

Pendragon eyes up £400m takeover offer

UK car dealership [Pendragon](#) has received a £400 million takeover offer from its major shareholder, sending its shares soaring by more than a fifth on Monday morning.

The bid would see [Swedish](#) motor company Hedin Group buy out the entirety of Pendragon's share capital at 29 pence per share.

The group already owns 26% of Pendragon, while its owners, Anders Hedin, also has a 27% stake in the car dealership.

Hedin Group is a major retailer of vehicles in several [European](#) countries including Sweden, [Germany](#), and the [Netherlands](#) and it operates 240 dealerships.

Pendragon said it is considering the preliminary proposal and Hedin would need to announce a firm offer by October 24 at the latest.

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Pendragon's share price shot up more than 20% on Monday as investors moved to cash in on the potential takeover.

The announcement comes as Pendragon was forced to reject a bid from an international company after being unable to get hold of one of its biggest shareholders, it said in August.

The bid would have valued Pendragon at about £403 million, the same amount that Hedin has proposed, but the group could only get the support of four out of its five major shareholders and had to walk away from the offer.

Last week, Pendragon said it was bringing in more revenues despite a decline in sales volumes, as a result of the higher cost of new and second-hand cars.

It cautioned that supply chain shortages limiting car production would continue well into 2023, when it unveiled its half-year company results.

The sector has been hit by a difficult combination of pandemic lockdowns, the war in Ukraine and rising inflation all causing a slowdown in the supply of new cars and driving up the prices of second-hand cars as a result.

But Pendragon said that it had 22,000 new car orders in its bank at the end of June and remained confident that its full-year profits would be in line with market expectations.