

Reduced stock availability pushes margins and profits up at Evans Halshaw, Stratstone and CarStore owner

The parent company behind big car showroom brands such as Evans Halshaw, Stratstone and CarStore has announced a big jump in revenues and profits.

Pendragon Plc said last year it made pre-tax profits of £83 million compared to £8.2 million the year before. Revenues for 2021 hit £3.45 billion, compared to £2.92 billion a year earlier.

The Nottingham-based group said it had cut costs during the pandemic to make savings of £121 compared to 2019, while new and used car sales were well up on 2020.

In its final results for the 2021 calendar year Pendragon said the first two months of 2022 had also been strong, with profits up on 2020 and the widely-reported lack of new and used car supplies pushing up the margins.

It said: "Both new and used margins are expected to reduce during the course of 2022 from extraordinary levels achieved in 2021."

The business said the shortage of new cars was expected to continue during 2022 while inflation, made worse by the war in Ukraine, would continue to impact on supply and costs.

Its Evans Halshaw business has more than 100 showrooms selling 11 makes of cars, vans and HGVs, including Citroen, Dacia, DAF, DS, Ford, Hyundai, Kia, Nissan, Peugeot, Renault and Vauxhall.

Meanwhile, Stratstone is one of the UK's biggest premium car retailers, with 46 franchises selling and servicing Aston Martin, BMW, Ferrari, Jaguar, Land Rover, Mercedes-Benz, MINI, Porsche, and Smart, as well as Harley-Davidson motorcycles.

Pendragon chief executive Bill Berman said: "We have delivered a really strong set of results, with positive contributions from all parts of our business.

"Late in 2020, we set out our new strategy to transform our operations and adapt to the fast-changing retail environment.

"Our focus since then has been on creating value through the delivery of this strategy and we are seeing the operational and financial benefits of this hard work in our results today.

"Our sector has experienced a unique set of trading conditions during the period and I am delighted with how we have performed in this environment.

"We have made the most of the favourable market dynamics to deliver record underlying profits and we have also reported a return to profit for CarStore, our relaunched, used car brand.

"We expect existing supply chain constraints to continue in the current year, and we are mindful of the potential for further disruption to new vehicle supply chains as a result of the conflict in Ukraine.

"Despite this, we have the right strategy in place and we expect to make positive progress towards our long-term goals this year."

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