

## Landmark Cars Ltd.

Neutral

### Issue Highlights

Issue Open	December 13, 2022
Issue Close	December 15, 2022
Issue Price	Rs. 481 - Rs. 506 Per Share
Total Issue Size	Rs. 552 Cr
Of which	
Fresh Issues	Rs. 150 Cr
Offer for Sale	Rs. 402 Cr
Face Value	Rs. 5 Per share
Market Lot	29 Equity Shares
Issue Type	Book Built Issue

### Offer Structure

QIB Category	50%
Retail category	35%
Non-Institutional	15%

### Lead Book Running Managers

- ⇒ Axis Capital Ltd.
- ⇒ ICICI Securities Ltd.

### Registrar To The Offer

- ⇒ Link Intime India Pvt Ltd.

### Key Highlights

- ❑ **Company Background:** Incorporated in 1998, Landmark Cars Ltd is the leading premium automotive retail business in India with dealerships for Mercedes-Benz, Honda, Jeep, Volkswagen and Renault. It also cater to the commercial vehicle retail business of Ashok Leyland in India. Landmark Cars offers services such as sales of new vehicles, after-sales service and repairs including sales of spare parts lubricants and accessories, sales of pre-owned passenger vehicles and facilitation of the sales of third-party finance and insurance products.
- ❑ **Industry Overview:** The luxury vehicles segment in India is expected to grow at a CAGR of 14-16% over FY22-27E driven by estimated improvement in economic environment, increase in disposable incomes as well as intermittent launches by OEM/brands. Emergence of mega retail centers and luxury OEMs setting up their pre-owned car retail businesses indicates growing interest of sellers.
- ❑ **Comprehensive business model:** It caters to the entire customer value-chain including retailing new vehicles, servicing and repairing vehicles, selling spare parts, lubricants and other products and the distribution of third party financial and insurance products. Further, they also use their service centers as an opportunity to sell pre-owned passenger vehicle.
- ❑ **Technological advancement and digitalization:** The company also has made forays into technology and platforms through their investments in Chatpay Commerce (known as "Pitstop") and Sheerdrive. Pitstop, aims to be a multi-brand car service and repair provider while Sheerdrive is focused on used car transactions at new car dealerships.
- ❑ **Growth going forward:** Landmark intends to focus on expanding their business in high growth segments like premium and luxury passenger vehicles including UVs as well as electric vehicles. They aim to leverage their relationships with the OEMs to expand geographically to achieve economies of scale. The company also executed a letter of intent with the automaker BYD, a leading player in the global EV market to be their dealer in the National Capital Delhi and Mumbai in respect of their electric passenger vehicles.
- ❑ **Financial:** On the financials front, the company's revenue has grown at a CAGR of 15.8%. The company posted a loss of Rs 29 Cr in FY20 and now it has turned profitable and posted a marginal profit of Rs 66 Cr in FY22.
- ❑ **Key Risk:** 1. Competition from unorganized market and unlisted players. 2. Change in dealership terms & agency agreements from OEMs.

### Research Analyst

Nirvi Ashar, MBA  
nirvi.ashar@religare.com

Research Team	
Siddarth Bhamre	siddarth.bhamre@religare.com
Ajit Mishra	ajit.mishra@religare.com
Manoj M Vayalar	manoj.vayalar@religare.com
Nirvi Ashar	nirvi.ashar@religare.com
Suhanee Shome	suhanee.shome@religare.com
Gaurav Arora	gaurav.arora3@religare.com
Amandeep Singh	amandeep.sg@religare.com
Abhijeet Banerjee	abhijeet.banerjee@religare.com
Gaurav Sharma	gauravsharma2@religare.com

Before you use this research report , please ensure to go through the disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014 and Research Disclaimer at the following link : <https://www.religareonline.com/disclaimer>

Specific analyst(s) specific disclosure(s) inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014 is/are as under:

**Statements on ownership and material conflicts of interest , compensation– Research Analyst (RA)**

[Please note that only in case of multiple RAs, if in the event answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) below , are given separately]

S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? <b>[If answer is yes, nature of interest is given below this table]</b>		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No

	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No

	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

**Nature of Interest ( if answer to F (a) above is Yes :**

**Name(s) with Signature(s) of RA(s).**

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above , are given below]

SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

Copyright in this document vests exclusively with RBL. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose, without prior written permission from RBL. We do not guarantee the integrity of any emails or attached files and are not responsible for any changes made to them by any other person.

Disclaimer: <https://www.religareonline.com/disclaimer>