

27-Nov-2025 / 07:00 GMT/BST

27 November 2025

Halfords Group plc
Interim Results for the 26 weeks to 26 September 2025 ("HY26")

On track to deliver FY26 expectations following a strong first half

Halfords Group plc ("Halfords" or "the Group"), the UK's leading provider of motoring and cycling services and products, today announces its interim results for the 26 week period ended 26 September 2025.

£m	HY26	HY25	Change	LfL %Change*
Group Revenue	893.3	864.8	3.3%	4.1%
Retail Revenue	533.2	516.1	3.3%	4.0%
Motoring Revenue**	324.3	324.2	-	1.1%
Cycling Revenue**	208.0	191.1	8.8%	9.0%
Autocentres Revenue	360.1	348.7	3.3%	4.3%
Gross Margin	51.4%	49.4%	2.0ppts	
Underlying Profit Before Tax*	21.2	21.0	1.0%	
Reported Profit Before Tax	17.2	17.8	(3.4)%	
Underlying Basic Earnings per Share*	7.9p	7.6p	3.9%	
Dividend per Share	3.0p	3.0p	0.0%	
Net Cash*	18.6	1.3	17.3	

*Alternative Performance Measures ("APMs") are defined on page 10. ** Sales breakdown excludes miscellaneous sales of £0.9m (HY25: £0.8m).

Strong financial performance

- Group sales up 4.1% on a like-for-like ("LfL") basis with a strong performance in Cycling (+9.0% LfL) and growth in both segments^[1] (Retail +4.0% and Autocentres^[2] +4.3% LfL).
- 200bps of gross margin expansion to 51.4% and HY26 underlying profit before tax ("PBT") of £21.2m (HY25: £21.0m) (HY26 reported PBT: £17.2m (HY25: £17.8m)).
- Cost savings on track, predominantly benefitting cost of goods sold through the Better Buying programme, with operating costs increasing as a % of revenue due to inflationary pressures, as anticipated.
- £27.6m of free cash generation further strengthening the balance sheet with £18.6m of net cash^[3] at period end.
- Interim dividend of 3.0p declared, in line with HY25.

Good strategic and operational progress

- Fusion making good progress towards 150 garage target with 79 sites now trading, on track to double garage-level profitability and pay back in two years while improving the customer experience and linking the motoring assets within a town.
- Further growth in Halfords Motoring Club to reach a total membership of c.6m, of which more than 400k are Premium tier (i.e. paid-for) members generating c.£20m of annual subscription revenue.
- Coventry distribution centre operating at normal efficiency following resolution of warehouse management system issues. Additional non-underlying cost incurred to maintain product availability in HY26 was £3.1m, at the low end of earlier guidance.

Team update

- Appointment of Sarah Haywood, former global CIO of Carlsberg, as Chief Information Officer effective November 2025.
- After nine years as Chair, Keith Williams plans to step down from this role and the Halfords plc Board of Directors by our next Annual General Meeting in September 2026.

Outlook^[4]

- We are confident in delivering FY26 underlying PBT in-line with consensus^[5] and continue to expect capital expenditure for the full-year to be within the guided £60m to £70m range.

Henry Birch, Chief Executive of Halfords, commented:

"I am very pleased to be announcing a strong set of HY26 results that show good financial, strategic and operational progress. Cycling was the stand-out performer, with LfL sales up 9%. Our consumer garages also performed particularly well, up around 8%, driven in part by the ongoing roll-out of our new format Fusion garages.

Looking ahead, there are significant opportunities for us to create further value through improvements in our technology and data capability, which are key areas of focus for us as we plan for the future. While the operating environment remains unpredictable, our combination of needs-based products and services, as well as market leading positions in both motoring and cycling, give us the confidence that we will continue to grow our business in line with our plans."

Investor and analyst meeting:

Our interim results presentation has been published on our website, www.halfordscompany.com, alongside this announcement.

A strategy presentation for analysts will take place at 10.30 this morning at Peel Hunt, 100 Liverpool Street, London, EC2M2AT.

To join the live webcast of this presentation please follow this link: [Halfords Group plc Strategy Update, 27th November, 10:30](#)

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

At 13.00 this afternoon, we will also be hosting a live interactive webcast for retail investors, via the Engage Investor platform. To join the retail investor webcast please follow this link: [Halfords Group plc Retail Investor webcast, 27th November, 13:00](#)

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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. We operate via 370 Halfords stores, two Performance Cycling stores (trading as Tredz), 498 consumer garages and a network of 92 commercial fleet locations nationwide. Customers also have access to c.250 mobile service vans (trading as Halfords Mobile Expert and National) and c.550 commercial vans. Customers can 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 worldwide.

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

I am very pleased with our performance in the period, delivering growth in underlying Profit Before Tax ("PBT") despite the very significant labour cost and other inflation we have faced.

At the same time, we have made good progress with key strategic initiatives including the rollout of Fusion, with 79 Fusion garages now trading. This is continuing to improve the garage experience for customers and colleagues alike and links the motoring assets within a town more closely.

Like-for-like ("LFL") sales growth of 4.1% is a strong performance in what has been a challenging environment for many consumer-facing businesses, and demonstrates the strength of our unique, service-led customer proposition across both Retail and Autocentres. Excellent cost control and working capital management have resulted in another period of strong cash generation, providing the balance sheet flexibility to accelerate our planned investments in brand and digital customer experience in H2 while declaring a flat interim dividend year-on-year ("YoY").

We couldn't have achieved any of this without the commitment, skill and professionalism of our more than 12,000 colleagues. I want to sincerely thank them for going above and beyond in providing expert advice and brilliant service to millions of customers across every touchpoint of our business.

There is plenty more to do to optimise our operations in the short-term, but without doubt we have taken significant steps forward in HY26 – and I am confident that we have the right team in place to move the business forward with the appointments of Jess Frame as Retail Managing Director, Adam Pay as Garages Managing Director, and Sarah Haywood as Chief Information Officer in recent months.

Self-help and cycling recovery in Retail

In retail, we have continued to focus on the attributes which differentiate us: helpful, specialist advice, add-on services and exclusive brands. The majority of transactions taking place in our Retail stores involve some form of assistance from a colleague and around 80% of the c.3m service events which took place in HY26 at Halfords happened in our retail store car parks. No other business offers colleague advice and services such as wiper blade and bulb fittings on demand, and this represents a major competitive advantage and barrier to disruption from online retailers. Meanwhile, our investment into dedicated Automotive Service Managers in around 80 stores also enables us to capture demand for more complex services into our garages. Overall, more than half of Group revenue is service-related, up from 24% in FY19.

Our digital channel remains of central importance and a large proportion of customer journeys begin online either through a product search or booking on our website. However, when it comes to digital product sales we have a lower market share than in physical retail. This represents a clear opportunity for future growth, not least because 4 in every 5 purchases online are fulfilled via click and collect in our stores, which creates opportunities for additional sales on collection. While online competition limits our pricing power in some of the more commoditised product categories, we benefit from a large proportion of our range being either own-brand or exclusive to Halfords, typically representing excellent value relative to competitor brands. This is particularly visible in cycling where the vast majority of our range is own-brand, a key differentiator for our Retail proposition which allows us to better control gross margin and reinforces our credibility as a cycling specialist. Key brands are Carrera, which includes what we believe to be Britain's best-selling bike in its Vengeance model, and Boardman, which is a more premium brand – a Boardman bike having won either an Olympic or a Paralympic gold medal at every Games since 2008.

The first half of this year saw significant growth in our cycling business with 9.0% LFL sales growth, ahead of a market in recovery which also benefited from a warm, dry summer. We sell two-thirds of children's bikes in the UK and delivered a fantastic performance at Tredz, our performance cycling business, which grew double digit in the first half. Motoring products showed lower rates of sales growth as we removed a number of low margin products from our shelves, negatively impacting sales but benefitting margin rate. Product categories with a high service attachment such as air conditioning, dashcams and oils showed good growth, demonstrating the value of our unique, service-led retail proposition to our customers across both motoring and cycling.

Driving operational excellence in Autocentres

The optimisation of our consumer garages business has continued apace, and under new leadership, we have delivered further profitable growth in HY26. Our consumer garages have continued to grow in the more profitable Service, Maintenance and Repair ("SMR") segment, and we have also delivered improved margins in our tyres business through a focus on high-value add-ons, including wheel alignments, which also deliver considerable customer benefits ranging from improved handling and safety to better fuel economy. Overall, HY26 saw improved garage utilisation across the estate.

Despite continued declines in the consumer tyres market, our consumer garages, which include our 79 Fusion locations, saw LFL sales growth of around 8% in HY26 while continuing to provide excellent service to our customers as demonstrated by an increase in NPS to 65.3%. We remain on track to deliver c.150 Fusion garages by FY27. Levels of cross-shop, i.e. retail customers becoming garage customers, continued to increase underpinned by our growing Halfords Motoring Club proposition where we also saw growth in both free and Premium membership.

In addition to our consumer garages, our B2B division includes our commercial fleet services business, which maintains and repairs truck fleets across the UK. We have continued to expand our network of depots with a new site in Aonmouth while also commencing a programme of fleet upgrades to improve environmental and operational performance. Also in our B2B division is Avayler, our garage operations software business, which is in pilot stage in the first of Bridgestone's c.2,400 garages in North America and is currently in the advanced stages of building and testing at MyCar, the largest garage network in Australia.

Leveraging the Group opportunity

Halfords is truly unique in the market: our Group spans products and services, motoring and cycling, consumers and businesses, physical and digital. We keep millions of people in the UK and Ireland on the road, actively improving their lives by taking the hassle out of car and bike ownership. Our relationship with our customers isn't just transactional – we provide expert advice and friendly service, including on-demand fitting of the products we sell, under a recognisable brand that has been trusted for generations. We do all this in a way that offers them the ultimate in convenience, with a nationwide network of stores, garages and mobile vans to provide essential services at a time and location to suit them. At the same time, these many millions of interactions provide us with data covering

almost half of the UK car parc with potential for a broader eco-system of products and services.

The roll-out of Fusion and creation of the Halfords Motoring Club have been important first steps in demonstrating the value of the Halfords Group as a single provider for all our customers' motoring needs. We are well on our way to 150 Fusion garages, doubling profitability at maturity and with a payback on initial capital expenditure of just two years. Meanwhile we now have close to 6 million Halfords Motoring Club members, with over 400,000 of those paying c.£20m of annual recurring revenue for benefits including an annual MOT, free car checks and other discounts while providing us with valuable vehicle data that enables us to serve our customers even more effectively. These Premium members spend on average around 3 times as much as a non-member each year, with substantially higher rates of cross-shop. But there is much more value we can create with improvements in our technology and data capability, and the appointment of Sarah Haywood, most recently CIO at the Carlsberg Group, as Chief Information Officer demonstrates our commitment to making these changes a reality.

In the meantime, we have begun to make smaller, but nonetheless meaningful, improvements to our digital customer experience. Our services-led model means that our physical locations, including our mobile vans, will always be at the heart of what we do and are fundamental to our model. However, an increasing number of customers begin their journeys online and it is critical to our future success that we put our best foot forward digitally as well as in-person. Our single, groupwide website has already played an integral role in creating our market leading positions across our core markets – for example, in HY26 we were the most-visited online tyre retailer in the UK – but there is more we can do to create a seamless experience for our customers across all touchpoints.

Fit for the Future

Later this morning, we will be sharing details of our updated strategy which builds on our strong fundamentals, focusing on disciplined execution rather than radical change. Driven by a new and experienced management team, this plan will leverage the key strengths of our business: a trusted brand leading in attractive markets, unrivalled scale and expertise, a hard-to-replicate services offering, financial resilience, and significant opportunity from technology and data.

Our approach will be in three phases, successful execution of which will drive LfL sales growth, operating margin expansion, progression in underlying PBT and ultimately, a return on capital employed^[6] ("ROCE") which exceeds our cost of capital.

1. **Optimise**, in which we will maximise value from our existing assets and operations, driving improved returns by focusing on operational excellence and execution of the basics.
2. **Evolve**, where, once we have earned the right through delivering on our optimisation agenda, we will look to invest in opportunities to drive structural efficiencies and future growth.
3. **Scale**, where with an optimised and strengthened business, we will look to scale our digital channels in Retail and an expanded network of garages in Autocentres on a 3-year plus timeframe.

This phasing is reflected in an updated capital allocation framework, which continues to prioritise maintenance of a strong and resilient balance sheet (net debt to adjusted EBITDA ex-leases no greater than 0.8x). We will continue to pay a dividend in-line with our cover-based policy of 1.5x to 2.5x underlying profit after tax. Meanwhile, M&A is not a priority in the near-term.

Outlook^[7]

Our strong HY26 performance means that we are confident in delivering FY26 underlying PBT in-line with consensus^[8] while investing in our digital experience and brand and building cycling stock ahead of next year's summer peak. We continue to expect capital expenditure for the full-year to be within the guided £60m to £70m range.

Next update

Our next scheduled update will be a full-year trading update in April 2026 prior to our full results for that period in June.

Henry Birch

Chief Executive Officer, Halfords Group plc

26 November 2025

CFO Report

Group financial results

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

	HY26	HY25	Change*
	£m	£m	26 vs 25
Revenue	893.3	864.8	4.1%
Gross Profit	459.2	427.5	7.4%
Gross Margin	51.4%	49.4%	200bps
Underlying EBIT	26.4	26.4	0.0%
Underlying EBITDA	89.5	89.4	0.1%
Net Finance Expense	(5.2)	(5.4)	(3.7)%
Underlying Profit Before Tax	21.2	21.0	1.0%
Non-Underlying Items Before Tax	(4.0)	(3.2)	
Reported Profit Before Tax	17.2	17.8	(3.4)%
Underlying Basic Earnings per Share	7.9p	7.6p	3.9%

*Change in revenue is on a LfL basis

HY26 Group underlying profit before tax ("PBT") of £21.2m (HY25: £21.0m) was up £0.2m or 1.0% year-on-year ("YoY") despite significant inflation in the period, including that resulting from increases in the National Living Wage and changes to National Insurance rates and thresholds in last year's Budget. 4.1% LfL sales growth and 200bps of YoY gross margin expansion combined to offset an 8.0% increase in operating costs to deliver Group underlying earnings before interest and tax ("EBIT") and Group underlying earnings before interest, tax, depreciation and amortisation ("EBITDA") which was broadly flat YoY (£26.4m and £89.5m respectively, HY25: £26.4m and £89.4m).

Group gross margin grew 200 bps, reaching 51.4%, which is the highest level since FY22. This strong performance reflected the continued success of our Better Buying programme and some pass-through of increased labour costs in our services proposition, as well as a small FX tailwind as the benefit of movements in the USD rate in recent years begins to impact the hedged rate coming through in cost of goods sold. Our contractual arrangements with suppliers also resulted in a 30bps YoY increase in Group gross margin with a corresponding increase in operating expenses.

Group operating costs of £433.0m grew 7.9% YoY (HY25: £401.1m). Inflation was largely driven by labour costs due to the 6.7% increase in the National Living Wage effective from the start of FY26, the knock-on impact on higher paid colleagues as we sought to maintain a differential for skills, and the National Insurance changes noted above. As anticipated, we also saw increasing costs from suppliers of managed services impact contract pricing, partly offset by our goods not for resale cost reduction program. Additionally, we made selective investments into the Fusion programme, colleague training and development and improvements to our digital customer experience.

The Group's underlying profitability, management of inventory and disciplined approach to working capital management supported £27.6m of free cash flow generation (HY25: £28.1m) notwithstanding the payment of colleague incentives in the period that were not paid in the prior year. This resulted in £18.6m of closing net cash⁽⁹⁾ on the balance sheet (HY25: £1.3m).

Non-underlying items resulted in a charge of £4.0m during the period (HY25: £3.2m charge), predominantly relating to the implementation challenges associated with the introduction of a new Warehouse Management System ("WMS") in our Coventry distribution centre. These issues have now been resolved at a total cost of £3.1m in-line with the estimates communicated in our FY25 results announcement.

Detailed analysis of our sales performance, gross margin and operating costs are covered under 'Reporting Segments' below. Unallocated costs of £2.3m (HY25: £2.6m) represent amortisation charges in respect of intangible assets acquired through business combinations which arise on consolidation of the Group.

Reporting segments

Retail

	HY26 £m	HY25 £m	Change* 26 vs 25	Sales mix %
Revenue	533.2	516.1	4.0%	
- Motoring**	324.3	324.2	1.1%	60.8%
- Cycling**	208.0	191.1	9.0%	39.0%
Gross Profit	263.1	246.5	6.7%	
Gross Margin	49.3%	47.8%	150bps	
Operating Costs	(242.5)	(225.3)	7.6%	
Underlying EBIT	20.6	21.2	(2.8)%	
Non-underlying items	(3.4)	(1.8)		
EBIT	17.2	19.4	(11.3)%	
Underlying EBITDA	58.7	59.5	(1.3)%	

*Change in revenue is on a LfL basis ** Sales breakdown excludes miscellaneous sales of £0.9m (HY25: £0.8m).

The Retail segment saw a robust trading performance with LfL sales growing by 4.0% despite weakness in the consumer backdrop (HY25: reduction of 0.7%). Having turned positive for the first time since FY22 in the second half of FY25, cycling sales were particularly strong and grew by 9.0% LfL, ahead of the wider market. Sales of children's bikes, where we represent two-thirds of the UK market, were particularly strong while Tredz, our performance cycling business, continued to outperform the wider group.

Retail gross margin expansion of 150bps predominantly reflected further progress with our Better Buying programme and tailwinds from improved hedged FX rates coming through in cost of goods sold.

A 7.6% increase in Retail operating costs, predominantly due to labour cost inflation as described above, resulted in a small YoY decline in underlying Retail EBIT to £20.6m (HY25: £21.2m). Non-underlying items of £3.4m include costs associated with the WMS implementation challenges noted above.

Autocentres

	HY26 £m	HY25 £m	Change* 26 vs 25
Revenue	360.1	348.7	4.3%
Gross Profit	196.1	181.0	8.3%
Gross Margin	54.5%	51.9%	260bps
Operating Costs	(188.0)	(173.2)	8.5%
Underlying EBIT	8.1	7.8	3.8%
Non-underlying items	(0.6)	(1.4)	
EBIT	7.5	6.4	
Underlying EBITDA	30.8	29.9	3.0%

*Change in revenue figures is on a LfL basis

LfL sales growth for Autocentres ex-Awayler was 4.3% to reach £354.7m (£360.1m on a reported basis, i.e. including Awayler), another pleasing performance in the context of continued weakness in the consumer tyres market. In fact, our consumer garages portfolio delivered extremely strong sales growth of closer to 8%, led by Service, Maintenance and Repair ("SMR") work including as a result of performance in the 79 Fusion sites now trading. Changing mix, alongside Better Buying and price optimisation, drove a 260bps increase in segmental gross margin to 54.5%. In our commercial fleet business, sales growth was lower as we reprioritised resource to focus on higher margin services and mix into more profitable tyres.

These revenue and margin dynamics helped offset 8.7% operating cost growth driven by minimum wage, national insurance and general cost inflation as already discussed.

Overall, Autocentres ex-Awayler EBIT grew 8.8% YoY to £9.9m. The Awayler business is reported within the Autocentres segment but operates as a standalone business within the Group. It generated revenue of £1.1m (HY25: £1.6m), with the YoY decline a result of ATD, a North American client, entering Chapter 11 in the latter months of FY25 as previously reported. This also resulted in an expected increase in loss before interest and tax to £1.8m (HY25: £1.3m).

Including Awayler, underlying Autocentres EBIT increased by 3.9% to £8.1m (HY25: £7.8m).

Net non-underlying items

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

	HY26 £m	HY25 £m
Organisational Restructure Costs	3.1	0.8
Closure Costs	0.9	1.5
Cloud Migration Costs	-	0.9

HY26 organisational restructure costs of £3.1m (HY25: £0.6m) relate to additional costs incurred to maintain availability of stock in stores during implementation challenges for the new Warehouse Management System ("WMS") in the Coventry distribution centre ("DC"). The new WMS is yet to be introduced in our third and final DC, which is expected to conclude by FY27. The prior period balance also includes £0.2m of redundancy costs arising from changes to the Group's operating model.

HY26 closure costs of £0.9m (HY25: £1.2m) largely comprise costs associated with the closure of a small number of garages as noted in the FY25 results announcement. Equivalent costs in the prior year are associated with the closure of the Group's wholesale tyre operations. Property-related expenditure associated with these closures, including landlord insurance and business rates on remaining leases, is expected to continue through the remainder of FY26 and into future periods, reflecting the unwind of lease obligations. The HY25 balance also included £0.3m relating to the garage transformation programme, now incorporated within closure costs for consistency of presentation.

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.

The Retail store portfolio as at 26 September 2025 comprised 370 stores (HY25: 377 stores), having closed 7 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 342 leases, equivalent to more than 90% of our portfolio, expiring within five years.

The Autocentres portfolio as at 26 September 2025 comprised 590 locations (498 consumer garages and 92 commercial locations) (HY25: 636 locations including 547 consumer garages and 89 commercial locations). The reduction of locations in the Autocentres portfolio predominantly reflects the previously announced decision to close a small number of garages as detailed under 'Net non-underlying items' above. The average remaining lease length on our Autocentres is around 4.9 years, and as in Retail, we carefully evaluate all lease renewals when due.

Net finance expense

The reduced net finance expense YoY of £5.2m (HY25: £5.4m) is primarily due to a reduction in bank borrowing throughout the period.

Taxation

The taxation charge for the financial period was £3.4m (HY25: £3.7m), including a £1.0m credit (HY25: £0.7m credit) in respect of tax on non-underlying items. The effective tax rate of 19.7% (HY25: 20.6%) differs from the UK corporation tax rate (25%) principally due to the recognition of tax losses in the year through deferred taxes and a prior period adjustment in relation to historic tax balances.

The full year FY26 effective tax rate is expected to be around 21.5% which is below the statutory rate due to the impact of the tax losses available.

Earnings per share ("EPS")

Underlying Basic EPS was 7.9 pence (HY25: 7.6 pence) and after non-underlying items was 6.5 pence (HY25: 6.5 pence). Basic weighted-average shares in issue during the period were 216.3m (HY25: 218.1m). The decrease in the basic weighted-average shares in issue during the period is due to the increase in the weighted-average number of shares held by the Employee Benefit Trust.

Dividend

The Board have declared an interim dividend of 3.0 pence per share in respect of the period to 26 September 2025 (HY25: 3 pence). The interim dividend will be paid on 16th January 2026 to shareholders who are on the register of members, with an ex-dividend date of 11th December 2025 and a record date of 12th December 2025.

Capital expenditure

Capital expenditure in the period totalled £31.1m (HY25: £23.6m).

Retail capital expenditure was £10.3m (HY25: £12.2m), of which £4.9m (HY25: £6.8m) related to digital infrastructure and e-commerce, mainly focused on the development of the Group's websites. £5.4m (HY25: £4.8m) was invested in stores.

Autocentres capital expenditure was £20.8m (HY25: £11.4m) of which the majority (£16.7m) (HY25: £7.9m) was expenditure on property and garage equipment, including £7.8m supporting the rollout of the Fusion motoring services model. The remaining £4.1m (HY25: £3.5m) related to IT software expenditure on the development of Awayler and PACE, the garage workflow system.

Inventories

Group inventory held at the period end was £235.3m (HY25: £244.1m). The £8.8m reduction in inventory holding YoY reflects continued discipline around inventory management.

Retail inventory was £190.3m (HY25: £193.3m), a decrease of £3.0m YoY. Autocentres inventory was £45.0m (HY25: £50.8m), a decrease of £5.8m YoY.

Cashflow and borrowings

Net cash from operating activities during the period was £103.0m (HY25: £97.0m). After capital expenditure, net finance costs, supplier financing and lease payments, a free cash inflow of £27.6m (HY25: £28.1m) was generated in the period. The decrease in free cashflow of £0.5m from HY25 is due to an increase in capital expenditure and the payment of a colleague bonus in relation to FY25 which had not occurred in the previous year, offset by a decrease in lease payments, a gain on disposal of leases in the period and strong working capital management.

Group net debt, including IFRS 16 lease debt, was £232.7m at the balance sheet date (HY25: £276.5m) consisting of £18.8m of cash (HY25: £78.6m), £nil bank overdrafts (HY25: (£43.5m)), £nil in relation to the Group's revolving credit facility (HY25: (£33.7m)), (£0.2m) of other borrowings (HY25: (£0.1m)) and (£251.3m) of lease liabilities (HY25: (£277.8m)). Excluding lease debt, and notwithstanding the reinstatement of a colleague bonus relating to FY25 and an increase in the final dividend YoY, Group net cash improved by £17.3m to £18.6m (HY25: net cash of £1.3m).

The Group's borrowing facility is a committed £180m revolving credit facility, of which £20.0m is designated as an overdraft facility. On 11 August 2025 a one-year extension option was exercised taking the expiry date to 16 April 2029.

Principal Risks and Uncertainties

The Board considers risk assessment, identification of mitigating actions and internal control to be fundamental to achieving Halfords' strategic corporate objectives. In the Annual Report & Accounts the Board sets out what it considers to be the principal commercial and financial risks to achieving the Group's objectives. The main areas of potential risk and uncertainty in the financial year are described in the Strategic Report on pages 61 to 68 of the Halfords Group plc Annual Report and Accounts for the period ending 28 March 2025 and all are considered relevant to the HY26 reporting. These include:

- Business Strategy
 - Technology transformation capability and capacity
 - Customer proposition and relevance
- Financial
 - Macroeconomic volatility
- Compliance
 - Regulatory and compliance

- Cybersecurity
- Operational
 - Culture/colleague engagement and skills
 - Disruption to end to end supply chain
 - Health and safety

Jo Hartley
Chief Financial Officer
26 November 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, of which some are shown on Page 1. 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.

	HY26 £m	HY25 £m
Underlying EBIT	26.4	26.4
Depreciation & Amortisation	63.1	63.0
Underlying EBITDA	89.5	89.4

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 Cash 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:

	HY26 £m	HY25 £m
Cash and cash equivalents	18.8	78.6
Borrowings – current	(0.2)	(43.6)
Borrowings – non-current	-	(33.7)
Net Cash	18.6	1.3

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:

	HY26 £m	HY25 £m
Net cash from operating activities	103.0	97.0
Less:		
Capital expenditure	(30.8)	(22.0)
Net finance costs	(3.9)	(4.7)
Lease payments	(40.7)	(42.2)
Free Cash Flow	27.6	28.1

Halfords Group plc Condensed consolidated income statement

For the 26 weeks to 26 September 2025

	26 weeks to 26 September 2025	26 weeks to 27 September 2024	52 weeks to 28 March 2025
	Unaudited	Unaudited	Audited
Notes	£m	£m	£m

Revenue	6, 7	893.3	864.8	1,715.2
Cost of sales		(434.1)	(437.3)	(846.1)
Gross profit		459.2	427.5	869.1
Operating expenses		(433.0)	(401.1)	(820.3)
Other income		0.2	-	0.7
Operating profit before non-underlying items		26.4	26.4	49.5
Net non-underlying items	8	(4.0)	(3.2)	(68.4)
Profit/(loss) from operating activities		22.4	23.2	(18.9)
Net Finance Expense	9	(5.2)	(5.4)	(11.1)
Profit before tax and non-underlying items		21.2	21.0	38.4
Non-underlying items	8	(4.0)	(3.2)	(68.4)
Profit/(loss) before tax		17.2	17.8	(30.0)
Tax on underlying items	10	(4.4)	(4.4)	(8.4)
Tax on non-underlying items	8	1.0	0.7	4.6
Total profit/(loss) for the period		13.8	14.1	(33.8)
Attributable to:				
Equity shareholders		14.0	14.2	(33.6)
Non-controlling interest		(0.2)	(0.1)	(0.2)
Total profit/(loss) for the period		13.8	14.1	(33.8)
Earnings per share				
Basic earnings per share	12	6.5p	6.5p	(15.4)p
Diluted earnings per share	12	6.3p	6.3p	(15.4)p
Basic underlying earnings per share	12	7.9p	7.6p	13.8p
Diluted underlying earnings per share	12	7.6p	7.4p	13.2p

Halfords Group plc
Condensed Consolidated Statement of Comprehensive Income
For the 26 weeks to 26 September 2025 (Unaudited)

	26weeks to 26 September 2025	26weeks to 27 September 2024	52weeks to 28 March 2025
	£m	£m	£m
	Unaudited	Unaudited	Audited
Profit/(loss) for the period	13.8	14.1	(33.8)
Other comprehensive loss			
Cash flow hedges:			
Fair value changes in the period	(4.3)	(4.8)	0.1
Income tax credit/(charge) on other comprehensive loss	0.8	0.8	(0.2)
Other comprehensive expense for the period, net of income tax	(3.5)	(4.0)	(0.1)
Total comprehensive income/(expense) for the period	10.3	10.1	(33.9)
Attributable to:			
Equity shareholders	10.5	10.2	(33.7)
Non-controlling interest	(0.2)	(0.1)	(0.2)
Total comprehensive income/(expense) for the period	10.3	10.1	(33.9)

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

The notes on pages 17 to 28 form part of these condensed consolidated financial statements.

Halfords Group plc
Condensed Consolidated Statement of Financial Position
As at 26 September 2025 (Unaudited)

26 September 2025	27 September 2024	28 March 2025
Unaudited	Unaudited	Audited

	Notes	£m	£m	£m
Assets				
Non-current assets				
Intangible assets	13	431.0	482.8	432.7
Property, plant and equipment	13	98.1	89.2	91.7
Right-of-use assets	13	226.6	253.3	242.3
Derivative financial instruments	15	0.3	-	0.3
Trade and other receivables		1.8	2.2	2.5
Deferred tax asset		7.2	5.0	7.3
Total non-current assets		765.0	832.5	776.8
Current assets				
Inventories		235.3	244.1	225.2
Trade and other receivables		151.9	158.5	153.7
Current tax asset		-	8.3	0.6
Derivative financial instruments	15	0.6	0.1	-
Cash and cash equivalents	14	18.8	78.6	19.1
Total current assets		406.6	489.6	398.6
Total assets		1,171.6	1,322.1	1,175.4
Liabilities				
Current liabilities				
Borrowings	14	(0.2)	(43.6)	(0.2)
Lease liabilities		(74.5)	(68.7)	(78.6)
Derivative financial instruments and options	15	(2.6)	(4.9)	(0.8)
Trade and other payables		(386.2)	(382.4)	(357.1)
Current tax liabilities		(2.5)	-	(3.2)
Provisions		(15.7)	(11.7)	(15.4)
Total current liabilities		(481.7)	(511.3)	(455.3)
Net current liabilities		(75.1)	(21.7)	(56.7)
Non-current liabilities				
Borrowings	14	-	(33.7)	(8.8)
Lease liabilities		(176.8)	(209.1)	(192.8)
Derivative financial instruments and options	15	(4.3)	(1.3)	(3.9)
Trade and other payables		(2.5)	(3.7)	(3.4)
Provisions		(10.4)	(9.5)	(10.9)
Total non-current liabilities		(194.0)	(257.3)	(219.8)
Total liabilities		(675.7)	(768.6)	(675.1)
Net assets		495.9	553.5	500.3
Shareholders' equity				
Share capital	16	2.2	2.2	2.2
Share premium	16	212.4	212.4	212.4
Investment in own shares		(6.5)	(2.2)	(1.6)
Other reserves		0.3	(2.9)	0.7
Retained earnings		287.5	344.1	286.4
Total equity attributable to equity holders of the Company		495.9	553.6	500.1
Non-controlling interest		-	(0.1)	0.2
Total equity		495.9	553.5	500.3

The notes on pages 17 to 28 form part of these condensed consolidated financial statements.

Halfords Group plc
Condensed Consolidated Statement of Changes in Shareholders' Equity
For the 26 weeks to 26 September 2025 (Unaudited)

	Attributable to the equity holders of the Company						Total shareholders equity £m	Non-controlling interest £m	Total equity £m
	Share capital £m	Share premium account £m	Investment in own shares £m	Other reserves		Retained earnings £m			
				Capital redemption reserve £m	Hedging reserve £m				
Closing balance at 28 March 2025	2.2	212.4	(1.6)	0.3	0.4	286.4	500.1	0.2	500.3
Total comprehensive income/(expense) for the period									
Profit for the period	-	-	-	-	-	14.0	14.0	(0.2)	13.8
Other comprehensive loss									
Cash flow hedges:									
Fair value changes in the period	-	-	-	-	(4.3)	-	(4.3)	-	(4.3)
Income tax on other comprehensive loss	-	-	-	-	0.8	-	0.8	-	0.8
Total other comprehensive loss for the period net of tax	-	-	-	-	(3.5)	-	(3.5)	-	(3.5)
Total comprehensive (expense)/income for the period	-	-	-	-	(3.5)	14.0	10.5	(0.2)	10.3

Hedging gains and losses transferred to the cost of inventory	-	-	-	-	3.1	-	3.1	-	3.1
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Transactions with owners

Purchase of own shares	-	-	(6.0)	-	-	-	(6.0)	-	(6.0)
Share options exercised	-	-	1.1	-	-	(1.1)	-	-	-
Share-based payment transactions	-	-	-	-	-	0.8	0.8	-	0.8
Dividends to equity holders	-	-	-	-	-	(12.6)	(12.6)	-	(12.6)
Total transactions with owners	-	-	(4.9)	-	-	(12.9)	(17.8)	-	(17.8)
Balance at 26 September 2025	2.2	212.4	(6.5)	0.3	-	287.5	495.9	-	495.9

Halfords Group plc
Condensed Consolidated Statement of Changes in Shareholders' Equity (continued)

For the 26 weeks to 26 September 2025 (Unaudited)

	Attributable to the equity holders of the Company						Total shareholders equity £m	Non-controlling interest £m	Total equity £m
	Share capital £m	Share premium account £m	Investment in own shares £m	Capital redemption reserve £m	Hedging reserve £m	Retained earnings £m			
Closing balance at 29 March 2024	2.2	212.4	(1.0)	0.3	(0.3)	340.2	553.8	-	553.8
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	14.2	14.2	(0.1)	14.1
Other comprehensive loss									
Cash flow hedges:									
Fair value changes in the period	-	-	-	-	(4.8)	-	(4.8)	-	(4.8)
Income tax on other comprehensive loss	-	-	-	-	0.8	-	0.8	-	0.8
Total other comprehensive loss for the period net of tax	-	-	-	-	(4.0)	-	(4.0)	-	(4.0)
Total comprehensive (expense)/income for the period	-	-	-	-	(4.0)	14.2	10.2	(0.1)	10.1
Hedging gains and losses transferred to the cost of inventory	-	-	-	-	1.1	-	1.1	-	1.1
Transactions with owners									
Purchase of own shares	-	-	(3.6)	-	-	-	(3.6)	-	(3.6)
Share options exercised	-	-	2.4	-	-	(1.7)	0.7	-	0.7
Share-based payment transactions	-	-	-	-	-	2.3	2.3	-	2.3
Dividends to equity holders	-	-	-	-	-	(10.9)	(10.9)	-	(10.9)
Total transactions with owners	-	-	(1.2)	-	-	(10.3)	(11.5)	-	(11.5)
Balance at 27 September 2024	2.2	212.4	(2.2)	0.3	(3.2)	344.1	553.6	(0.1)	553.5

Halfords Group plc
Condensed Consolidated Statement of Cash Flows

For the 26 weeks to 26 September 2025 (Unaudited)

	Notes	26 weeks to 26 September 2025 £m	26 weeks to 27 September 2024 £m	52 weeks to 28 March 2025 Audited £m
Cash flows from operating activities				

Profit after tax for the period, before non-underlying items		16.8	16.6	30.0
Non-underlying items after tax	8	(3.0)	(2.5)	(63.8)
Profit after tax for the period		13.8	14.1	(33.8)
Depreciation and impairment of property, plant and equipment	13	14.0	12.6	30.8
Amortisation and impairment of right-of-use assets	13	38.5	38.6	87.4
Amortisation and impairment of intangible assets	13	10.7	11.8	70.7
Net finance expense	9	5.2	5.6	11.1
Loss on disposal of property, plant and equipment		0.2	0.2	0.3
(Gain)/loss on disposal of leases		(1.2)	(0.2)	0.2
Equity-settled share-based payment transactions		0.8	2.3	3.9
Foreign exchange movement		1.2	4.3	3.5
Income tax expense	10	3.4	3.7	3.8
(Increase)/decrease in inventories		(8.9)	(8.0)	8.8
Decrease in trade and other receivables		1.6	2.6	8.8
Increase/(decrease) in trade and other payables		27.6	14.3	(9.1)
(Decrease)/increase in provisions		(0.2)	(2.3)	2.8
Income tax paid		(3.7)	(2.6)	5.5
Net cash from operating activities		103.0	97.0	194.7
Cash flows from investing activities				
Deferred consideration received/(paid)		0.6	(4.0)	(4.0)
Purchase of intangible assets		(8.9)	(11.7)	(21.3)
Purchase of property, plant and equipment		(21.9)	(10.3)	(31.9)
Net cash used in investing activities		(30.2)	(26.0)	(57.2)
Cash flows from financing activities				
Purchase of own shares		(6.0)	(3.6)	(3.6)
Proceeds from share options exercised		-	0.7	0.6
Finance income/(costs) received/(paid)		0.5	(0.1)	0.4
Draw down of borrowings	14	13.4	255.8	568.0
Repayment of borrowings	14	(22.0)	(242.2)	(579.4)
ROF transaction costs		(0.9)	(2.1)	(1.3)
Capitalised transaction costs		(0.4)	-	(1.4)
Interest paid on lease liabilities	9	(4.6)	(4.6)	(9.4)
Payment of capital element of leases	14	(40.7)	(42.2)	(87.1)
Payments related to supplier financing		(51.9)	(39.5)	(91.0)
Receipts related to supplier financing		52.1	39.5	89.9
Dividends paid		(12.6)	(10.9)	(17.4)
Net cash used in financing activities		(73.1)	(49.2)	(131.7)
Net (decrease)/increase in cash and bank overdrafts		(0.3)	21.8	5.8
Cash and cash equivalents at the beginning of the period		19.1	13.3	13.3
Cash and cash equivalents at the end of the period		18.8	35.1	19.1

The notes on pages 17 to 28 are an integral part of these condensed consolidated financial statements.

Halfords Group plc

Notes to the condensed consolidated interim financial statements

For the 26 weeks to 26 September 2025

1. General information and basis of preparation

The condensed consolidated interim financial statements of Halfords Group plc (the "Company") comprise the Company together with its subsidiary undertakings (the "Group").

The Company is a public limited company incorporated, domiciled and registered in England and Wales. Its registered office is Icknield Street Drive, Washford West, Redditch, Worcestershire, B98 0DE.

The Company is listed on the London Stock Exchange.

These condensed consolidated interim financial statements were approved by the Board of Directors on 26 November 2025.

2. Statement of compliance

The condensed consolidated interim financial statements for the 26 weeks to 26 September 2025 have been prepared in accordance with IAS 34 'Interim financial reporting' as adopted for use in the UK. They do not include all the information required for full annual financial statements and should be read in conjunction with the Annual Report and Accounts for the period ended 28 March 2025, which have been prepared in accordance with UK adopted international accounting standards.

The comparative figures for the financial period ended 28 March 2025 are not the Group's statutory accounts for that financial period. Those accounts have been reported on by the Group's auditors and delivered to the registrar of companies. The report of the auditor was (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.

3. Principal risks and uncertainties

The Directors consider that the principal risks and uncertainties which could have a material impact on the Group's performance in the remaining 26 weeks of the financial year remain the same as those stated on pages 61 to 68 of our Annual Report and Accounts for the period ended 28 March 2025, which are available on our website www.halfordscompany.com.

4. Material accounting policies

Going Concern

The directors have reviewed the current financial performance, liquidity and forecasts of the business. Further details of the assessment are provided on page 68 of our Annual Report and Accounts for the period ended 28 March 2025. The directors have updated the financial forecasts to reflect the actual performance of the business during the period covered by these condensed consolidated interim financial statements. Stress tests have been performed on these forecasts and no issues have been raised.

The Group has a committed £180.0m revolving credit facility, of which £20.0m is designated as an overdraft facility, at the date of approval of these financial statements, expiring on 16 April 2029.

Having reviewed current performance and forecasts, the Directors consider that the Group has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the condensed consolidated interim financial statements. The Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group has adequate resources to continue in operational existence and are compliant with all covenants for a period of at least 12 months from the date of approval of these financial statements.

Accounting Policies

As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed consolidated interim financial statements have been prepared by applying the accounting policies and presentation that were applied in the preparation of the Annual Reports and Accounts for the period ended 28 March 2025.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are the same as those set out in the Group's Annual Report and Accounts for the period ended 28 March 2025.

5. Estimates and judgements

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the 52-week period ended 28 March 2025 and the 26 weeks ended 26 September 2025.

6. Operating segments

The Group has two reportable segments, Retail and Autocentres, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different operational, technological and marketing strategies.

The operations of the Retail reporting segment comprise the retailing of automotive, leisure and cycling products and services through retail stores and online platforms. The operations of the Autocentres reporting segment comprise car servicing and repair performed from Autocentres, commercial vehicles, mobile customer vans through Halfords Mobile Expert and software as a service provision.

The Chief Operating Decision Maker has been identified as the Executive Directors. Internal management reports for each of the segments are reviewed by the Executive Directors on a monthly basis. Key measures used to evaluate performance are Revenue and Operating Profit. Management believe that these measures are the most relevant in evaluating the performance of the segment and for making resource allocation decisions.

The following summary describes the operations in each of the Group's reportable segments. Performance is measured based on segment operating profit, as included in the management reports reviewed by the Executive Directors. The segmental reporting disclosures are prepared in accordance with IFRS accounting policies.

All material operations of the reportable segments are carried out in the UK and Republic of Ireland and all material non-current assets are in the UK. The Group's revenue is driven by the consolidation of individual small value transactions and as a result Group revenue is not reliant on a major customer or group of customers.

			26 weeks to 26 September 2025 Total Unaudited £m
Income statement	Retail £m	Autocentres £m	
Revenue	533.2	360.1	893.3
Segment result before non-underlying items	20.6	8.1	28.7
Non-underlying items	(3.4)	(0.6)	(4.0)
Segment result	17.2	7.5	24.7
Unallocated expenses ¹			(2.3)
Operating profit			22.4
Net finance expense			(5.2)
Profit before tax			17.2
Taxation			(3.4)
Profit after tax			13.8
Products and services transferred at a point in time	499.1	350.8	849.9
Products and services transferred over time	34.1	9.3	43.4
Total Revenue	533.2	360.1	893.3

			26 weeks to 27 September 2024 Total Unaudited £m
Income statement	Retail £m	Autocentres £m	
Revenue	516.1	348.7	864.8
Segment result before non-underlying items	21.2	7.8	29.0
Non-underlying items	(1.8)	(1.4)	(3.2)
Segment result	19.4	6.4	25.8
Unallocated expenses ¹			(2.6)

Operating profit			23.2
Net finance expense			(5.4)
Profit before tax			17.8
Taxation			(3.7)
Profit after tax			14.1
Products and services transferred at a point in time	483.6	342.2	825.8
Products and services transferred over time	32.5	6.5	39.0
Total Revenue	516.1	348.7	864.8

			52 weeks to 28 March 2025 Total Audited £m
Income statement	Retail £m	Autocentres £m	
Revenue	1,004.9	710.3	1,715.2
Segment result before non-underlying items	39.0	15.7	54.7
Non-underlying items	(53.9)	(14.5)	(68.4)
Segment result	(14.9)	1.2	(13.7)
Unallocated expenses ¹			(5.2)
Operating loss			(18.9)
Net financing expense			(11.1)
Loss before tax			(30.0)
Taxation			(3.8)
Loss after tax			(33.8)
Products and services transferred at a point in time	929.3	695.1	1,624.4
Products and services transferred over time	75.6	15.2	90.8
Total Revenue	1,004.9	710.3	1,715.2

¹ Unallocated expenses have been disclosed to reflect the format of the internal management reports reviewed by the Chief Operating Decision Maker and include an amortisation charge of £2.3m in respect of assets acquired through business combinations (HY25: £2.6m FY25: £5.2m)

			26 weeks to 26 September 2025 Total Unaudited £m
Other segment items:	Retail £m	Autocentres £m	
Capital expenditure	10.3	20.8	31.1
Depreciation and impairment expense	7.6	6.1	13.7
Impairment of right-of-use asset	-	0.1	0.1
Amortisation of right-of-use asset	25.0	12.9	37.9
Amortisation expense	5.5	3.7	9.2

			26 weeks to 27 September 2024 Total Unaudited £m
Other segment items:	Retail £m	Autocentres £m	
Capital expenditure	12.2	11.4	23.6
Depreciation expense	6.3	6.0	12.3
Impairment of right-of-use asset	-	0.2	0.2
Amortisation of right-of-use asset	25.1	12.8	37.9
Amortisation expense	6.9	3.1	10.0

			52 weeks to 28 March 2025 Total Audited £m
Other segment items:	Retail £m	Autocentres £m	
Capital expenditure	25.5	27.2	52.7
Depreciation and impairment expense	15.5	14.6	30.1
Impairment of right-of-use asset	0.9	7.0	7.9
Amortisation of right-of-use asset	51.9	26.6	78.5
Amortisation expense	12.3	7.0	19.3
Impairment of intangible assets	47.9	-	47.9

There have been no significant transactions between segments in the 26 weeks ended 26 September 2025 (HY25: £nil).

7. Revenue

The Group's operations and main revenue streams are those described in the Annual Reports and Accounts for the period ended 28 March 2025. The Group's revenue is derived

from transactions with customers.

Revenue split by the Group's operating segments is shown in Note 6.

All significant revenue is recognised in the United Kingdom and Republic of Ireland.

8. Non-underlying items

	26 weeks to 26 September 2025 Unaudited £m	26 weeks to 27 September 2024 Unaudited £m	52 weeks to 28 March 2025 £m
Non-underlying operating expenses:			
Organisational restructure costs (a)	3.1	0.8	1.5
Closure costs (b)	0.9	1.5	14.9
Cloud migration costs (c)	-	0.9	2.9
Impairment of non-current assets	-	-	49.1
Non-underlying items before tax	4.0	3.2	68.4
Tax on non-underlying items (d)	(1.0)	(0.7)	(4.6)
Total non-underlying items	3.0	2.5	63.8

Non-underlying items are those items that are unusual because of their size, nature (one-off, non-trading costs) or incidence. Management considers that these items should be separately identified within their relevant income statement category to enable a full understanding of the Group's results.

Items reported within non-underlying items at HY25 have been aggregated by nature as described below to align with current period presentation.

(a) During the current period, organisational restructure costs include £3.1m (HY25: £0.6m) relating to the Warehouse Management System (WMS) replacement programme, as a result of technological and operational issues associated with the system's implementation. These issues have now been resolved. This item was presented separately in the prior period but is now included within organisational restructure costs for alignment of presentation. Costs in the prior period also includes £0.2m of redundancy costs incurred as part of a change in the Group's operating model.

(b) Closure costs represent costs associated with the closure of a number of stores and garages following a strategic review of the profitability of the Group's physical estate in previous periods, and the closure of the Group's tyre wholesale operations. In the current period, the amount primarily reflects property-related adjustments, including lease settlements and provision movements, together with sublet income. In the prior period, costs of £1.2m related to property expenses that could not be provided for. Property-related adjustments are expected to continue through the remainder of FY26 and in future periods, reflecting the unwind of associated lease obligations. The prior period balance also reflects £0.3m relating to the garage transformation programme, which was previously presented as a separate line item.

(c) Cloud migration costs in the prior year relate to the migration of servers from co-located datacentres to the cloud. Costs included expenses associated with managing this transition and the dual running of the existing co-located servers and new Cloud-based solution.

(d) The tax credit in HY26 represents a tax rate of 25.3% applied to non-underlying items (HY25: Credit, 24.0%, FY25: Credit 12.8%). The effective tax rate differs from the UK corporation tax rate (25%) principally due to residual costs in relation to the disposal of the tyre supply chain business during FY26.

9. Net finance expense

	26 weeks to 26 September 2025 Unaudited £m	26 weeks to 27 September 2024 Unaudited £m	52 weeks to 28 March 2025 £m
Finance Income:			
Bank Interest	0.6	0.6	0.9
Finance costs:			
Bank borrowings	-	(0.6)	(0.5)
Amortisation of issue costs on loans	(0.3)	(0.3)	(0.6)
Commitment and guarantee fees	(0.7)	(0.7)	(1.3)
Supplier financing expense	(0.2)	-	(0.2)
Interest payable on lease liabilities	(4.6)	(4.4)	(9.4)
Finance costs before non-underlying items	(5.8)	(6.0)	(12.0)
Net finance expense before non-underlying items	(5.2)	(5.4)	(11.1)
Finance costs in non-underlying items	-	(0.2)	-
Net finance expense	(5.2)	(5.6)	(11.1)

10. Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year, applied to the pre-tax income of the interim period.

The taxation charge on profit for the financial period was £3.4m (HY25: £3.7m), including a £1.0m credit (HY25: £0.7m credit) in respect of non-underlying items. The effective tax rate of 19.7% (HY25: 20.6%) differs from the UK corporation tax rate (25%) principally due to the recognition of tax losses in the year through deferred taxes and a prior period adjustment in relation to historic tax balances.

The corporation tax rate remained at 25%, effective from 1 April 2023. The deferred tax asset in the period has been calculated based on the headline rate of 25%.

Pillar Two legislation, which introduced a global minimum effective tax rate of 15%, has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation is effective for the Group's financial year 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 2 income taxes.

11. Dividends

The Directors paid a final dividend of 5.8 pence per share on 12th September 2025 in respect of the financial period ended 28 March 2025 (FY24: 5p per share).

The Directors have declared an interim dividend for the 26 weeks to 26 September 2025 of 3 pence per share (HY25: 3p per share). The interim dividend will be paid on 16th January 2026 to shareholders who are on the register of members, with an ex-dividend date of 11th December 2025 and a record date of 12th December 2025.

12. 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 26 weeks to 26 Sept 2025.

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

	26 weeks to 26 September 2025 Unaudited Number m	26 weeks to 27 September 2024 Unaudited Number m	52 weeks to 28 March 2025 Number m
Weighted average number of shares in issue	218.9	218.9	218.9
Less: shares held by the Employee Benefit Trust	(2.6)	(0.8)	(1.0)
Weighted average number of shares for calculating basic earnings per share	216.3	218.1	217.9
Weighted average number of dilutive share options	7.0	6.0	9.5
Weighted number of shares for calculating diluted earnings per share	223.3	224.1	227.4

In the 52 weeks to 28 March 2025, potentially dilutive shares would be anti-dilutive and have therefore not been taken into account in the calculation of diluted earnings per share.

	26 weeks to 26 September 2025 Unaudited £m	26 weeks to 27 September 2024 Unaudited £m	52 weeks to 28 March 2025 £m
Earnings/(loss) from total operations	14.0	14.1	(33.6)
Non-underlying items after tax	3.0	2.5	63.8
Total earnings before non-underlying items	17.0	16.6	30.2

	26 weeks to 26 September 2025 Unaudited	26 weeks to 27 September 2024 Unaudited	52 weeks to 28 March 2025
Basic earnings per share	6.5p	6.5p	(15.4)p
Diluted earnings per share	6.3p	6.3p	(15.4)p
Basic earnings per ordinary share before non-underlying items	7.9p	7.6p	13.8p
Diluted earnings per ordinary share before non-underlying items	7.6p	7.4p	13.2p

The alternative measure of underlying earnings per share is provided as it reflects the Group's underlying performance by excluding the effect of non-underlying items.

13. Capital Expenditure – Tangible, intangible & right-of-use assets

	Tangible and Intangible Assets Unaudited £m	Right-of-use assets Unaudited £m
Net book value at 28 March 2025	524.4	242.3
Additions	30.0	21.9
Disposals	(0.2)	0.1
Reclassification	(0.4)	-
Effect of modification of lease	-	0.8
Depreciation, amortisation and impairment	(24.7)	(38.5)
Net book value at 26 September 2025	529.1	226.6

Tangible and
Intangible Assets
Unaudited

Right-of-use
assets
Unaudited

	£m	£m
Net book value at 29 March 2024	573.4	278.3
Additions	23.2	13.6
Disposals	(0.2)	(0.2)
Effect of modification of lease	-	0.2
Depreciation, amortisation and impairment	(24.4)	(38.6)
Net book value at 27 September 2024	572.0	253.3

	Tangible and Intangible Assets Unaudited £m	Right-of-use assets Unaudited £m
Net book value at 29 March 2024	573.4	278.3
Additions	52.7	49.7
Disposals	(5.5)	-
Reclassification	-	(0.8)
Effect of modification of lease	-	4.5
Depreciation, amortisation and impairment	(96.2)	(89.4)
Net book value at 28 March 2025	524.4	242.3

14. Analysis of Movements in the Group's Net Debt in the Period

	At 28 March 2025 £m	Cash Flow Unaudited £m	Other non-cash changes Unaudited £m	At 26 September 2025 Unaudited £m
Cash and cash equivalents	19.1	(0.3)	-	18.8
Bank Overdrafts	-	-	-	-
Cash and cash equivalents (condensed consolidated statement of cash flows)	19.1	(0.3)	-	18.8
Debt due in less than one year	(0.2)	-	-	(0.2)
Debt due after one year	(8.8)	8.6	0.2	-
Total net cash excluding leases	10.1	8.3	0.2	18.6
Current lease liabilities	(78.6)	45.3	(41.2)	(74.5)
Non-current lease liabilities	(192.8)	-	16.0	(176.8)
Total lease liabilities	(271.4)	45.3	(25.2)	(251.3)
Total net debt	(261.3)	53.6	(25.0)	(232.7)

Non-cash changes comprise finance costs in relation to the amortisation of capitalised debt issue costs of £0.3m (HY25: £0.3m), and movements in leases.

Cash and cash equivalents at the period end consist of £18.2m (HY25: £77.9m) of liquid assets, £0.6m (HY25: £0.7m) of cash held in Trust and £Nil (HY25: £43.5m) of bank overdrafts. The Group recognises BACS payments on the day that the payments are processed with the respective banks. This resulted in a large bank overdraft balance at 27th September 2024 as the funds used to clear these payments were transferred after the period end from deposit accounts outside of the Group's cash pooling arrangements and therefore did not meet the requirements for offsetting under IAS 1.

Cashflow movements in debt relate to the draw down of funds from the Groups' revolving credit facility and payments in relation to lease liabilities.

	At 29 March 2024 £m	Cash Flow Unaudited £m	Other non-cash changes Unaudited £m	At 27 September 2024 Unaudited £m
Cash and cash equivalents	13.3	21.8	43.5	78.6
Bank Overdrafts	-	-	(43.5)	(43.5)
Cash and cash equivalents (condensed consolidated statement of cash flows)	13.3	21.8	-	35.1
Debt due in less than one year	(1.8)	1.7	-	(0.1)
Debt due after one year	(19.6)	(13.6)	(0.5)	(33.7)
Total net (debt)/cash excluding leases	(8.1)	9.9	(0.5)	1.3
Current lease liabilities	(79.1)	46.8	(36.4)	(68.7)
Non-current lease liabilities	(228.1)	-	19.0	(209.1)
Total lease liabilities	(307.2)	46.8	(17.4)	(277.8)
Total net debt	(315.3)	56.7	(17.9)	(276.5)

Non-cash changes comprise finance costs in relation to the amortisation of capitalised debt issue costs of £0.3m (HY24: £0.6m), and new leases in the period.

Cash and cash equivalents at the period end consist of £77.9m (HY24: £15.0m) of liquid assets, £0.7m (HY24: £1.2m) of cash held in Trust and £43.5m (HY24: £10.9m) of bank overdrafts. The Group recognises BACS payments on the day that the payments are processed with the respective banks. This has resulted in a large bank overdraft balance at 27th September 2024 as the funds used to clear these payments were transferred after the period end from deposit accounts outside of the Group's cash pooling arrangements and therefore did not meet the requirements for offsetting under IAS 1.

Cashflow movements in debt relate to the draw down of funds from the Groups' revolving credit facility and payments in relation to lease liabilities.

15. Financial Instruments and Related Disclosures

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

26 September 2025 Unaudited	Fair Value – hedging instruments £m	Amortised cost £m	Total carrying amount £m
Financial assets measured at fair value			
Derivative financial instruments used for hedging	0.9	-	0.9
	0.9	-	0.9
Financial assets not measured at fair value			
Trade and other receivables*	-	102.1	102.1
Cash and cash equivalents	-	18.8	18.8
	-	120.9	120.9
Financial liabilities measured at fair value			
Derivative financial instruments used for hedging	(3.0)	-	(3.0)
	(3.0)	-	(3.0)
Financial liabilities not measured at fair value			
Borrowings	-	(0.2)	(0.2)
Lease liabilities	-	(251.3)	(251.3)
Trade and other payables**	-	(324.9)	(324.9)
Option to acquire minority interest in subsidiary***	-	(3.9)	(3.9)
	-	(580.3)	(580.3)

* Prepayments of £13.4m and accrued income of £38.2m are not included as a financial asset

** Other taxation and social security payables of £45.8m, deferred income £16.4m and other payables of £1.6m are not included as a financial liability

*** Option held by minority interest to require the Group to repurchase shares in Avayler Trading Limited should certain conditions be met.

27 September 2024 Unaudited	Fair Value – hedging instruments £m	Amortised Cost £m	Total carrying amount £m
Financial assets measured at fair value			
Derivative financial instruments used for hedging	0.1	-	0.1
	0.1	-	0.1
Financial assets not measured at fair value			
Trade and other receivables*	-	104.0	104.0
Cash and cash equivalents	-	78.6	78.6
	-	182.6	182.6
Financial liabilities measured at fair value			
Derivative financial instruments used for hedging	(6.2)	-	(6.2)
	(6.2)	-	(6.2)
Financial liabilities not measured at fair value			
Borrowings	-	(77.3)	(77.3)
Lease liabilities	-	(277.8)	(277.8)
Trade and other payables**	-	(320.6)	(320.6)
	-	(675.7)	(675.7)

* Prepayments of £12.5m and accrued income of £44.2m are not included as a financial asset.

** Other taxation and social security payables of £37.8m, deferred income of £12.5m and other payables of £15.2m are not included as a financial liability.

28 March 2025	Fair Value – hedging instruments £m	Amortised cost £m	Total carrying amount £m
Financial assets measured at fair value			
Derivative financial instruments used for hedging	0.9	-	0.9
	0.9	-	0.9
Financial assets not measured at fair value			
Trade and other receivables*	-	96.1	96.1
Cash and cash equivalents	-	19.1	19.1
	-	115.2	115.2
Financial liabilities measured at fair value			
Derivative financial instruments used for hedging	(0.8)	-	(0.8)
	(0.8)	-	(0.8)
Financial liabilities not measured at fair value			
Borrowings	-	(9.0)	(9.0)
Lease liabilities	-	(271.4)	(271.4)
Trade and other payables**	-	(293.0)	(293.0)
Option to acquire minority interest in subsidiary***	-	(3.9)	(3.9)

-	(577.3)	(577.3)
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* Prepayments of £13.5m, accrued income of £45.9m and finance sublease receivable of £0.7m are not included as a financial asset

** Other taxation and social security payables of £43.4m, other payables of £0.4m, deferred income due within one year of £20.3m and due after more than one year of £3.4m are not included as a financial liability

*** Option held by minority interest to require the Group to repurchase shares in Avayler Trading Limited should certain conditions be met.

Measurement of fair values

The fair values of each class of financial assets and liabilities is the carrying amount, based on the following assumptions:

Trade receivables, trade payables and lease obligations, short-term deposits and borrowings	The fair value approximates to the carrying amount because of the short maturity of these instruments.
Long-term borrowings	The fair value of bank loans and other loans approximates to the carrying value reported in the statement of financial position as the majority are floating rate where payments are reset to market rates at intervals of less than one year.
Forward currency contracts	The fair value is determined using the market forward rates at the reporting date and the outright contract rate.

Financial instruments carried at fair value are required to be measured by reference to the following levels:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial instruments carried at fair value have been measured by a Level 2 valuation method. There have been no changes to classifications in the current or prior period.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group does not have any individually significant customers and so no significant concentration of credit risk. The majority of the Group's sales are paid in cash at point of sale which further limits the Group's exposure. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period for customers. There are no material trade receivable balances with customers based outside of the United Kingdom.

The Group has taken into account the historic credit losses incurred on trade receivables and adjusted it for forward looking estimates. The movement in the allowance for impairment in respect of trade receivables during the period was £0.5m (HY25: £0.5m).

16. Share capital

	Number of shares m	Share capital £m	Share premium account £m
As at 28 March 2025 and 26 September 2025	218.9	2.2	212.4

During the 26 weeks to 26 September 2025 and 27 September 2024, there were no movements in company share capital.

17. Related party transactions

The key management personnel of the Group comprise the Executive and Non-Executive Directors and the Halfords Limited and Halfords Autocentres management boards. The details of the remuneration, long-term incentive plans, shareholdings and share option entitlements of individual Directors are included in the Directors' Remuneration Report on pages 106 to 122 of the Group Annual Report and Accounts for the period ended 28 March 2025.

During the period no share options (HY25: none) were granted to directors in relation to the Performance Share Plan ("PSP") and 183,703 share options (HY25: none) were granted in relation to the Deferred Bonus Plan ("DBP").

Responsibility statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK;
- the interim management report includes a fair review of the information required by:
 - a. DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b. DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Jo Hartley, Chief Financial Officer

INDEPENDENT REVIEW REPORT TO HALFORDS GROUP PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 26 September 2025 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 26 September 2025 which comprises condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in shareholders' equity, the condensed consolidated statement of cash flows and the related notes.

Basis for conclusion

We conducted our review in accordance with the International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London, UK
26 November 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

^[1] Retail c.60% of Group sales, Autocentres c.40%. Motoring across both segments c.80% of Group sales with Cycling the remaining 20%.

^[2] Autocentres ex-Avayler.

^[3] Net cash excluding IFRS 16 lease debt.

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

^[5] Company-compiled consensus indicates FY26 underlying FBT between £36.0m and £40.7m.

^[6] $ROCE = EBIT \text{ (post-IFRS 16 leases and excluding non-underlying items)} / \text{average capital employed (calculated as post-IFRS16 net assets excluding goodwill, plus net debt)}$.

^[7] Outlook commentary is based on a comparable 52-week year; FY26 will include a 53rd week of trading.

^[8] Company-compiled consensus indicates FY26 underlying FBT between £36.0m and £40.7m.

^[9] Net cash stated excluding IFRS 16 leases.

Dissemination of a Regulatory Announcement, transmitted by [EQS Group](#).

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ISIN: GB00B012TP20

Category Code: IR

TIDM: HFD

LEI Code: 54930086FKBWWJIOBI79

Sequence No.: 409522

EQS News ID: 2236516

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