

# Investment Case

## FIVE REASONS TO INVEST

1

### Scaled and growing business

Halfords has 797 locations in the UK; from Retail stores, to Autocentres, Performance Cycling stores and our fleet of Halfords Mobile Expert vans. We continue to invest in our business, both the physical and online estate, ensuring that we are fit for the future and making us even more relevant and convenient for our customers.

2

### Operating in established markets

Halfords has a strong position in well established markets with good long-term growth prospects. Our growth in key markets, such as E-Bikes, is well above the market rate, strengthening our position as market leaders as we gain share from our competitors. Through innovation, new products and new services, the markets in which we operate are continuing to grow. Continued investment in these means we are able to remain relevant to our customers.

3

### Strong balance sheet and cash generative

Halfords Group ends the year in a strong financial position with a healthy balance sheet and remains cash generative. Free Cash Flow, in line with our medium-term financial targets, remains in growth in the year.

4

### Consistent dividend returns

Our strong financial position has meant that Halfords has consistently maintained its progressive dividend policy, with 3% growth in the ordinary dividend per year. The growth in Free Cash Flow in the year, continues to support the dividend.

5

### Net Debt

Group Net Debt of 0.8x EBITDA in FY19, remains below the 1.0x target. This target ranges up to 1.5x for appropriate M&A

## SHARE PRICE CHART

