

# ALL ABOUT



**SECTOR - AUTOMOBILE**

**Issue Opens - DECEMBER 13 - DECEMBER 15**

**Price Band**

**₹481 to ₹506**

**Face Value**  
₹5

**Lot Size**  
29 SHARES

**Issue Size**  
₹552.00 CR

**Issue Type**  
BOOK BUILT

**Research@ganeshstock.com**

# Important Events

**Issue Size**

**₹552 CR.**

**Fresh Issue**

**2,964,427 shares , ₹150.00 Cr**

**Offer for Sale**

**7,944,664 shares, ₹402.00 Cr**

**Basis of Allotment**

**Dec 20, 2022**

**Initiation of Refunds**

**Dec 21, 2022**

**Credit of Shares to Demat**

**Dec 22, 2022**

**Landmark IPO Listing Date**

**Dec 23, 2022**

# Promoters

- **SANJAY KARSANDAS THAKKER (CHAIRMAN AND EXECUTIVE DIRECTOR)**
- **ARYAMAN SANJAY THAKKER (EXECUTIVE DIRECTOR)**
- **PARAS SOMANI (EXECUTIVE WHOLETIME DIRECTOR)**
- **AKSHAY TANNA (NOMINEE DIRECTOR OF TPG GROWTH )**

Promoters collectively hold **60.24%** of the Equity Share .



# ABOUT COMPANY

India's automotive dealership sector is **dominated by Landmark Cars Limited**. In the retail car category, it has dealerships for well-known brands like Mercedes-Benz, Honda, Jeep, Volkswagen, and Renault. Through its Ashok Leyland dealership in the nation, the company also serves customers in the commercial vehicle market.

The business offers services across the whole automotive value chain, from auto retail to upkeep and repair, as well as sales of spare parts, lubricants, and other ancillary goods. Other services supplied by the Company include the sale of used passenger cars and third party financial and insurance products.

Landmark Cars Limited also has an extensive network of stores in the country, helping to expand its business to 31 cities in eight major states and union territories in India, where automotive demand is highly concentrated. These states are Maharashtra, Uttar Pradesh, Gujarat, Haryana, Madhya Pradesh, Punjab, West Bengal and the National Capital Territory of Delhi. As of September 2021, the Company's network includes 112 retail locations in the eight states mentioned above, 61 showrooms and retail outlets, and 51 service and service stores.





# PRODUCT PORTFOLIO

They are a leading premium automotive retail business in India with dealerships for **Mercedes-Benz, Honda, Jeep, Volkswagen and Renault** and also cater to the commercial vehicle retail business in India.

They have a presence across the automotive retail value chain, including sales of new vehicles, after-sales service (including sales of spare parts, lubricants and accessories), sales of pre-owned passenger vehicles and facilitation of sales of third-party financial and insurance products.

## OBJECTS OF THE OFFER

THE NET PROCEEDS FROM THE ISSUE WILL BE UTILISED TOWARDS:

- REPAYMENT/PRE-PAYMENT, IN FULL OR IN PART, OF CERTAIN BORROWINGS AVAILED BY OUR COMPANY AND SUBSIDIARIES; AND
- GENERAL CORPORATE PURPOSES.



# TRACK RECORD OF FINANCIAL PERFORMANCE

Year	Total Assets	Operating Revenue	Profit after tax	Net Worth	Total Borrowings
Mar-22	1,085	2,967	66	-	308.5
Mar-21	888	1,956	11	181.77	327.4
Mar-20	832	2,218	-28	169.12	357.9

- **EBITDA MARGIN HAS IMPROVED YEAR-ON-YEAR FROM 3.13%% IN FISCAL 2019 TO 6.11% IN FISCAL 2021 AND HALF YEAR FISCAL 2022 5.47%**
- **PAT MARGINS 2.21% , 0.57 , -1.3 FOR THE FY 22 , FY21 & FY19.**
- **EPS WAS 3.09 , -7.84 , -7.07 AND RONW WAS 26.52% , 6.23% , -16.99% FOR THE FY21 , FY 20 AND FY19.**
- **ROCE WAS 8.59% , 1.07% , 3.09% AND ROE 6.11% , -17.03% , -12.93% FY21 , FY 20AND FY19.**



# STRENGTHS

- The company has established robust business processes, which assists it in reducing costs and increasing efficiency as well as ensuring faster operationalization of new facilities.
- The company is growing its presence in after-sales segment, which contributes to higher-margin revenues.
- Leading automotive dealership for major OEMs with a strong focus on high growth segments.
- The company is a leading automotive dealership for major OEMs with a strong focus on high growth segments. In FY 2022, the company contributed 15.8% to retail sales of Mercedes Benz, 5.8% to wholesale sales of Honda, 8.7% to wholesale sales of Volkswagen, 26.8% to wholesale sales of Jeep and 5.1% to wholesale sales of Renault.

# RISKS

- The company is subject to the significant influence and restrictions imposed by OEMs. For instance, the OEMs may unilaterally discontinue associations with vendors.
- The company's operations are subject to various governmental laws and regulations and certain state specific notifications and guidelines.
- Increasing competition among automotive dealerships through online and offline marketing and competition from the unauthorized service centres may have an adverse impact on the business.



# Valuation and Outlook

THE PRICE RANGE OF THE ISSUE, IN TERMS OF VALUATION, INR 481 - 506 PER SHARE. THE P/E RATIO IS AROUND 28.29X BASED ON A PRICE RANGE ABOVE INR 506 WITH EPS OF 17.88

ACCORDING TO DHRP, THERE ARE NO LISTED COMPANIES IN INDIA THAT ENGAGE IN A BUSINESS SIMILAR TO THAT OF THE COMPANY.

OVER THE NEXT TWO YEARS, THE PREMIUM MARKET SEGMENT IS EXPECTED TO GROW AT A CAGR OF 10-12%, WHILE THE LUXURY VEHICLE SEGMENT IS ALSO EXPECTED TO GROW AT A CAGR OF 14-16. %. LANDMARK IS EXPECTED TO POST GOOD NUMBERS OVER THE NEXT TWO YEARS, THANKS TO STRONG GROWTH IN THE PREMIUM CAR SEGMENT. BASED ON ITS RECENT FINANCIAL PERFORMANCE, THE MATTER APPEARS TO BE FULLY PRICED IN.

THE COMPANY PROVIDES A FAIR VALUATION BASED ON THE MOST RECENT ANNUAL RESULTS. THEREFORE, INVESTORS CAN INVEST IN THIS IPO TO GAIN LISTING PROFITS AND PUT THE COMPANY IN A **LONG-TERM INVESTMENT** PORTFOLIO.

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