

# Tough motors market blamed for collapse of £400m Evans Halshaw and Stratstone group bid

A £400 million bid to buy the Evans Halshaw and Stratstone car dealer group has collapsed.

[Sweden's Hedin Mobility Group](#) said it was no longer interested in buying [Nottingham-based Pendragon PLC](#) due to what it called the "challenging market conditions and uncertain economic outlook". However it said it could still make a bid at a later date.

Shares in Pendragon fell more than a quarter today, following the announcement, to around 21p. Back in September Hedin had said it was prepared to pay 29p a share for the business.

In a statement Pendragon said: "The board remains confident about the long-term prospects of Pendragon.

"This process has highlighted the value of Pendragon and the Board will continue to explore opportunities to maximise value for its shareholders.

"As announced on 25 October 2022, there is a clear path to deliver the strategy to transform automotive retail through digital innovation and operational excellence.

"The economic backdrop remains challenging, however the board continues to expect to deliver group underlying profit before tax in line with expectations for the current financial year."

National figures show new car registrations – across all UK dealers – last month were 8.8 per cent below pre-coronavirus levels.

The number of new cars registered during the first 11 months of this year was 3.4 per cent down on the same period in 2021.

Supply shortages have largely been blamed for the national decline.

[Pendragon sold more than 46,000 used cars in the UK in the first six months of this year](#), and almost 24,700 new cars. That was down on the 53,900 and 30,000 (respectively) it sold in the first half of 2021.

Businesses within the £3.4 billion turnover group include Evans Halshaw – which has 100 sites – prestige dealership Stratstone; the online CarStore business; fleet and contract hire business Pendragon Vehicle Management; car parts distributor Quickco and software company Pinewood Technologies.

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

It has also launched a new Swedish truck sales business and just struck a deal with Hongqi to be the official importer and seller of the Chinese luxury car marque's electric cars.

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