

CMP: INR 490

Rating: BUY

TP: INR 893

Stock Info

BSE	543714
NSE	LANDMARK
Sector.	Automobiles
Face Value (INR)	5
Equity Cap (INR Mn)	206.87
Mkt Cap (INR Mn)	20,231
52w H/L (INR)	746 / 306
Avg Yearly Volume (in 000')	85.805

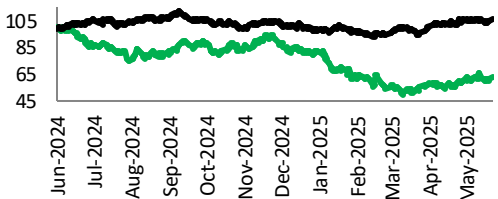
Shareholding Pattern %

(As on Mar, 2025)

Promoters	51.56
FII	9.85
DII	13.61
Public & Others	24.98

Stock Performance (%)	1m	3m	12m
Landmark Cars	14.6	25.8	-28.7
Nifty 50	-0.4	8.4	5.6

Landmark Vs Nifty 50



— LANDMARK — NIFTY_50

Abhishek Jain

abhishek.jain@arihantcapital.com

022-422548871

Jyoti Singh

jyoti.singh@arihantcapital.com

022 67114834

Landmark Cars Limited, established in 1998, is a prominent premium automotive retail business in India. It holds dealerships for renowned brands such as Mercedes-Benz, Honda, Jeep, Volkswagen, and Renault, and also handles the commercial vehicle retail for Ashok Leyland. The company operates as a comprehensive automotive retailer, with its business primarily segmented into new vehicle sales (80% revenue), after-sales and car care services (17%), pre-owned vehicle sales (2%), and the distribution of third-party finance and insurance products (1%). This diversified approach allows Landmark Cars to cover various aspects of the automotive retail market in India.

Investment Rationale

Focused After-Sales Services Driving Stable Growth: The company has built a comprehensive after-sales service network offering repairs, body work, accessories, warranty services, and insurance claims. This high-margin business segment reduces dependence on volatile new car sales while building customer loyalty through extended warranty and maintenance packages. The after-sales business contributes 17% of total FY25 revenue with impressive financial metrics, including a 14.1% revenue CAGR over 10 years reaching INR 9,375 Mn in FY25. The segment maintains strong profitability with a 41.1% gross margin and 18.2% EBITDA margin, generating a 24.34% ROCE despite 20% of workshops being new. Per-vehicle service revenue has grown significantly from INR 16,010 in FY20 to INR 26,582 in FY25, demonstrating the segment's ability to provide steady, non-cyclical income with substantial growth potential as newer workshops mature. The company leverages technology and centralized systems to improve operational efficiency, having serviced over 352,000 vehicles in FY25.

Outlet Expansion Fuelling Business Growth: The company has been actively expanding its outlet network to drive business growth and strengthen its presence in the premium automotive space. The company invested INR 400 Mn in FY24 and ~INR 700 Mn in FY25 to open new outlets. In FY26, it plans to add 9 more outlets, including Kia workshops in Hyderabad, a Mercedes-Benz showroom and workshop in Patna, and MG Select outlets in Ahmedabad and Kolkata. Newly opened outlets take 3 to 4 quarters to reach their full potential. The complete benefits of the new showrooms and workshops are likely to be seen in FY26 and FY27. This continued expansion is helping the company enter new markets and attract a wider customer base.

Industry Tailwinds Support Organised Used Car Business Expansion: India's used car market presents a significant growth opportunity, projected to expand from \$32.4 Bn in 2023 to nearly \$73 Bn by 2028, with organized players' share expected to increase from 29% to 45% during this period. Sales volumes are set to surge from 5.2 Mn units in FY23 to 8 Mn by FY27, driven by customer preference for certified refurbished vehicles. Landmark Cars is strategically positioned to capitalize on this trend through its newly launched used car business, which leverages existing infrastructure, OEM partnerships, and trained technicians to optimize refurbishment costs while enabling customers to upgrade vehicles at workshops and purchase refurbished units through showrooms. The company's geographic presence aligns perfectly with market opportunities, maintaining strong footholds in Maharashtra and Gujarat—India's largest used car markets with 16.1% and 13.5% share respectively—through 24 and 52 outlets/workshops. With a new mobile app supporting quick procurement and instant customer quotes, this segment currently contributes just 1% to revenue but represents a high-potential long-term growth lever backed by dense physical presence, operational control, and established local brand trust.

Outlook and view: Landmark has expanded rapidly across brands like MG, Kia, BMW, M&M and Jeep, with strong presence in Indore and Bhopal (vehicle count >25, up from 12–15), Goa (>20 MG cars), and key cities like Hyderabad and Jaipur. Over the last 2 years, it added multiple outlets and service centers, with Q3–Q4 FY26 expected to see further growth driven by Diwali demand. April saw 700+ vehicle sales, 18–19% MS, and >20% penetration in key regions. Focus remains on premium segments EVs (Windsor Pro sold 400+ units), and aftersales. Inventory rise due to new outlets (7–8 cars site) has led to higher debt via channel financing, but repayment is underway. Margins are stable at 6–8% (blended ~6.5%), supported by finance insurance income, OEM incentives, and strong accessory sales (20–50% margin). Landmark holds >16% MS in Patna (40K–50K vehicles) and is scaling up in Delhi, Gujarat, Kolkata, Punjab, Noida, Indore, Bhopal, and Hyderabad. The company expects gross margins to recover to 18–19% levels as after-sales business from new brands increases, and aims to reduce employee and operational costs by 10% as a percentage of revenue. We anticipate that company will outperform the industry in FY26 accordingly, **we recommend BUY rating on the Company based on FY28E EPS of INR 35.7 at forward PE of 25x with a Target Price of INR 893 per share.**

Exhibit 1: Financial overview

Year-end March (INR Mn)	Net Sales	EBITDA	PAT	EPS (INR)	EBITDA Margin (%)	EV/EBITDA	P/E (x)
FY24	32,879	2,176	572	13.6	6.6%	10.4	36.1
FY25	40,255	2,216	173	3.9	5.5%	10.9	127.2
FY26E	48,203	2,945	543	12.1	6.1%	8.5	40.6
FY27E	58,767	3,767	953	21.1	6.4%	6.7	23.1
FY28E	72,679	4,949	1,608	35.7	6.8%	5.0	13.7

Source: Company filings

Management Meeting Key Takeaways

Expansion in outlets: Over the past two years, Landmark has significantly deepened its brand presence across India. This includes major expansions in partnership with Jeep, BMW, MG, M&M and Kia. Notable MG showrooms have opened in Indore, Bhopal, Goa, and MG Select formats. FY24 saw multiple rollouts, with Q2, Q3, and Q4 driving growth. Recruitment in 2&3 tier towns is underway in advance to optimize operations, with cost stabilization in focus. A new CEO has been appointed in Hyderabad, where MG and Kia contribute over 50% of sales. Workshops in newer locations like Hyderabad, Kolkata, and Jaipur are now fully operational, contributing to ramp-up in Q3FY26.

Mahindra: Expanded with 3 showrooms/workshops in Hyderabad and 2 showrooms/1 workshop in Kolkata. Service optimization needed for profitability.

Aftersales and Car care: The group is planning 8–9 new service centers but remains cautious about over-expansion. Cash flow stood at INR 1,500 Mn fully utilized and further expansion will do internally generated cash. The 5–7 lac and 14–15 lac vehicle segments are growing rapidly especially for EVs, with BYD building a loyal customer base. April saw over 700 vehicle sales and an 18–19% MS, stabilizing at 40–50% in some regions, with >20% penetration. Mahindra has 3 showrooms and 3 operational service centers. A full-year plan is in place with positive momentum.

Aftersales and Car care: Current service centers operate on one shift for existing brands with can increase to 2-3 shifts. New brands are currently under utilization under one shift. 8-9 showrooms and service centers in the pipeline but no major expansion planned in FY26.

Inventory: Borrowings primarily stem from channel financing. An increase in inventory with 7–8 cars per location including demo cars and new locations has led to a rise in debt, though cash flows are improving and debt reduction efforts are ongoing. It takes 12 to 15 months to get optimum utilization of new brands.

Workshops and Operations: Mercedes service is a key focus, with service-only outlets featuring 2–3 car displays. Landmark manages ~10,000 parked vehicles across India. Operational shifts are optimized, forming the backbone of aftersales revenue.

Regional: Patna dealership now contributes >16% MS in Bihar and Jharkhand with over 40,000–50,000 cars catered to number of stoppage in operations with growing MS. A third dealership in Kandivali & in Thane were added. Kia has 2–3 workshops, with further acquisitions ongoing. MG has expanded in Jaipur via two takeovers. Landmark is now the only BMW dealer in Gujarat. Discounts have been reduced, with no major impact on sales. Aftersales revenue dipped 14–15%, but optimization and capacity utilization remain the focus. Largest distributor of Mercedes and would increase the MS.

Geographical Focus and EV Strategy

Key cities being targeted include Hyderabad, Delhi, Gujarat, Kolkata, Indore, and Noida. Goa now has over 20 MG cars (up from 4–7). Indore and Bhopal have grown from 12–15 to over 25 vehicles. Ownership cost is optimized with a 4-year ownership cycle in mind. MG's Windsor and Windsor Pro are performing well, with over 400 units sold.

Financials: ROC stands at 30%+ in service and 10-15% in sales with blended gross margins at 6–6.5% factoring in finance income, insurance, OEM incentives (both wholesale and retail), and other qualitative metrics. Mercedes commissions contribute 3–3.5% on retail sales. On average, 1% of revenue is from new car sales and 5–6% from aftersales.

Accessories: Landmark-branded genuine accessories like foot mats, perfumes and PPF coatings offer strong margins 20–25% for parts and >50% for branded add-ons. Partnerships with suppliers like MotorOne in Australia, Garware, and 3M were tested. Most standalone car care units have been phased out. Dedicated teams are now driving accessory and car care sales, which serve as a significant revenue driver post-sale. Body Claim segment also contributes 40-45% and working on increasing this segment.

Growth outlook: Double-digit growth is expected, with historical CAGR of 14–15%. Q3 benefited from aftersales tailwinds. New outlet launches are lined up for Q3 and Q4, with Diwali demand providing additional upside.

Income statement (INR mn)						
Year End-March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Proforma Revenue	45,950.00	46,554.00	56,261.00	67,369.70	82,133.01	1,01,577.89
Net Sales	33,823.51	32,878.87	40,254.98	48,203.30	58,766.51	72,679.41
YoY (%)	13.63%	-2.79%	22.43%	19.74%	21.91%	23.67%
Adjusted COGS	27,816.60	26,462.88	33,286.95	39,723.61	48,253.40	59,387.82
YoY (%)	10.75%	-4.87%	25.79%	19.34%	21.47%	23.07%
Personnel/ Employee benefit expenses	1,874.01	2,167.24	2,488.99	2,873.45	3,502.64	4,331.36
YoY (%)	22.36%	15.65%	14.85%	15.45%	21.90%	23.66%
Manufacturing & Other Expenses	1,753.88	2,073.05	2,262.67	2,660.85	3,243.52	4,010.96
YoY (%)	28.08%	18.20%	9.15%	17.60%	21.90%	23.66%
Total Expenditure	31,444.49	30,703.17	38,038.61	45,257.92	54,999.57	67,730.13
YoY (%)	36.19%	-8.55%	1.87%	32.89%	27.89%	31.39%
EBITDA	2,379.02	2,175.70	2,216.37	2,945.38	3,766.94	4,949.27
YoY (%)	36.19%	-8.55%	1.87%	32.89%	27.89%	31.39%
EBITDA Margin (%)	7.03%	6.62%	5.51%	6.11%	6.41%	6.81%
Depreciation	873.07	1,013.13	1,309.39	1,489.09	1,694.86	1,845.59
% of Gross Block	23.86%	22.81%	21.90%	18.77%	16.89%	15.31%
EBIT	1,505.95	1,162.57	906.98	1,456.30	2,072.09	3,103.69
EBIT Margin (%)	4.45%	3.54%	2.25%	3.02%	3.53%	4.27%
Interest Expenses	510.96	534.69	740.92	871.56	960.22	1,141.31
Non-operating/ Other income	130.93	96.38	132.73	158.98	193.86	239.81
PBT	1,041.06	695.45	252.53	743.71	1,305.73	2,202.19
Tax-Total	190.05	123.22	79.16	200.80	352.55	594.59
Adj. Net Profit	851.01	572.23	173.37	542.91	953.18	1,607.60
Reported Profit	851.01	572.23	173.37	542.91	953.18	1,607.60
PAT Margin	2.52%	1.74%	0.43%	1.13%	1.62%	2.21%
Shares o/s/ paid up equity sh capital	39.62	41.29	41.37	41.37	41.37	41.37
Adj EPS	21.32	13.56	3.85	12.06	21.17	35.71
Dividend payment	14.65	91.18	63.19	124.12	124.12	165.50
Dividend payout (%)	1.72%	15.93%	36.45%	22.86%	13.02%	10.29%
Retained earnings	836.36	481.05	110.18	418.79	829.06	1,442.10

Balance sheet						
Year-end March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Sources of Funds						
Equity Share Capital	198.12	206.47	206.87	206.87	206.87	206.87
Reserves & Surplus/ Other Equity	4,518.33	5,213.77	5,377.59	5,796.38	6,625.44	8,067.54
Networth	4,716.45	5,420.24	5,584.46	6,003.25	6,832.31	8,274.41
Unsecured Loans/ Borrowings/ Lease Liabilities	4,299.94	6,270.17	8,703.96	10,015.92	11,555.82	13,365.79
Other Liabilities	0.00	26.52	34.95	40.07	46.02	52.95
Total Liabilities	12,607.65	15,514.22	18,893.36	21,478.54	24,723.38	29,190.62
Total Funds Employed	22,837.03	28,054.93	33,859.65	38,573.20	44,577.49	52,960.22
Application of Funds						
Net Fixed Assets	4,606.98	5,428.13	7,083.74	8,519.72	9,833.55	10,932.99
Capital WIP	32.06	17.70	30.10	30.10	30.10	30.10
Investments/ Notes/ Fair value measurement	162.80	162.80	163.43	147.09	132.38	119.14
Current assets	6,975.96	8,975.89	10,491.95	11,626.52	13,540.04	16,887.59
Inventory	4,484.02	5,680.80	6,466.08	7,093.50	7,539.59	8,079.98
Days	51.06	70.10	66.60	65.18	57.03	49.66
Debtors	1,035.60	1,307.11	1,815.15	2,051.20	2,555.07	3,159.97
Days	9.05	13.00	14.16	15.53	15.87	15.87
Other Current Assets	554.01	953.89	1,187.18	1,305.90	1,436.49	1,580.14
Cash and Cash equivalent	193.83	114.93	227.14	286.37	717.29	1,819.30
Current Liabilities/Provisions	5,512.93	7,120.47	9,381.83	11,091.41	13,021.80	15,495.19
Creditors/ Trade Payables	1,169.16	1,141.98	1,404.00	1,835.41	2,263.09	2,844.60
Days	16.47	15.25	13.64	14.60	14.90	15.21
Liabilities	1,317.88	1,336.69	1,453.75	1,595.82	1,752.09	1,924.00
Net Current Assets	1,463.03	1,855.42	1,110.12	535.12	518.24	1,392.40
Total Asset	12,607.65	15,514.22	18,893.36	21,478.54	24,723.38	29,190.62
Total Capital Employed	11,144.62	13,658.80	17,783.24	20,943.43	24,205.14	27,798.22

Cash Flow Statement

Year End-March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profit before tax	851.01	572.23	173.37	542.91	953.18	1,607.60
Adjustments: Add						
Depreciation and amortisation	873.07	1,013.13	1,309.39	1,489.09	1,694.86	1,845.59
Interest adjustment	380.03	438.31	608.19	712.58	766.36	901.50
Change in assets and liabilities	2,089.46	1,932.49	2,027.76	2,620.46	3,290.27	4,189.19
Inventories	-1,184.78	-1,196.78	-785.28	-627.42	-446.09	-540.38
Trade receivables	-394.04	-271.51	-508.04	-236.05	-503.86	-604.91
Trade payables	-279.53	-27.18	262.02	431.41	427.67	581.52
Other Liabilities and provisions	-267.92	1,282.83	1,720.48	1,109.44	1,317.13	1,564.92
Other Assets	-285.30	-533.51	-239.47	-162.88	-179.16	-197.08
Taxes	-5.80	26.52	-7.77	1.88	2.06	2.27
Net cash from operating activities	2.93	19.03	895.14	2,270.95	2,858.80	3,848.10
Net Sale/(Purchase) of tangible and intangible assets, Capital work in progress	-978.54	-1,819.92	-2,977.40	-2,925.07	-3,008.68	-2,945.03
Net Sale/(Purchase) of investments	116.89	121.78	132.10	175.32	208.57	253.05
Others	-22.09	-54.18	-55.42	-14.99	-15.74	-16.52
Net cash (used) in investing activities	-883.74	-1,782.10	-2,925.37	-2,780.71	-2,832.31	-2,725.47
Interest expense	-468.61	63.30	114.84	-524.22	-577.87	-720.40
Dividend paid	-13.74	-14.65	-63.19	-124.12	-124.12	-165.50
Other financing activities	1,376.89	119.89	-21.95	-124.12	-124.12	-165.50
Net cash (used) in financing activities	980.44	1,682.60	2,124.26	617.50	757.33	881.84
Closing Balance	399.59	319.12	413.15	520.88	1,304.70	3,309.17
FCF	-1,148.25	-1,419.35	-1,349.46	-509.04	-4.20	1,058.95
Capex (% of sales)	1,151.18	1,438.38	2,244.60	2,892.20	3,232.16	3,633.97

Key Ratios

Year-end March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Solvency Ratios						
Debt/ Equity	0.45	0.67	0.94	1.04	1.08	1.06
Net Debt/ Equity	0.36	0.61	0.87	0.95	0.89	0.66
Debt/ EBITDA	0.89	1.67	2.37	2.11	1.96	1.77
Current Ratio	0.72	1.53	2.19	1.94	1.61	1.11
DuPont Analysis						
Sales/Assets	2.68	2.12	2.13	2.24	2.38	2.49
Assets/Equity	2.67	2.86	3.38	3.58	3.62	3.53
RoE	18.04%	10.56%	3.10%	9.04%	13.95%	19.43%
Per share ratios						
Reported EPS	21.32	13.56	3.85	12.06	21.17	35.71
Dividend per share	0.37	2.21	1.53	3.00	3.00	4.00
BV per share	119.03	131.26	134.98	145.10	165.14	199.99
Cash per Share	4.89	2.78	5.49	6.92	17.34	43.97
Revenue per Share	853.61	796.21	972.95	1165.06	1420.37	1756.64
Profitability ratios						
Net Profit Margin (PAT/Net sales)	2.22%	2.52%	1.74%	0.43%	1.13%	1.62%
Gross Profit / Net Sales	17.76%	19.51%	17.31%	17.59%	17.89%	18.29%
EBITDA / Net Sales	7.03%	6.62%	5.51%	6.11%	6.41%	6.81%
EBIT / Net Sales	4.45%	3.54%	2.25%	3.02%	3.53%	4.27%
ROCE (%)	21.23%	13.85%	9.54%	14.02%	17.71%	22.66%
Activity ratios						
Inventory Days	51.06	70.10	66.60	65.18	57.03	49.66
Debtor Days	9.05	13.00	14.16	15.53	15.87	15.87
Creditor Days	16.47	15.25	13.64	14.60	14.90	15.21
Leverage ratios						
Interest coverage	2.95	2.17	1.22	1.67	2.16	2.72
Debt/ Asset	0.17	0.23	0.28	0.29	0.30	0.30
Valuation ratios						
EV / EBITDA	8.88	10.45	10.95	8.53	6.77	5.03
PE (x)	22.98	36.13	127.25	40.63	23.14	13.72

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 st Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800	6 Lad Colony, Y.N. Road, Indore - 452003, (M.P.) Tel: (91-731) 4217100/101 CIN: L66120MP1992PLC007182

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Disclaimer: This disclosure statement is provided in compliance with the SEBI Research Analyst Regulations, 2014. Arihant Capital Markets Limited (ACML) is a registered stockbroker, merchant banker, and research analyst under SEBI, and is also a Point of Presence with the Pension Fund Regulatory and Development Authority (PFRDA). ACML is registered with SEBI with Research Analyst Registration Number INH000002764, Stock Broker Registration Number INZ000180939, and is a Trading Member with NSE, BSE, MCX, NCDEX, and a Depository Participant with CDSL and NSDL.

ACML and its associates may have business relationships, including investment banking, with companies covered by its Investment Research Department. The analysts of ACML, and their associates, are prohibited from holding a financial interest in securities or derivatives of companies they cover, though they may hold stock in the companies they analyze. The recommendations provided by ACML's research team are based on technical and derivative analysis and may differ from fundamental research reports.

ACML confirms that neither it nor its associates have a financial interest or material conflict concerning the companies covered in the research report at the time of publication. Furthermore, ACML, its analysts, and their relatives have no ownership greater than 1% in the subject companies as of the month prior to publication. ACML guarantees that the compensation for its research analysts is not influenced by specific securities or transactions.

ACML affirms that neither the analyst nor the company has served as an officer, director, employee, or engaged in market-making activities for any of the subject companies. Additionally, the research report does not reflect any conflict of interest and is not influenced by specific recommendations made. Neither ACML nor its analysts have received compensation for investment banking or brokerage services from the subject companies in the last 12 months.

The views expressed in this report are those of the analysts and are independent of the proprietary trading desk of ACML, which operates separately to maintain an unbiased stance. Analysts comply with SEBI Regulations when offering recommendations or opinions through public media. The report is intended for informational purposes only and is not an offer or solicitation for the purchase or sale of securities.

This report, which is confidential, may not be reproduced or shared without written consent from ACML. It is based on publicly available data believed to be reliable but has not been independently verified, and no guarantees are made about its accuracy. All opinions and information contained in the report are subject to change without notice. ACML disclaims liability for any losses resulting from reliance on this report. The report does not constitute an offer to buy or sell securities, and ACML is not responsible for the risks involved in investments. ACML and its affiliates may have positions in the securities discussed or hold other financial interests in them.

The distribution of this report in certain jurisdictions may be restricted by law, and the report is not intended for distribution where it would violate local laws. Investors are advised to consider their financial position, risk tolerance, and investment objectives before engaging in transactions, particularly in high-risk financial products such as derivatives.

ACML reserves the right to modify this disclosure statement without prior notice. The report has been prepared using publicly available information and internally developed data, though ACML does not guarantee its completeness or accuracy. Historical price data for securities can be accessed via official exchanges like NSE or BSE. ACML and its affiliates may conduct proprietary transactions or investment banking services for the companies mentioned in this report. In compliance with SEBI regulations, ACML maintains comprehensive records of research reports, recommendations, and the rationale for those recommendations, which are preserved for at least five years. An annual compliance audit is conducted by a member of the ICAI or ICSI to ensure adherence to applicable regulations. This report is issued in accordance with applicable SEBI regulations and does not guarantee future performance or returns.

Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800