

Our Business Model

Effective utilisation of our resources and relationships are an integral part of our plan to drive long-term sustainable growth

Our model is underpinned by our financial discipline, astute purchasing and strategic investments.

Resources and relationships

Colleagues

Training and accreditation, such as our 3-Gears training programme in Retail or our electric / hybrid vehicle maintenance training in Autocentres, ensures that consistent product knowledge and service reaches our customers across all locations.

Partners

Halfords is proud to work with distributors and other industry partners to drive our business forward, supporting the sale of our products and services and enabling us to work with communities across the UK.

Brand

Halfords is the nations go-to-retailer for motorists and cyclists. We have a range of exclusive and highly-regarded brands, including Apollo, Carrera and Boardman in Cycling, as well as our Halfords Advanced ranges in Motoring.

What we do



How we do it



Motoring

Offer car parts, accessories, consumables and technology to our customers meaning we are a destination for customers who want any assistance with their cars.

Autocentres

Provide trusted and specialist car services, MOT and repairs.

Cycling

Lead the market in selling bicycles, parts, accessories and clothing. Our colleagues are highly trained and provide customers with expert knowledge and advice.



Read more in Group at a Glance on page 04

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Inspire

- **Inspire** our customers through a differentiated, super-specialised shopping experience.
- Become a super-specialist, increasing our core motoring and cycling products.
- Lead and differentiate our markets with customer-led innovation.
- Improve our customer shopping journey online and in-store bringing Halfords products and services together.



Read more about 'Inspire' on page 25

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Support

- **Support** our customers through an integrated, unique and more convenient services offer.
- Unify our services identity across the Group
- Improve services for our customers via a unique and more convenient proposition combining physical estate with online and mobile services



Read more about 'Support' on page 26

What makes Halfords Group different

A scaled 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.

Strong heritage and brand awareness

Halfords is a household-name retailer with 125 years of heritage and a strong brand. Our products and services – such as our WeFit offer – are well established and have high awareness across the UK.

Engaged colleagues

Our colleagues are at the heart of our business and have passion, dedication and a "can do" attitude making them the driving force behind our success as a business. Colleagues benefit from great training through our Gears programme and we continue to invest in them, ensuring they can deal with the latest industry products and services.

Our integrated approach to sustainability keeps economic, social and environmental considerations in mind, as well as the material issues of our stakeholder groups to inform our model and operations.



Infrastructure/Assets

Our estate of convenient Retail stores, Autocentres and mobile vans combined with our efficient distribution network.

Financial

Given the prudent balance sheet and cash generative nature of the business means that over the years we have invested in appropriate systems, capabilities and people that help support and grow our business.



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Lifetime

- Enabling a **lifetime** of motoring and cycling.
- Grow our business via the acquisition of new customers, harnessing the scale of the Group
- Drive customer loyalty and retention via loyalty programmes optimising lifetime value and advocacy

Read more about 'Lifetime' on page 27

We make four promises to our customers:

- Fair pricing**
- Range you can rely on**
- Quality you can trust**
- Service that differentiates**



Customer journey

Many customers take advantage of our Click & Collect offer, placing orders online via our website and picking up from a designated store at a time which is convenient to them, driving positive store footfall.

➔ Outputs

Long-term value creation

Colleagues

Developing, rewarding and investing in our c.10,200 colleagues so that they are engaged and driving our long-term sustainable growth ambitions.

Read more about our colleagues on pages 34 to 37

Community

Building relationships with suppliers, customers and the communities around us.

Read more on pages 38 to 39

Brand

Developing our brand through innovation and expertise.

Infrastructure/Assets

Maintaining and developing our infrastructure and sales channels to strengthen competitive advantages.

Financial

Generating good returns to our shareholders through effective management of our financial resources.

Read the Chief Financial Officer's Report on pages 44 to 49

Environmental

The environmental resources that Halfords utilises in its operations.

Read more on pages 40 to 41

This icon is used to indicate content on the outputs of the business model.