Halfords Group PLC (HFD)
Halfords Group PLC: Preliminary Results for the 52 weeks to 28 March 2025

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25 June 2025

Halfords Group plc
Preliminary Results for the 52 weeks to 28 March 2025 ("FY25")

A strong financial performance with underlying PBT ahead of expectations
High returning Fusion motoring services roll out continues at pace

Halfords Group plc ("Halfords" or the "Group"), the UK's leading provider of Motoring and Cycling services and products, today announces its preliminary results for the 52 weeks ended 28 March 2025.

£m	FY25	FY24**	Change	LfL % Change
Headline Measures (Total Ops):				
Revenue	1,715.2	1,712.8	0.1%	2.5%
• Autocentres	710.3	715.7	(0.8%)	3.7%
• Retail	1,004.9	997.1	0.8%	2.1%
Gross Margin	50.7%	48.2%	2.5ppts	
Underlying Profit Before Tax*	38.4	36.1	6.4%	
Underlying Basic Earnings per Share*	13.8p	12.7p	8.7%	
Dividend per Share	8.8p	8.0p	10.0%	
Net Cash / (Debt) (ex-Leases)*	10.1	(8.1)	18.2	
Statutory Measures (Cont. Ops):				
Group Revenue	1,715.2	1,696.5	1.1%	
Autocentres Revenue	710.3	699.4	1.6%	
Gross Margin	50.7%	48.5%	2.2ppts	
Reported (Loss) / Profit Before Tax	(30.0)	38.8	(68.8)	

*Alternative Performance Measures ("APMs") are defined on page 13. **Headline measures for FY24 include results for the discontinued Viking and BDL tyre and wholesale operations consistent with the presentation in FY24. The statutory measures exclude these discontinued businesses as reported in the FY24 consolidated financial statements. The narrative below is based on headline measures, as these include the ongoing cost of running the discontinued tyre supply chain which is now outsourced.

FY25 highlights

- Strong financial performance with Group sales up 2.5% on a like-for-like ("LfL") basis and 6.4% growth in underlying PBT to £38.4m, above the previously guided £32m to £37m range.
- 250bps of gross margin expansion YoY, £35m of cost savings and £43.0m of free cash generation (FY24: £29.4m) as momentum grew through H2. Ended the year with balance sheet net cash.
- Total dividend increased by 10% to 8.8p, in line with policy.
- 50 Fusion locations are now trading and are on track to double garage-level profitability at maturity with an average payback period of c.2 years, improving the garage experience for customers and colleagues and more closely linking the motoring assets within a town.
- Membership of the Halfords Motoring Club exceeded 5m customers.
  Henry Birch appointed as Chief Executive Officer in April with new Managing Directors appointed to run the Retail and Autocentres businesses.

Henry Birch, Chief Executive Officer of Halfords, commented:

"I am very pleased to be announcing a positive set of results for Halfords. The business has delivered a strong financial performance, made good strategic progress and has a clear plan in place to tackle external inflationary forces. Halfords has a unique combination of retail stores, garages and mobile vans, a trusted brand, scaled omnichannel infrastructure, and access to valuable proprietary data. It is an exciting time to be joining and I see significant potential to optimise and grow this fantastic business."

Strong financial performance

- FY25 Group LfL sales up 2.5% YoY (reported sales up 1.1%) with Autocentres up 3.7% (c.40% of sales) and Retail up 2.1% (c.60% of sales). Motoring now represents c.80% of sales.
- Gross margin up 2.5 ppts YoY to 50.7% (FY24: 48.2%), accelerating vs. H1 (H1 FY25 gross margin up 1.6ppts YoY), with further gains from Better Buying, pricing optimisation, mix into higher margin services and favourable hedged FX rates.
- Delivered cost savings of c.£35m, offsetting c.£33m of inflation (mostly due to increasing labour costs as a result of a c.10% increase in the minimum wage and maintenance of an appropriate differential for skills).
- Underlying PBT of £38.4m (FY24: £36.1m), above the top end of previous guidance and up 6.4% YoY. Reported loss of £30.0m (FY24: profit of £38.8m) primarily due to a non-cash goodwill impairment driven by the impact on discount rates of an increase in UK gilt yields over the last 12 months as applied to revised forecasts which incorporate changes to National Insurance and minimum wage rates through the forecast period.
- Autocentres underlying EBIT (ex-Avayler) up 21.2% to £18.3m, reflecting Better Buying, strong growth in Service, Maintenance and Repair ("SMR") and productivity gains. Underlying Autocentres EBIT (inc. Avayler) was £15.7m and reported Autocentres EBIT (inc. Avayler) was £1.2m due to the impact of non-cash non-underlying items as detailed in the CFO report which follows.
- Retail underlying EBIT of £39.0m (FY24: £41.1m) slightly down YoY, with strong gross margin progress and tight cost control offset by higher wage rates and colleague reward. Reported Retail EBIT loss was (£14.9m) primarily due to the non-cash goodwill impairment noted above.

Resilient balance sheet

- Strong cash generation with a free cash inflow of £43.0m, up £13.6m YoY (FY24: £29.4m), driven by the increase in underlying profitability and disciplined working capital management.

- Continued progress on inventory with stock down £12.3m YoY supporting an increased average cash position which resulted in lower interest expense YoY.
- Ended the year with net cash (pre-IFRS16) of £10.1m, an improvement of £18.2m YoY.
- Final dividend of 5.8p declared taking the total FY25 dividend to 8.8p, an increase of 10.0% (FY24: 8.0p).

Current trading and outlook[1]

- Trading in the early weeks of FY26 is in line with expectations.
- As previously indicated, we plan to offset another year of elevated inflation in FY26 through a combination of pricing, buying and cost opportunities. We continue to be somewhat cautious on the outlook for consumer spending.
- We remain committed to a strategy emphasising motoring services across our unique combination of Retail and Autocentres, the successful execution of which will enable significant value creation in future years.
- Accordingly, we will make further progress towards our target of c.150 Fusion garages, delivering at least 60 in FY26 and the balance in FY27 with average capex of c.£200k per site.
- In FY26 we will continue to invest in Halfords Motoring Club, our digital customer experience and contact centre technology, and systems and leadership capability across the business.

Investor and analyst meeting:

A presentation for analysts will take place at 10am at Peel Hunt, 7th Floor, 100 Liverpool St, London EC2M 2AT. To join the live webcast of this presentation please follow this link:

Halfords Group plc FY25 Preliminary Results - Webcast

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

For further information:

Investors:			
Holly Cassell, Director of Investor Relations & ESG			investor.relations@halfords.co.uk
Media:			
Rob Greening / Jane Glover, Sodali & Co.			halfords@sodali.com
Notes to Editors			
www.halfords.com	www.avayler.com	www.tredz.co.uk	www.halfordscompany.com

Notes to Editors

Halfords is the UK's leading provider of motoring and cycling services and products. Customers shop at 373 Halfords stores, two Performance Cycling stores (trading as Tredz), 542 garages (trading as Halfords Autocentres, McConechy's, Universal, National Tyres and Lodge Tyre) and have access to 280 mobile service vans (trading as Halfords Mobile Expert and National) and 504 commercial vans. Customers can also shop at halfords.com and tredz.co.uk for pick up at their local store or direct home delivery, as well as booking garage services online at halfords.com. Through its subsidiary Avayler, Halfords also sells the Group's bespoke, internally developed software as a SaaS solution to major clients in the US, Europe and Australia.

Cautionary statement

This report contains certain forward-looking statements with respect to the financial condition, results of operations, and businesses of Halfords Group plc. These statements and forecasts involve risk, uncertainty and assumptions because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements are made only as at the date of this announcement. Nothing in this announcement should be construed as a profit forecast. Except as required by law, Halfords Group plc has no obligation to update the forward-looking statements or to correct any inaccuracies therein.

CEO Review

Strong business performance

I would like to begin by thanking every single Halfords colleague for their truly exceptional efforts in delivering the FY25 results that we are announcing today. These results represent a fantastic outcome against a challenging backdrop, which included a 10% increase in the National Living Wage, low consumer confidence driving elevated savings rates and weak discretionary spending, and ongoing geopolitical uncertainty. Despite this backdrop, we delivered like-for-like sales growth of 2.5%, a 250bps increase in our gross margin and a further £35m of cost savings. Combined, these results have enabled underlying profit before tax to increase by 6.4% to £38.4m, even after the reinstatement of performance-based colleague incentives, reflecting the strong progress made during the year. We have converted 28 garages to our Fusion format since our interim results announcement, taking the total number of Fusion garages trading to 50, and acquired our 5 millionth Halfords Motoring Club member. And we have invested significantly in leadership capability, positioning us for further success in the years ahead.

Halfords' differentiated eco-system

In my first set of results as chief executive of Halfords, I wanted to outline what attracted me to this fantastic business. As the leading provider of motoring and cycling products and services in the UK, Halfords offers customers an unmatched level of service, expertise and convenience through its national network of retail stores, autocentres and mobile vans. It is this combination of assets which makes the business truly differentiated as a motoring services provider, with the benefits clear to see in the first wave of Fusion towns delivered over the last 12 months. Halfords' trusted brand, developed over more than a century, is instantly recognisable to millions of customers who in turn provide us with data on nearly half the UK car parc. This combination of category leadership, a strong and trusted brand underpinned by a responsible approach to doing business, a scaled physical and digital operating infrastructure, 12,000 committed colleagues and unrivalled data is what makes us both unique and, I believe, capable of significant growth and value creation.

I have spent my first 10 weeks getting under the skin of the Halfords business: spending time in our stores, garages and distribution centres to experience our operations in action, conducting deep dives into each business unit, and understanding what makes Halfords really tick. I have been made to feel very welcome by every single colleague I have met to date, and it's clear that our people are at the heart of what makes Halfords so unique – through their passion, expertise, and commitment to serving our customers to the highest possible standard, every single day. This gives me a great deal of optimism as I look to the future of Halfords as a truly data-driven, digitally enabled business with the needs of customers at our core.

The strategy, put in place by my predecessor Graham Stapleton, remains the right one, and I would like to pay tribute to him for the critical role he played in taking Halfords from a traditional, store-based retailer to a business deriving more than half of its revenue from services, with an emphasis on less-discretionary B2B and motoring categories. My priority is to optimise the Halfords business by leveraging its unique strengths to drive profitable growth and enhance returns for shareholders, while continuing to create value for all stakeholders which includes our strong commitment to our ESG agenda. While there is more to do to realise these benefits to their fullest potential, I can already see significant opportunities in the business and would like to thank all our colleagues for their ongoing support through this journey.

Optimising garage services

The results of the investments we are making in both strategic initiatives and operational excellence are becoming apparent in the profitability of our Autocentres business. The Autocentres segment delivered a 21.2% increase in earnings before interest and tax compared to last year[2] as the Fusion roll out has accelerated and learnings from the programme have informed our approach to talent acquisition and colleague development more broadly across our garage estate. We have continued to profitably grow our presence in the highly fragmented and strategically important Service, Maintenance and Repair ("SMR") market, where increasing labour costs have been reflected in industry-wide price increases. The Fusion Motoring Services programme is more than a physical refit of our garages and retail car parks – it is a people-led transformation, with changes to the culture and operating model in our garages. Garage leadership is therefore critical in driving the excellent returns we have seen in the 50 sites delivered to date, with garage-level contribution on track to double on average at maturity, delivering an average payback period of just two years. We continue to see scope for c.150 Fusion garages in total. We have budgeted for at least 60 Fusion conversions in FY26 taking the total number trading by the end of the year to more than 100, with the remainder to follow in FY27.

Integral to the Fusion programme are more rigorous recruitment and induction processes for centre managers which are now being introduced across our wider garage business. In locations where leaders have been brought into the business using these processes, we have seen an increased emphasis on customer experience, high quality standards and better identification of additional services required to improve vehicle safety and performance, resulting in improved profitability and reduced colleague turnover. This cultural shift is driving mix into higher margin SMR work, and when combined with increased servicing capacity and referrals from store through the Fusion programme, results in the significant uplifts in site-level profitability that we have reported to date.

Having reflected the increased labour costs introduced by last year's Autumn Budget in our forecasts, we have identified a number of sites which are sub-scale from a profitability perspective and as such cannot be reconfigured to offer the level of customer experience to which we aspire. These sites are also often located close to another Halfords garage earmarked for Fusion, i.e. with scope to increase capacity and to offer an improved customer and colleague experience, and as such we have taken the decision to exit them. The majority of impacted colleagues will be redeployed to nearby Halfords garages and the planned closures will be immediately earnings accretive.

Further steps to optimise our garage estate are central to our plan for FY26 under the leadership of Adam Pay, who takes over as Managing Director of Garages next month, joining Halfords from MyCar, Australia's largest garage group.

Our B2B business continues to provide important diversification and exposure to less discretionary end-markets. The Fusion programme is increasing our ability to maintain national fleets by adding specialist ramps and extra equipment for servicing light commercial vehicles and electric vehicles in our consumer garages, and our Commercial Fleet Services ("CFS") business has continued to grow its client list having secured new contracts with major national businesses including Seras, Greenergy and Milk & More.

The activities which take place in our CFS business are considerably higher in risk than those in our retail stores or consumer garages as much of the activity is at the roadside or relates to HGVs. Very sadly, two of our colleagues working in the CFS business lost their lives this year, and I would like to offer my sincerest condolences to their loved ones. We work hard to ensure that we implement effective Health and Safety policies and procedures at all times and across all areas of our business and we also strive to continuously develop and improve these so that we ensure the safety of our colleagues. We continue to invest in Health and Safety and embed our culture of safety across the whole business.

Avayler, our proprietary garage management software product, continues to make progress with its flagship US contract with Bridgestone reaching a key milestone in H1. That contract has progressed beyond testing into pilot phase and is now live in Bridgestone's first new-format site in Charlotte, North Carolina. As expected, it remains loss-making (FY25 loss of £2.6m on revenue of £2.7m; FY24 loss of £1.3m on revenue of £2.3m). One of Avayler's key North American clients, ATD, entered a Chapter 11 process in FY25 and as such we do not expect to generate further revenues from that contract in FY26. We will continue to focus our efforts on successful delivery of our major contracts with garage services businesses worldwide.

Leveraging the retail business

Retail is where the vast majority of customers first interact with our brand and remains responsible for more than half of Group sales. As such we are delighted to see our store sales returning to growth while recovering gross margin after a challenging few years for the sector. Our retail offer emphasises specialism, advice and service add-ons, providing a clear point of difference and corresponding pricing opportunity vs. competitors in this space which are predominantly generalist retailers or online pureplays.

Our motoring services proposition does not reside purely in our garages; in fact, we conduct around 80% of vehicle service events in the car parks of our retail store estate. Our ability to provide on demand services in-store, including fitting the '3Bs' (bulbs, batteries and blades), repairing windscreens and conducting basic vehicle checks to identify opportunities for referral to the local garage, is a critical differentiator in the Halfords model. In fact, more than a third of the 3Bs products purchased in the year were fitted by our in-store specialists, with the proportion of revenue derived from store-based services increasing in both motoring and cycling. At the same time, vehicle checks conducted in our retail store car parks allow us to identify additional work which can be booked directly into our local garage, allowing us to reach customers before our competitors and reduce reliance on paid media, with a corresponding saving in marketing spend compared to others in the market.

It is our integrated motoring services offer, which also includes our mobile van proposition, which truly differentiates Halfords by providing customers with the ultimate convenience. Fusion seeks to amplify this critical point of difference versus our competitors, none of whom can offer customers our unique blend of product, service and expertise through a national network of physical infrastructure in addition to an effective online presence.

The majority of signups to our 5m-strong Halfords Motoring Club, which offers discounted or free MOTs depending on membership tier, take place either in our retail stores or online. Club membership is associated with positive customer behaviours (frequency, average spend, cross-shop) and ultimately higher lifetime value, also providing meaningful benefits for our Autocentres by creating a low-cost acquisition route for high margin SMR work.

Premium membership offers customers enhanced benefits in return for an annual fee and currently generates c.£18m of recurring annual subscription revenue while driving even more valuable behaviours, with customers spending around 3x as much as non-members on average. Around half of Premium members start life with a free membership that they subsequently upgrade, further demonstrating the value of the Club proposition to customers. With further investment into our platform and data capability, I am excited by the potential that exists in Halfords Motoring Club and the future value it could unlock.

Within our retail markets, in motoring we have continued to invest in our market leading own-brand ranges, notably in car cleaning where we have further expanded our 'Halfords Advanced' range, offering customers exceptional value for money for a high-quality product. We have supplemented this with additional breadth in branded premium cleaning ranges from Autoglym and Chemical Guys. Dash cams are a great example of a product category where the customer benefits from our specialist knowledge and service capability alongside an extensive product range, performing strongly in the year with over half of the units sold also being fitted in store.

In the cycling market, assisted by warm spring weather, we have seen positive signs of recovery in recent months. The cycling market has faced numerous challenges in recent years. Products are manufactured on long lead times and the industry found itself with significant excess inventory when the pandemic boom gave way to a cost-of-living crisis and associated collapse in demand that has persisted for some time. Halfords' inventory has been well-managed throughout; however, the industry has been highly promotional through a period of consolidation. While our cycling business has undoubtedly been impacted by these factors, our scale in the market and focus on exclusive brands has enabled us to be more disciplined in our promotional activity while increasing our market share in the post-pandemic period[3].

We have also continued to invest in new product development, stretching our Boardman brand into more premium product ranges where demand has been more resilient, growing our Cycle2Work business, and all-the-while maintaining our strong position in the adult leisure segment, as well as in kids' bikes where our sales are around two-thirds of the market in volume terms. With our market leading position, championing active travel is an important aspect of our ESG strategy. In FY25 we partnered with sustainable transport organisation, Sustrans, to conduct research into the barriers to active travel for children and their families and are using the findings to influence the UK Government's Cycling and Walking Investment Strategy which is currently being updated. Cycling remains a core part of our portfolio, and we are optimistic about our prospects in a market with some very clear recovery drivers over the mid to long-term.

I continue to believe there is scope to generate significantly improved profit from our retail business as revenue growth returns, particularly online but also by improving our store experience for customers. I am delighted to be welcoming Jess Frame as our Managing Director of Retail in the coming months. Jess brings 20 years of senior leadership experience in Retail and Consumer, including most recently as Managing Partner of Boston Consulting Group's London office. I look forward to working with her and am very confident in her ability to take our retail business to the next level.

Driving cost and efficiency

The challenging market conditions we have faced in recent years have required significant cost savings to be made in the business, with c.£70m of savings delivered in the three years to FY24. While our success in the past makes incremental savings more challenging to find, the team delivered another £35m of efficiencies in FY25 to broadly offset the £33m of inflation running through the business in the year. The key initiatives behind this result are largely as described in our interim results and we are delighted to see these programmes going from strength to strength. As a reminder:

- Our Better Buying programme, now in its second year, contributed £21m of incremental gross profit as we leveraged stronger partnerships with a smaller number of key suppliers.
- The restructuring of our tyre supply chain announced at the start of the year, with wholesale tyre operations outsourced to Bond International, resulting in more than £4.4m of cost saved alongside improved same and next day availability across our garage network.
- Disciplined working capital management resulted in a higher average cash balance through the period and correspondingly lower interest charge, down £2.2m year-on-year. We consequently ended the period with net cash of £10.1m (excluding IFRS16 lease debt), an improvement of £18.2m in our closing position.

Current trading

The positive trading momentum in some categories in the final quarter of FY25 continued into the new financial year, helped by warm spring weather and a late Easter. However, trends have varied across our markets – for example, the Cycling market has performed very strongly but the Tyres market has exhibited further declines.

Outlook[4]

As I look ahead to FY26, I am cautiously optimistic: optimistic because of the unique position Halfords has in the market, the differentiated nature of our eco-system, and the commitment of our colleagues to realising the business's full potential; but cautious because of continued macroeconomic uncertainty and its impact on the way our customers feel about spending their money. While inflation appears to be moderating and interest rates are falling, the negative outlook for employment and the impact of geopolitical instability continues to weigh on confidence and is keeping the savings ratio high despite rising real incomes. However, the year has started as expected and with levers including pricing strategy and further buying synergies we expect to be able to mitigate the substantial cost headwinds that we face in the year ahead.

We have also experienced challenges during the deployment of a new third-party warehouse management system into our second distribution centre ("DC") in Coventry following its successful implementation in our Washford DC last year. While the issues have been well-managed with only limited disruption to stock availability in our stores, our contingency plans have resulted in non-recurring additional costs to the business. We continue to work with the system provider to optimise performance and return the site to full productivity, which we expect to achieve before the end of H1.

Our plans in FY26 focus on maximising the returns from our existing asset base while investing in our platform to unlock the value of our unique combination of assets. Our investment programme will prioritise:

- Continuation of priority initiatives from FY25, including further roll out of Fusion to more than 100 locations in total and improvements to Halfords Motoring Club;
- Investment to improve customer experience, including in our contact centre and digital channels; and,
- Preparatory work to support implementation of a new ERP system in the business.

As a result of the factors described above, including the additional costs incurred in H1 in relation to the new warehouse management system, FY26 profit before tax is expected to be weighted to H2.

FY26 capex is expected to be in the region of £60m to £70m, including the cost of the continued Fusion roll out. This increase in capital expenditure, together with payment of the FY25 colleague bonus, results in a forecast reduction in free cash flow year on year with FY26 net debt to EBITDA expected to fall comfortably within the target range of 0.0x to 0.8x excluding leases.

Next update

In the coming months, I intend to spend more time identifying priority areas for optimisation in the business where I can see the most significant opportunities to unlock future value. My early impressions suggest that technology and data are strong candidates here, but I plan to update the market with a more comprehensive assessment when we release our interim results later in the year.

Our next update will be the HY26 trading statement, which is expected in October 2025.

Henry Birch

Chief Executive Officer, Halfords Group plc

25 June 2025

CFO Report

Group financial results

All numbers are stated on a post-IFRS 16 basis unless otherwise indicated.

Result from Continuing Operations	**FY25**	**FY24**	**Change**
	£m	**£m**	**25 vs 24**
Revenue	1,715.2	1,696.5	1.1%
Gross Profit	869.1	822.6	5.7%
Gross Margin	50.7%	48.5%	2.2ppts
Underlying EBIT	49.5	56.2	(11.9%)
Underlying EBITDA	180.6	183.4	(1.5%)
Net Finance Expense	(11.1)	(13.1)	15.3%
Underlying Profit Before Tax	**38.4**	**43.1**	**(10.9%)**
Net Non-Underlying Items	(68.4)	(4.3)	
Reported (Loss) / Profit Before Tax	(30.0)	38.8	
Underlying Basic Earnings per Share	13.8p	15.1p	(8.6%)

In FY24, the Group entered into an agreement with specialist tyre distributor Bond International ("Bond"), which now manages the tyre distribution and warehousing operations for the consumer garage business. This restructuring resulted in the closure of the tyre wholesale and distribution operations that formed part of the Axle Group acquisition in December 2021, and these closed operations were classified as 'Discontinued' in our accounts for FY24. The decision to outsource our tyre and warehousing operations to Bond delivers significant financial benefit to the Group, however, it also results in some costs previously incurred in the discontinued Viking operation now being reflected in the continuing consumer garage business by way of a tyre distribution fee paid to Bond. A comparison to the results of Total Operations last year better reflects relative performance.

A reconciliation of Underlying Profit Before Tax ("PBT") from Continuing Operations to the Total FY24 result is provided in the table below. No operations were discontinued in the 52 weeks ending 28 March 2025 ("FY25").

	FY25	**FY24**	**Change**
	£m	**£m**	**25 vs 24**
Underlying Profit Before Tax from Continuing Operations	38.4	43.1	(10.9%)
Underlying Loss Before Tax from Discontinued Operations	-	(7.0)	-
Underlying Profit Before Tax – Total Operations	**38.4**	**36.1**	**6.4%**

The following table shows the same results for FY25 as above but with Total Operations as the FY24 comparative and is the basis of the narrative which follows.

Result from Total Operations	**FY25**	**FY24**	**Change**
	£m	**£m**	**25 vs 24**
Revenue	1,715.2	1,712.8	0.1%
Gross Profit	869.1	825.3	5.3%
Gross Margin	50.7%	48.2%	2.5ppts
Underlying EBIT	49.5	49.2	0.6%
Underlying EBITDA	180.6	177.8	1.6%
Net Finance Expense	(11.1)	(13.1)	15.3%
Underlying Profit Before Tax	**38.4**	**36.1**	**6.4%**
Net Non-Underlying Items	(68.4)	(16.2)	
Reported Profit / (Loss) Before Tax	(30.0)	19.9	
Underlying Basic Earnings per Share	13.8p	12.7p	8.7%

FY25 Group underlying PBT of £38.4m (FY24: £36.1m) was up £2.3m or 6.4% compared to the result from Total Operations in the prior period. This strong performance, despite continued inflationary and market headwinds, resulted in the reinstatement of variable performance related incentives across the Group, leading to increased costs year-on-year ("YoY") which are reflected in these results.

Group underlying earnings before interest and tax ("EBIT") was £49.5m (FY24: £49.2m), while Group underlying earnings before interest, tax, depreciation and amortisation ("EBITDA") was £180.6m (FY24: £177.8m), reflecting an increased depreciation and amortisation charge in the period.

Group revenue of £1,715.2m grew 0.1% year-on-year, and 2.5% on a like-for-like ("LfL") basis, despite trading against strong comparatives from the previous year (FY24: +5.0%). H2 saw significant momentum as trading improved in both the Retail and Autocentres businesses from the decline of 0.1% LfL reported in H1.

The Group gross margin % was 50.7%, 250 basis points ("bps") higher than the prior period. This very strong performance reflected the success of our Better Buying programme and pricing optimisation, together with a favourable mix into higher margin servicing categories in Autocentres. Gross margin % is now at the highest level seen in the last three years.

Group operating costs of £819.6m grew 5.6% YoY (FY24: £776.1m). This was driven by the significant inflationary impact of the 10% National Living Wage increases in FY25 and the reinstatement of variable performance-related incentives, offset by operating cost efficiencies, including the benefit of outsourcing tyre warehousing and distribution to Bond.

The Group's underlying profitability and excellent working capital management supported a £13.6m increase in free cash flow YoY to £43.0m (FY24: £29.4m). The resulting improvement in our average cash position drove a 15.3% (equivalent to £2.0m) YoY reduction in net finance expenses.

In total, the cost and efficiency programme delivered £35m of savings, offsetting more than £33m of inflationary headwinds.

Non-underlying items resulted in a charge of £68.4m during the period (FY24: £4.3m charge). The FY25 charge largely relates to a non-cash goodwill impairment in the retail segment reflecting changes to the discount rate based on rising UK gilt yields as applied to updated forecasts which reflect the additional costs introduced by the Autumn Budget. Further details are provided below.

Detailed analysis of our sales performance, gross margin and operating costs are covered under 'Reporting Segments' below. Unallocated costs of £5.2m (FY24: £5.4m) represent amortisation charges in respect of intangible assets acquired through business combinations which arise on consolidation of the Group.

Reporting segments

Retail

	FY25	**FY24**	**Change***	**Sales mix**
	£m	**£m**	**25 vs 24**	**%**

Revenue	1,004.9	997.1	2.1%	
• Motoring	648.6	644.6	2.3%	64.5%
• Cycling	356.3	352.5	1.7%	35.5%
Gross Profit	495.7	471.5	5.1%	
Gross Margin	49.3%	47.3 %	2.0ppts	
Operating Costs	(456.7)	(430.4)	(6.1%)	
Underlying EBIT	39.0	41.1	(5.1%)	
Non-underlying items	(53.9)	(1.5)		
EBIT	(14.9)	39.6		
Underlying EBITDA	118.7	123.2	(3.7%)	

*Change in revenue is on a LfL basis

In Retail, our services-led, specialist proposition resonated well with customers and resulted in LfL sales growth of 2.1% compared to the previous period, with total Revenue reaching £1,004.9m. Pleasingly, growth came from both Motoring and Cycling sales, with both performing ahead of our initial expectations and accelerating through H2. Cycling performed particularly well in the final months of the year, with kids' bikes, Cycle2Work and Tredz continuing to be the stronger categories. In Motoring, our focus was on margin optimisation through effective pricing and promotion activity.

Success in our pricing and promotional strategy, continued gains from our Better Buying programme and an improvement in the FX rate through cost of goods sold enabled us to deliver 2.0 percentage points ("ppts") of YoY Retail gross margin expansion.

Combined with ongoing cost savings, these factors enabled us to significantly grow operating profit in the Retail business despite a 10% increase in the National Living Wage. This strong performance resulted in the reinstatement of performance-related variable incentives, the triggering of which resulted in reporting of Retail Underlying EBIT of £39.0m, a small decline YoY (FY24: £41.1m).

Autocentres

As in the Group-level disclosure above, the table below shows Autocentres segment performance with the prior period comparative reflecting only Continuing Operations.

Continuing Operations	**FY25 £m**	**FY24 £m**	**Change* 25 vs 24**
Revenue	710.3	699.4	3.7%
Gross Profit	373.4	351.1	6.4%
Gross Margin	52.6%	50.2%	2.4ppts
Operating Costs	(357.7)	(330.3)	(8.3%)
Underlying EBIT – continuing operations	15.7	20.8	(24.5%)
Non-underlying items	(14.5)	(2.8)	
EBIT – continuing operations	1.2	18.0	
Underlying EBITDA – continuing operations	62.0	60.2	2.9%

*Change in revenue figures is on a LfL basis

A reconciliation of Autocentres Underlying EBIT from Continuing Operations to the Total FY24 result is provided in the table below. No operations were discontinued in FY25.

	FY25 £m	**FY24 £m**	**Change 25 vs 24**
Underlying EBIT from Continuing Operations	15.7	20.8	(24.5%)
Underlying EBIT from Discontinued Operations	-	(7.0)	-
Underlying EBIT – Total Operations	15.7	13.8	13.8%

The following table shows the same information as above but with Total Operations as the FY24 comparative (i.e. including the discontinued Viking and BDL tyre and wholesale operations as reported previously). As above, the narrative which follows uses the results of Total Operations as the prior period comparative as they include the ongoing cost of running the discontinued tyre supply chain operations of Viking and BDL, which are now outsourced to Bond.

Total Operations	**FY25 £m**	**FY24 £m**	**Change* 25 vs 24**
Revenue	710.3	715.7	3.7%
Gross Profit	373.4	353.8	5.6%
Gross Margin	52.6%	49.4%	3.2ppts
Operating Costs	(357.7)	(340.0)	5.2%
Underlying EBIT – total operations	15.7	13.8	13.8%
Non-underlying items	(14.5)	(14.7)	
EBIT – total operations	1.2	(0.9)	
Underlying EBITDA – total operations	62.0	54.6	13.6%

*Change in revenue figures is on a LfL basis

Autocentres LfL sales growth of 3.7% to £710.3m (£707.6m ex-Avayler) was another very pleasing performance in the context of the exceptionally strong 10.7% LfL sales growth reported in FY24, especially given ongoing decline in the consumer tyres market. As such, this result is reflective of ongoing success in the strategically important and highly fragmented Service, Maintenance and Repair ("SMR") market, supported by investment in garage leadership capability and the rollout of our Fusion motoring services model.

Improvements in our pricing strategy and gains from Better Buying accelerated in H2 and, combined with the impact of sales mixing into higher margin SMR based on the factors outlined above, resulted in 3.0 ppts expansion in the Autocentres gross margin to 52.6%.

Costs were well controlled but grew as a percentage of revenue, largely due to the increase in the National Living Wage referred to above as we sought to maintain a pay differential for skills, investment in garage leadership capability and the reinstatement of variable performance incentives. Investment in leadership has already begun to yield benefits, with improved recruitment and training practices for local management improving service quality, resulting in more frequent identification of additional servicing requirements on vehicles coming through our garages and increasing sales of margin accretive add-ons such as wheel alignment when a new tyre is fitted.

We have also realised £4.4m of savings through the tyre supply chain restructuring announced at the start of the year, which involved the outsourcing of wholesale operations to Bond. In addition to the reduction in cost from this arrangement, we have seen better tyre availability in our garages and our ability to service customers making a distressed tyre purchase has improved as a result.

Ex-Avayler, Autocentres generated underlying EBIT of £18.3m in the year, an increase of 21.2% YoY (FY24: £15.1m). This is an excellent result reflecting a very strong H2 performance which demonstrates the future potential of this strategically important part of the business.

The Avayler business continues to be reported within the Autocentres segment but now operates as a standalone business within the Group. It generated revenue of £2.7m (FY24: £2.3m) but incurred a loss before interest and tax of £2.6m (FY24: £1.3m) as investment continued. During the period ATD, a customer based in North America, entered a Chapter 11 process. The consequent loss of this key customer is expected to impact Avayler's financial performance in FY26.

Including Avayler, underlying EBIT increased by 13.8% to £15.7m (FY24: £13.8m).

Net non-underlying items

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

	FY25 £m	FY24 £m
Organisational Restructure Costs	(1.5)	(7.7)
Closure Costs	(14.9)	4.4
Acquisition and Investment-Related Fees	-	(1.0)
Cloud Migration Costs	(2.9)	-
Impairment of non-current assets	(49.1)	-
Net Non-Underlying Items Charge	(68.4)	(4.3)

The majority of these charges are non-cash accounting adjustments (cash non-underlying items in FY25 totalled £5.7m). In particular:

- FY25 closure costs of £14.9m (FY24: £4.4m credit) mostly related to the decision to exit a number of sites under our garage optimisation programme (£11.3m of which is non-cash). This decision followed a full review of the future profitability of the Group's physical estate in light of the increased labour cost introduced by the Autumn Budget, and with reference to sites' suitability for the Fusion programme. The closure of these garages will be immediately earnings accretive with colleagues mostly redeployed to alternative sites and a degree of trade transfer in the local area. Non-underlying costs of £1.4m are expected in FY26 relating to this decision.
- FY25 impairment of non-current assets of £49.1m (FY24: nil) predominantly relates to retail segment goodwill and reflects an increased discount rate due to trends in UK gilt yields over the last 12 months. This increased discount rate is applied to forecasts which reflect enacted and anticipated changes to Employers' National Insurance Contributions and the National Living Wage from FY26. As a result of this review, the Group recognised a non-cash impairment expense of £47.9m in relation to goodwill and £1.2m in relation to right of use assets.
- FY25 organisational restructure costs of £1.5m (FY24: £7.7m) related to the ongoing warehouse management system replacement programme. Following successful deployment in our Distribution Centre ("DC") in Washford in FY25, implementation in our Coventry DC has been less straightforward. Deployment into the final DC has been delayed while Coventry systems are optimised by our delivery partner and as such the project is expected to conclude by FY27.

Portfolio management

The Group's property portfolio remains extremely flexible. With the exception of nine long-leasehold and three freehold properties in Autocentres, the Group's locations are occupied under short-term leases, the majority of which are on standard lease terms, typically with a five-to-15-year term at inception.

The Retail store portfolio as at 28 March 2025 comprised 373 stores (FY24: 384 stores), having closed 11 stores during the period as we took our usual, rigorous approach to evaluating leases as they come up for renewal. The average remaining lease length on our Retail store estate is 2.6 years, with 346 leases, equivalent to more than 90% of our portfolio, expiring within five years.

The Autocentres portfolio as at 28 March 2025 comprised 632 locations (542 consumer garages and 90 commercial locations) (FY24: 636 locations including 547 consumer garages and 89 commercial locations). In late FY25, a decision was taken to close a small number of these garage locations as detailed under 'Net non-underlying items' above. The average remaining lease length on our Autocentres is around five years, and as in retail, we carefully evaluate all lease renewals when due.

As at 28 March 2025 there were a total of 784 vans in operation, 280 of which were Halfords Mobile Expert and National branded and 504 commercial vans (FY24: 770 vans in total).

Net finance expense

As noted above, excellent cash and working capital management resulted in a £13.6m increase in free cash flow YoY to £43.0m (FY24: £29.4m). The resulting improvement in our average cash position drove a 15.3% (equivalent to £2.0m) YoY reduction in net finance expenses, from £13.1m in FY24 to £11.1m in FY25.

Taxation

The taxation charge for the period was £3.8m (2024: £5.5m), including a £4.6m credit (FY24: £0.5m credit) in respect of tax on non-underlying items. The effective tax rate of (12.8%) (FY24: 24.6%) is lower than the UK corporation tax rate principally due to the impact of a non-deductible impairment of goodwill of £47.9m in the period as described above.

Earnings per share ("EPS")

Underlying Basic EPS was 13.8 pence (FY24: 12.7 pence) and after non-underlying items was (15.4) pence (FY24: 7.8 pence). Basic weighted-average shares in issue during the period were 217.9m (FY24: 217.4m). The increase in the basic weighted-average shares in issue during the period is due to the reduction in the weighted-average number of shares held by the Employee Benefit Trust.

Dividend

Following the payment of an interim dividend of 3.0 pence per share on 17 January 2025 (FY24: 3.0 pence), the Board is proposing an FY25 final dividend of 5.8 pence per share (FY24: 5.0 pence) which will absorb an estimated £12.6m (FY24: £11.0m) of shareholders' funds. This is consistent with our stated policy which requires our dividend to be 1.5x to 2.5x covered by profit after tax. It will be paid on 12 September 2025 to shareholders who are on the register of members on 8 August 2025.

Capital expenditure

Capital expenditure in the period totalled £52.7m (FY24: £43.7m).

Retail capital expenditure was £25.5m (FY24: £22.8m), of which £11.6m (FY24: £13.5m) related to IT infrastructure and e-commerce, mainly focused on the development of the loyalty offer in Halfords Motoring Club and the Group's websites. £13.9m (FY24: £9.3m) was invested in stores, including £5.6m on relaying space in a small number of stores.

Autocentres capital expenditure was £27.2m (FY24: £20.9m) of which £7.3m (FY24: £10.3m) related to IT software expenditure on the development of Avayler and PACE, the garage workflow system. Expenditure on property and garage equipment in the period was £19.9m (FY24: £10.6m), of which c.£7.6m was incurred in supporting the rollout of the Fusion Motoring Services model across our estate.

Inventories

Group inventory held at the period end was £225.2m (FY24: £237.5m). The £12.3m reduction in inventory holding YoY reflects the Group's success in its continued efforts to improve its inventory management.

Retail inventory was £170.3m (FY24: £178.8m), a decrease of £8.5m YoY. Autocentres inventory was £54.9m (FY24: £58.7m), a decrease of £3.8m YoY.

Cashflow and borrowings

Adjusted operating cashflow during the period was £185.7m (FY24: £185.6m). After taxation, capital expenditure, net finance costs, foreign exchange movements, supplier financing and lease payments, a free cash inflow of £43.0m (FY24: £29.4m) was generated in the period. The increase in free cashflow of £13.6m from FY24 is due to strong underlying performance (noting that colleague incentives will be cash paid in FY26), disciplined working capital management and a net income tax repayment in the period.

Group net debt, including IFRS 16 lease debt, was £261.3m at the balance sheet date (FY24: £315.3m) consisting of £19.1m of cash (FY24: £13.3m), £nil bank overdrafts (FY24: £nil), (£8.8m) in relation to the Group's revolving credit facility (FY24: £19.6m), (£0.2m) of other borrowings (FY24: (£1.8m)) and (£271.4m) of lease liabilities (FY24: (£307.2m)). The £54.0m decrease in the Group's net debt from FY24 relates to a £35.8m reduction in lease liabilities, a £5.8m cash inflow, (£0.4m) of other non-cash movements, and net repayment of the Group's revolving credit facility and other borrowings of £12.8m. Excluding lease debt, Group net cash improved by £18.2m to £10.1m (FY24: net debt of (£8.1m)).

Jo Hartley
Chief Financial Officer

25 June 2025

Glossary of Alternative Performance Measures

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures ("APMs"). APMs should be considered in addition to IFRS measurements. The Directors believe that these APMs assist in providing useful information on the underlying performance of the Group, enhance the comparability of information between reporting periods, and are used internally by management to measure the Group's performance.

The key APMs that the Group uses are as follows:

1. Like-for-like ("LfL") sales represent revenues from stores, centres and websites that have been trading for at least one financial reporting period (but excluding prior period sales of stores and centres closed during the period) at constant foreign exchange rates.
2. Underlying EBIT are results from operating activities before non-underlying items. Underlying EBITDA further removes depreciation and amortisation.

	Total operations		Continuing operations	
	FY25 £m	**FY24 £m**	**FY25 £m**	**FY24 £m**
Underlying EBIT	49.5	49.2	49.5	56.2
Depreciation & Amortisation	131.1	128.6	131.1	127.2
Underlying EBITDA	**180.6**	**177.8**	**180.6**	**183.4**

3. Underlying Profit Before Tax is profit before income tax and non-underlying items as shown in the Condensed Consolidated Income Statement.
4. Underlying Earnings Per Share is profit after income tax before non-underlying items as shown in the Condensed Consolidated Income Statement, divided by the weighted average number of ordinary shares in issue during the period. The weighted average number of shares excludes shares held by an Employee Benefit Trust and has been adjusted for the issue/purchase of shares during the period.
5. Net Debt is current and non-current borrowings less cash and cash equivalents, both in-hand and at bank, as shown in the Condensed Consolidated statement of financial position, as reconciled below:

	FY25 £m	**FY24 £m**
Cash and cash equivalents	19.1	13.3
Borrowings – current	(78.8)	(80.9)
Borrowings – non-current	(201.6)	(247.7)
Net Debt	**(261.3)**	**(315.3)**

6. Net Debt to Underlying EBITDA ratio is represented by the ratio of Net Debt to Underlying EBITDA (both of which are defined above).
7. Free Cash Flow is defined as net cash from operating activities less capital expenditure, net finance costs, supplier financing payments and lease payments; as reconciled below:

	FY25 £m	**FY24 £m**
Net cash from operating activities	194.7	177.9
Add back:		
Impairment of property, plant and equipment and right of use asset	-	(2.8)
Capital expenditure	(53.2)	(45.6)
Net finance costs	(0.9)	(3.2)
Supplier financing	(1.1)	(4.1)
Lease payments	(96.5)	(92.8)
Free Cash Flow	**43.0**	**29.4**

Halfords Group plc

Consolidated Income Statement

For the 52 weeks to 28 March 2025

For the period		**52 weeks to 28 March 2025**			52 weeks to 29 March 2024		
		Before non-underlying items	**Non-underlying items (note 4)**	**Total**	Before non-underlying items	Non-underlying items (note 4)	Total
	Notes	**£m**	**£m**	**£m**	£m	£m	£m
Revenue		**1,715.2**	**-**	**1,715.2**	1,696.5	-	1,696.5

	Notes						
Cost of sales		**(846.1)**	**-**	**(846.1)**	(873.9)	-	(873.9)
Gross profit		**869.1**	**-**	**869.1**	822.6	-	822.6
Operating expenses	2	**(820.3)**	**(68.4)**	**(888.7)**	(766.4)	(4.3)	(770.7)
Other income		**0.7**	**-**	**0.7**			
Results from operating activities	3	**49.5**	**(68.4)**	**(18.9)**	56.2	(4.3)	51.9
Net finance expense	5	**(11.1)**	**-**	**(11.1)**	(13.1)	-	(13.1)
Profit / (loss) before income tax		**38.4**	**(68.4)**	**(30.0)**	43.1	(4.3)	38.8
Income tax expense	6	**(8.4)**	**4.6**	**(3.8)**	(10.3)	0.5	(9.8)
Profit / (loss) after tax from continuing operations		**30.0**	**(63.8)**	**(33.8)**	32.8	(3.8)	29.0
Loss after tax from discontinued operations	9	**-**	**-**	**-**	(5.2)	(6.9)	(12.1)
Total profit / (loss) for the year (continued and discontinued)		**30.0**	**(63.8)**	**(33.8)**	27.6	(10.7)	16.9
Attributable to:							
Equity shareholders		**30.2**	**(63.8)**	**(33.6)**	27.6	(10.7)	16.9
Non-controlling interest		(0.2)	-	(0.2)	-	-	-
Earnings per share							
Basic (continuing)	8	**13.8p**		**(15.4)p**	15.1p		13.3p
Diluted (continuing)	8	**13.2p**		**(15.4)p**	14.5p		12.7p
Basic (continuing and discontinued)	8	**13.8p**		**(15.4)p**	12.7p		7.8p
Diluted (continuing and discontinued)	8	**13.2p**		**(15.4)p**	12.2p		7.4p

The notes on pages 20 to 29 form part of these condensed consolidated financial statements.

Halfords Group plc

Consolidated Statement of Comprehensive Income

For the 52 weeks to 28 March 2025

	52weeks to 28 March 2025	52weeks to 29 March 2024
	£m	£m
(Loss)/profit for the period from continuing operations	**(33.8)**	29.0
Other comprehensive income		
Cash flow hedges:		
Fair value changes in the period	**0.1**	(1.3)
Income tax on other comprehensive income	**(0.2)**	(0.4)
Other comprehensive (loss) for the period, net of income tax	**(0.1)**	(1.7)
Total comprehensive (loss) / income from continuing operations	**(33.9)**	27.3
Loss for the period from discontinued operations	**-**	(12.1)
Total comprehensive loss from discontinued operations	**-**	(12.1)
Total comprehensive (loss) / income	**(33.9)**	15.2
Attributable to:		
Equity shareholders	(33.7)	15.2
Non-controlling interest	(0.2)	-

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

The notes on pages 20 to 29 form part of these condensed consolidated financial statements.

Halfords Group plc

Consolidated Statement of Financial Position

For the 52 weeks to 28 March 2025

	Notes	**28 March 2025**	29 March 2024
		£m	£m
Assets			
Non-current assets			

Intangible assets		**432.7**	483.9
Property, plant and equipment		**91.7**	89.5
Right-of-use assets	11	**242.3**	278.3
Derivative financial instruments		**0.3**	-
Trade and other receivables		**2.5**	2.3
Deferred tax asset		**7.3**	5.1
Total non-current assets		**776.8**	859.1
Current assets			
Inventories		**225.2**	237.5
Trade and other receivables		**153.7**	161.0
Current tax asset		**-**	8.4
Derivative financial instruments		**0.6**	0.2
Cash and cash equivalents		**19.1**	13.3
Total current assets		**398.6**	420.4
Total assets		**1,175.4**	1,279.5
Liabilities			
Current liabilities			
Borrowings	10	**(0.2)**	(1.8)
Lease liabilities	11	**(78.6)**	(79.1)
Derivative financial instruments		**(0.8)**	(1.5)
Trade and other payables		**(357.1)**	(368.4)
Current tax liabilities		**(3.2)**	-
Provisions		**(15.4)**	(12.4)
Total current liabilities		**(455.3)**	(463.2)
Net current liabilities		**(56.7)**	(42.8)
Non-current liabilities			
Borrowings		**(8.8)**	(19.6)
Lease liabilities		**(192.8)**	(228.1)
Derivative financial instruments		**(3.9)**	(0.1)
Trade and other payables		**(3.4)**	(3.6)
Provisions		**(10.9)**	(11.1)
Total non-current liabilities		**(219.8)**	(262.5)
Total liabilities		**(675.1)**	(725.7)
Net assets		**500.3**	553.8
Shareholders' equity			
Share capital		**2.2**	2.2
Share premium		**212.4**	212.4
Investment in own shares		**(1.6)**	(1.0)
Other reserves		**0.7**	-
Retained earnings		**286.4**	340.2
Total equity attributable to equity holders of the Company		**500.1**	553.8
Non-controlling interest		**0.2**	-
Total equity		**500.3**	553.8

The notes on pages 20 to 29 form part of these condensed consolidated financial statements.

Halfords Group plc

Consolidated Statement of Changes in Shareholders' Equity

For the 52 weeks to 28 March 2025

	Attributable to the equity holders of the Company								
				Other reserves					
	Share capital	Share premium account	Investment in own shares	Capital redemption reserve	Hedging reserve	Retained earnings	**Total shareholders equity**	Non-controlling interest	**Total equity**
	£m	£m	£m	£m	£m	£m	**£m**		
Closing balance at 31 March 2023	2.2	212.4	(1.9)	0.3	(1.4)	345.3	556.9	-	556.9
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	16.9	16.9	-	16.9
Other comprehensive loss									
Cash flow hedges:									
Fair value changes in the period	-	-	-	-	(1.3)	-	(1.3)	-	(1.3)
Income tax on other comprehensive income	-	-	-	-	(0.4)	-	(0.4)	-	(0.4)
Total other comprehensive loss for the period net of tax	-	-	-	-	(1.7)	-	(1.7)	-	(1.7)
Total comprehensive	-	-	-	-	(1.7)	16.9	15.2	-	15.2

income for the period									
Other									
Hedging gains and losses transferred to the cost of inventory	-	-	-	-	2.8	-	2.8	-	2.8
Transactions with owners									
Purchase of own shares	-	-	(10.2)	-	-	-	(10.2)	-	(10.2)
Share options exercised	-	-	11.1	-	-	(6.9)	4.2	-	4.2
Share-based payment transactions	-	-	-	-	-	3.8	3.8	-	3.8
Income tax on share-based payment transactions	-	-	-	-	-	0.4	0.4	-	0.4
Sale of minority interest in subsidiary to non-controlling interest	-	-	-	-	-	2.4	2.4	-	2.4
Dividends to equity holders	-	-	-	-	-	(21.7)	(21.7)	-	(21.7)
Total transactions with owners	-	-	0.9	-	-	(22.0)	(21.1)	-	(21.1)
Balance at 29 March 2024	2.2	212.4	(1.0)	0.3	(0.3)	340.2	553.8	-	553.8

Halfords Group plc

Consolidated Statement of Changes in Shareholders' Equity (continued)

For the 52 weeks to 28 March 2025

	Attributable to the equity holders of the Company								
				Other reserves					
	Share capital £m	Share premium account £m	Investment in own shares £m	Capital redemption reserve £m	Hedging reserve £m	Retained earnings £m	**Total shareholders equity £m**	Non-controlling interest	**Total equity**
Closing balance at 29 March 2024	2.2	212.4	(1.0)	0.3	(0.3)	340.2	553.8	-	553.8
Total comprehensive loss for the period									
Loss for the period	-	-	-	-	-	(33.6)	(33.6)	(0.2)	(33.8)
Other comprehensive loss									
Cash flow hedges:									
Fair value changes in the period	-	-	-	-	0.1	-	0.1	-	0.1
Income tax on other comprehensive income	-	-	-	-	(0.2)	-	(0.2)	-	(0.2)
Total other comprehensive loss for the period net of tax	-	-	-	-	(0.1)	-	(0.1)	-	(0.1)
Total comprehensive loss for the period	-	-	-	-	(0.1)	(33.6)	(33.7)	(0.2)	(33.9)
Hedging gains and losses transferred to the cost of inventory	-	-	-	-	0.8	-	0.8	-	0.8
Recognition of derivative liability	-	-	-	-	-	(3.9)	(3.9)	-	(3.9)
Transactions with owners									
Purchase of own shares	-	-	(3.6)	-	-	-	(3.6)	-	(3.6)
Share options exercised	-	-	3.0	-	-	(2.4)	0.6	-	0.6
Share-based payment transactions	-	-	-	-	-	3.9	3.9	-	3.9
Adjustment to NCI	-	-	-	-	-	(0.4)	(0.4)	0.4	-
Dividends to equity holders	-	-	-	-	-	(17.4)	(17.4)	-	(17.4)
Total transactions with owners	-	-	(0.6)	-	-	(16.3)	(16.9)	0.4	(16.5)
Balance at 28 March 2025	2.2	212.4	(1.6)	0.3	0.4	286.4	500.1	0.2	500.3

The notes on pages 20 to 29 are an integral part of these condensed consolidated financial statements.

Halfords Group plc

Consolidated Statement of Cash Flows

For the 52 weeks to 28 March 2025

	Notes	**52weeks to 28 March 2025 £m**	52weeks to 29 March 2024 £m
Cash flows from operating activities			
Profit after tax for the period, before non-underlyingitems		**30.0**	32.8
Non-underlyingitems		**(63.8)**	(3.8)
(Loss)/profit after tax for the period		**(33.8)**	29.0
Depreciation – property, plant and equipment		**28.8**	27.1
Impairment of property, plant and equipment		**2.0**	-
Amortisationof right-of-use assets		**79.5**	78.9
Impairment of right-of-use assets		**7.9**	2.8
Amortisation– intangible assets		**22.8**	21.2
Impairment of intangible assets		**47.9**	-
Net finance expense		**11.1**	13.1
Loss on disposal of property, plant and equipment		**0.3**	0.8
Gain on disposal of leases		**0.2**	(2.2)
Equity-settledshare-basedpayment transactions		**3.9**	3.8
Foreign exchange movement		**3.5**	1.2
Income tax expense		**3.8**	9.8
(Increase)/decrease in inventories		**8.8**	12.7
Decrease/(increase) in trade and other receivables		**8.8**	(9.0)
(Decrease)/increase in trade and other payables		**(9.1)**	10.7
Increase/(decrease) in provisions		**2.8**	(10.3)
Income tax received/(paid)		**5.5**	(11.7)
Net cash from operating activities - continuing operations		**194.7**	177.9
Net cash from operating activities – discontinued operations		**-**	(10.5)
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		**-**	(0.6)
Acquisition of subsidiary, deferred consideration paid		**(4.0)**	-
Purchase of intangible assets		**(21.3)**	(23.7)
Purchase of property, plant and equipment		**(31.9)**	(21.9)
Net cash from investing activities - continuing operations		**(57.2)**	(46.2)
Net cash from investing activities – discontinued operations		**-**	(0.3)
Cash flows from financing activities			
Purchase of own shares		**(3.6)**	(10.2)
Proceeds from share options exercised		**0.6**	4.2
Finance income/(costs) received/(paid)		**0.4**	(2.1)
RCF drawdowns		**568.0**	1,348.0
RCF repayments		**(578.0)**	(1,363.0)
Proceeds from borrowings		**-**	1.5
Repayments of borrowings		**(1.4)**	-
RCF transaction costs		**(1.3)**	(1.1)
Capitalised transaction costs		**(1.4)**	-
Interest paid on lease liabilities		**(9.4)**	(9.0)
Payment of capital element of leases		**(87.1)**	(83.8)
Payments related to supplier financing		**(91.0)**	(70.0)
Receipts related to supplier financing		**89.9**	65.9
Proceeds from sale of share in subsidiary to non-controlling Interest		**-**	2.4
Dividends paid		**(17.4)**	(21.7)
Net cash used in financing activities - continuing operations		**(131.7)**	(138.9)
Net cash used in financing activities – discontinued operations		**-**	(0.9)
Net increase/(decrease) in cash and bank overdrafts	10	**5.8**	(18.9)
Cash and cash equivalents at the beginning of the period		**13.3**	32.2
Cash and cash equivalents at the end of the period	10	**19.1**	13.3

The notes on pages 20 to 29 are an integral part of these condensed consolidated financial statements.

Halfords Group plc

Notes to the condensed consolidated financial statements

For the 52 weeks to 28 March 2025

1. General information and basis of preparation

The financial information set out below does not constitute the Group's statutory accounts for the periods ended 28 March 2025 or 29 March 2024 but is derived from those accounts. Statutory accounts for 2024 have been delivered to the Registrar of Companies. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The financial statements are presented in millions of pounds sterling, rounded to the nearest £0.1m.

The accounts of the Group are prepared for the period up to the Friday closest to 31 March each year. Consequently, the financial statements for the current period cover the 52 weeks to 28 March 2025, whilst the comparative period covered the 52 weeks to 29 March 2024.

The consolidated financial statements of Halfords Group plc and its subsidiary undertakings, together “the Group”, have been prepared in accordance with International Financial

Reporting Standards ("IFRSs") and IFRS Interpretations Committee ("IFRS IC") Interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are prepared on a going concern basis and under the historical cost convention, except where adopted IFRSs require an alternative treatment. The principal variations relate to financial instruments (IFRS 9 "Financial instruments"), acquisition of business combinations (IFRS 3 "Business Combinations"), share-based payments (IFRS 2 "Share-based payment" and leases (IFRS 16 "Leases").

Adoption of new and revised standards

The Group has applied the following interpretations and amendments for the first time in these financial statements:

- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7;
- Lease Liability in a Sales and Leaseback – Amendments to IFRS 16
- Classification of Liabilities as Current or Non-Current – Amendments to IAS 1;
- Non-Current Liabilities with Covenants – Amendments to IAS 1

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

New standards and interpretations not yet adopted

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

2. Operating expenses

For the periodfor continuing operations	**52weeks to 28 March 2025**	52weeks to 29 March 2024 – restated*
	£m	£m
Selling and distribution costs *	**604.0**	581.9
Administrative expenses, before non-underlying items *	**216.3**	184.5
Non-underlyingadministrative expenses (See note 4)	**68.4**	4.3
Administrative expenses	**284.7**	188.8
Operating expenses	**888.7**	770.7

*Prior period balance restated between selling and distribution costs and administrative expenses, before non-underlying items to ensure consistency in presentation within Retail and Autocentres businesses

3. Operating profit

From continuing operations for the period	**52weeks to 28 March 2025**	52weeks to 29 March 2024 – restated*
	£m	£m
Operating profit is arrived at after charging/(crediting) the following expenses/(incomes) as categorised by nature:		
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	**0.3**	0.3
Expenses relating to short term leases	**6.7**	6.4
Loss on disposal of property, plant and equipment, and intangibles	**0.3**	0.8
Amortisation of intangible assets	**22.8**	21.2
Amortisation of right-of-use assets	**79.5**	79.7
Depreciation of:		
- owned property, plant and equipment	**28.8**	27.2
Impairment of:		
- owned property, plant and equipment	**2.0**	0.5
- right-of-use assets	**7.9**	2.8
- intangibles (goodwill)	**47.9**	-
Trade receivables impairment / (reversal)	**0.2**	(0.1)
Staff costs	**411.9**	387.5
Cost of inventories consumed in cost of sales*	**823.7**	867.1

*The cost of inventories consumed in cost of sales in the prior period has been restated to include certain Autocentres balances previously omitted in error

4. Non-underlying items

For the period	**52 weeks to 28 March 2025**	52 weeks to 29 March 2024
	£m	£m
Non-underlying operating expenses relating to continuing operations:		
Organisational restructure costs (a)	**1.5**	7.7

Acquisition and investment related fees (b)	**-**	1.0
Closure costs (c)	**14.9**	(4.4)
Cloud migration costs (d)	**2.9**	-
Impairment of non-current assets (e)	**49.1**	-
Non-underlying items before tax relating to continuing operations	**68.4**	4.3
Tax on non-underlying items (f)	**(4.6)**	(0.5)
Non-underlying items after tax relating to continuing operations	**63.8**	3.8
Non-underlying items after tax relating to discontinued operations (Note 9)	**-**	6.9
Total non-underlying items	**63.8**	10.7

a. During the period, organisational restructure costs of £1.5m were incurred (2024: £7.7m) linked to the ongoing warehouse management system replacement programme. Other costs incurred in the prior period include: dual running costs incurred in relation to the integration of National Tyres financial systems (2024: £0.5m), professional fees incurred in relation to restructuring the Avayler operation (2024: £1.1m), restructure of the support centre (2024: £1.9m) and costs relating to a revision to procurement processes (2024: £1.9m).
b. Acquisition costs of £1.0m in the prior period primarily comprised professional fees and acquisition costs in relation to the acquisitions of National Tyres and the Lodge Tyre Company.
c. Closure costs of £14.9m represent costs associated with the closure of a number of stores and garages, following strategic reviews of the profitability of the Group's physical estate in the current and prior periods, as well as the closure of the Group's wholesale tyre operations:
    - £12.0m (2024: £nil) of closure costs relate to the decision to exit a number of garage locations following a full review of the future profitability of the Group's physical estate in light of the increased labour cost introduced by the UK Government's Autumn Budget and with reference to sites' suitability for the Fusion programme. A strategic review in FY25 of the garage estate's profitability, resulting in the forthcoming closure of several loss-making and underperforming garages. Right-of-use assets (£6.7m) and tangible assets (£1.9m) were impaired, with provisions for property exit costs (£3.4m). Communications to employees who will be directly impacted by these closures are expected to take place in the first half of FY26 when the related redundancy provision and non-underlying expense will be recognised.
    - £1.4m (2024: £4.4m credit) of closure costs were incurred in the current period from store and garage closures initiated during strategic reviews of the Group's physical estate's profitability in previous years. Assets were impaired and costs associated with ongoing onerous commitments under lease agreements and other costs associated with the property exits were provided for. Costs in the current period primarily relate to revised sublet assumptions and increased dilapidation fees. At the period end, property provisions carried forward included an amount of £3.3m (2024: £3.5m) in relation to these closures, which will continue to unwind as property exits are negotiated with landlords or tenants.
    - £1.5m of closure costs were incurred in the current period following the FY24 closure of the Group's wholesale tyre operations, after entering a strategic partnership with specialist tyre distributor Bond International. These costs, not eligible for provision in FY24, comprise non-property related closure expenses, unwinding of discounting on deferred consideration through FY30, and property related expenditure on leases extending through to FY34. Non-property related costs have concluded in FY25.
d. Cloud migration costs relate to the migration of servers from co-located datacentres to a cloud-based solution. Costs of £2.9m (2024: £nil) include expenses associated with managing this transition and the dual running of the existing co-located servers and the new cloud infrastructure.
e. During FY25, the Group performed an impairment review of certain non-current assets. As a result of this review, the Group recognised an impairment expense of £47.9m in relation to Goodwill and £1.2m in relation to Right of Use assets within retail and autocentres segments.
f. The tax credit of £4.6m represents a tax rate of 6.7% applied to non-underlying items, which is lower than the statutory rate due to the impact of non-deductible expenditure.

5. Finance costs

Recognised in profit or loss for the period	**52weeks to 28 March 2025 £m**	52weeks to 29 March 2024 £m
Finance income:		
Bank interest	**0.9**	-
Finance income:		
Bank borrowings	**(0.5)**	(2.2)
Amortisation of issue costs on loans	**(0.6)**	(0.8)
RCF commitment fees	**(1.3)**	(1.1)
Supplier financing expense	**(0.2)**	-
Interest payable on lease liabilities	**(9.4)**	(9.0)
Net Finance costs before non-underlying items	**(11.1)**	(13.1)

6. Taxation

For the period	**52weeks to 28 March 2025 £m**	52weeks to 29 March 2024 £m
Amounts recognised through Income Statement		
Current taxation		
UK corporation tax charge for the period	**6.8**	5.6
Adjustment in respect of prior periods	**(0.6)**	(5.5)
	6.2	0.1

Deferred taxation		
Origination and reversal of temporary differences	**(1.4)**	0.9
Adjustment in respect of prior periods	**(1.0)**	4.5
	(2.4)	5.4
Total tax charge for the period	**3.8**	5.5
Income tax attributable to:		
Profit from continuing operations	**3.8**	9.8
Profit from discontinued operations	**-**	(4.3)
	3.8	5.5
Deferred taxation – OCI		
Origination and reversal of temporary differences in Other Comprehensive Income	**0.2**	0.4
Total tax charge to Other Comprehensive Income for the period	**0.2**	0.4
Current taxation - equity		
UK corporation tax credit for the period	**-**	(0.4)
	-	(0.4)
Total tax (credit)/charge to equity for the period		(0.4)

The tax charge is reconciled with the standard rate of UK corporation tax as follows:

For the period	**52weeks to 28 March 2025 £m**	52weeks to 29 March 2024 £m
(Loss) / Profit before tax from continuing operations	**(30.0)**	38.8
Loss before tax from discontinued operations including gain on disposal	**-**	(16.4)
(Loss) / Profit before tax	**(30.0)**	22.4
UK Corporation Tax at standard rate of 25% (2024: 25%)	**(7.5)**	5.6
Factors affecting the charge for the period:		
Depreciation on expenditure not eligible for tax relief	**0.4**	0.7
Employee share options	**0.6**	0.4
Other disallowable expenses	**12.3**	0.6
Adjustment in respect of prior periods	**(1.6)**	(1.1)
Deferred tax not recognised	**-**	(0.2)
Impact of overseas tax rates	**(0.4)**	(0.5)
Impact of change in tax rate on deferred tax balance	**-**	-
Total tax charge for the period	**3.8**	5.5

An increase to the main rate of corporation tax to 25% was substantively enacted on 24 May 2021 and took effect from 1 April 2023. The opening and closing deferred tax asset at 28 March 2025 has been calculated based on the rate of 25%.

The effective tax rate of (12.8)% (2024: 24.6%) is higher than the UK corporation tax rate principally due to the impact of a non-deductible impairment of goodwill of £47.9m in the period. The taxation charge for the period was £3.8m (2024: £5.5m), including a £4.6m credit (2024: £0.4m credit) in respect of tax on non-underlying items.In this period, the Group's contribution to the UK Exchequer from both taxes paid and collected exceeded £274m (2024: £273m) with the main taxes including net VAT £141.2m (2024: £126.3m), employment taxes of £98.1m (2024: £89.0m) and business rates £39.7m (2024: £37.0m), partially offset by corporation tax refunds of £5.5m (2024: payments of £11.0m).

Impact of future tax changes

Pillar Two legislation, which introduced a global minimum effective tax rate of 15%, has been enacted or substantively enacted in certain jurisdictions where the Group operates. The legislation will be effective for the Group's financial period beginning 30 March 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief may not apply and the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions and has applied the exception to recognising deferred tax assets and liabilities relating to Pillar Two income taxes.

7. Dividends

For the period	**52weeks to 28 March 2025 £m**	52weeks to 29 March 2024 £m
Equity – ordinary shares		
Final for the 52 weeks to 29 March 2024 – paid 5.0p per share (52 weeks to 31 March 2023: 7.0p)	**10.9**	15.2
Interim for the 52 weeks to 28 March 2025 – paid 3.0p per share (52 weeks to 29 March 2024: 3.0p)	**6.5**	6.5
	17.4	21.7

In addition, the directors are proposing a final dividend in respect of the financial period ended 28 March 2025 of 5.8p per share (2024: 5.0p per share), which will absorb an estimated £12.6m (2024: £11.0m) of shareholders' funds. It will be paid on 12 September 2025 to shareholders who are on the register of members on 8 August 2025.

8. Earnings per share

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

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. These represent share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the 52 weeks to 28 March 2025.

The Group has also chosen to present an alternative earnings per share measure, with profit adjusted for non-underlying items as it better reflects the Group's underlying performance.

For the period	**52 weeks to 28 March 2025 Number of shares m**	52 weeks to 29 March 2024 Number of shares m
Weighted average number of shares in issue	**218.9**	218.9
Less: shares held by the Employee Benefit Trust (weighted average)	**(1.0)**	(1.5)
Weighted average number of shares for calculating basic earnings per share	**217.9**	217.4
Weighted average number of dilutive shares	**9.5**	8.5
Total number of shares for calculating diluted earnings per share	**227.4**	225.9

Potentially dilutive shares in the current year would be anti-dilutive and have therefore not been taken into account in the calculation of diluted earnings per share.

For the period Attributable to equity shareholders for the period	**52 weeks to 28 March 2025 £m**	52 weeks to 29 March 2024 £m
(Loss) / earnings from continuing operations	**(33.6)**	29.0
Non-underlying items after tax relating to continuing operations (Note 4)	**63.8**	3.8
Earnings from continuing operations before non-underlying items	**30.2**	32.8
Earnings from discontinued operations	**-**	(12.1)
Non-underlying items after tax relating to discontinued operations (Note 9)	**-**	6.9
Earnings from discontinued operations before non-underlying items	**-**	(5.2)
Total (loss) /earnings	**(33.6)**	16.9
Total non-underlying items after tax	**63.8**	10.7
Total earnings before non-underlying items	**30.2**	27.6

For the period	**52 weeks to 28 March 2025**	52 weeks to 29 March 2024
Basic (loss) / earnings per ordinary share from continuing operations	**(15.4)p**	13.3p
Diluted (loss) /earnings per ordinary share from continuing operations	**(15.4)p**	12.7p
Basic earnings per ordinary share from continuing operations before non-underlying items	**13.8p**	15.1p
Diluted earnings per ordinary share from continuing operations before non-underlying items	**13.2p**	14.5p
Basic (loss) /earnings per ordinary share	**(15.4)p**	7.8p
Diluted (loss) /earnings per ordinary share	**(15.4)p**	7.4p
Basic earnings per ordinary share before non-underlying items	**13.8p**	12.7p
Diluted earnings per ordinary share before non-underlying items	**13.2p**	12.2p

9. Discontinued operations

On 25th January 2024 the Group announced its intention to enter into a strategic partnership with specialist tyre distributor Bond International and to close its existing tyre operation. As a consequence, on 22 February 2024, the Group sold Birkenshaw Distributors Limited ("BDL") and the wholesale customers of Stepgrades Motor Accessories Ltd ("Viking") to R & R C Bond (Holdings) Limited ("Bond"). On 22 March 2024, the remaining principal operations of Viking ceased.

The events noted above resulted in Viking and BDL being treated as a discontinued operation in the prior period. The results of the business were shown separately from the continuing business for all periods and presented on the face of the income statement as a discontinued operation. This was also reflected in the statement of comprehensive income. Earnings per share (EPS) was split between continuing and discontinued operations. The cash flows of the discontinued operation were also disclosed in the consolidated statement of cash flows.

The summary income statement for the businesses treated as a discontinued operation for the periods up to 28 March 2025 and 29 March 2024 are as follows:

	52 Weeks to 28 March 2025			52 Weeks to 29 March 2024		
Discontinued operations	**Before non-underlying items £m**	**Non-underlying items £m**	**Total £m**	Before non-underlying items £m	Non-underlying items £m	Total £m
Revenue	**-**	**-**	**-**	16.3		16.3
Cost of sales	-	-	-	(13.6)		(13.6)
Gross profit	**-**	**-**	**-**	2.7	-	2.7
Operating expenses	-	-	-	(9.7)	(11.9)	(21.6)

Loss from operating activities	-	-	-	(7.0)	(11.9)	(18.9)
Net finance expense	-	-	-	-		-
Loss before income tax	-	-	-	(7.0)	(11.9)	(18.9)
Income tax expenses	-	-	-	1.8	2.5	4.3
Loss after tax	-	-	-	(5.2)	(9.4)	(14.6)
Gain on disposal	-	-	-		2.5	2.5
Loss after tax from discontinued operations	-	-	-	(5.2)	(6.9)	(12.1)

The events noted for Viking and BDL are a major re-organisation of a key line of business. The costs and gains on disposal of various Viking and BDL assets associated with these events meet the definition of non-underlying items as per group accounting policy. The breakdown of these are as follows:

For the period	**52 weeks to 28 March 2025 £m**	52 weeks to 29 March 2024 £m
Non-underlying operating expenses:		
Organisational restructure costs (a)	-	11.9
Gain on disposal of assets (b)	-	(2.5)
Non-underlying items before tax	**-**	**9.4**
Tax credit on non-underlying items	-	(2.5)
Non-underlying items after tax	**-**	**6.9**

a. In the period ended 29 March 2024, organisational restructuring costs of £11.9m were incurred relating to the disposals of the share capital of BDL and the wholesale customers of Viking, and the subsequent closure of the remaining Viking operation. Costs in relation to these activities comprised: redundancy costs £2.6m, property related restructuring provisions £3.9m, right-of-use and other asset impairment £4.1m, Viking dual running costs £0.5m and legal fees to support the transaction of £0.8m.
b. In the period ended 29 March 2024, deferred consideration of £2.9m was recognised on the contract date for the disposal of £0.4m of assets, giving rise to a £2.5m gain on disposal.

There are no other items of comprehensive income relating to discontinued operation for the period ending 28 March 2025 (2024: nil).

10. Analysis of movements in Group's net debt in the period

	At 29 March 2024 £m	Cash flow £m	Other non-cash changes £m	**At 28 March 2025 £m**
Cash and cash equivalents (Consolidated Statement of Cash Flows)	13.3	5.8	-	**19.1**
Debt due in less than one year	(1.8)	1.4	0.2	**(0.2)**
Debt due after one year	(19.6)	11.4	(0.6)	**(8.8)**
Total net (debt) / cash excluding leases	(8.1)	18.6	(0.4)	**10.1**
Current lease liabilities	(79.1)	96.5	(96.0)	**(78.6)**
Non-current lease liabilities	(228.1)	-	35.3	**(192.8)**
Total lease	(307.2)	96.5	(60.7)	**(271.4)**
Total net debt	(315.3)	115.1	(61.1)	**(261.3)**

Other non-cash changes include additions of new leases, modifications to leases, amortisation of debt costs, foreign exchange movements, and changes in classifications between amounts due within and after 1 year.

Cash and cash equivalents at the period end consist of £19.1m (2024: £13.3m) of liquid assets.

The Group had the following committed borrowing facilities available at each balance sheet date in respect of which all conditions precedent had been met:

	As at 28 March 2025	As at 29 March 2024
Expiring within 1 year	**-**	-
Expiring between 1 and 2 years	**-**	-
Expiring between 2 and 5 years	**180.0**	180.0

The committed facility of £180.0m (2024: £180.0m) relates to the Group's revolving credit facility, of which £20.0m is designated as an overdraft facility. This facility incurred commitment fees at market rates.

11. Leases

All leases where the Group is a lessee are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

The Group's leases relate to the store and garage premises from which the Group operates with typical lease terms of 5-10 years.

i. Amounts recognised in the consolidated statement of financial position

Right-of-Use Assets

	Land and buildings £m	**Equipment £m**	**Total £m**
At 31 March 2023	304.8	7.8	312.6
Additions on acquisition of subsidiary	-	-	-
Additions to right-of-use assets	31.7	11.6	43.3
Amortisation charge for the year	(74.0)	(5.7)	(79.7)
Effect of modification of lease	10.5	-	10.5

Derecognition of right-of-use assets	(5.6)	-	(5.6)
Impairment charge	(2.8)	-	(2.8)
At 29 March 2024	**264.6**	**13.7**	**278.3**

	Land and buildings £m	Equipment £m	Total £m
At 29 March 2024	264.6	13.7	278.3
Additions to right-of-use assets	37.8	11.9	49.7
Amortisation charge for the year	(72.1)	(7.4)	(79.5)
Effect of modification of lease	4.5	-	4.5
Reclassification of subleased asset to other receivables	(0.8)	-	(0.8)
Derecognition of right-of-use assets	(2.0)	-	(2.0)
Impairment charge	(7.9)	-	(7.9)
At 28 March 2025	**224.1**	**18.2**	**242.3**

The impairment charge of £7.9m (2024: £2.8m) relates to the garage store closure project (£7.0m) and retail right-of-use asset impairment (£0.9m), both of which are included within non-underlying items.

The derecognition of right of use assets and disposals of lease liabilities relates to ongoing store and garage closure programmes where leases have been exited before their original exit date.

Modification of leases relates to renegotiations of leases following discussions with landlords.

Lease Liabilities

	Land and buildings £m	Equipment £m	Total £m
At 31 March 2023	337.5	9.4	346.9
Additions on acquisition of subsidiary	-	-	-
Additions to lease liabilities	31.8	10.5	42.3
Interest expense	8.5	0.5	9.0
Effect of modification to lease	11.1	(0.5)	10.6
Lease payments	(87.7)	(5.9)	(93.6)
Disposals to lease liabilities	(7.8)	-	(7.8)
Foreign exchange movements	(0.2)	-	(0.2)
At 29 March 2024	**293.2**	**14.0**	**307.2**
Additions to lease liabilities	36.9	11.8	48.7
Interest expense	8.3	1.1	9.4
Effect of modification to lease	4.4	-	4.4
Lease payments	(88.2)	(8.3)	(96.5)
Disposals to lease liabilities	(1.7)	-	(1.7)
Foreign exchange movements	(0.1)	-	(0.1)
At 28 March 2025	**252.8**	**18.6**	**271.4**

Carrying value of lease liabilities included in the statement of financial position	**28 March 2025 £m**	**29 March 2024 £m**
Current liabilities	**78.6**	**79.1**
Non-current liabilities	**192.8**	**228.1**
Total lease liabilities	**271.4**	**307.2**

Lease liabilities	**28 March 2025 £m**	29 March 2024 **£m**
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**87.0**	87.5
Between one and two years	**67.6**	78.8
Between two and three years	**50.5**	56.8
Between three and four years	**37.5**	40.7
Between four and five years	**21.5**	27.3
Between five and six years	**15.0**	16.9
Between six and seven years	**12.0**	13.7
Between seven and eight years	**7.9**	10.7
Between eight and nine years	**2.1**	6.9
Between nine and ten years	**1.7**	1.2
After ten years	**3.2**	2.8
Total contractual cash flows	**306.0**	343.4

Finance sub-lease receivable	**28 March 2025 £m**	29 March 2024 £m
< 1 year	**0.3**	-
1-2 years	**0.2**	-
2-5 years	**0.3**	-
6-10 years	**-**	-
Total undiscounted lease payments receivable	**0.8**	-
Unearned finance income	**(0.1)**	-
Net investment in the lease	**0.7**	-

ii. Amounts recognised in the consolidated income statement

	Land and buildings £m	**Equipment £m**	**Total £m**
52 weeks ended 28 March 2025			
Amortisation charge on right-of-use assets	72.1	7.4	79.5
Interest on lease liabilities	8.3	1.1	9.4
Expenses relating to short-term leases	5.4	1.3	6.7
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-	0.3	0.3
52 weeks ended 29 March 2024			
Amortisation charge on right-of-use assets	74.0	5.7	79.7
Interest on lease liabilities	8.5	0.5	9.0
Expenses relating to short-term leases	5.1	1.3	6.4
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-	0.3	0.3

iii. Amounts recognised in the consolidated statement of cash flows

The total cash outflow for leases for the period ended 28 March 2025 was £96.5m (2024: £93.6m).

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[1] Outlook commentary is based on a comparable 52-week year; FY26 will include a 53rd week of trading.

[2] Underlying Autocentres EBIT ex-Avayler, which was separated to operate as a standalone business distinct from the Halfords group in FY24.

[3] As noted in our interim results, some significant changes to the competitor sets participating in market data panels have occurred, reducing their usefulness as a measure of changes to market share. As such, we will no longer regularly report detailed market share data although we will continue to give directional commentary where appropriate.

[4] Outlook commentary is based on a comparable 52-week year; FY26 will include a 53rd week of trading.

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