis

Getting into Gear

halfords MOVING UP a gear

Strategic Process

EXTERNAL

- Customer insight
- Competitor analysis
- Macro technology and consumer trends
- External advice and specialist expertise

ebay
amazon
Argos
euro CAR PARTS
TESCO
Currys PC World
formula one autocentres
KwikFit
ATS EUROMASTER
Tyres and Vehicle Maintenance

BICYCLE ASSOCIATION
SMMT DRIVING THE MOTOR INDUSTRY
OC&C Strategy Consultants
Department for Transport
OLIVER WYMAN
accenture

CUSTOMER MARKET AND COMPETITOR INSIGHT

Macro customer trends

- DIY to DIFM
- Convenience - Cash rich time poor
- Omnichannel - seamless shopping journeys
- Customers becoming less brand loyal
- Move towards personalisation
- Growing preference for experiences over product
- A move from owning to using
- Increased price transparency
- Sustainability

Halfords' customer insight on our brand

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- Customers confused by us selling non core categories which then undermines our specialism
- Customers do not stay with us for the life of their bike or car needs
- We under-index in female and younger customers
- Low cross shop

Halfords' customer insight on services

- Our services customers are more valuable
- Motoring fitting is more likely to be purchased by female and younger customers
- Whilst the Halfords brand is well known, awareness of some services is low
- However, our services offer is not convenient or easy enough to shop
- We know that younger generations are most interested in mobile services

Our markets - motoring

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	Car products and related fitting	Car servicing
Market size	c.£3bn	c.£9bn
Halfords Group's market share*	20%	2%
Forecasted Market Growth**	2+%	2+%

* Halfords estimates
** Halfords estimates, annual average

Our markets – drivers of growth in motoring

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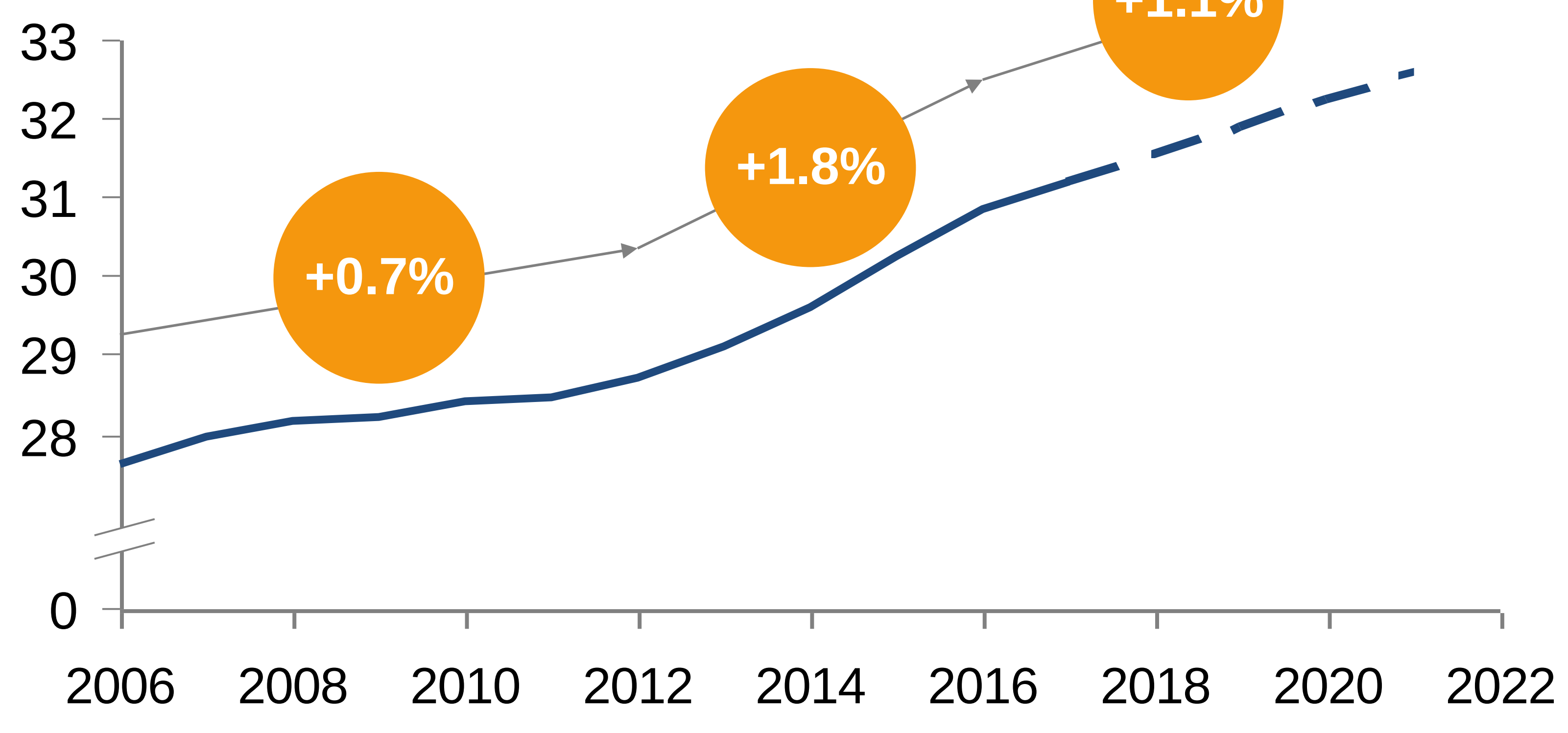
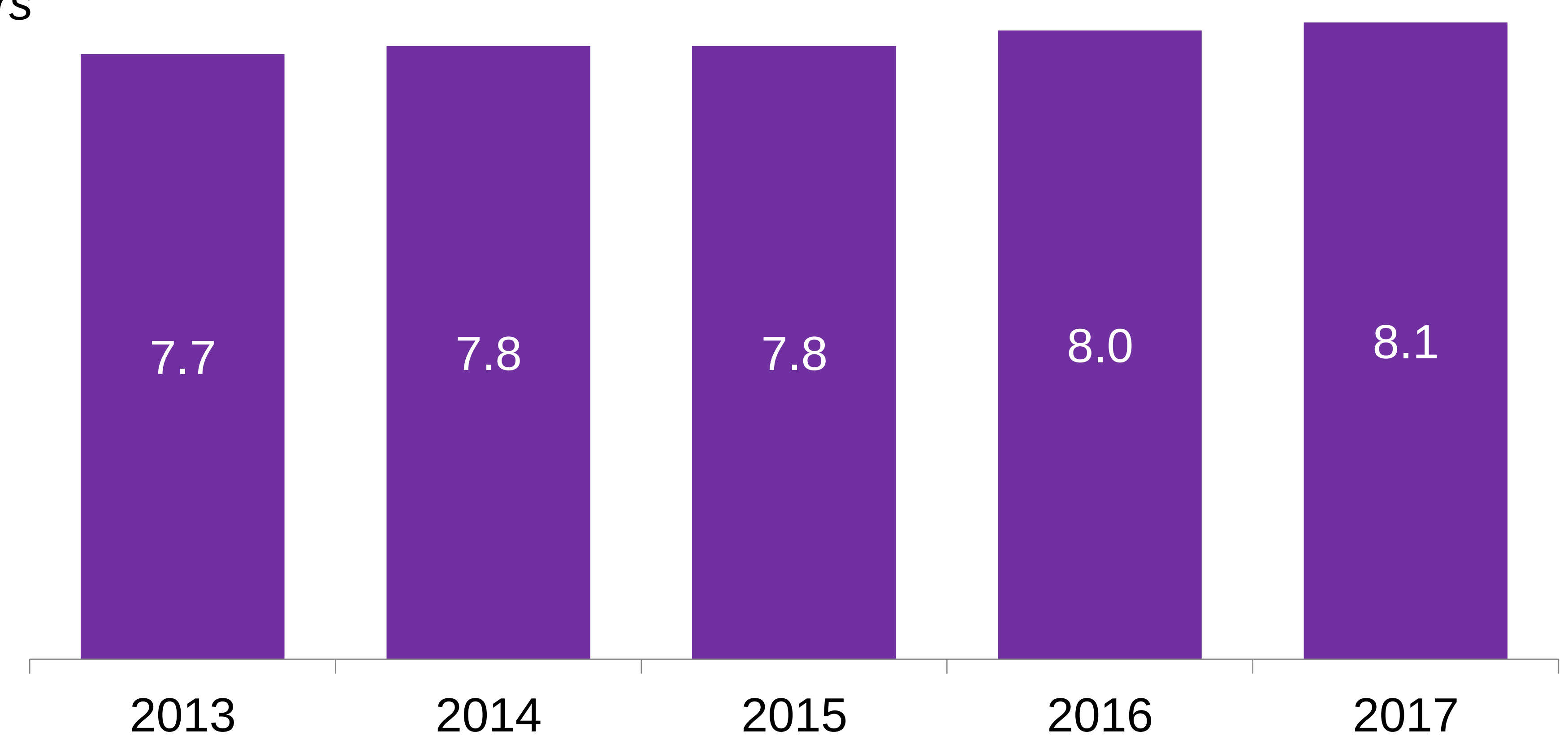
The UK car parc has exhibited steady growth and is expected to continue…

UK Car Parc
Millions of Cars



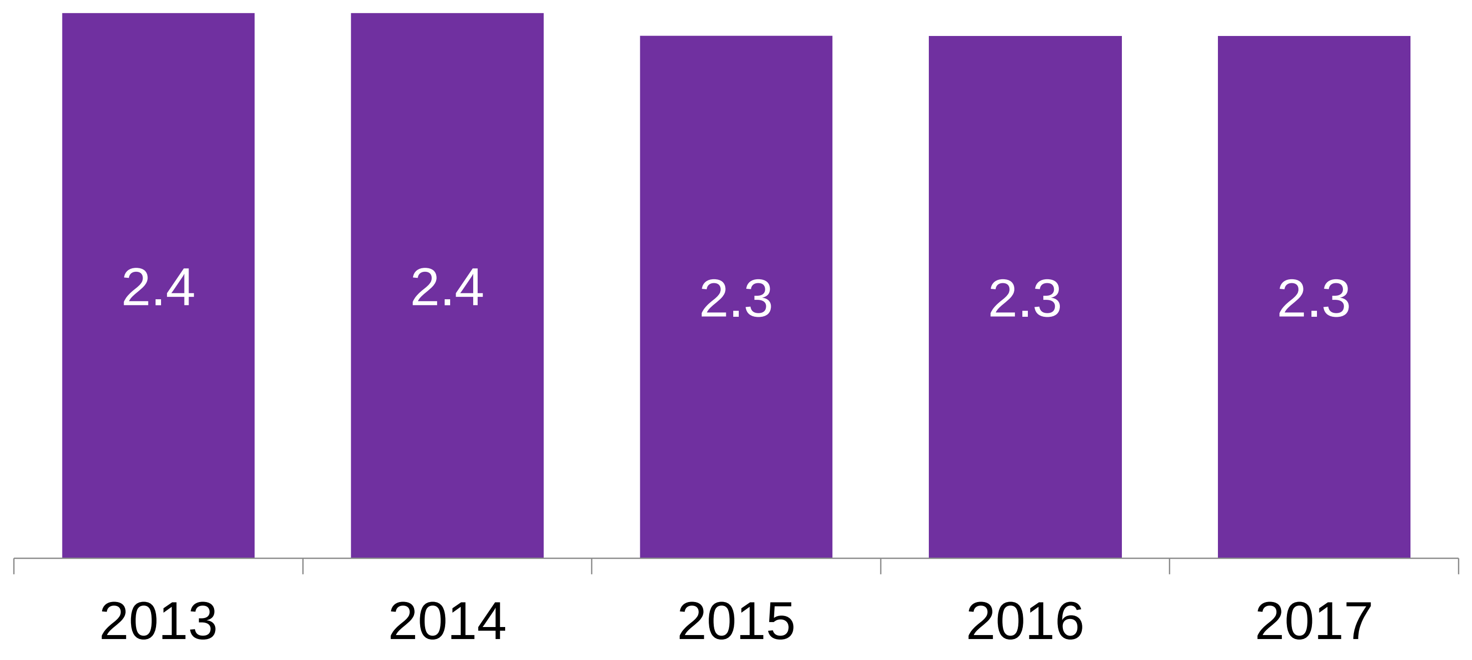
…with the average age of cars gradually rising

Average Age of UK cars
Years



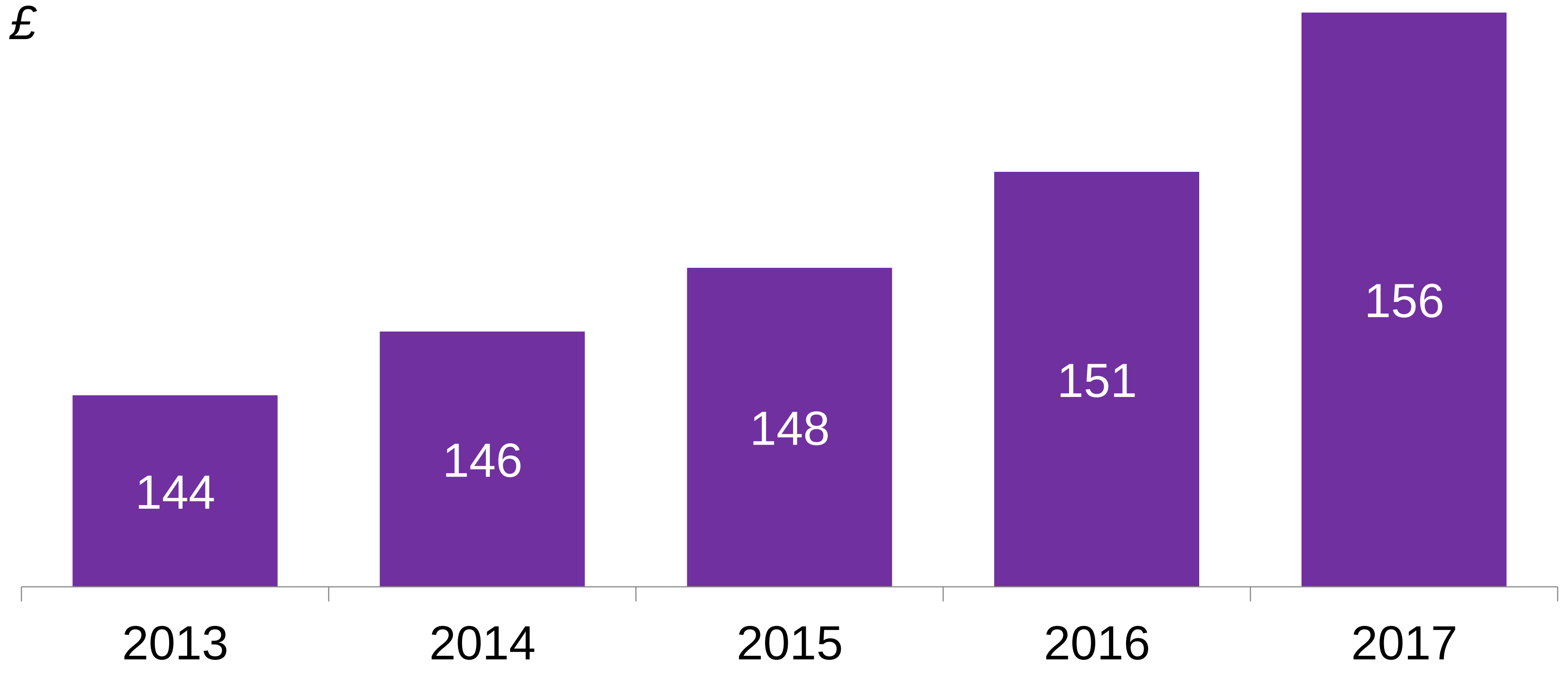
Frequency of visits to garages is broadly stable…

Visits to a garage per year per light vehicle
Frequency



…but cars are becoming more complex and expensive to fix

Average visit spend
£



Source: DfT, SMMT, Mintel, Boston Consulting Group

Our markets – customer trends in motoring

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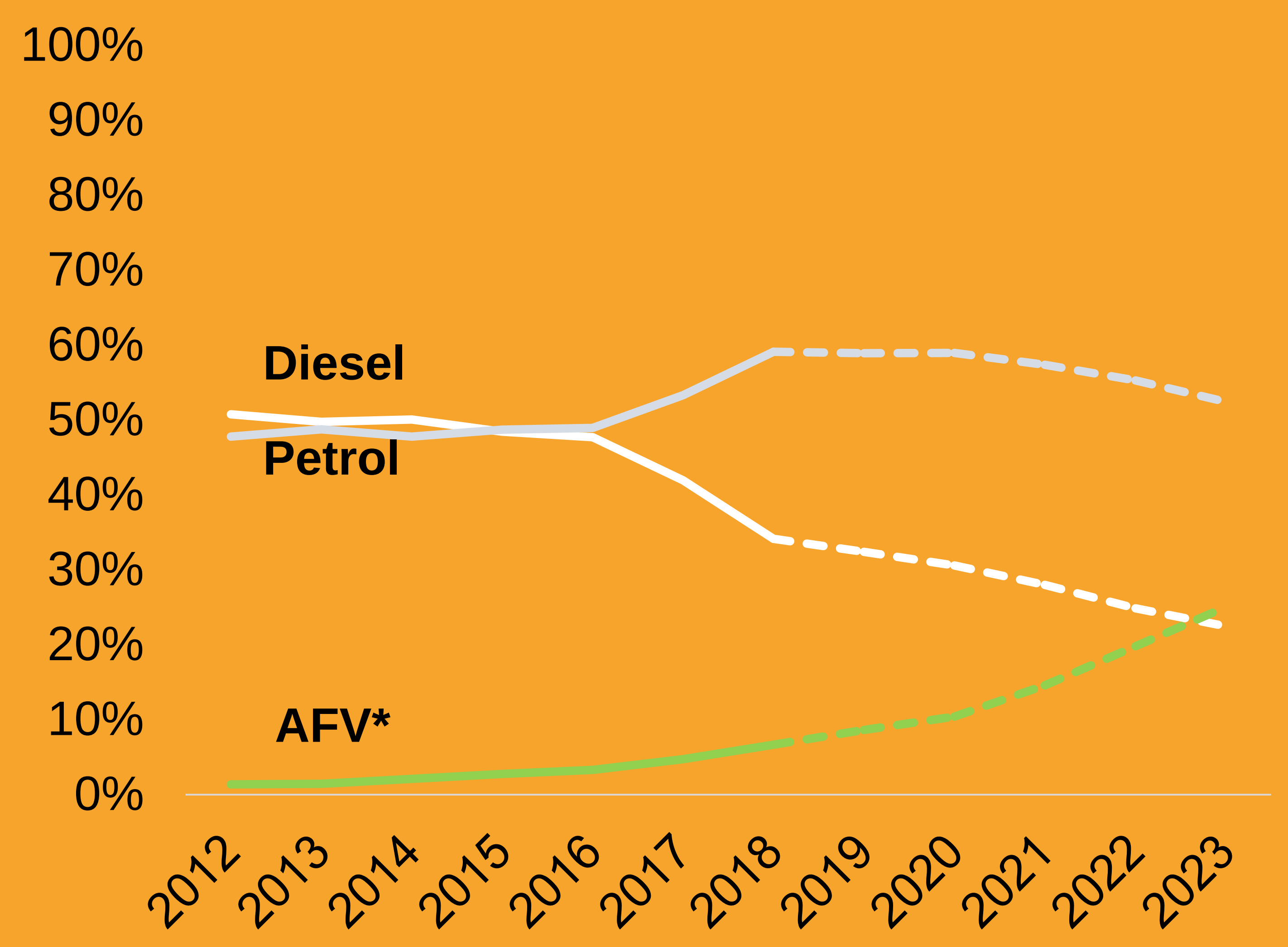
% of new vehicle registrations



Appeal of hybrid and electric cars is forecast to increase significantly

*** AFV = Alternatively Fuelled Vehicles**
Source: SMMT, Halfords estimates

70%

of our motoring customers want someone to "do it for me"

Complexity of cars and bikes accelerating the shift from DIY to DIFM

Advantages for scale operators who can invest to be at the forefront and who can attract the best talent

Our markets – motoring market share opportunity

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- We only have 2% share of the large and fragmented car servicing market
- We have almost zero presence in the mobile services and repair market

Our competitors - motoring

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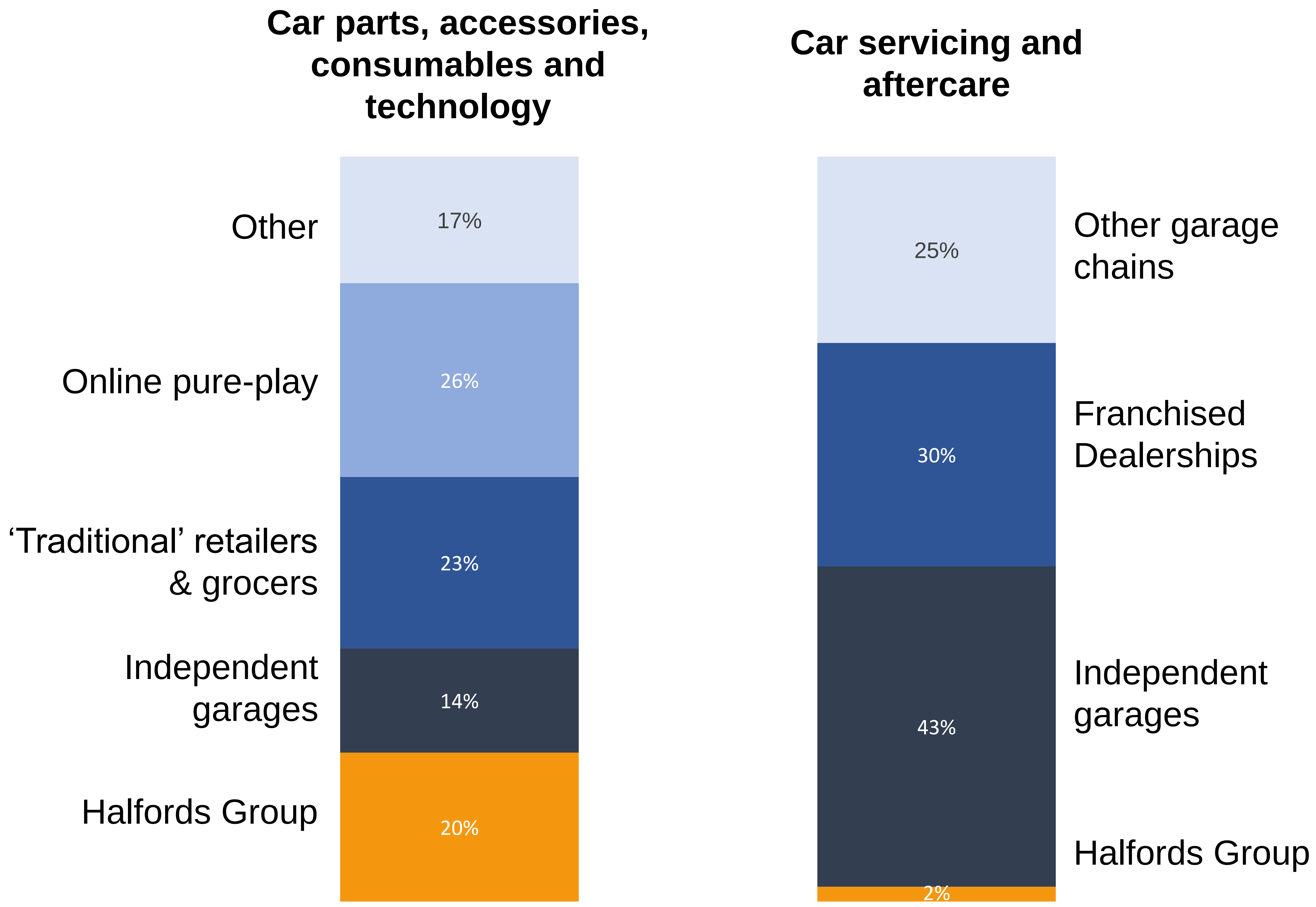

Source: Halfords research

Our competitors - motoring

Competitors

Car products and related fitting

Car servicing

Independent Garages

Dealerships

Market dynamics

Car products and related fitting

- Limited retail specialism but a highly diverse competitive set
- Limited retail bricks and mortar competition
- Wholesalers and generalists moving into specialist retail markets with strong omni-channel offer
- Supermarkets and garage forecourts continue to sell limited high volume high margin skus.
- Independent garages offering car parts and associated fitting

Car servicing

- Difficult for independents to keep up with technological changes
- Dealerships moving further into used car servicing
- Some evidence of sales aggregation (e.g. My Car Needs A) and mobile services entrants (e.g. Tyres On The Drive)

Our markets - cycling

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	Cycling
Market size	c.£2bn
Halfords Group's market share*	19%
Forecasted Market Growth**	3+%

* Halfords estimates
** Halfords estimates, annual average

Our markets – drivers of growth in cycling

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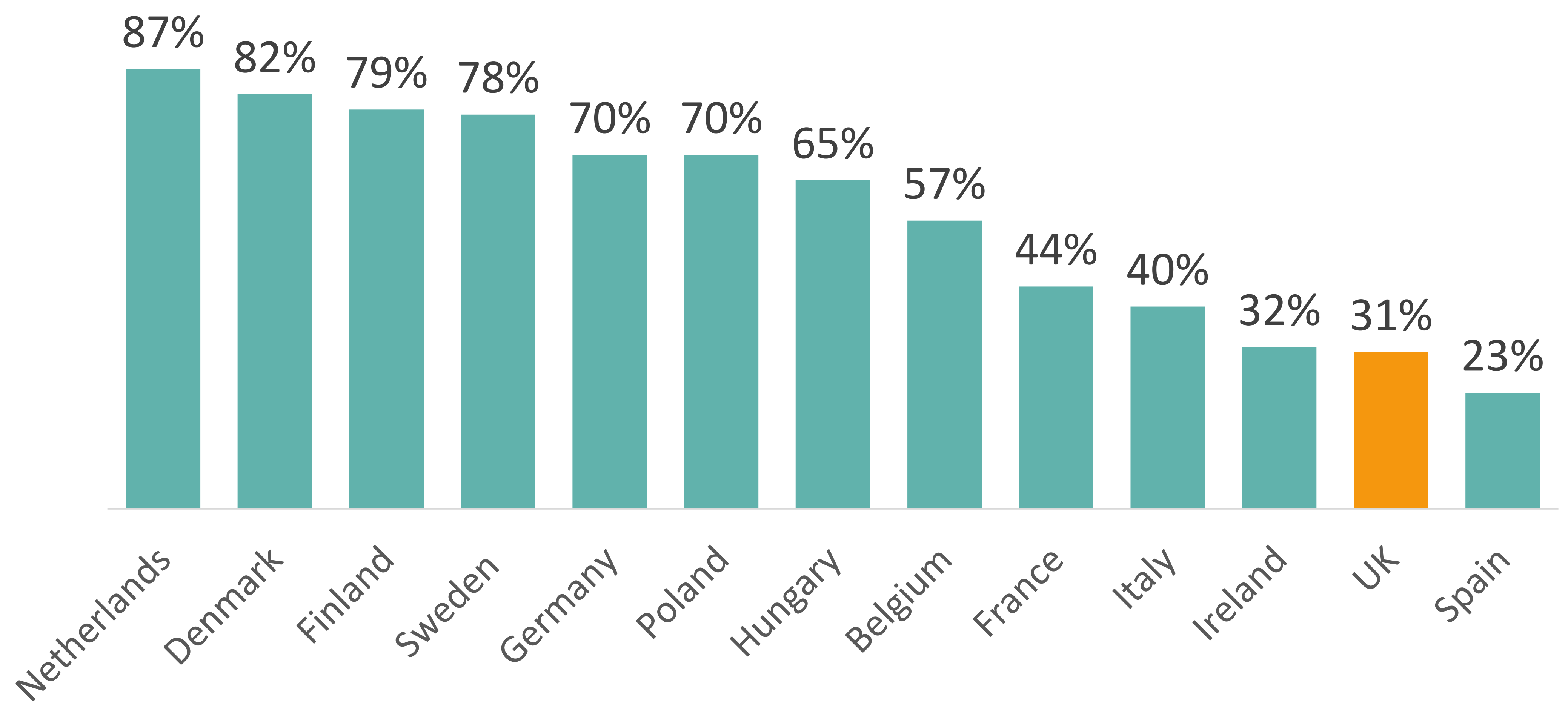
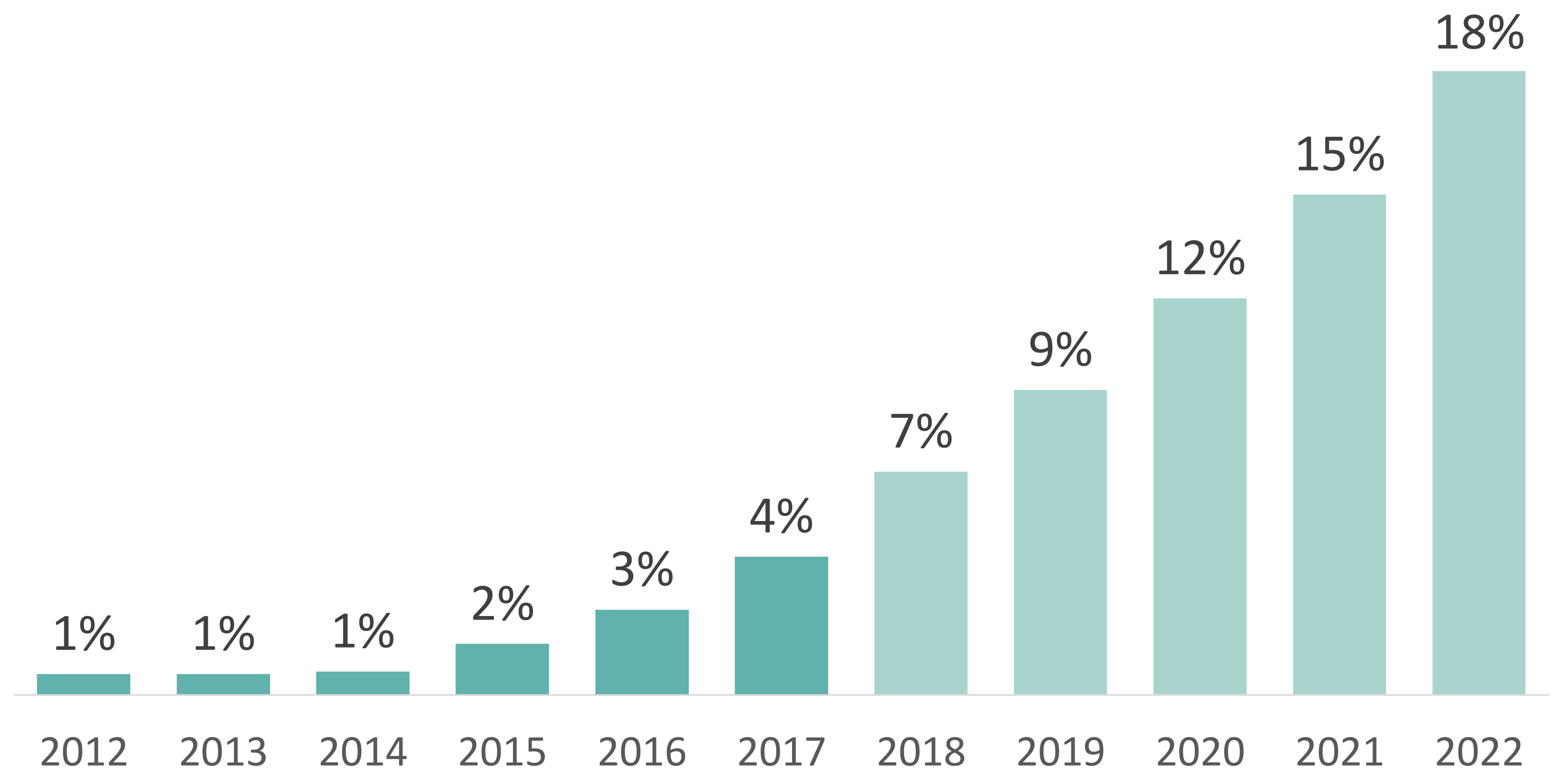
Cycling participation by EU country
% of adult population who cycle at least once a month



eBike sales as % of total UK Cycling sales



- Participation levels are lower than many European countries
- Government investment in infrastructure and continued subsidy
- Increasing focus on greener forms of transport
- Health and wellbeing benefits
- E-bike sales expected to grow rapidly and contribute to overall market growth.

Our markets – cycling market share opportunity

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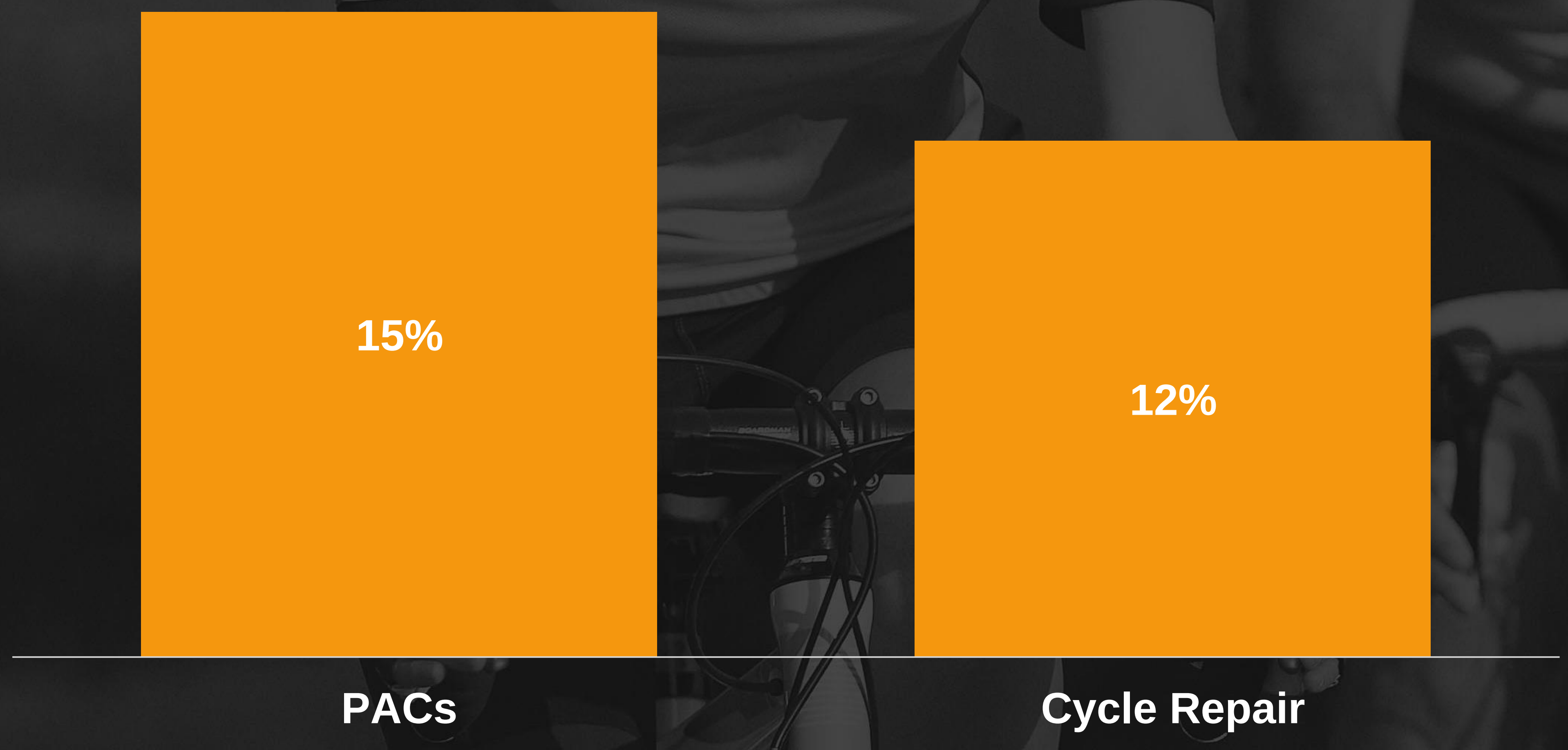
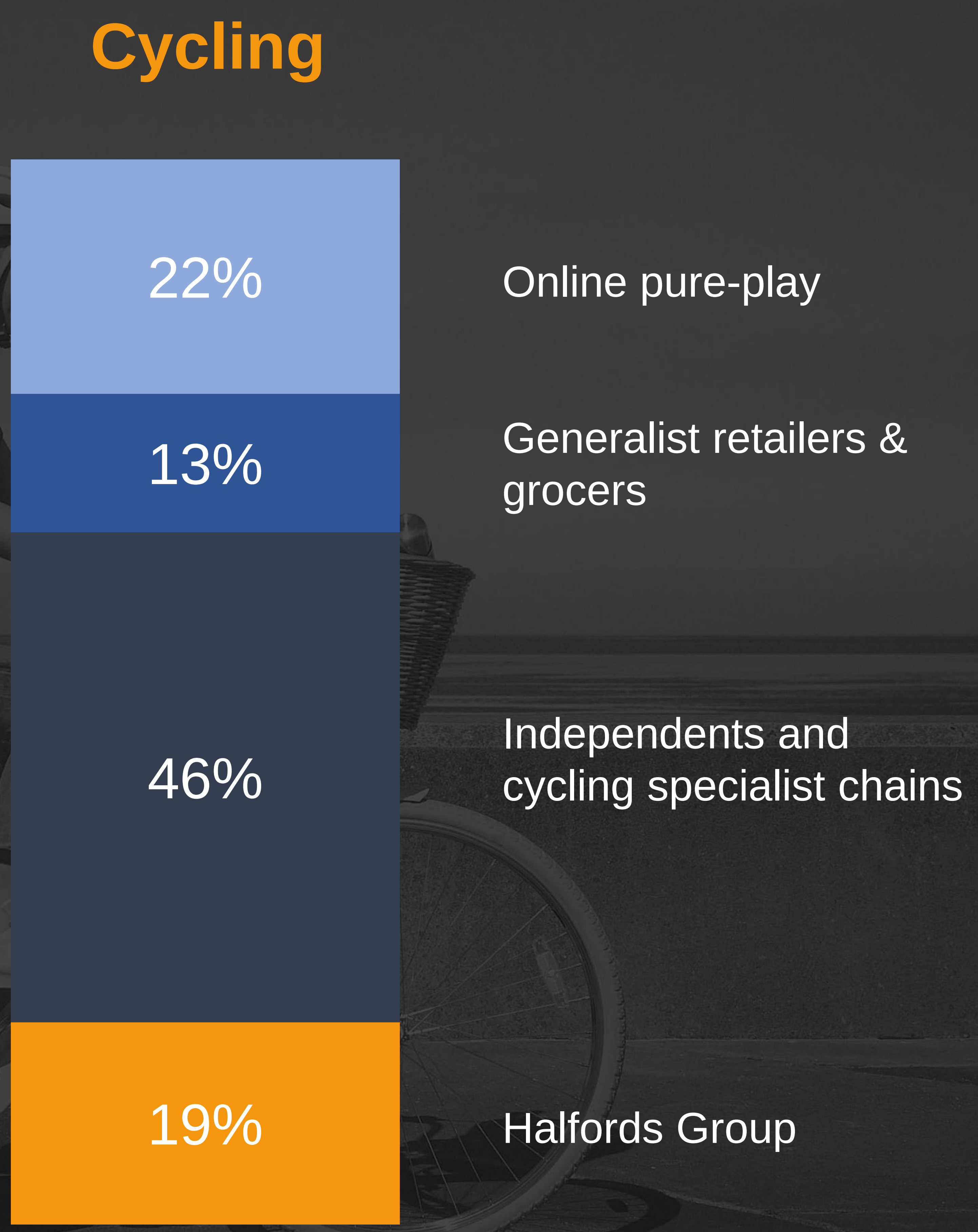
Performance Cycling* Market share

PACs and Cycle Repair Market share



* This is a segment of the cycling market that contains cycling enthusiasts who spend much more than average on their bikes and PACs
Source: Halfords estimates

Our competitors - cycling



Source: Halfords research

Our competitors - cycling

Competitors

Mainstream Cycling

DECATHLON, amazon, ebay, Argos, ALDI, GO Outdoors, TESCO

Performance Cycling

EVANS CYCLES, wiggle, Independents, CycleSurgery

Market dynamics

Mainstream Cycling

- Predominantly generalist competitors with own label bikes
- Limited online penetration in mainstream bikes
- Physical service locations are important and Halfords alone has a nationwide presence.
- Cycle-to-work continues to be an important driver
- Major sports retailers starting to diversify into cycling e.g JD Sports / Go Outdoors

Performance Cycling

- Predominantly branded bikes
- Traditional specialists and independents struggling
- Big brands starting to go direct to customers
- Online pure-play continuing to grow and consolidate
- Physical service locations are important
- Cycle-to-work is an important driver

Key opportunities

- Increasing cross group shopping and customer retention
- Creating a convenient, scaled services business with improved awareness
- Attracting younger and female customers
- E bikes and electric and hybrid cars are driving increased complexity in motoring market
- Digitally-enabled customer journeys
- Customer led product and service innovation

Key Threats

- Rising tide of customer expectations
- Optimising our bricks and mortar in a retail space that is becoming more digitally led
- Growing focus on value, with increasing price transparency
- Growing pressure on discretionary spend
- A diverse and evolving competitor base
- Changing car technology

INTRODUCING OUR NEW CUSTOMER STRATEGY

Our new customer strategy

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1 **Inspire** our customers through a differentiated, super specialist shopping experience

2 **Support** our customers through an integrated, unique and more convenient services offer

3 Enable a **lifetime** of motoring and cycling

1

Inspire our customers through a differentiated, super specialist shopping experience

2

Support our customers through an integrated, unique and more convenient services offer

3

Enable a **lifetime** of motoring and cycling

1

Inspire our customers through a differentiated, super specialist shopping experience

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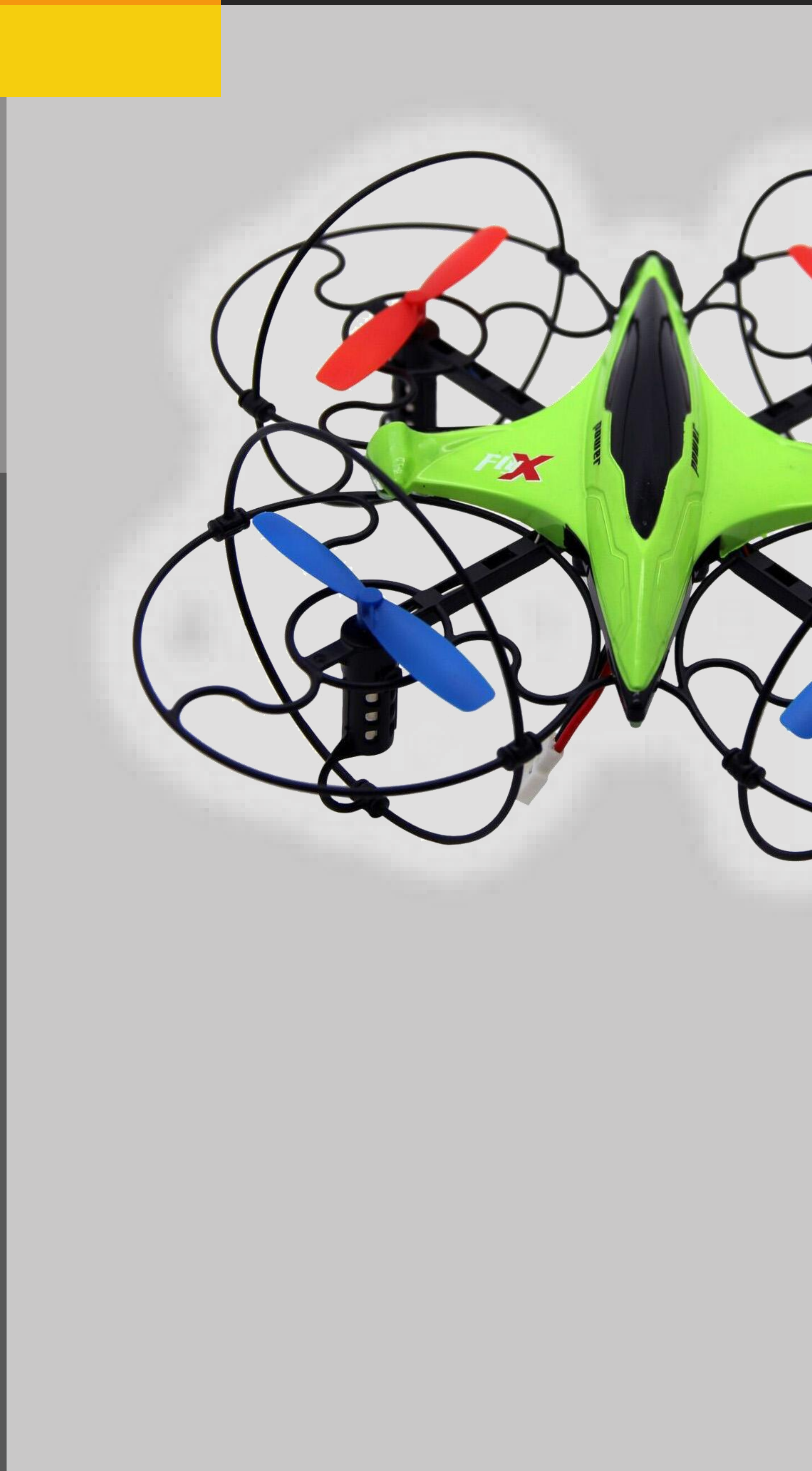
1 *Where are we now…*

Halfords is currently a general specialist

Where we are now

- A focus on motoring and cycling but also a range of other loosely associated product categories
- Our customers tell us our non-core products undermine our specialist credentials
- We know that our less specialist products do not bring in many new customers



Innovation is industry led and is a small proportion of today's product range

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Where we are now

- Innovation in our markets is typically industry-led; often by overseas suppliers who don't know the UK customer
- Products with unique features and benefits are a very small proportion of our product range currently
- We have a good own brand product range but this is not highly differentiated

The customer experience is improving

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Where we are now

- Strong Click & Collect proposition: around 85% of halfords.com orders collected in store
- Good growth in online sales
- Customer satisfaction improved in stores and garages, helped by training programmes
- Recent store refreshes have been cosmetic change only, but delivered good uplifts

But there are also lots of opportunities to improve customer experience

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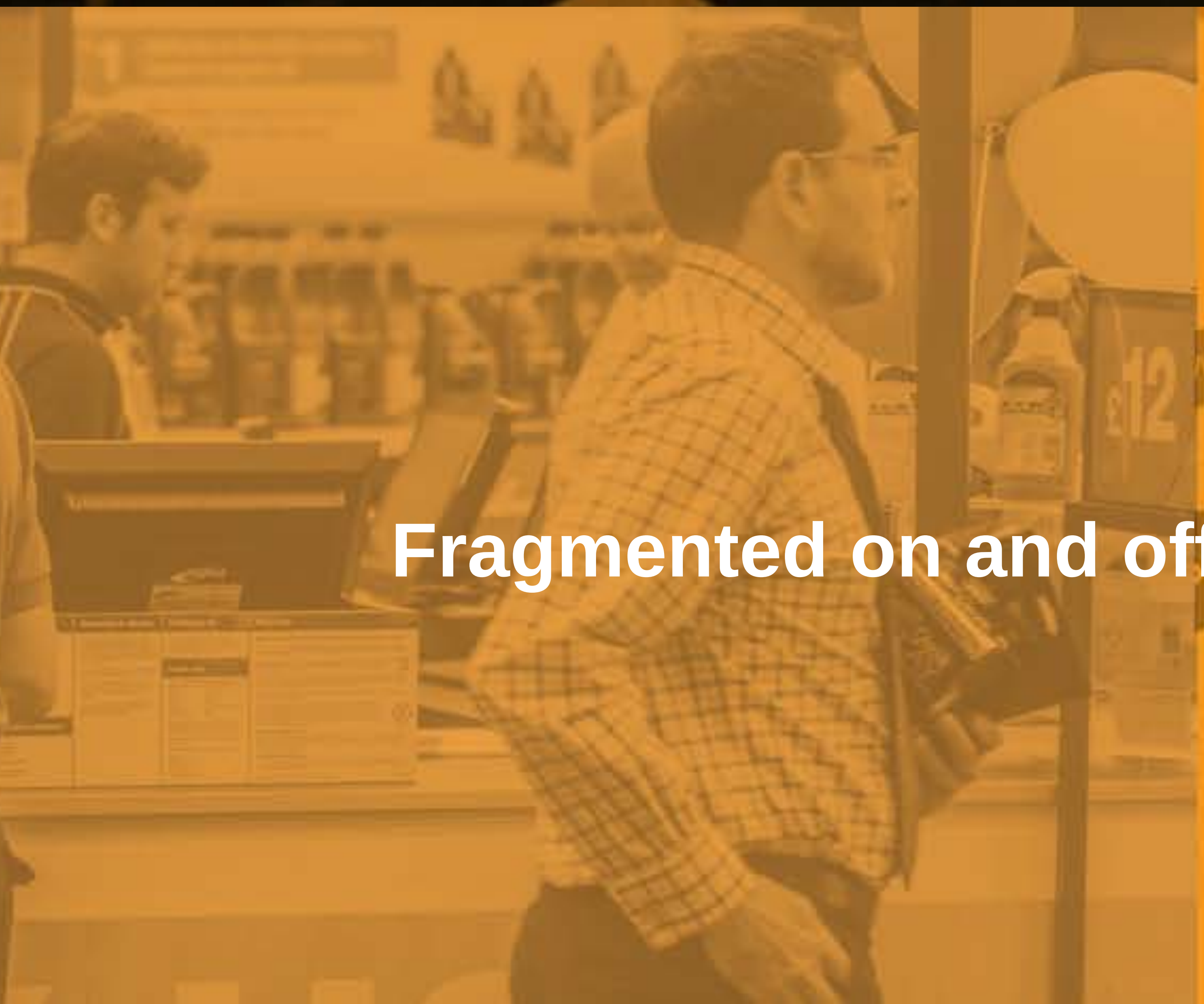
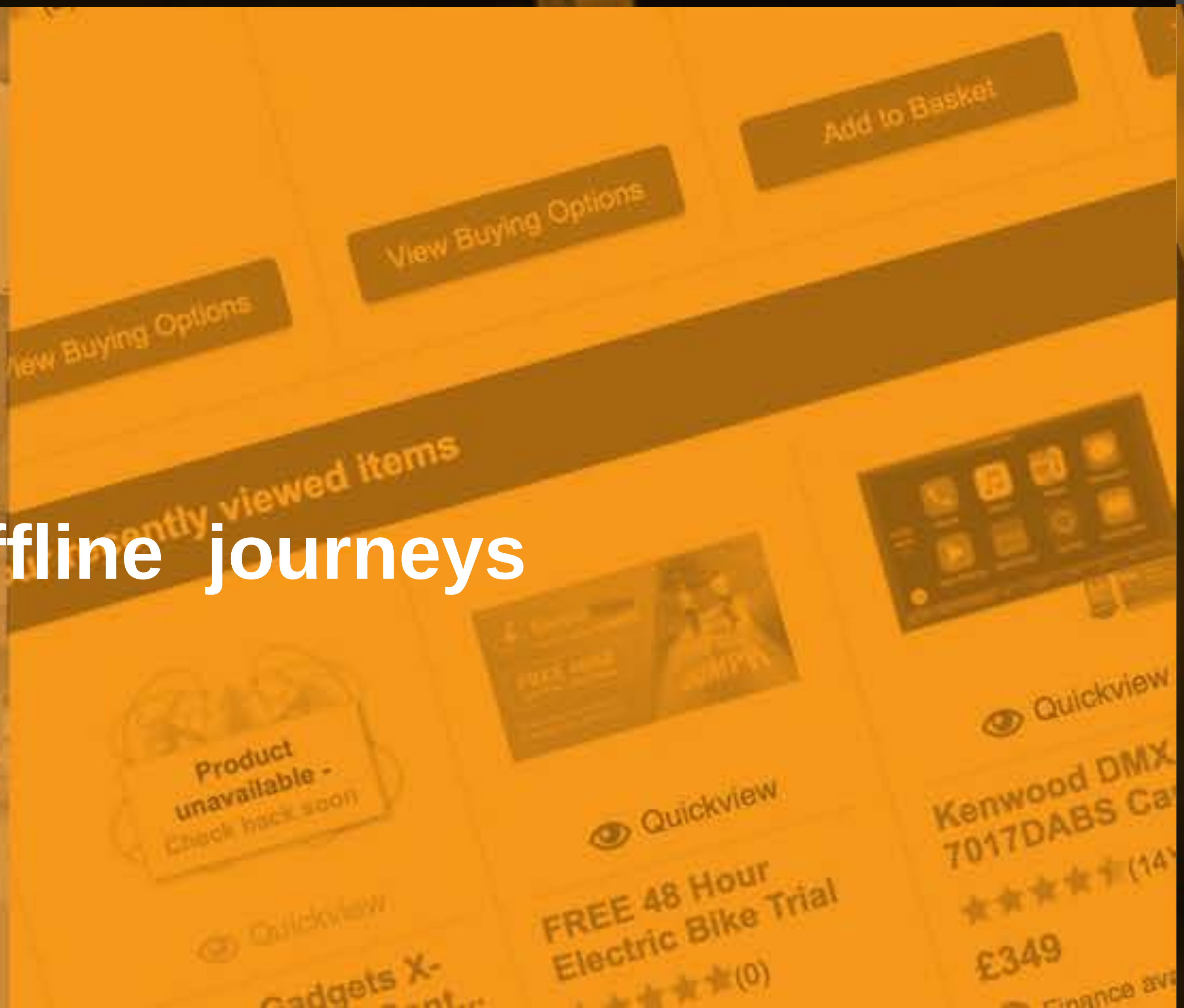
Where we are now

Ageing estate

Product rather than service led





Fragmented on and offline journeys

Too much space in some categories and too little in others

1

Where will we be moving to

We will become a super specialist

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Where we will be moving to

- More physical range and space given to our core specialisms of motoring and cycling
- Reduction of non-core products
- Online ranges of motoring and cycling products to increase
- Continued commitment to invest in training with even greater focus on specialism
- Super specialist in both B2C and B2B

We will also be enhancing our cycling specialism with growth in our Performance Cycling business

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Where we will be moving to

- Increase our store estate from 24 to 50+
- Invest in our IT and digital platforms, leveraging Group scale
- Continue to build our range proposition with more exclusive brands and strong, collaborative relationships with our key suppliers

tredz®

We will lead and differentiate our markets with customer-led innovation

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Where we will be moving to

- Utilising customer insights to develop products that we know customers want and need
- Shifting focus away from innovation being different colour/design/brand to truly unique products
- New product development & innovation team
- Pipeline of innovation already under development

The first idea from our innovation pipeline...

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Where we will be moving to

Heated handlebars

Example of new approach in action:

- New team
- Customer research and insights
- Identify customer needs and wants
- Develop new products/services to meet needs utilising latest technology
- Protect with IP

We will redefine and further differentiate our own label ranges

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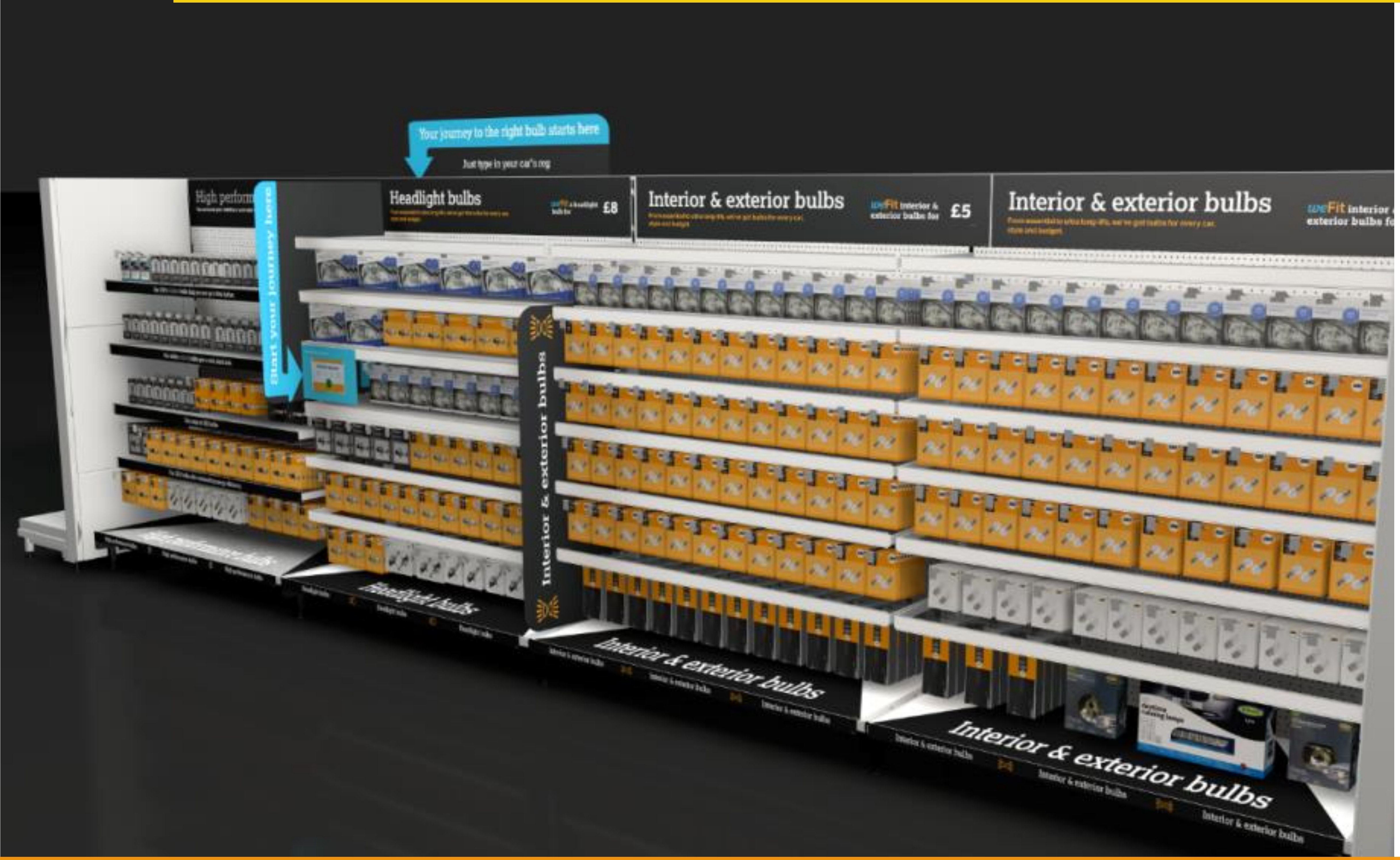
Where we will be moving to



- New own brand product family developed with clear good / better / best hierarchy
- Ranges spanning motoring and cycling
- Target to grow own brand penetration by at least 20% over the medium term
- First new category to launch – bulbs 20th October

Improving our customer shopping journey - online

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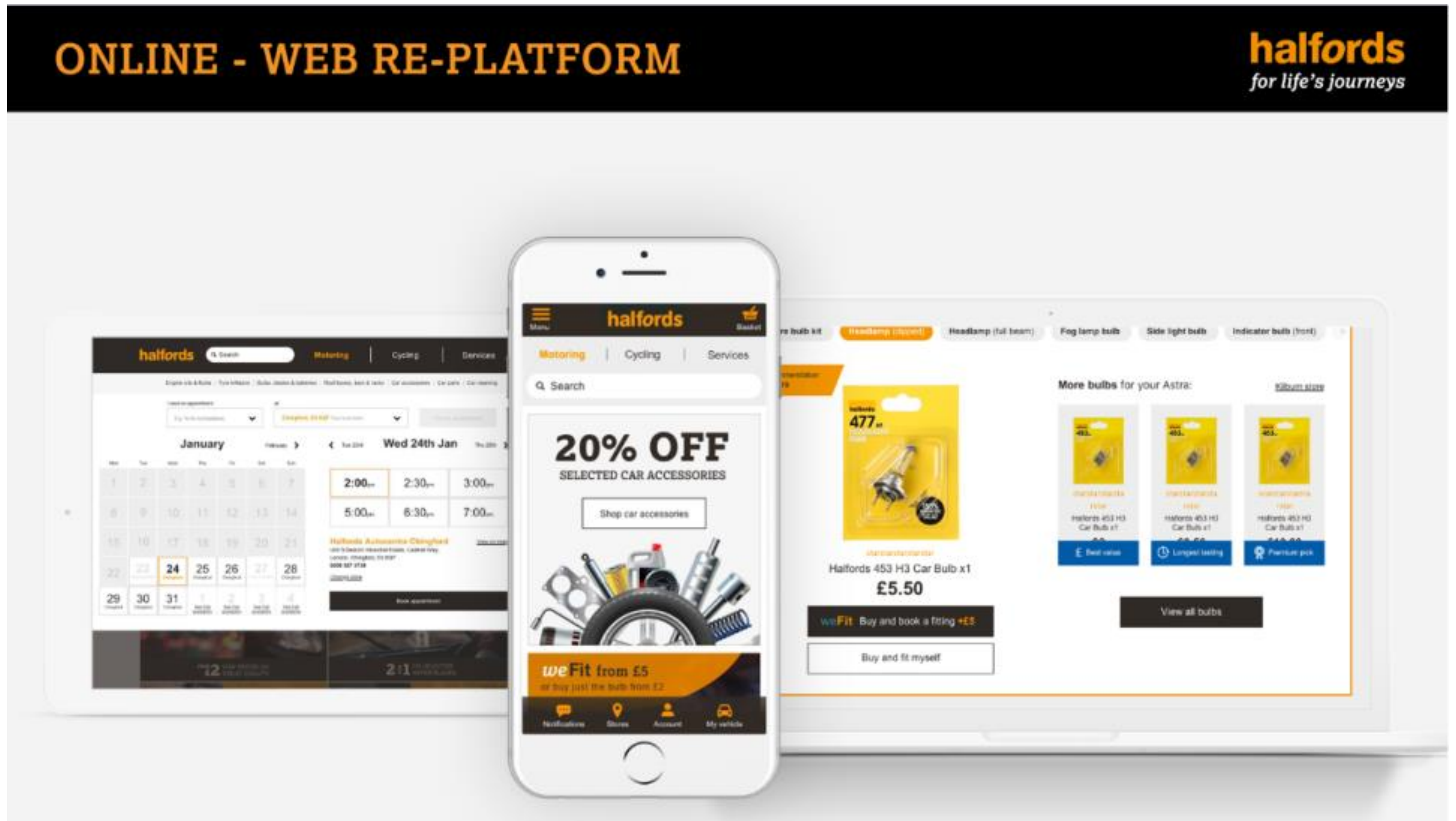
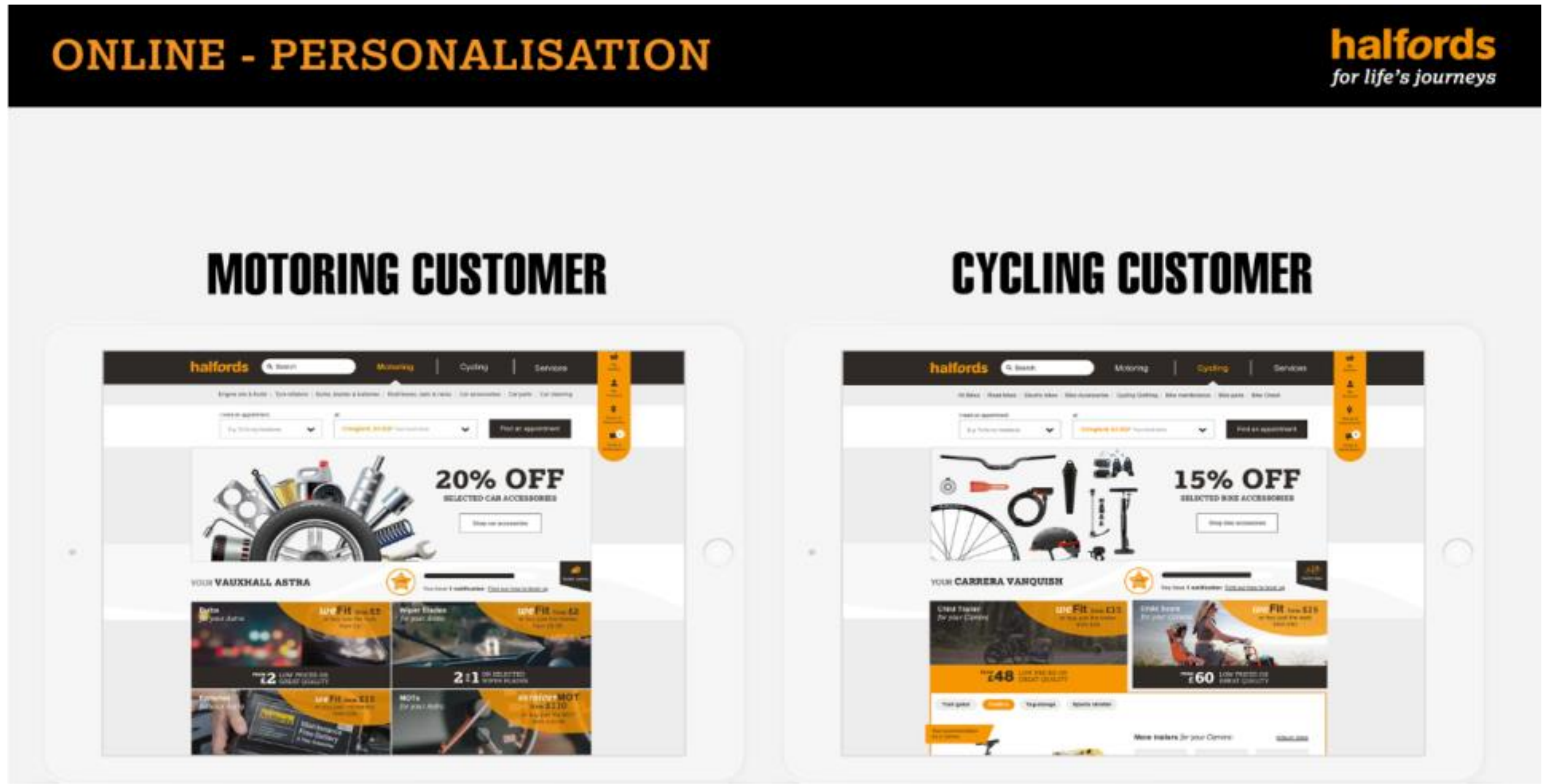
Where we will be moving to

- Halfords as one site bringing services and product together
- Personalisation
- Integrated services booking experience to nearest available location and timeslot





Improving our customer shopping journey – online to offline

Where we will be moving to

- Customer waiting areas with wifi
- Quick and simple vehicle registration lookup screens
- Digital signage with personalised content
- Super-fast Click & Collect

Improving our customer shopping journey – online to offline

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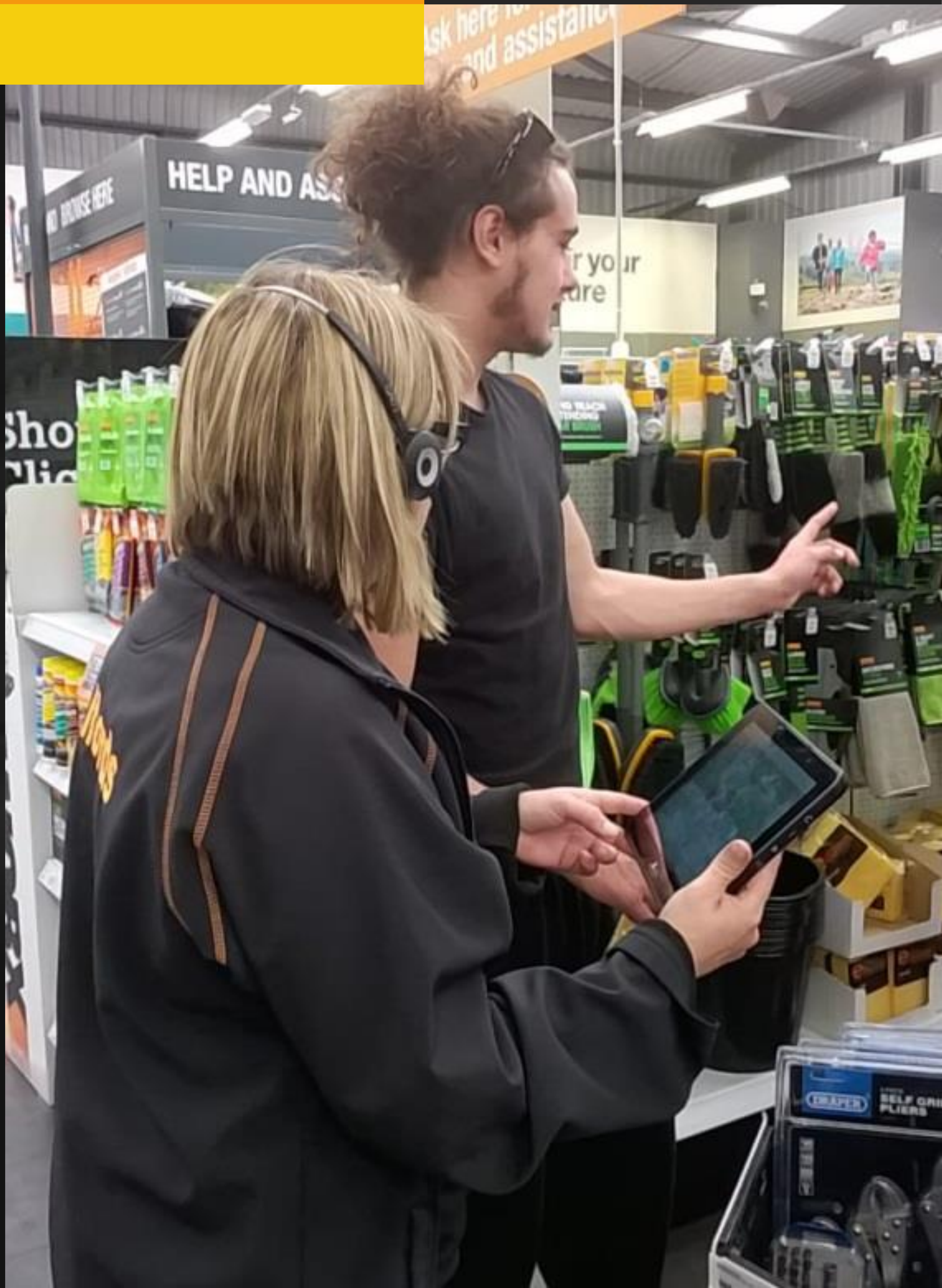
Where we will be moving to

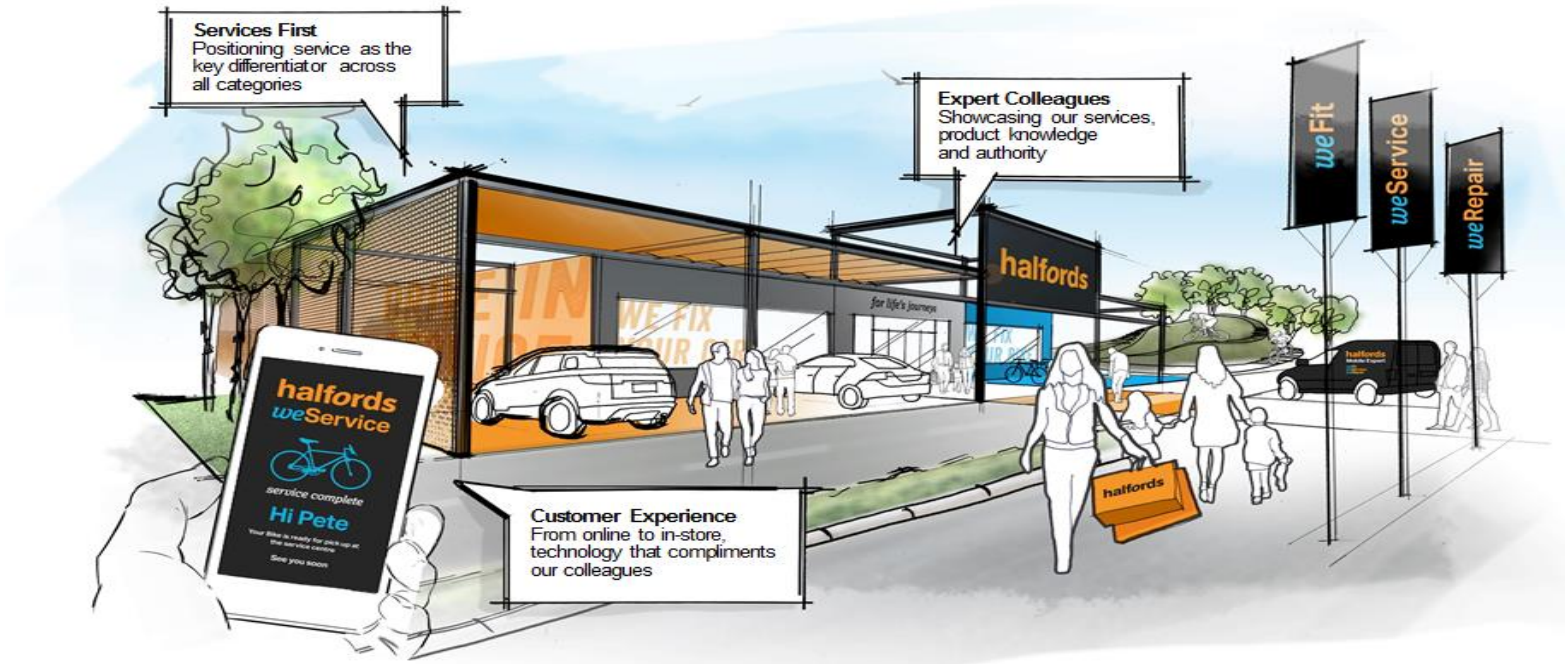
- Colleagues able to access customer/product info e.g. purchase history and brand preferences and type of car/bike owned
- Colleague collaboration tools to share advice and best practice e.g. knowledge and advice hub

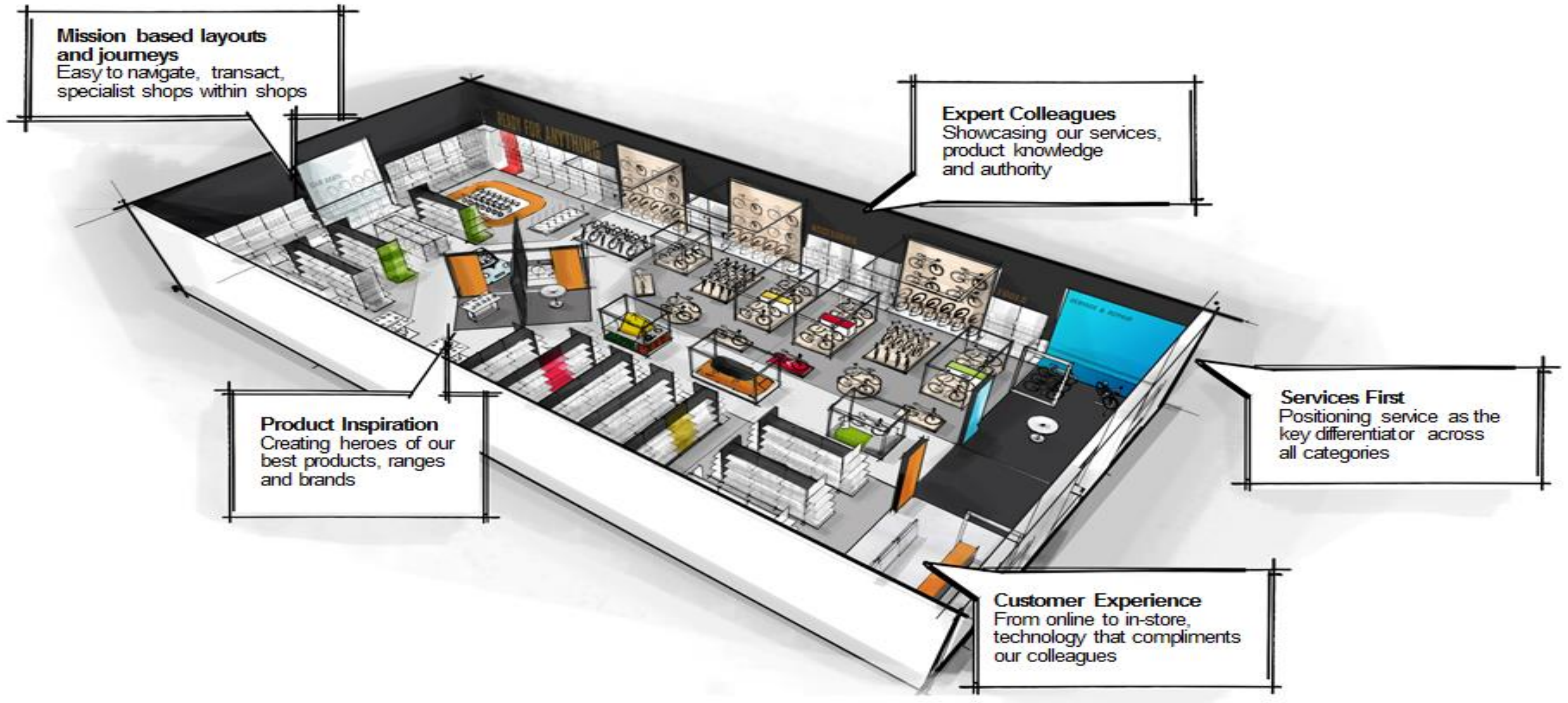


The new store format will be a more transformational change than previous refresh concepts

Where we will be moving to

- Services first
- Mission based layouts
- Product inspiration – creating heroes of our best products
- Right space, right range
- Opportunities to optimise store cost base e.g. LED lighting





We will also be developing and implementing a new autocentre format

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Where we will be moving to

- Utilising similar design principles as store format change
- More customer-centric front-of-house
- Transformed back office, utilising new system implementation
- Trialling servicing of both hybrid cars and e-bikes in one location

We will be accelerating the rate of refresh of our physical estate

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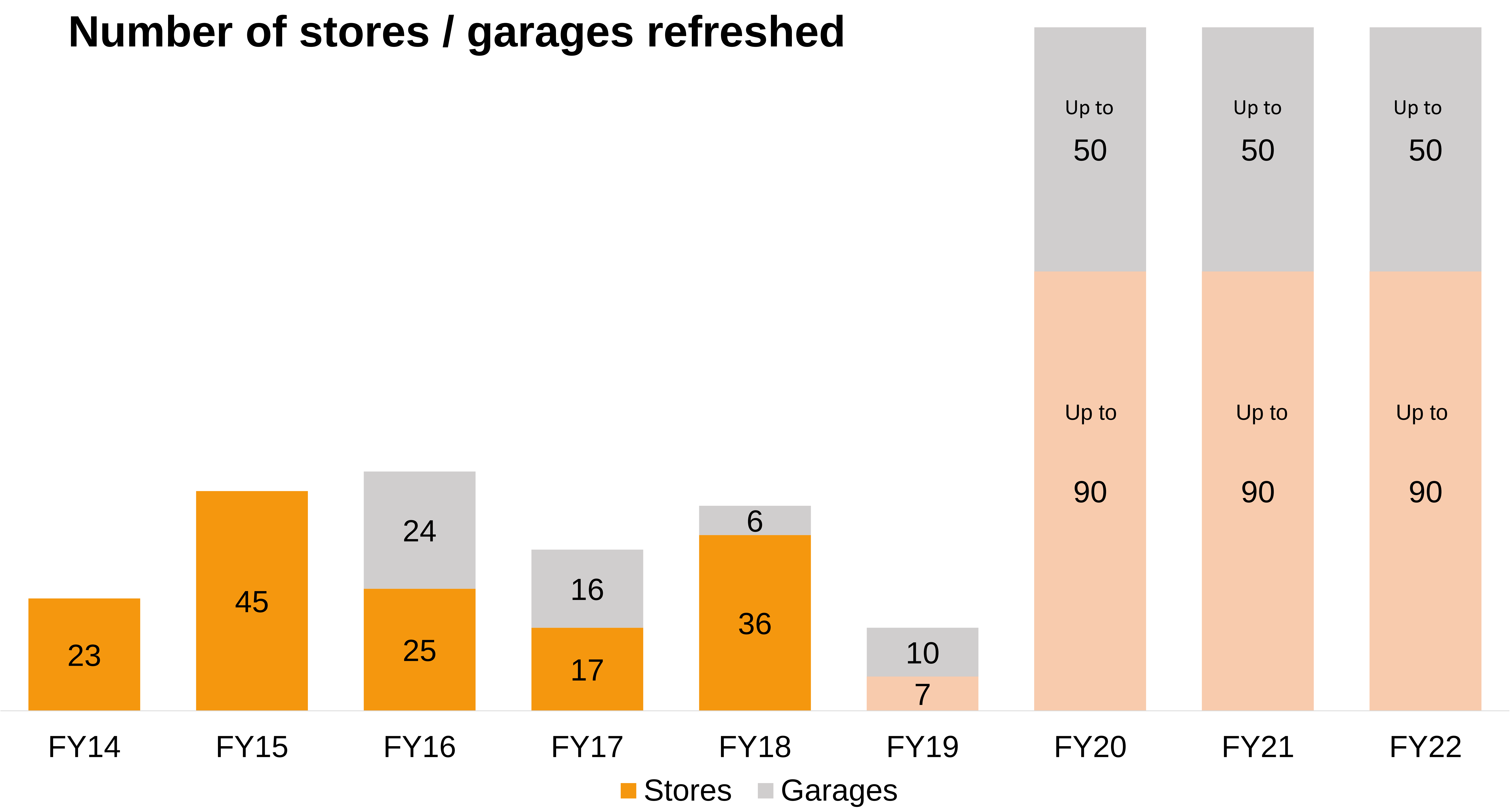
Where we will be moving to



This accelerated refresh programme will step change the profile of the estate

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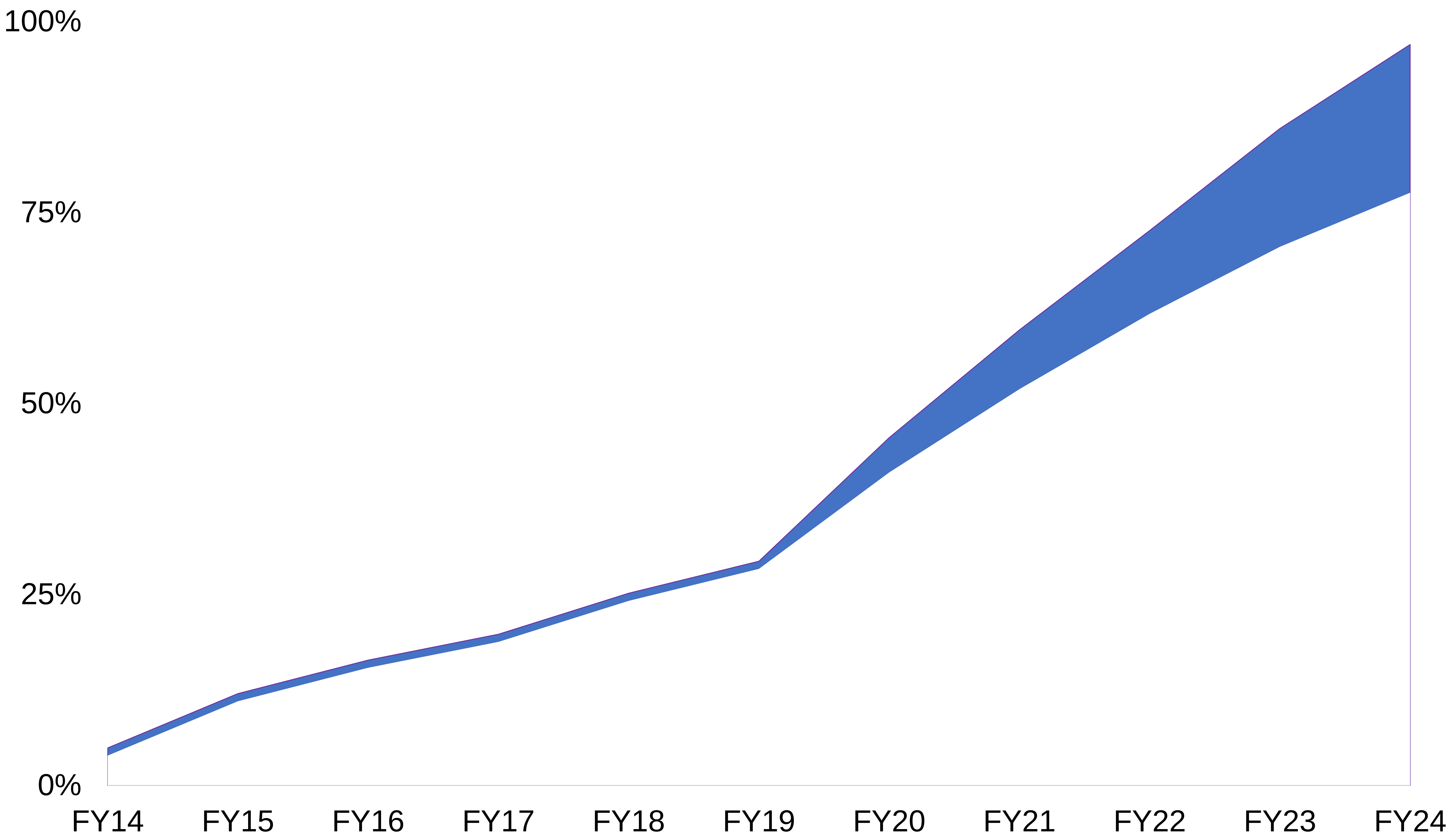
Where we will be moving to

% of Group estate invested in since FY13



1

Inspire our customers through a differentiated, super specialist shopping experience

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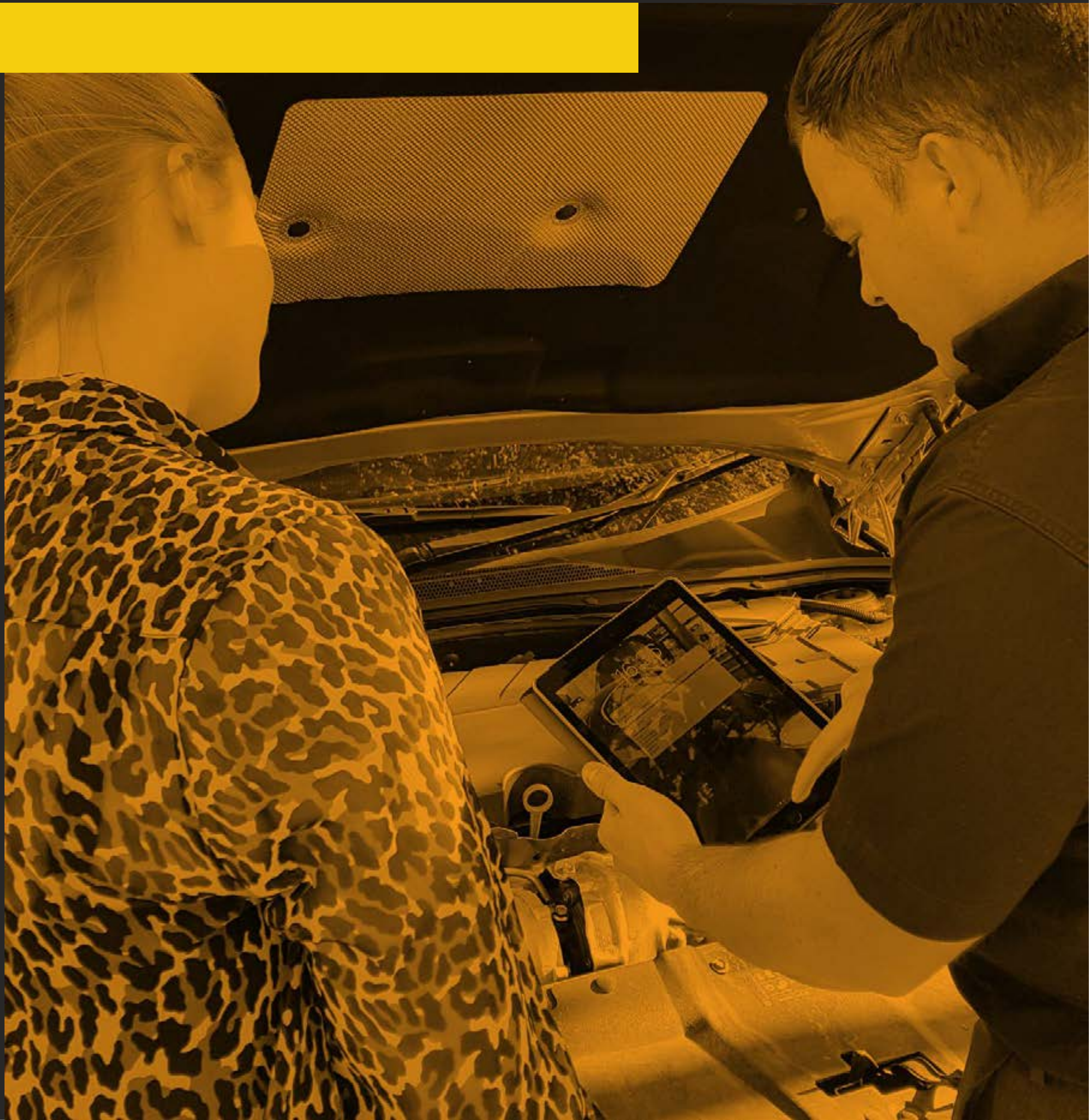
Summary

- General specialist to super specialist
- More product innovation
- Increased range of own label products
- New customer experience in stores and garages, linking on-line and off-line journeys
- Expand our performance cycling business



2

Support our customers through an integrated, unique and more convenient services offer

2

Where are we now...

Services are already an important part of the Group

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Where we are now

7.5m

Services performed in FY18

23%

of Group sales*

85

Services available in stores

130

Services available in garages

* Revenue from the services and the attached product

However our services businesses are not integrated

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Where we are now

- Separate Retail and Autocentres websites
- Not all “We-Fit” services available on demand in garages
- Limited range of services available in stores
- Inconsistent pricing
- Offline customer journey
- Manual booking process for colleagues

Some differentiated services, but an opportunity to do more

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Where we are now

- 3Bs (Blades Batteries and Bulbs) fitting is unique
- Car servicing expertise but low awareness
- Separate training schemes
- E bike servicing and hybrid car servicing capability increasing but low awareness
- The garage experience across the industry typically poor and not designed for the customer with consequent low levels of trust

Our services proposition is not convenient to all customers

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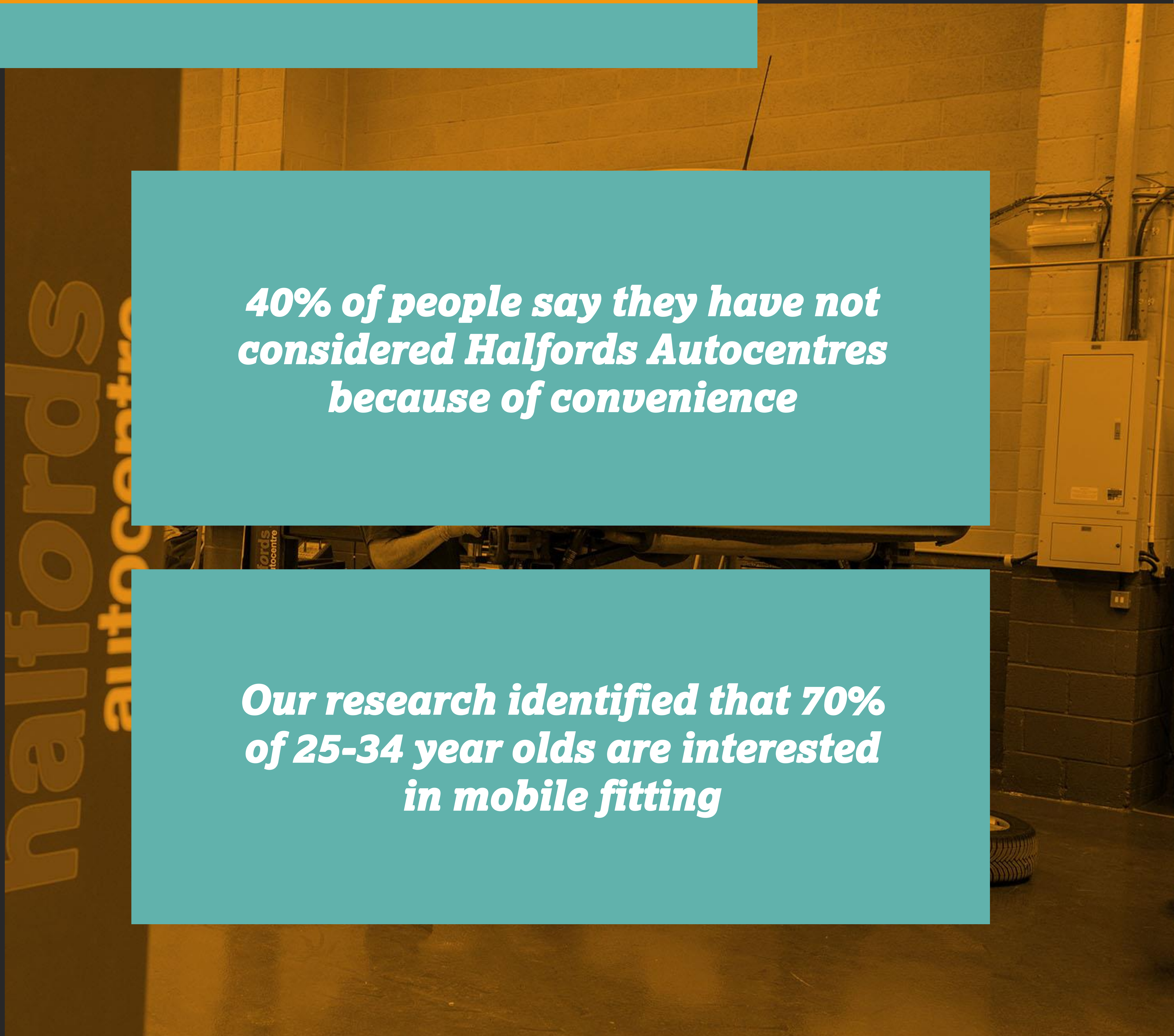
Where we are now

- Average drive time to an Autocentre is 30 mins, whereas customers want a drive time of no more than 20 mins
- Manual booking process; not an easy customer journey
- Limited presence in the growing mobile motoring services market



40% of people say they have not considered Halfords Autocentres because of convenience

Our research identified that 70% of 25-34 year olds are interested in mobile fitting

2

Where will we be moving to

Integrated

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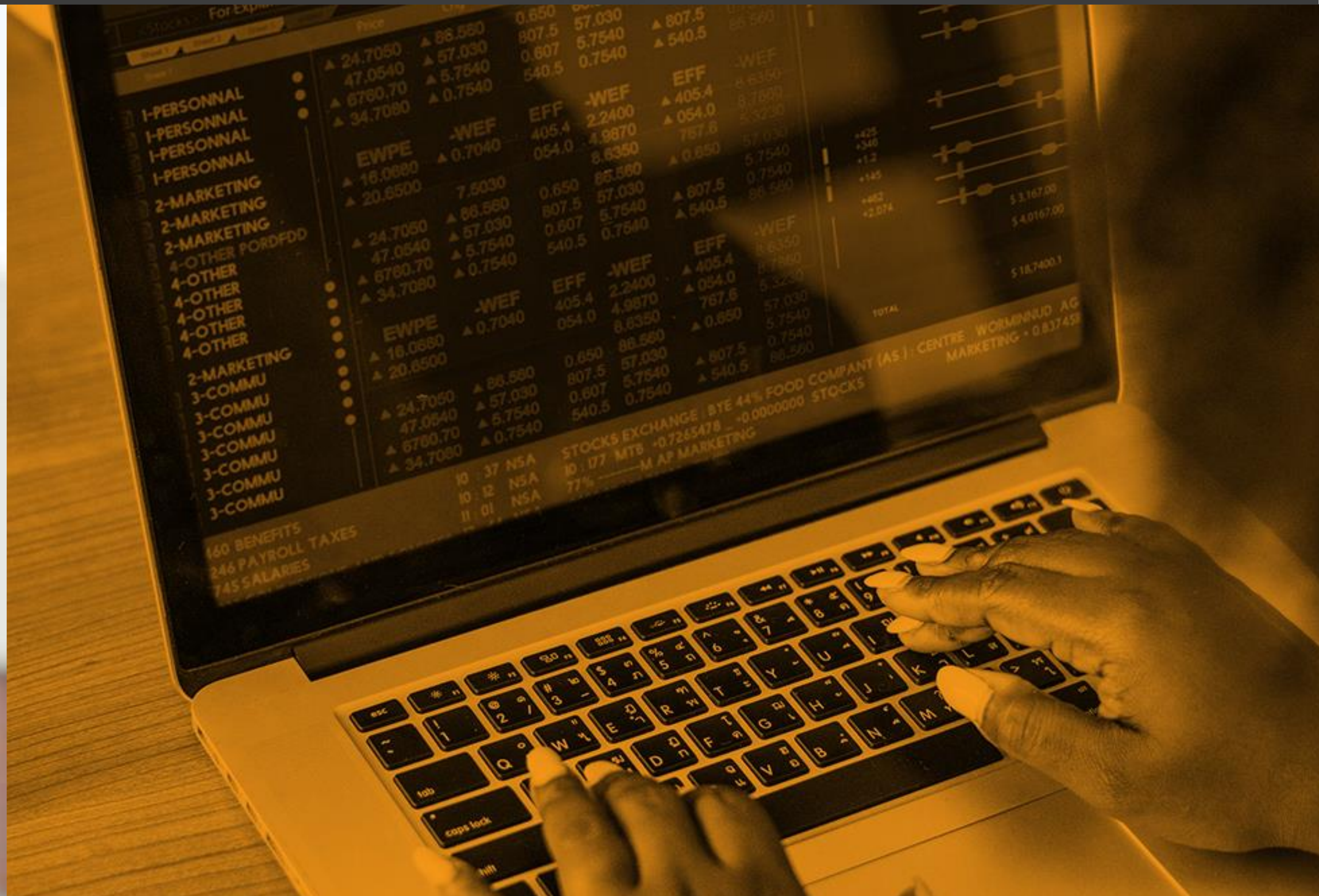
Where we will be moving to

- A unified services identity across the Group for B2B and B2C
- One seamless website, combining Halfords Retail and Halfords Autocentres
- Store “we fit” services available on demand in garages
- Increased range of services available in stores
- Seamless customer booking journey
- Digital colleague booking process and control of service delivery



Halfords Mobile Expert

Where we will be moving to

- 3 Halfords Mobile Expert vans operational
- 12 services available including batteries, tyres, air conditioning and windscreen chip repair
- Services performed at home or at your place of work
- Technology powered by our investment in TyresOnTheDrive.com
- Bookable time slots
- Driver/technician app provides guided service

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Mobile Expert

Halfords Mobile Expert

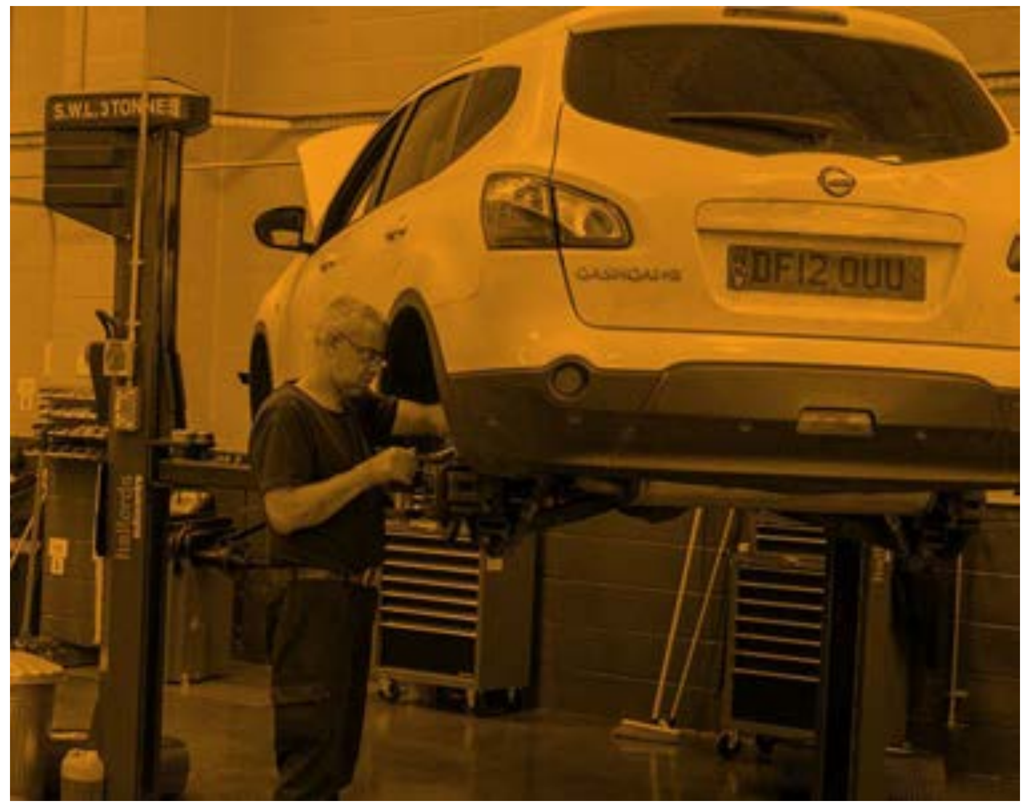
Trust Score 9.3

Collecting

Convenient

Where we will be moving to

+



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Combined physical estate with consistent services offer and increased availability

Roll out 100+ garages to reduce average drive time from 30 mins to 20 mins

Roll out mobile services to major urban areas

One combined services estate of 1,000+ locations

The only nationwide provider of on-demand motoring and cycling services via vans, retail stores and garage locations in every major conurbation

Our services change will be underpinned throughout by…

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Where we will be moving to

- Operating Model
- Training
- Technology
- Services led store format
- Garage refurbishments
- Enhanced customer payment options

2 Support our customers through an integrated, unique and more convenient services offer

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Summary

- Convenience though an integrated and expanded “on demand” service offer across stores, garages and mobile
- Digital customer journey from booking through to service delivery
- Unique position in e-bike servicing and hybrid and electric vehicle servicing with the most fully trained technicians outside the dealer network
- Increased awareness by leveraging the Halfords brand

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3

Enable a lifetime of motoring and cycling

3 Where are we now…

After investment in the last three years we have built a strong customer data platform

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Where we are now

3 years ago		Today
33	Disparate data sources to a Group SCV	1
3m	Size of customer database	22m
3%	% of Group revenue matched to customers	75%

Using this platform is already bringing benefits

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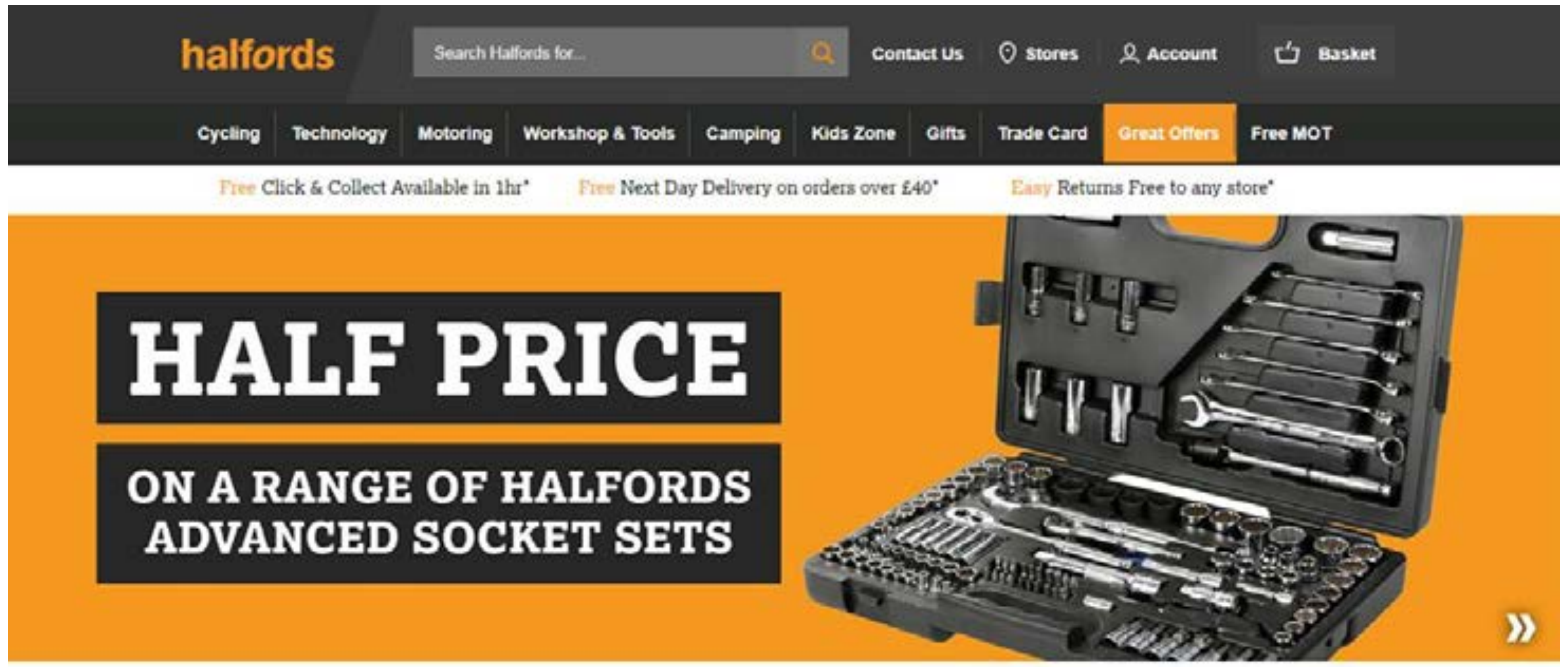
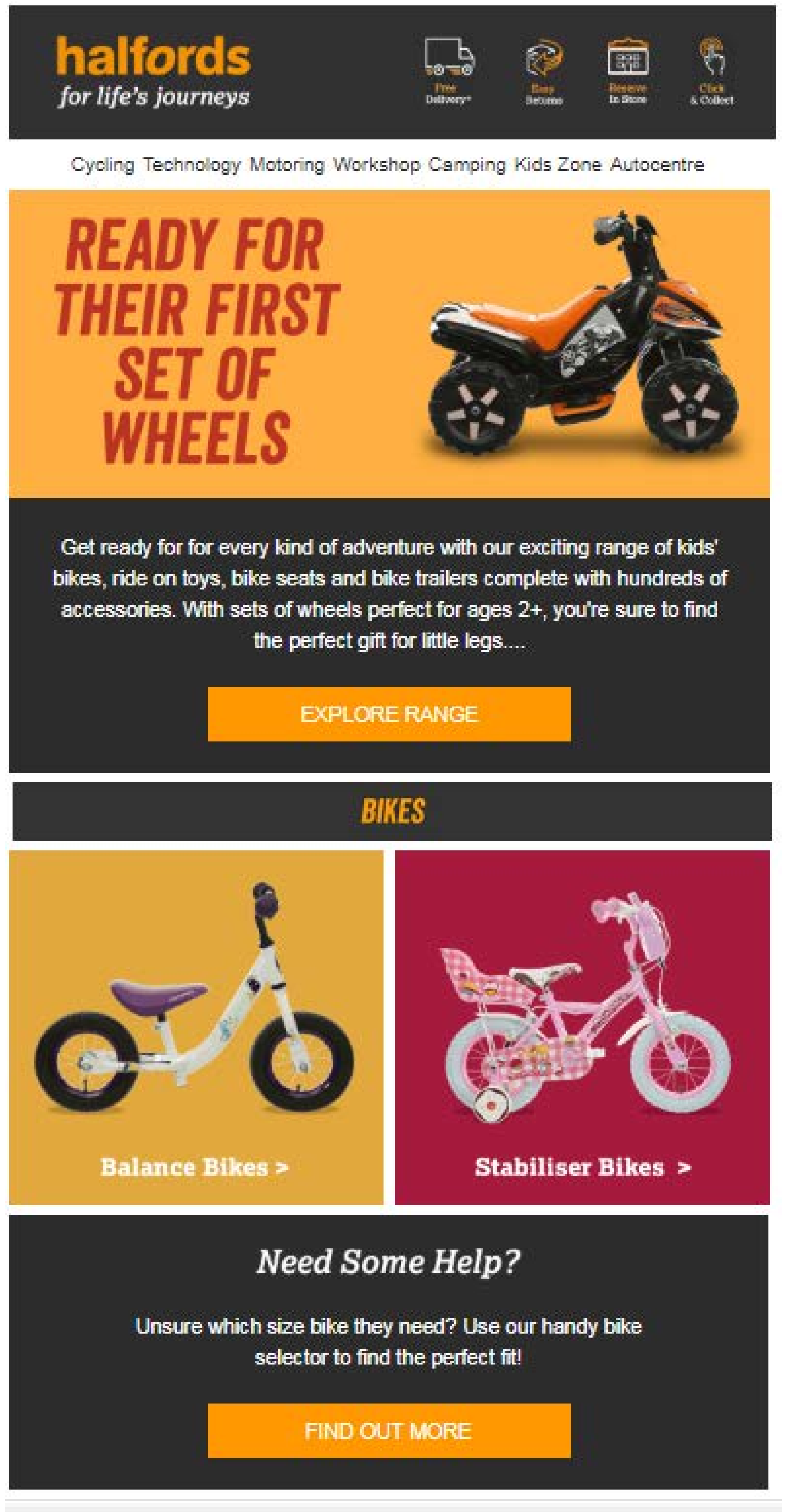
Where we are now

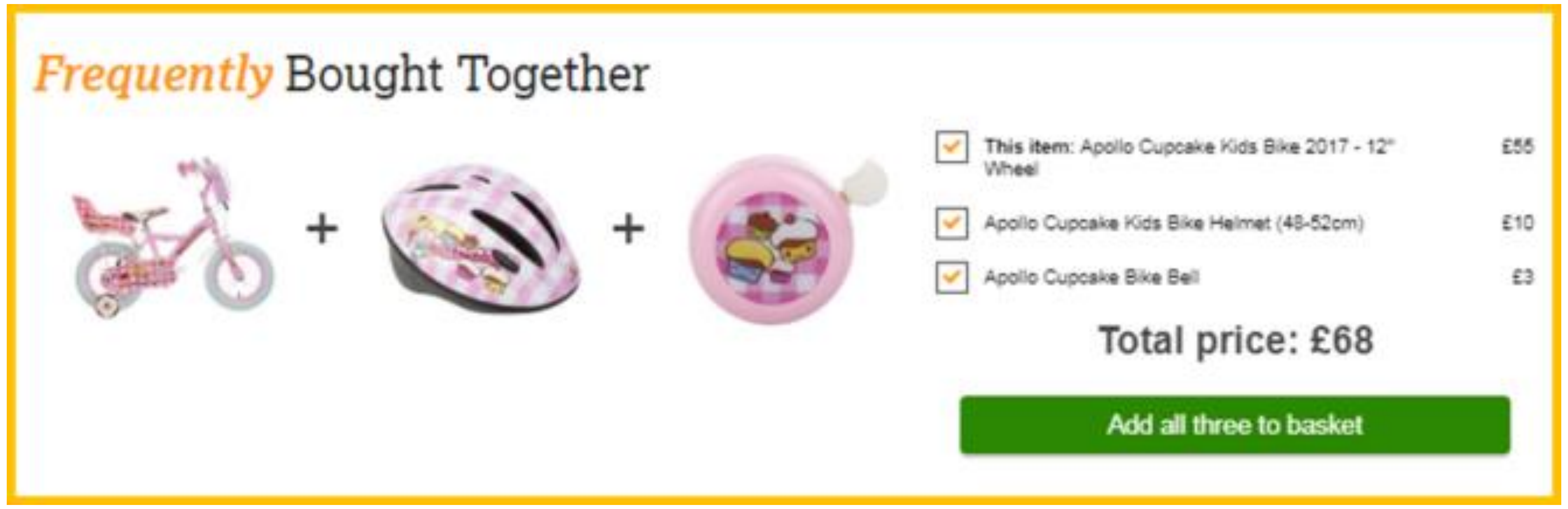


More personalised in our interactions with customers

Maximising marketing return with lookalike targeting strategy

Realising rewards from behaviour & data led email strategy





Maximising customer value with predictive modelling

There is a big opportunity if we improve retention and lifetime value

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Where we are now

Frequency of visit per year…

1.9

Cross shop within the Group is low at…

2%

Limited repeat visit

1 in 3

Of our known customers haven't shopped with us for two years

We currently have limited and fragmented loyalty programmes

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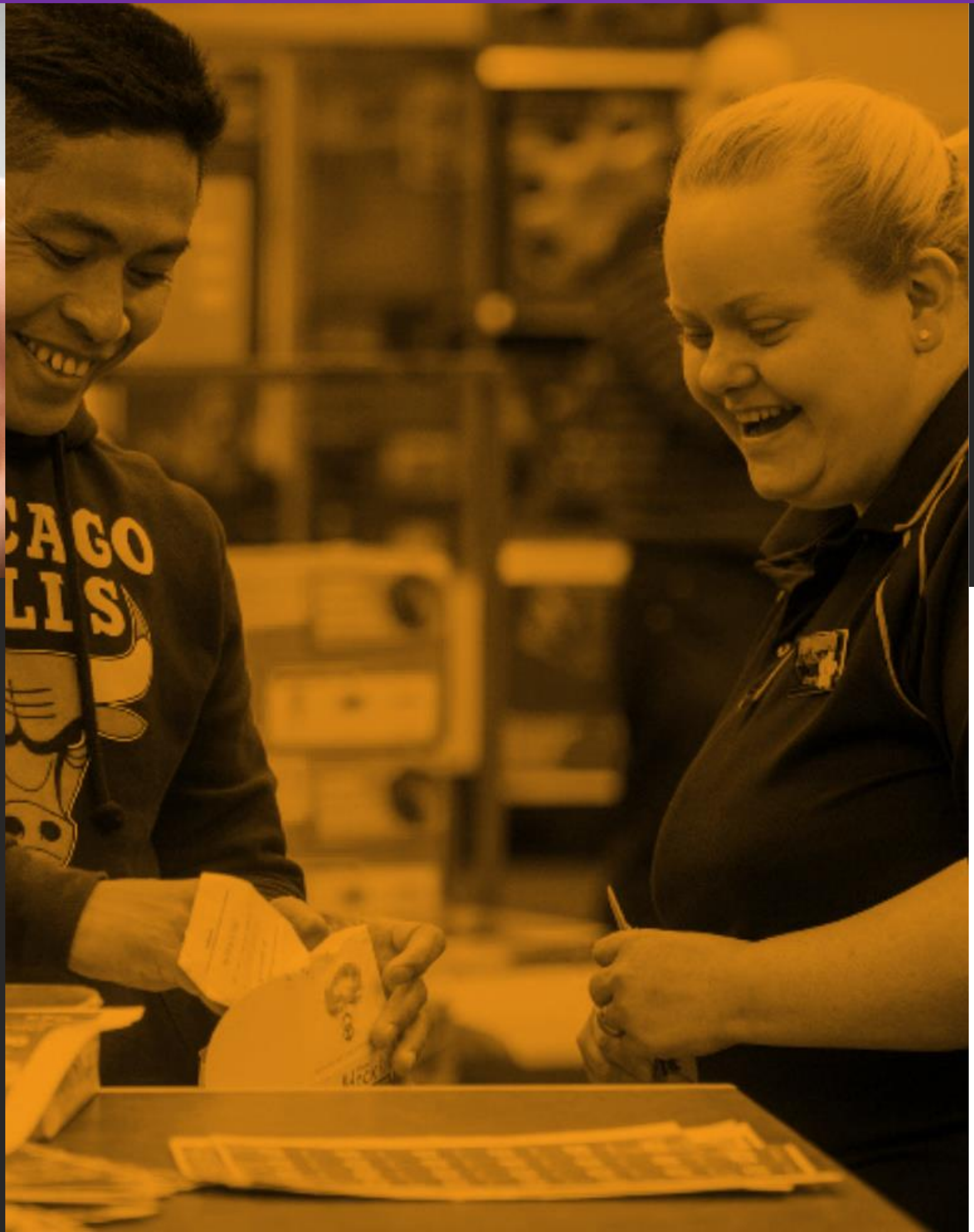
Where we are now



Tradecard customers visit 5 times per year

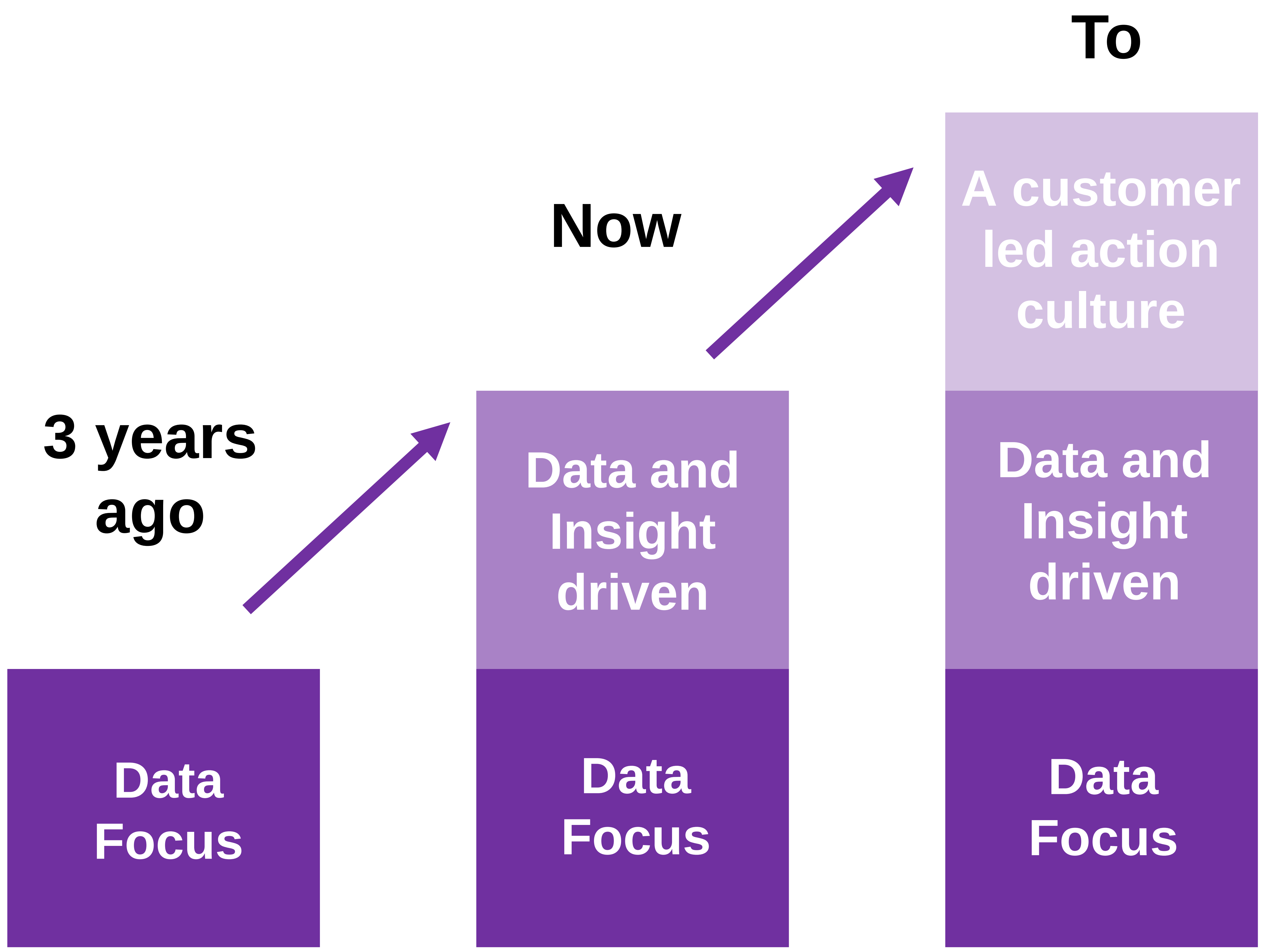
Cycle Republic Reward Card customers spend more than double what other customers spend, every time they shop

3

Where will we be moving to

We have transitioned from being data focused and are now moving to a customer led action culture

Where will be moving to



We have already started to drive meaningful action from our insight

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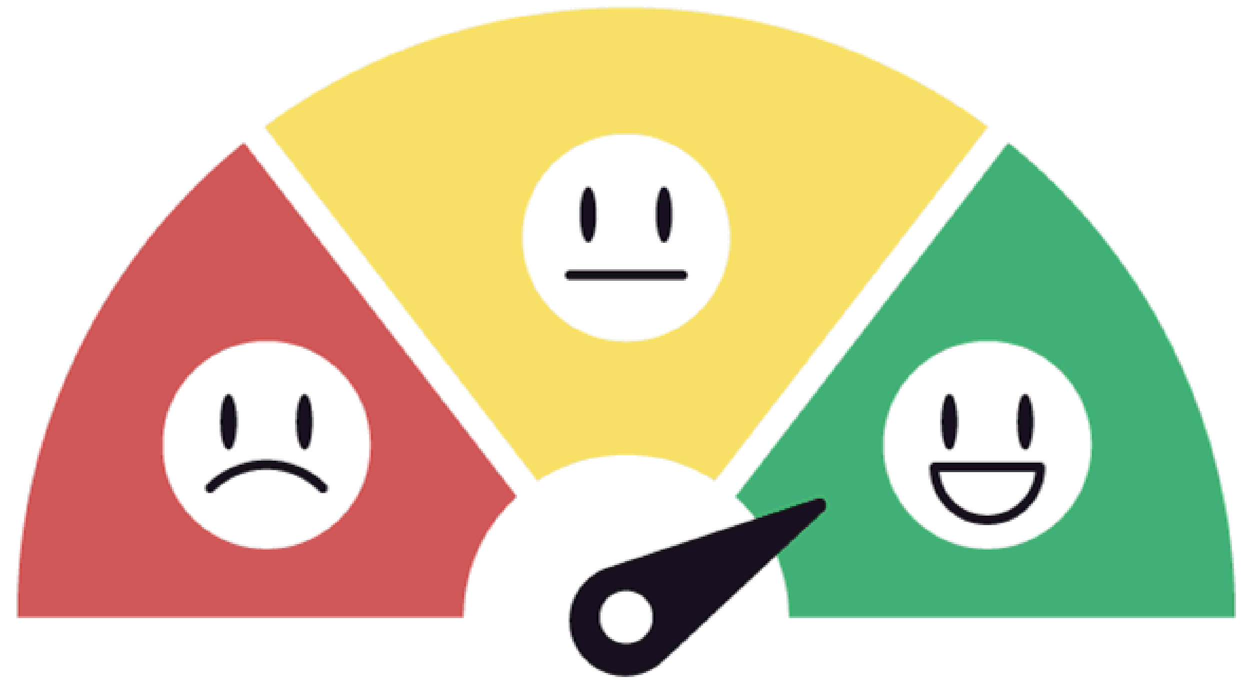
Where we will be moving to

Informed the strategy

Use data to define future range decisions

Change labour operating model to better reflect customer needs



Greater understanding of customer pain points and moments that matter

We are now ready to more actively drive customer loyalty and retention

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Where we will be moving to

- Supercharge CRM
- Cross-Group loyalty programmes

We will accelerate the development of our CRM programme

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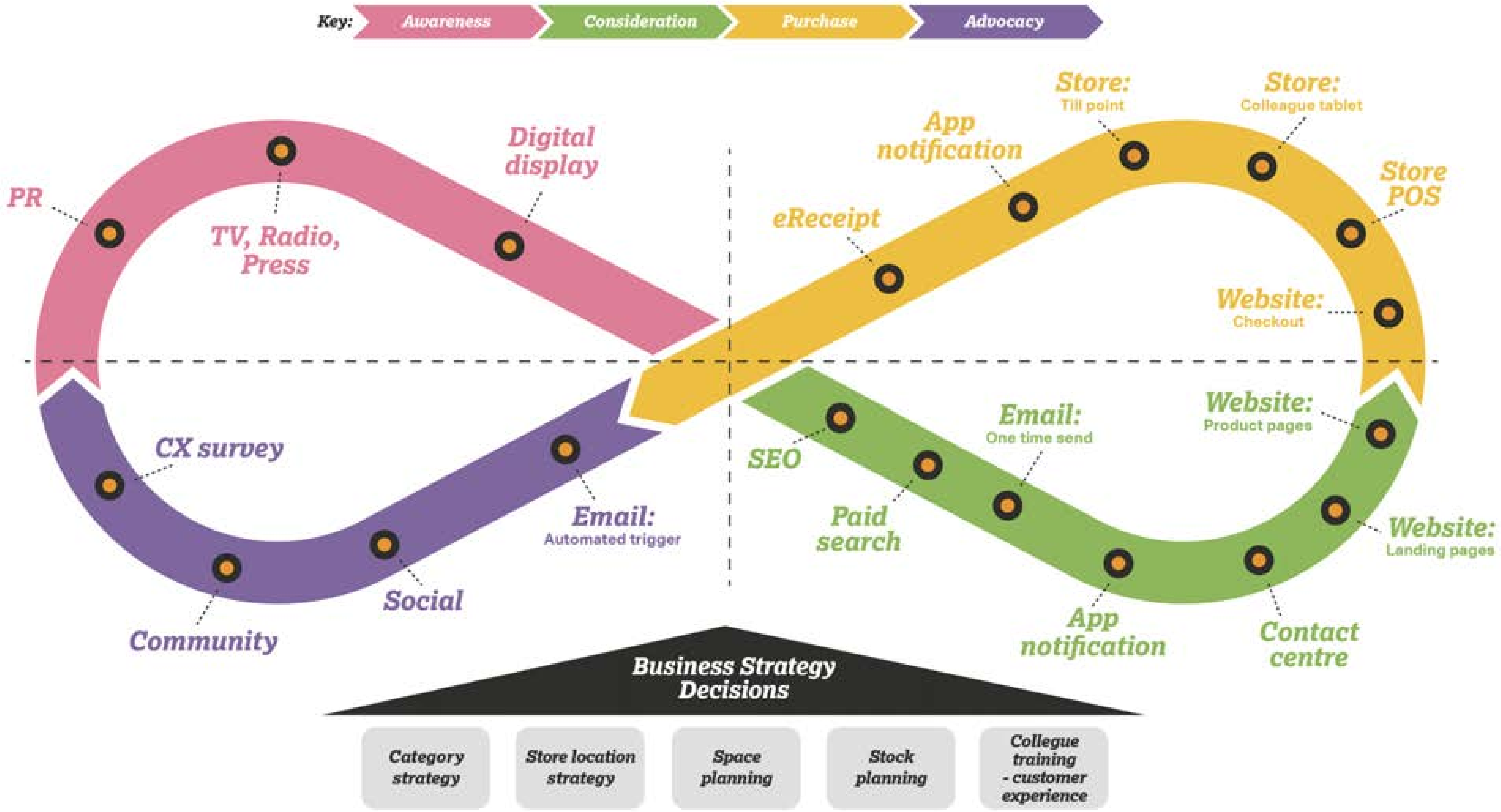
Where we will be moving to

- Compelling reasons for customers to return
- Seamless optimised message across all channels
- Real time relevant content through customer journey



We are currently developing loyalty propositions to optimise lifetime value and advocacy

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Where we will be moving to

Services to enhance Group loyalty

Young families through milestone categories

1 bikeability
2 bikeability
3 bikeability

halfords
for life's journeys

Official cycling retail partner of Bikeability

3 Enable a **lifetime** of motoring and cycling

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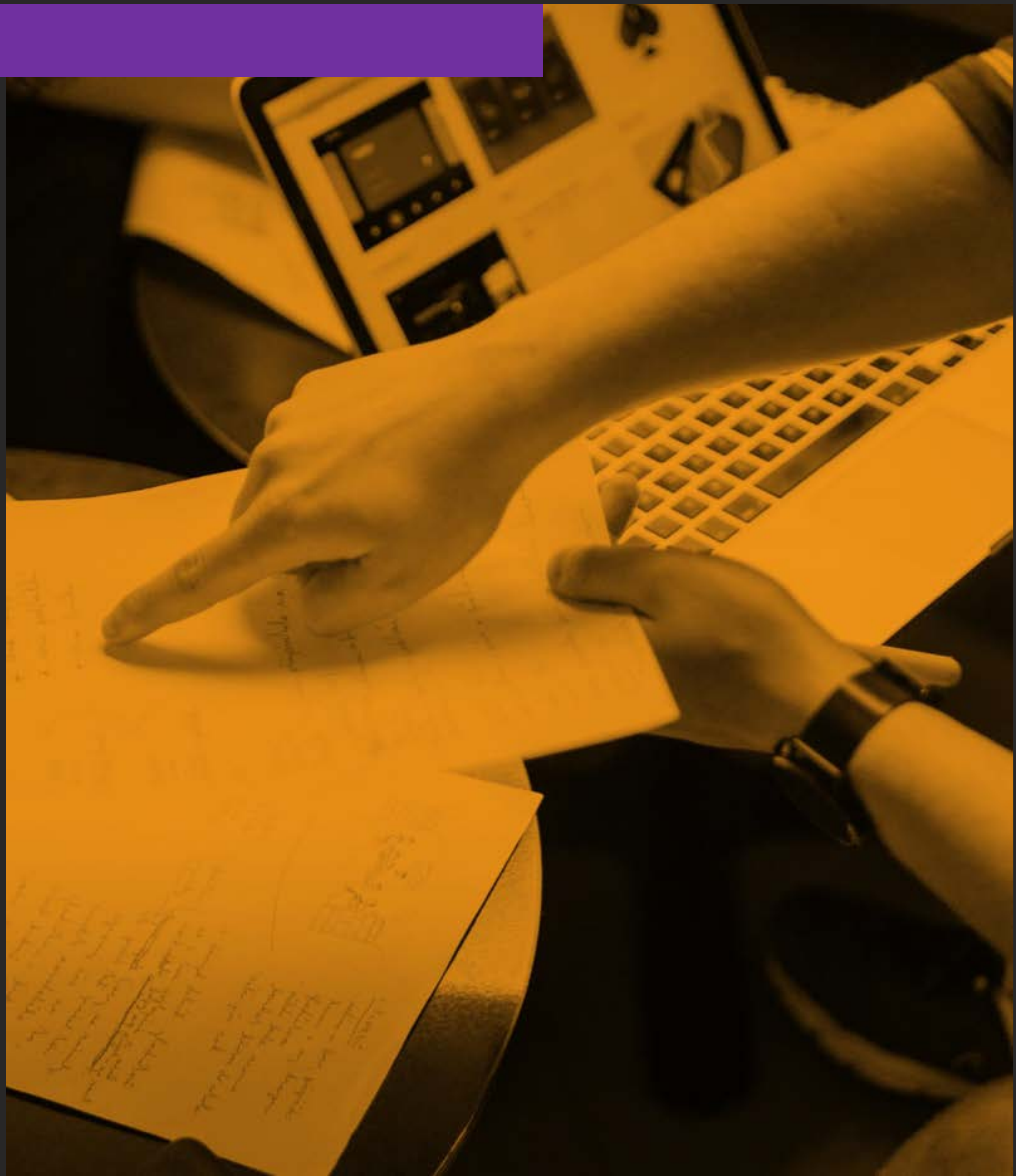
Summary

- A more focussed and targeted approach to loyalty at a Group level
- Accelerating the development of our CRM program
- Fully leveraging our SCV and increasing the investment in customer data management



SUMMARY OF NEW CUSTOMER STRATEGY

To inspire and support a lifetime of motoring and cycling

In the future, customers will see...

1 Inspire our customers through a differentiated, super specialist shopping experience

- A business more focused on what it is really known for – its core motoring and cycling offer
- Products and services with features and benefits that are only available at Halfords
- A more innovative online site, complementary and inspiring store environment and in-store tablet, screen and mobile experience

2 Support our customers through an integrated, unique and more convenient services offer

- An integrated, unique and more convenient services offer
- A broader range of services, more easily accessed from one single website
- 1,000 convenient service locations via a choice of mobile, retail or stores
- A market leader in electric bike and car servicing
- Unique, digital tablet and mobile experience

In the future, customers will see...

3 Enable a lifetime of motoring and cycling

- Halfords building relationships for the long term
- A business encouraging people to explore and enjoy all that motoring and cycling can offer

A more unified and customer-focused Halfords Group enables the strategy...

OPERATIONAL INFRASTRUCTURE AND EFFICIENCIES

Infrastructure

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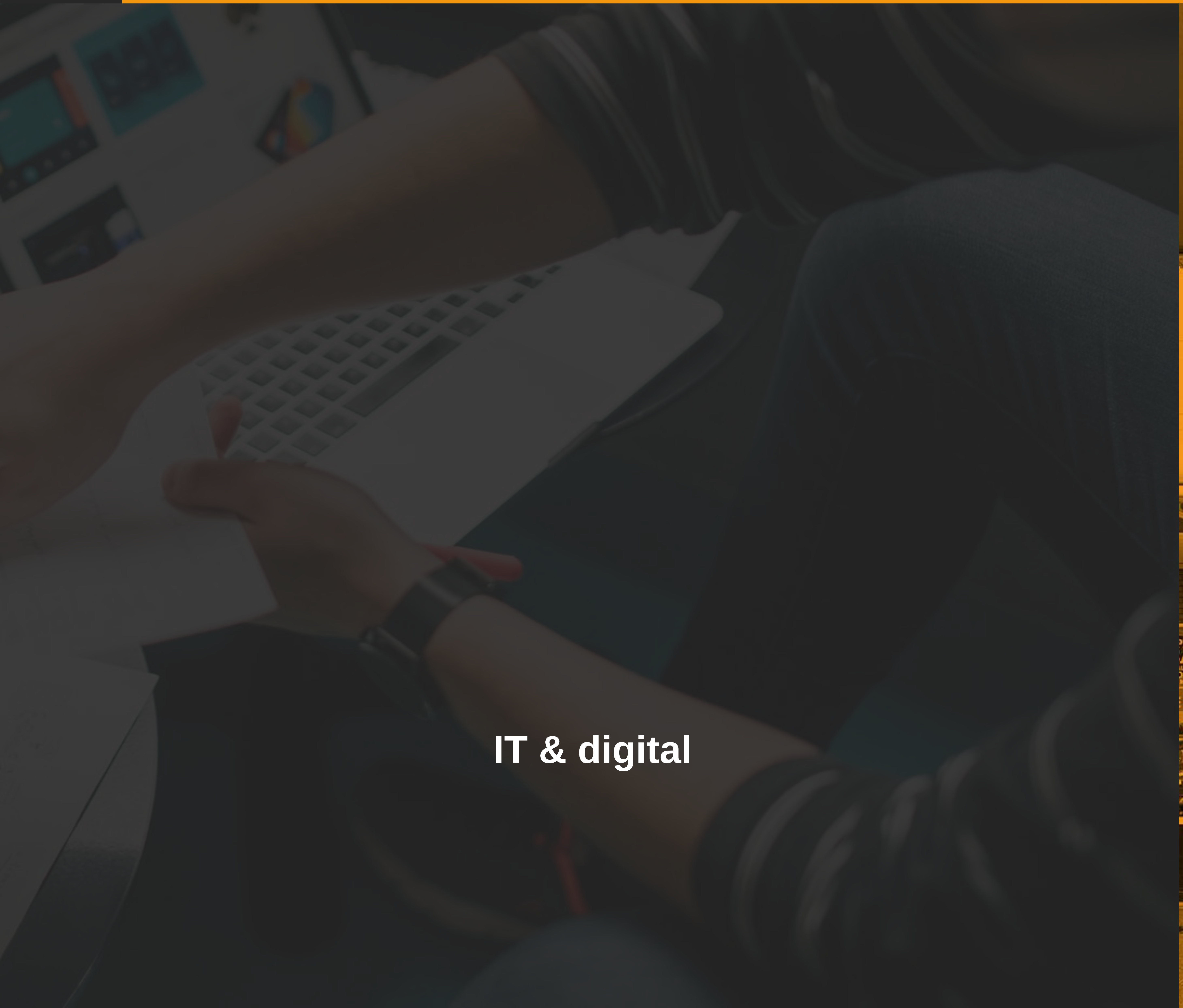
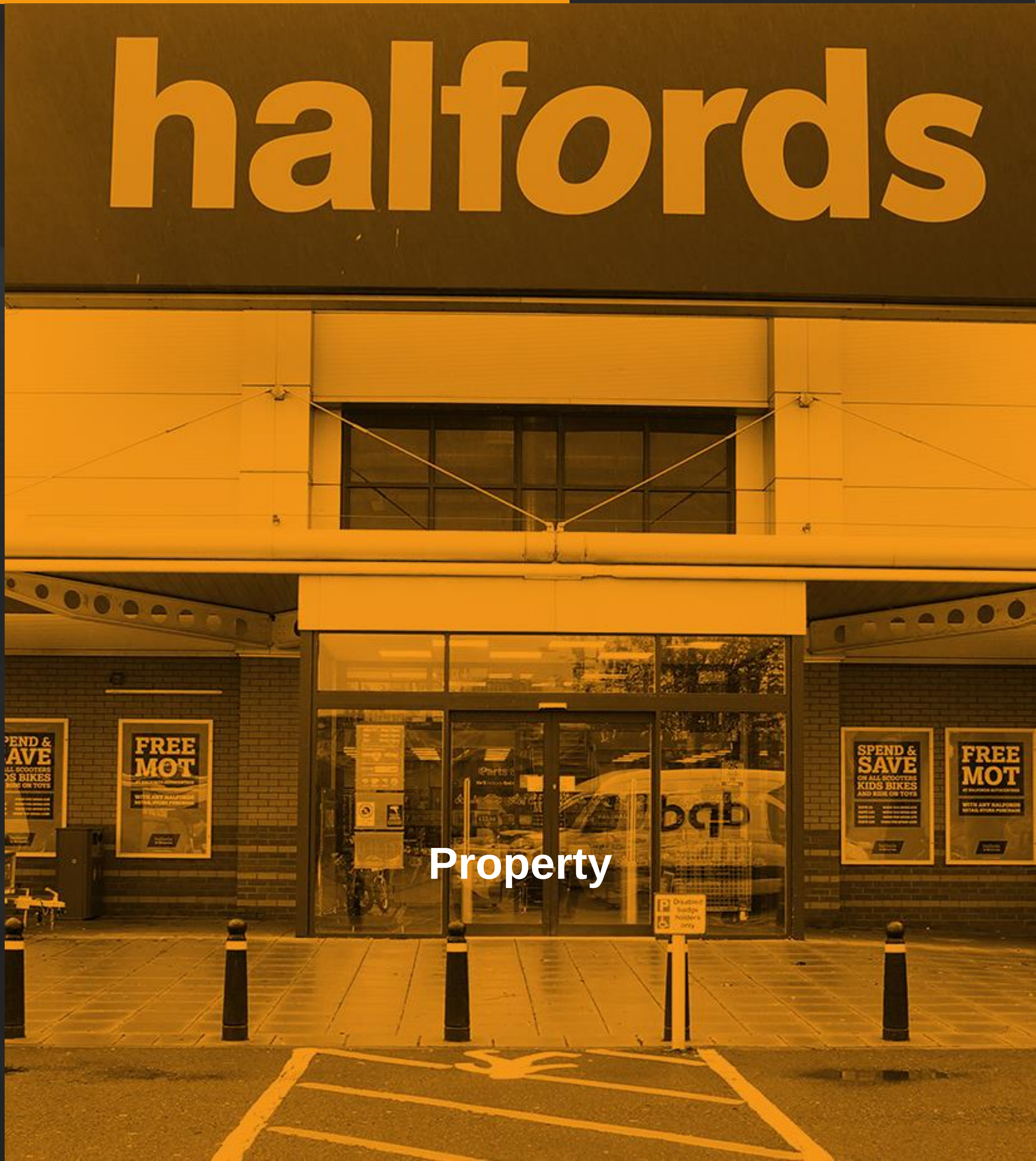


IT & digital



Property

IT & digital infrastructure

Completed in last two years

- Colleague headsets
- Resource planning system
- Single customer view
- Halfords Mobile Expert website

In progress

- New in-store software and in-store tablets for colleagues
- Enhanced B2B online presence
- Colleague collaboration tools
- Forecasting and replenishment system
- Enhanced vehicle registration lookup with new parts database

In the pipeline

- Web re-platform
- Online enhancements, e.g. personalisation
- Online to in-store enhancements, e.g. in-store touchscreens

Today's physical estate portfolio

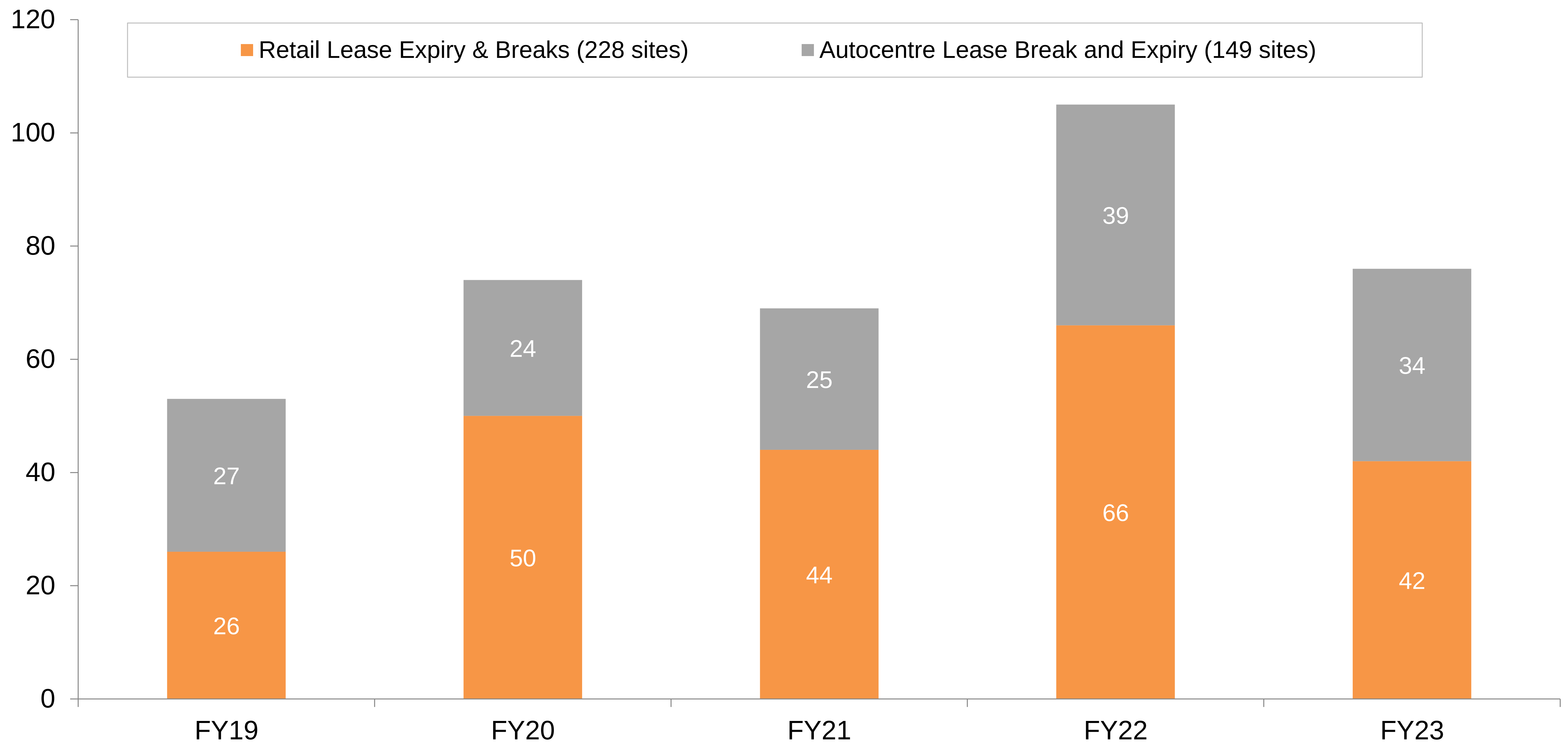
452
Halfords stores

24
Performance Cycling stores

315
Garages

3
Mobile vans

We have a flexible physical estate with relatively short leases and a significant peak in expiries ahead of us



6 years

Average remaining lease length

196

Number of leases expiring or with breaks in next 3 years

Changes to future physical estate

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Opening 100+ autocentres

Doubling the number of Performance Cycling stores

Retail store closures*

Rolling out mobile vans, targeting major conurbations

Underpinned by flexible lease portfolio enabling us to continually monitor and adjust

* At similar run rate to last 12 months in which we have closed 6 Retail stores in the last 12 months

Indicative illustration of the change in our physical estate

Benefits of the future estate:

- Average drive time to a Halfords service location reduced from 30 to 20 minutes
- Cheaper blended average rent
- Greater Performance Cycling footprint, enhancing cycling specialist credentials

Indicative illustration of the change in our physical estate

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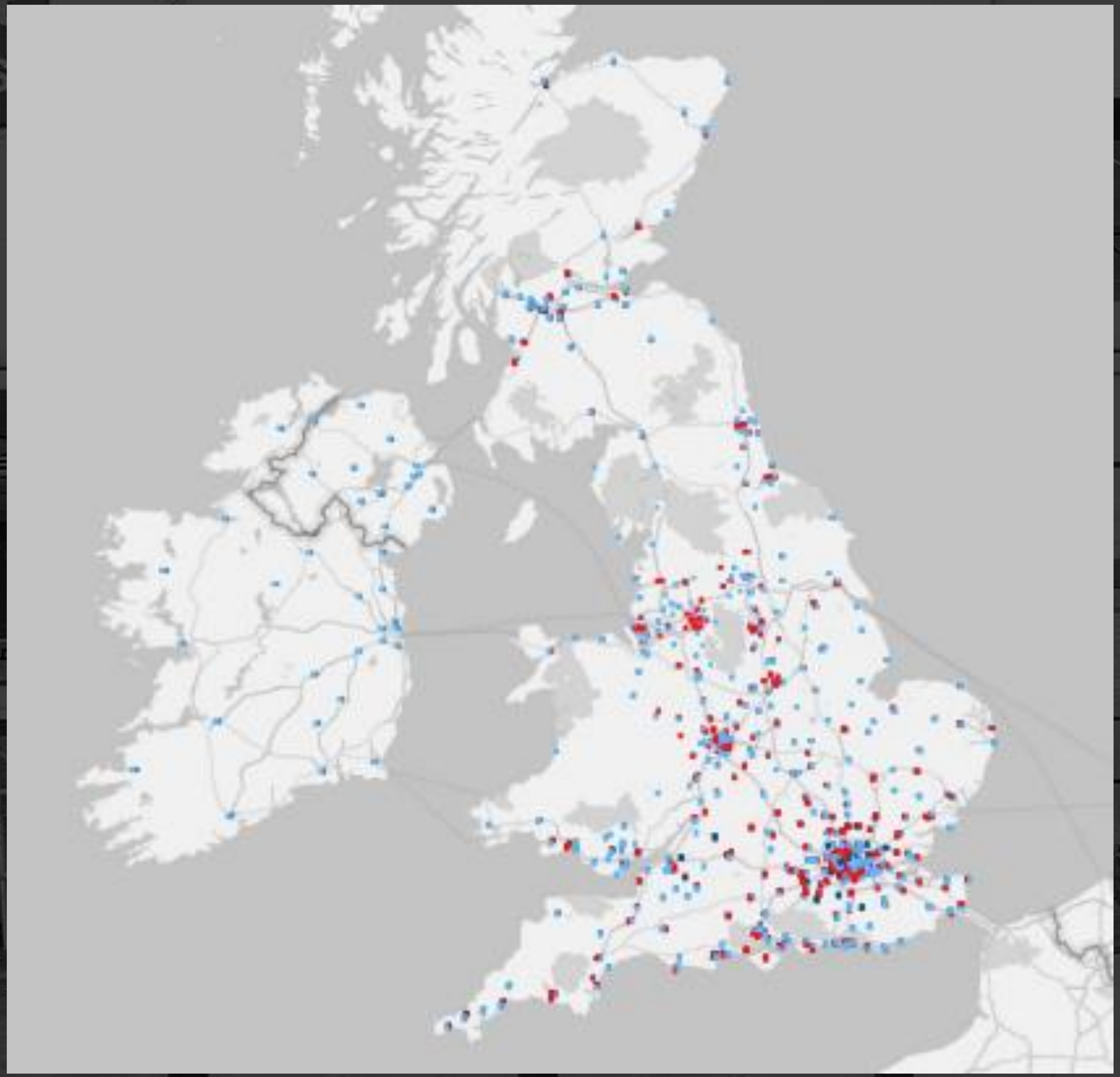
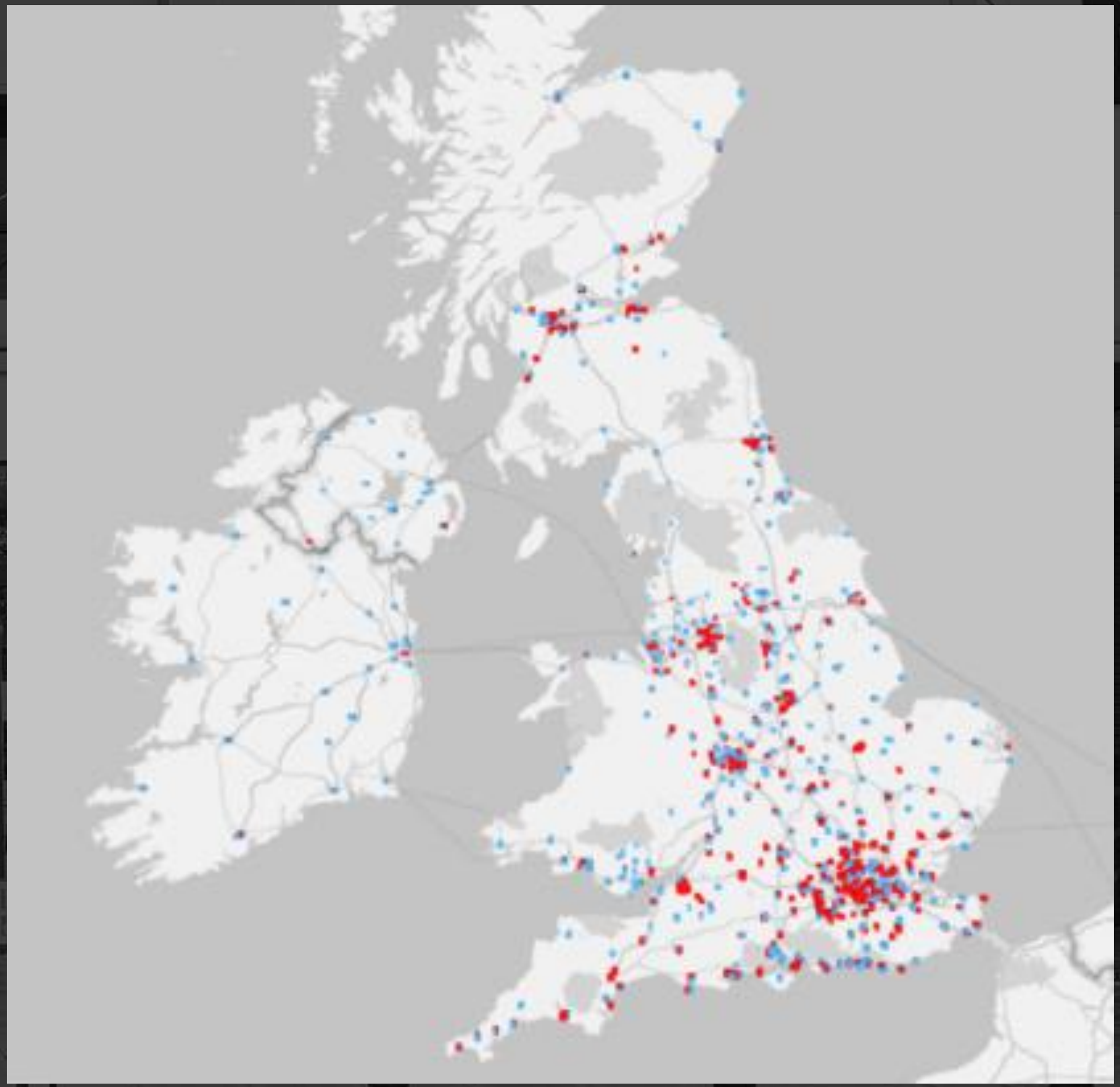
Physical estate now



Indicative illustration of future estate



- Products
- Products and Services
- Services

Operational efficiencies

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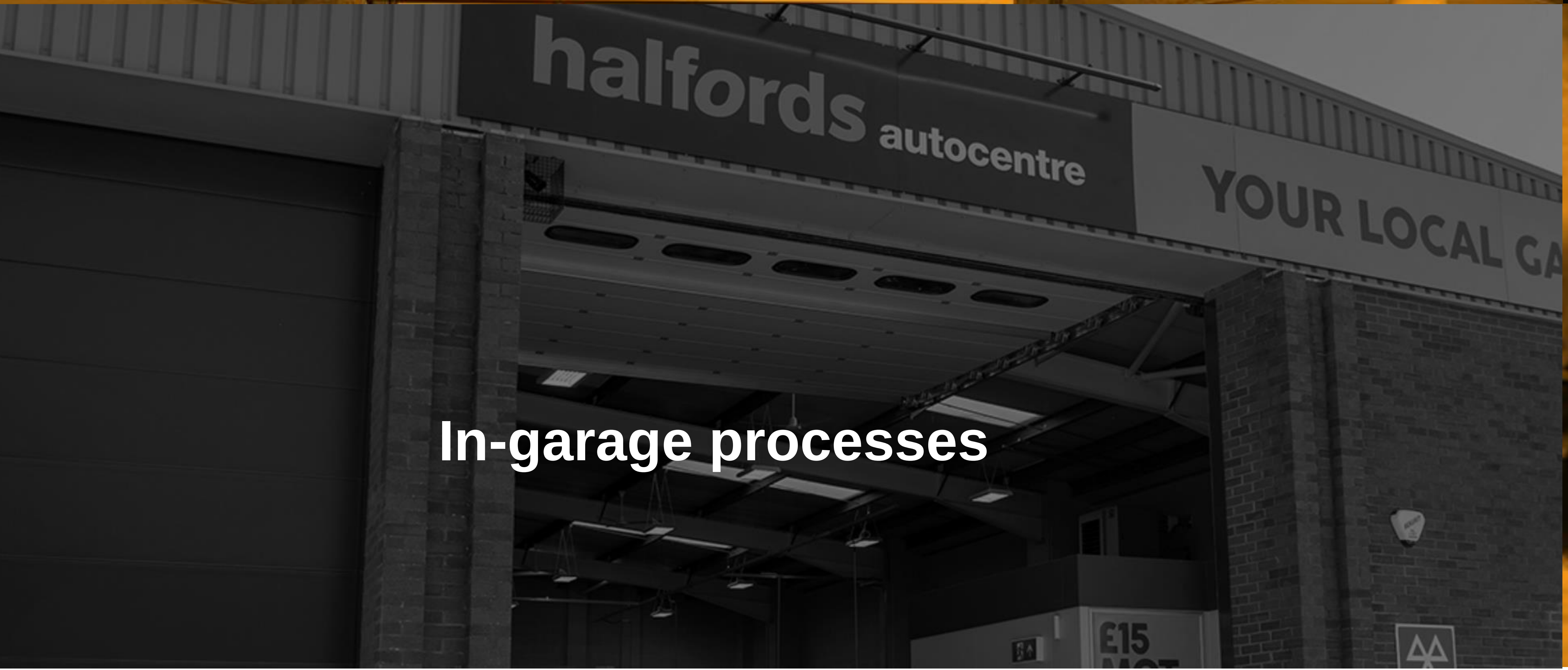
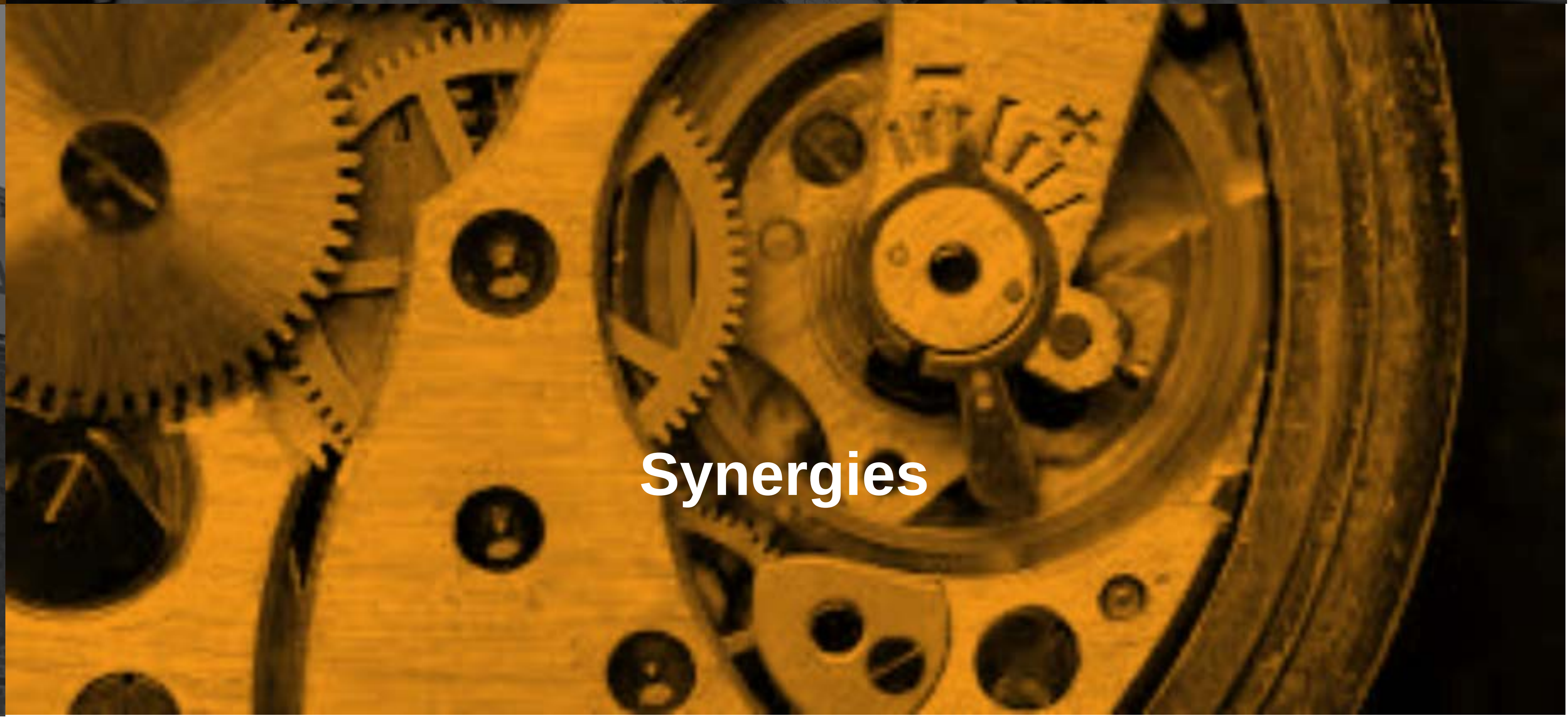
Property

Product



In-garage processes



Synergies

Property savings

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Retail store closures	A reduction of 6 stores saved circa £1m per annum of rent and rates
“Right sizes”	Over the last 3 years we have saved c.£1m of rent through our “right size” programme
Relocations	The services transformation provides an opportunity to consider alternatives to our current location mix
Overall change in shape of property estate	Through the changes in our physical estate, the group average rent per sq ft could decline by 5-10%

In-garage efficiencies

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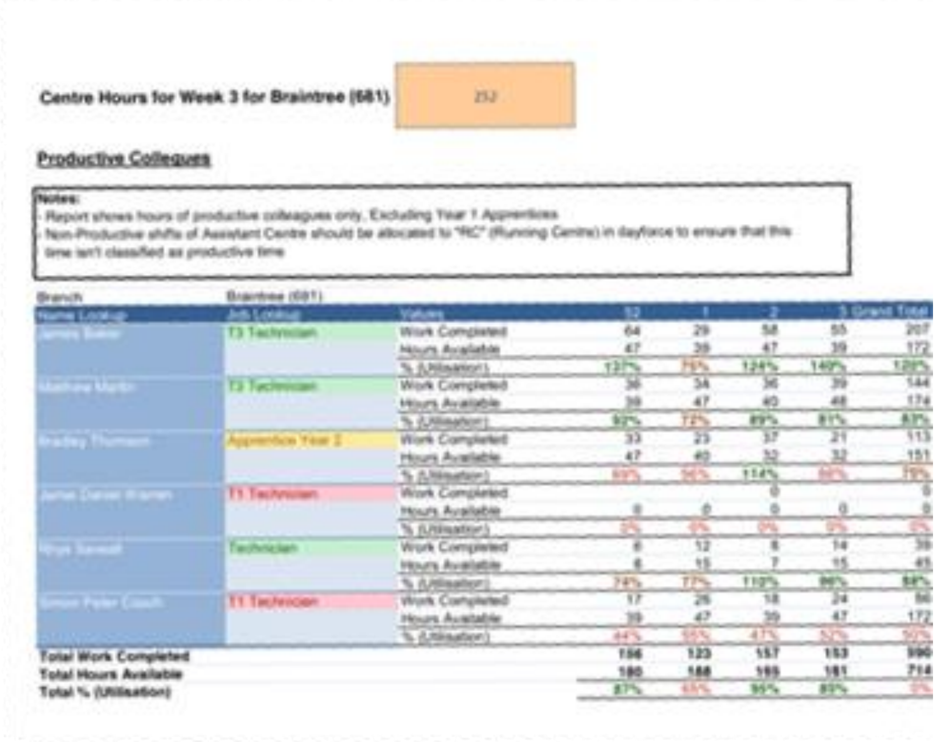
Transformation programme to drive productivity and utilisation benefits

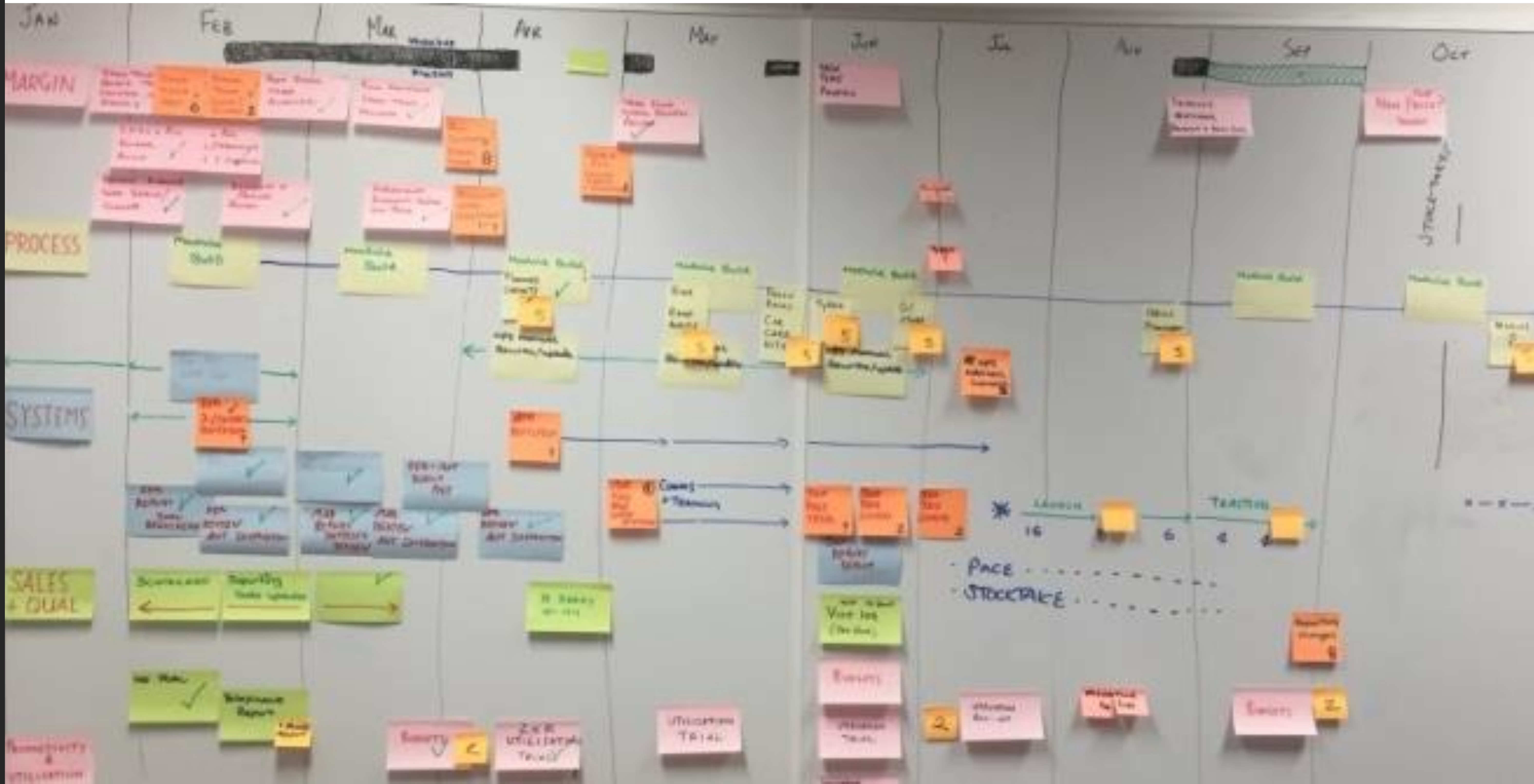
- PACE system
- Improved process flows
- New reporting
- Incentives linked to utilisation

UTILISATION REPORT


Centre Hours for Week 3 for Braintree (681)

Productive Colleagues

PRODUCTIVITY REPORT



Product efficiencies – cost benefits

COST	WORKING CAPITAL

- Own brand development
- Scale benefits from greater range authority in specialisms
- In-store space optimisation
- Forecasting and replenishment system
- More closely aligning customer and supplier payment dates

Synergies

- Multiple back offices
- Overlap in activity
- We are proud of our highly-trained colleagues and expect to be increasing our number of FTEs over the medium term

halfords

halfords
autocentre

cycle republic

tredz® bikes

Summary of operational efficiencies

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- There are clear opportunities for cost and working capital efficiencies
- We have already started unlocking some of these
- We will use these savings to reinvest in:
    - Increased capex
    - Strategic investments in operating costs
    - Value investment

FINANCIAL GUIDANCE

Profit guidance

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- FY20 Profit Before Tax to be broadly flat on FY19
- Profit Before Tax anticipated to grow by mid-single-digit percentage annually thereafter
- Depreciation & amortisation to increase towards the level of capex
- This guidance assumes an orderly Brexit

Operating costs guidance

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Inflationary cost increases

- Annual wage increases
- Business rates
- Utilities

+

Cost growth from investments

- Services
  - increased colleague resource
  - training
- Rent & rates from increased physical estate
- Marketing
- Depreciation and amortisation
- Innovation

-

Cost efficiencies and savings

(see pages 94-99)

Capex guidance

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- Prevailing guidance c.£40m a year
- New guidance up to £60m a year from FY20
- Increased capex to be self funded* over life of plan
- Approximate split 2/3rd physical estate and 1/3rd IT and digital
- Gated approach – capex programmes adjusted if they do not pay back

Major capex projects

- Roll out of garages and performance cycling stores
- Refresh of stores and garages
- Continual digital enhancements
- Web re-platform

* Through cost and cash efficiencies

Financial targets

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1. Grow sales faster than the markets in which we operate
2. Increased Free Cash Flow over the period FY19 to FY21 compared to previous 3 years
3. Grow the ordinary dividend every year
4. Net debt target of 1.0x EBITDA with a range of up to 1.5x for appropriate M&A

Financial targets

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1 Grow sales faster than the markets in which we operate

	Car products and related fitting	Car servicing	Cycling
Forecasted Market Growth**	2+%	2+%	3+%

** Halfords estimates, annual average

2 Increased Free Cash Flow over the period FY19 to FY21 compared to previous 3 years

All in £m	Previous 3 years (FY16-18)	Guidance for next 3 years (FY19-21)
Operating cash flow pre working capital	329.2	⬆
Capex	(109.9)	⬆
Working capital	(40.1)	⬇
Tax & interest	(53.5)	No material change
Other	(1.1)	No material change
Free Cash Flow	**124.6**	⬆

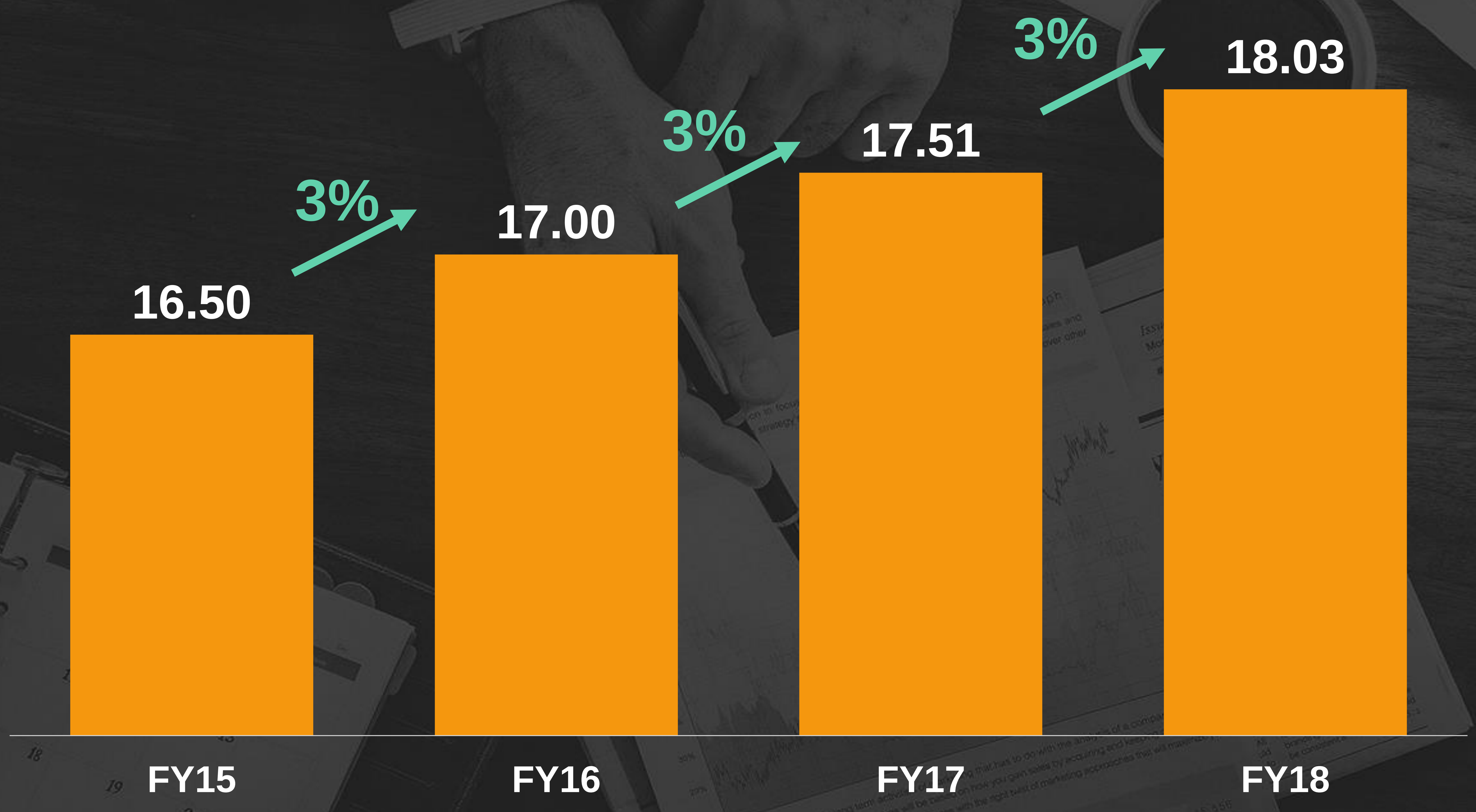
Free Cash Flow has been added to the long-term incentive scheme for management

Financial targets

halfords

3 Grow the ordinary dividend every year

Dividend per share history (pence)

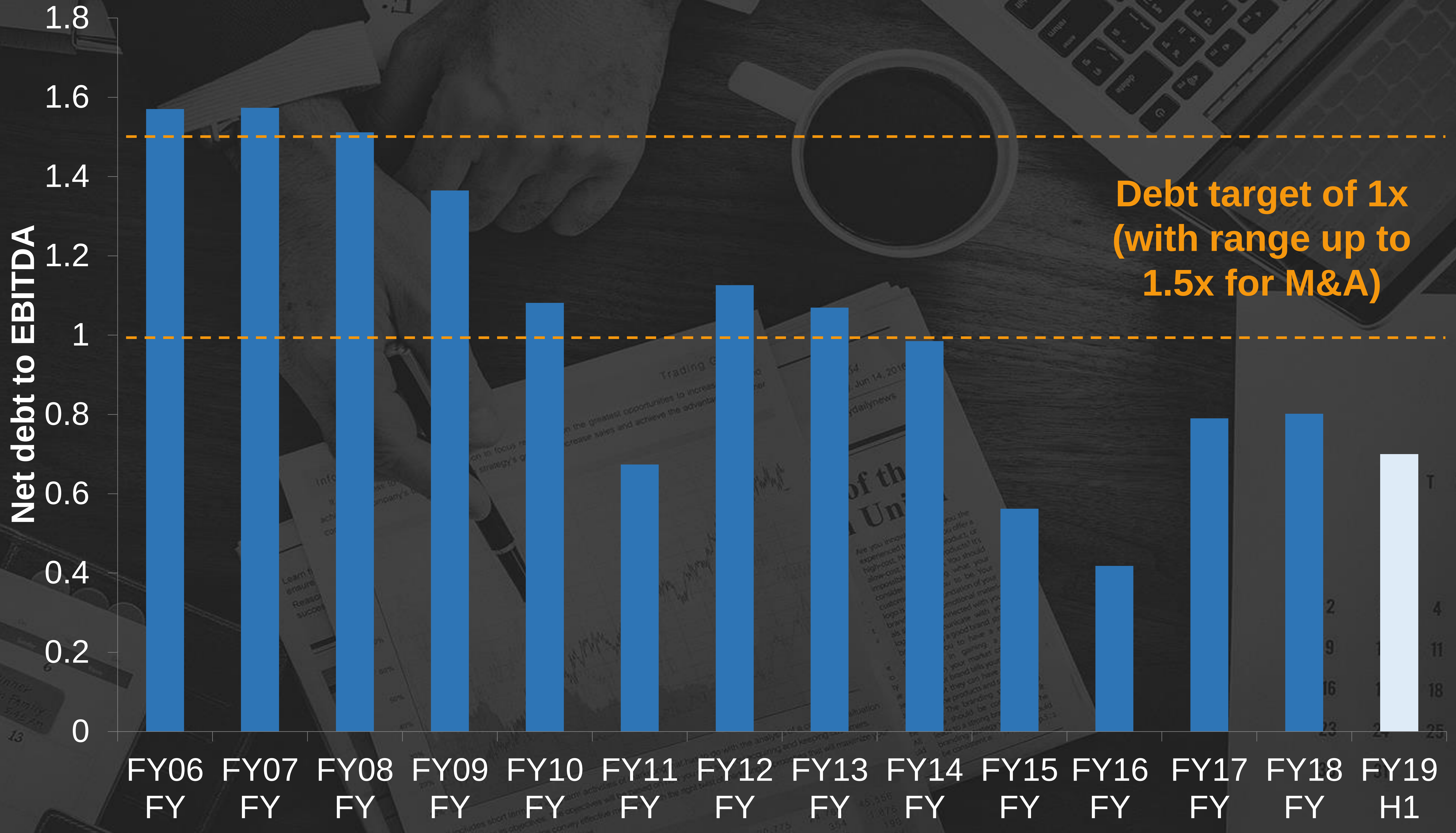


Financial targets

halfords

4

Net debt target of 1.0x EBITDA with a range of up to 1.5x for appropriate M&A



Capital allocation priorities

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1. Maintaining a prudent balance sheet
2. Investment for growth
3. Grow the ordinary dividend
4. Appropriate M&A
5. Surplus cash returned to shareholders

We will be making some reporting changes going forward

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- Changes to be made for FY20 onwards
- We will also be changing how we report services sales into a new group measure to be confirmed in due course

P&L

Retail Autocentres Group	→ Group

LFL categories

Retail
  Motoring
    Car Maintenance
    Car Enhancement
    Travel Solutions
  Cycling
Autocentres
Group
	→ Motoring
	Cycling
	Group

Financial guidance summary

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- Profit broadly flat in FY20 with mid-single-digit percentage growth thereafter
- Increased capex self funded through cost and working capital efficiencies throughout the life of the plan
- Target to increase Free Cash Flow over the plan
- Commitment to preserve ordinary dividend with a target to grow it every year
- Capital allocation priorities are otherwise unchanged

Summary

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To inspire and support a lifetime of motoring and cycling

Our new customer strategy

1 **Inspire** our customers through a differentiated, super specialist shopping experience

2 **Support** our customers through an integrated, unique and more convenient services offer

3 Enable a **lifetime** of motoring and cycling

Summary of infrastructure and operational efficiencies

- Clear plan for infrastructure with majority of investment in IT and property
- Wide-ranging operational efficiency programme to cover increased investment
- Robust investment discipline with gating process in place

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To inspire and support a lifetime of motoring and cycling