

Race to buy Evans Halshaw and Stratstone group hots up as rival bidders raise offer to almost £450m

The owner of the Evans Halshaw and Stratstone car dealerships and Carstore online shop has received a fresh acquisition bid valuing the business at almost £450 million.

[Nottingham-based Pendragon](#) said it had received a second unsolicited joint approach from PAG International – which owns the prestige Sytner chain – and Sweden’s Hedin Mobility Group. It said the two had offered 32p a share, upping a 28p a share bid they made on Wednesday.

While Pendragon [“unanimously rejected” the bid](#), it said it would put the new offer to its shareholders.

A statement to the London Stock Exchange said: “There can be no certainty that any firm offer will be made, nor to the terms of any such offer. Shareholders are advised to take no action at this time.”

Pendragon shares jumped 12 per cent following the news to 30p. They were 18p 10 days ago.

The news comes days after Pendragon said it was working on plans to sell Evans Halshaw, Stratstone and CarStore to America’s biggest motor retailer, Lithia Motors, in a £250 million deal.

Pendragon is also planning a partnership to roll out its dealer management software arm, Pinewood, to Lithia’s 50 UK sites and North American operations, which would bring in a further £30 million.

The combined deals would result in a dividend of around £240 million for shareholders.

The slimmed-down Pendragon would remain listed on the London Stock Exchange and change its name to Pinewood Technologies.

The board said the holders of some 28.8% of its share capital had “irrevocably committed” to vote in favour of the Lithia transaction.

Under market rules PAG and Hedin have until 5pm on October 18 to make a firm offer or stand down.

Pendragon reported sales of £3.6 billion in 2022, up from 3.45 billion the year before, and pre-tax profits of £45.5 million.

Leicester-based Sytner is the biggest automotive retail group in the UK, representing many of the world’s most prestigious brands. It has more than 100 dealerships nationwide and its portfolio ranges from Audi and BMW to Ferrari and Lamborghini.

Hedin has been growing its operations across Europe in recent years, buying Toyota and Mercedes dealerships in Belgium, and expanding in Switzerland where it is now the second biggest BMW and Mini dealership.