

# Our Business Model

**We have a clear plan to drive long-term sustainable growth.**

We will do this through the effective use of our resources and relationships.

## FINANCIAL CAPITAL

Generating returns for our stakeholders through effective management of our financial resources.

## HUMAN CAPITAL

Developing, rewarding and retaining our c.11,000 colleagues so that they are engaged and driving our long-term sustainable growth ambitions.

## SOCIAL & RELATIONSHIP CAPITAL

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

## INTELLECTUAL CAPITAL

Developing our brand through innovation and expertise.

## MANUFACTURED CAPITAL

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

Through the *expertise* of our partners and *well-trained* colleagues...

Training and accreditation such as our 3-Gears training programme, ensures that consistent product knowledge and service reaches our customers across all our locations.

MANUFACTURED CAPITAL

INTELLECTUAL CAPITAL

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.

See more on [our sustainability and stakeholder policies](#) on pages 51 to 53

...to *delight* our customers every time.

We aim to grow our business by attracting more customers, encouraging them to buy more products and services, and persuading them to visit our stores and autocentres more often. To do this we make four promises:

**Prices you can trust**

**Quality you can trust**

**Range you can rely on**

**Service that wows**





**We are able to *leverage* the halfords brand and the brands of our partners...**

Halford's is the nation's go-to retailer for cyclists and motorists. We have a range of exclusive and highly-regarded brands including *Boardman*, *Apollo* and *Carrera* in cycling, as well as our Halfords Advanced ranges in motoring.

HUMAN CAPITAL

SOCIAL & RELATIONSHIP CAPITAL

**Our model is underpinned by our *financial discipline, astute purchasing* and *strategic reinvestments***

We are a cash generative business and have generated £45.4m of free cash flow in the year. We are well supported by our banking syndicate, having amended the debt facility in 2014 and extending it to November 2019.

FINANCIAL CAPITAL

**Through our portfolio of *convenient* stores and centres, *efficient* distribution network and *user-friendly* websites...**

We want to create a compelling shopping experience that excites customers, improves their knowledge of our products and services, and engages them emotionally with our brand. Our ambition is to create a service-led, fully integrated digital proposition which will maintain our ongoing relevance.

INTELLECTUAL CAPITAL

MANUFACTURED CAPITAL