

**halfords**  
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# Halfords Group plc: FY26 Interim Results

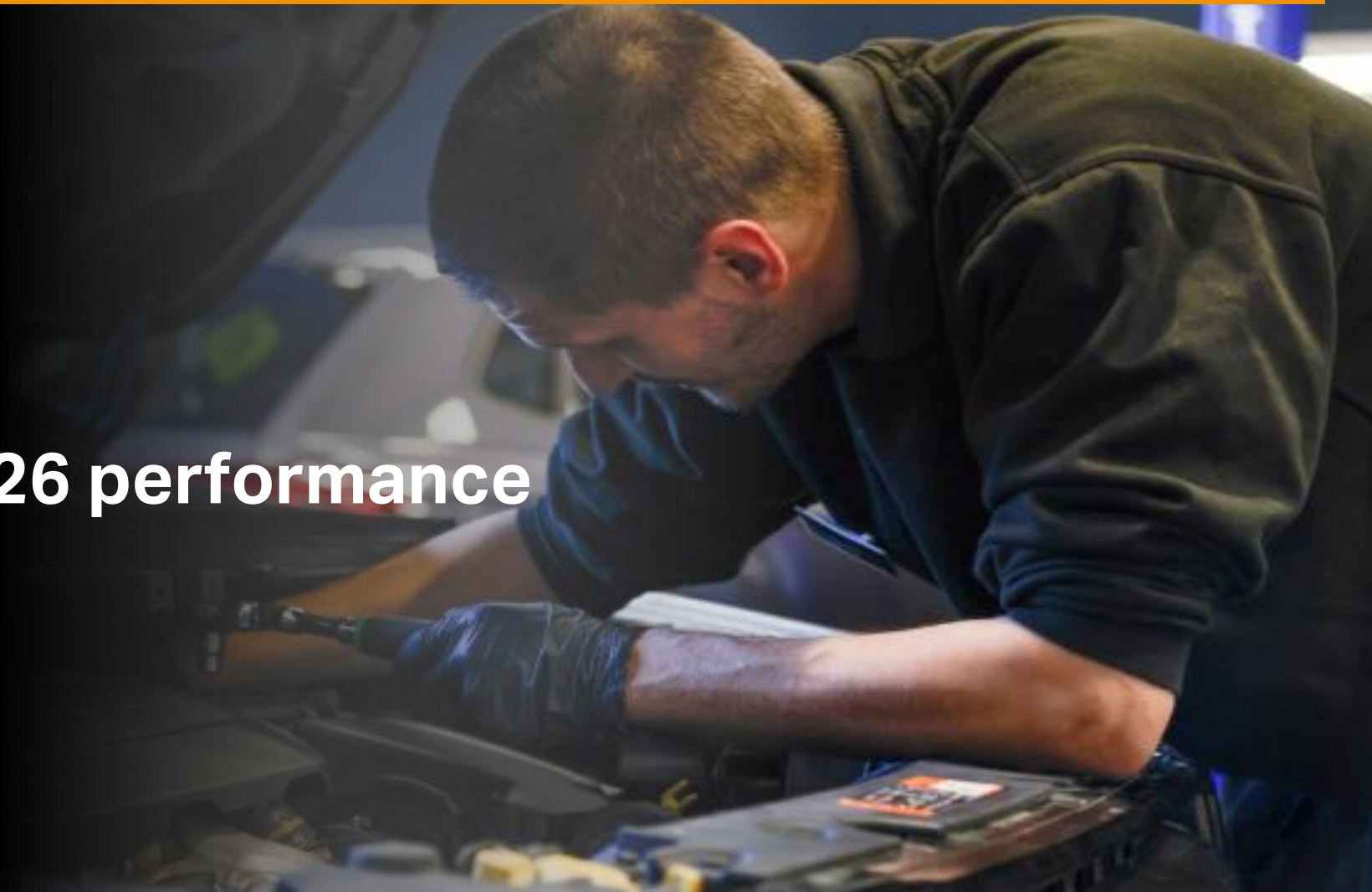
27 November 2025

**halfords**

# Agenda

1. HY26 performance
2. HY26 highlights
3. Outlook
4. Summary

# 1. HY26 performance



## **HY26 highlights:**

### **Underlying PBT growth and strengthening balance sheet**

**LfL sales:**

**+4.1% YoY**

(HY25: (0.1)% YoY)

**Gross margin:**

**51.4%**

(+200bps YoY)

**Operating cost  
% of sales:**

**48.5%**

(+210bps YoY)

**Underlying PBT:**

**£21.2m**

(+£0.2m YoY)

**Free cash flow\*:**

**£27.6m**

(£(0.5)m YoY)

**Net cash\*\*:**

**£18.6m**

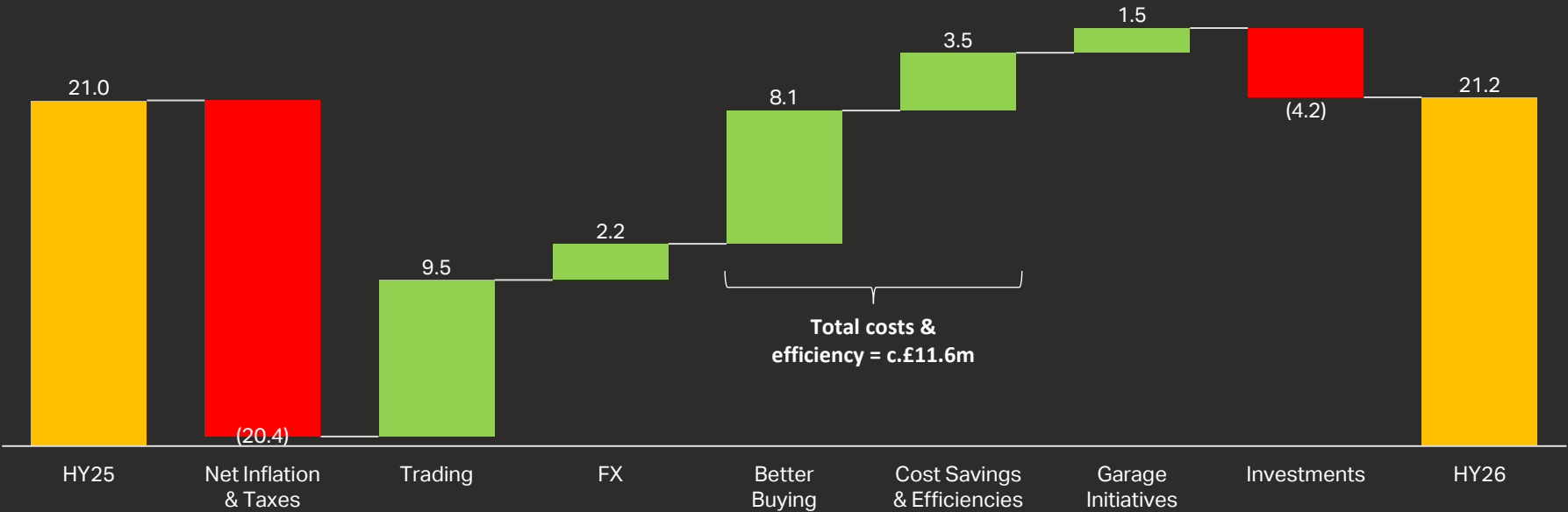
(+£17.3m YoY)

*\* Free cash flow defined as net cash from operating activities less capital expenditure, net finance costs, supplier financing payments and lease payments.*

*\*\* Net cash stated excluding lease liabilities.*

# Positive trading performance and cost control, with inflationary headwinds mitigated to deliver growth in underlying PBT

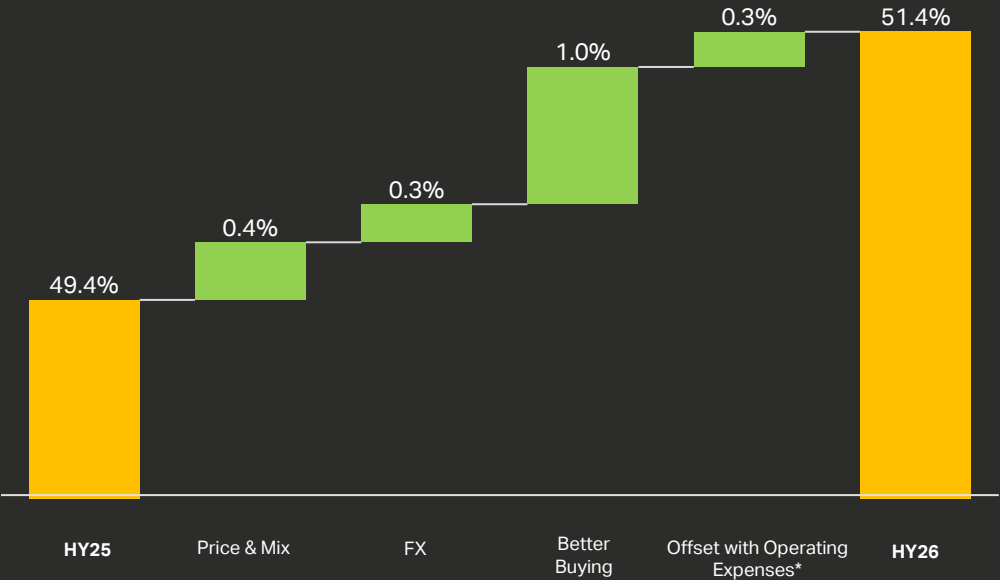
Group Underlying PBT YoY



\* Garage initiatives include Fusion and closures announced in FY25 results.

# Group gross margin reached 51.4%, the highest since FY22 with gains across both Retail and Autocentres

Group Gross Margin % YoY



Optimisation of margin rate through price and mix



Favourable hedged FX rate



Better Buying

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

## Non-underlying items relate to one-off costs associated with warehouse management system; challenges now resolved

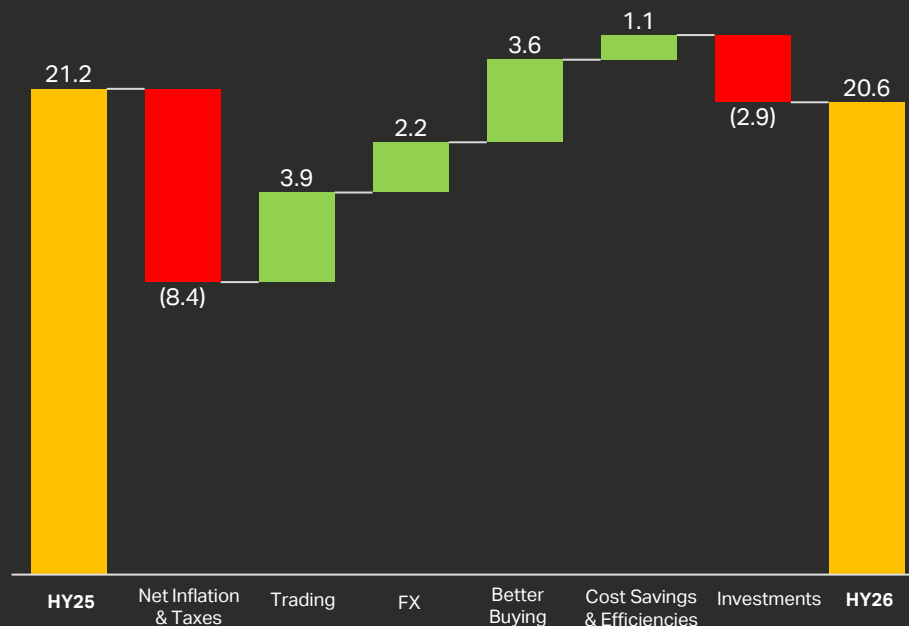
	HY26	HY25	Change vs. FY25
Revenue	£893.3m	£864.8m	3.3% YoY 4.1% LfL
Gross margin (%)	51.4%	49.4%	200bps
Operating costs	£(433.0)m	£(401.1)m	£(31.9)m (8.0)%
Underlying PBT	<b>£21.2m</b>	<b>£21.0m</b>	<b>£0.2m</b> <b>1.0%</b>
Non-underlying items	£(4.0)m	£(3.2)m	£(0.8)m
PBT inc. non-underlying items	£17.2m	£17.8m	£(0.6)m

- LfL sales +4.1% (HY25: (0.1)%) with positive trading in Retail and Autocentres
- Gross margin +200bps from Better Buying and price optimisation plus FX
- £11.6m of cost savings part-mitigating £20.4m of inflation, mostly labour costs
- Growth in underlying PBT YoY to £21.2m despite inflationary pressures
- WMS challenges now resolved with £3.1m non-underlying charge

## In Retail, strong cycling sales and further gross margin expansion largely offset labour cost inflation

	HY26	HY25	Change vs. HY25
<b>Revenue</b>	£533.2m	£516.1m	3.3% YoY 4.0% LfL
<b>- Motoring</b>	£324.3m	£324.2m	0.0% YoY 1.1% LfL
<b>- Cycling</b>	£208.0m	£191.1m	8.8% YoY 9.0% LfL
<b>Gross margin (%)</b>	49.3%	47.8%	150bps
<b>Operating costs</b>	£(242.5)m	£(225.3)m	£(17.2)m (7.6)%
<b>Underlying EBIT</b>	£20.6m	£21.2m	£(0.6)m (2.8)%

### Retail EBIT

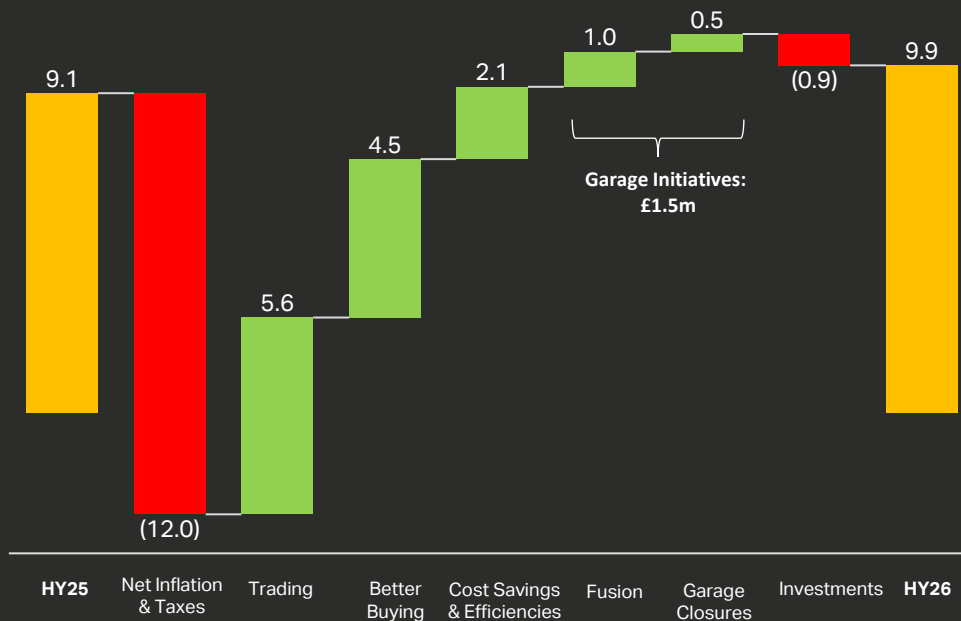


# In Autocentres, profit growth driven by Fusion program, with cost and efficiency savings offsetting material inflationary headwinds

Autocentres exc. Avayler	HY26	HY25	Change vs. FY25
Revenue	£359.0m	£347.1m	3.4% YoY 4.3% LfL
Gross margin (%)	54.4%	51.7%	270bps
Operating costs	£(185.7)m	£(170.4)m	£(15.3)m 9.0%
Underlying EBIT	£9.9m	£9.1m	£0.8m 8.8%

Avayler	HY26	HY25	Change vs. FY25
Revenue	£1.1m	£1.6m	£(0.5)m (31.3)%
Avayler EBIT	£(1.8)m	£(1.3)m	£(0.5)m (38.5)%

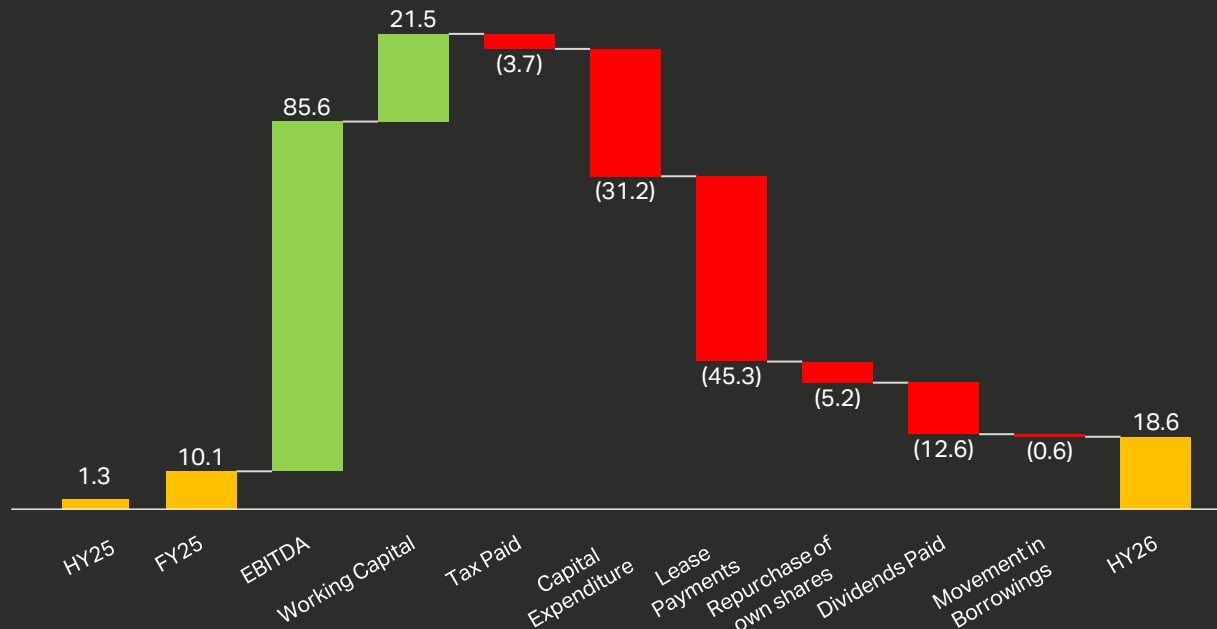
## Autocentres exc. Avayler EBIT



Note: Trading includes immaterial FX movement

## Another period of strong cash generation in H1 with closing net cash\* of £18.6m

### Group Net Cash



- Closing net cash\* of £18.6m (+£8.5m vs. FY25)
- £8.8m reduction in inventory YoY supporting free cash inflow of £27.6m
- Cash capex of £31.2m (+£8.8m YoY largely due to Fusion)
- £180m RCF extended to April 2029

\* Net cash / debt stated excluding lease liabilities; including leases net debt at 1.3x EBITDA.

## Strong HY26 result with interim dividend maintained

- ✓ Underlying PBT up YoY despite significant inflationary pressure
- ✓ 200bps of gross margin expansion through continued progress on cost
- ✓ Good cash generation and increased balance sheet strength
- ✓ Interim dividend flat YoY at 3.0p



## 2. HY26 highlights



## As the UK's #1 in cycling, HY26 saw growth ahead of the market

- Cycling +9.0% LfL in HY26 with notable strength in kids, premium and e-bikes
- Market leadership across the category, e.g. two thirds of kids' bikes sold in the UK are from Halfords
- c.90% own-brand: exclusive product driving specialist credibility and stronger margins
- Beneficiary of market consolidation through the downturn



## Fusion rollout continues to deliver, with 79 garages now trading

- ✓ Sales uplift of up to 50%
- ✓ Mix into higher margin SMR
- ✓ Contribution doubles at maturity
- ✓ c.£200k capex investment
- ✓ 2-year payback
- ✓ On track for 150 garages in total



## Halfords Motoring Club continues to drive engagement, reaching more than 400k premium subscribers



- ✓ Continued growth
  - ✓ 6m total members
  - ✓ 400k Premium (+18% YoY)
- ✓ Drives cross-shop from retail to garages
- ✓ Significant uplift in average customer value from Premium
  - ✓ Spend 3x more on average
  - ✓ c.£20m subscription revenue

### 3. Outlook



# We are confident in our positioning into H2 and expect to deliver FY26 in-line with consensus



- H1 performance exceeded expectations, with some benefit from market recovery
- H2 will see investment in digital and brand alongside retail stock build for FY27
- Expect FY26 underlying PBT in-line with consensus\*
- More on longer-term plan and outlook in our separate strategy update

*\* FY26 consensus range as at 26<sup>th</sup> November 2025 of £36.0m to £40.7m.*

*Note: Outlook commentary is based on a comparable 52-week year; FY26 will include a 53rd week of trading.*

# Thank you.

For further information, please visit

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