

Marshall of Cambridge selling motor group shares for £201.6m

Marshall of Cambridge has agreed to sell its 64.4 per cent stake in Marshall Motor Holdings for £201.6 million.

It is selling to Constellation Automotive Group for 400p per share in cash for the entire issued and to be issued share capital of MMH.

A Marshall of Cambridge (MCH) spokesperson said: "This was not an easy decision as MMH is the longest established business in MCH. However, whilst there remains a lot of support and admiration for MMH and the team, it has become increasingly clear that our strategic plans are taking different paths.

"As such, the MCH board believes that the sale is in the best interests of MCH and its shareholders."

Constellation is the largest vertically integrated digital used car marketplace in Europe. The business currently comprises three brands: WeBuyAnyCar, BCA (British Car Auctions) and Cinch. The business is over 70 years old, starting in 1946 as Southern Counties Car Auctions.

In parallel, Constellation has today announced a formal offer for MMH under the Takeover Code. Completion of the offer is conditional on approval by the Financial Conduct Authority of the change of control.

Marshall of Cambridge estimates that completion of the offer and receipt of proceeds by MCH is likely to take up to three to four months.

The motor group's UK share price rocketed on news of the accelerated action this morning, increasing 126p – around 46

per cent – to 400p at one point early on.