

12 November 2025

India | Equity Research | Results update

Landmark Cars

Automotives

Margins impacted by higher discounts; strong growth outlook intact

Landmark Cars' (LMC) EBITDAM, at 4.5%, was down 120bps QoQ (vs. I-Sec est.: 6.0%). Margin decline was due to lower GM on account of discounts/commissions offered on vehicle sales and higher share of new car vs. service revenue. LMC added 23 outlets in FY25 (~17% of total outlets), which further aided revenue growth (revenue up 34% YoY in Q2) and helped diversify with high-growth brands such as M&M, Kia, MG and BYD. These brands have seen strong growth with their contribution increasing to ~29% during Q2. With its focus on operationalising the ongoing projects, rather than expansion, and with bulk of incremental costs already being up-fronted, the rise in revenue from new outlets should help improve margins ahead. Maintain **BUY** with a DCF-based unchanged TP of INR 710, implying ~16x FY28E EPS.

Takeaways from Q2FY26 conference call, and our views

- New car sales revenue (proforma) was up ~35% YoY at INR 14bn. ASP at INR 2.3mn, was up 15% YoY led by mix (especially higher sales of BYD). The company's inventory level stands at ~38 days currently, which is lower than industry's average level of 60 days. Post strong festive season sales, LMC expects strong demand to continue in the near term led by new launches, GST cut benefit, promotional offers and wedding season. It expects strong growth in its partner brands with i) Honda - announcing aggressive plans for India; expects high volume growth in next 5 years (10 new models by 2030), ii) MB- globally has a strong lineup for CY26, which should help boost volumes, iii) BYD - seeing strong growth, sold 1k units in Oct'25 (vs. 3.5k sales in CY24); potential homologation approval for Sealion/Seal should further support growth iv) Renault - healthy growth in Oct'25 led by updated Kiger/Triber models, new Duster model to launch in Jan'26, v) MG Select seeing robust demand and vi) M&M - outlets stabilising and growing as expected.
- Q2 margin, at 4.5%, was down 120bps QoQ (vs. I-Sec est.: 6.0%). This was led by GM contracting due to i) discounts/incentives/ commissions offered on new car sales, including for liquidation of MB demo cars, ii) higher new car sales vs. after sales. The company expects GM to increase by more than 100bps (vs. Q2 levels) in H2. LMC's other expenses/manpower costs have declined by ~50bps YoY led by cost rationalising initiatives.

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Market Data

Market Cap (INR)	25bn
Market Cap (USD)	284mn
Bloomberg Code	LANDMARK IN
Reuters Code	LAMN.BO
52-week Range (INR)	703 /306
Free Float (%)	48.0
ADTV-3M (mn) (USD)	1.7

Price Performance (%)	3m	6m	12m
Absolute	27.4	42.6	(4.1)
Relative to Sensex	22.2	40.2	(11.4)

ESG Score	2023	2024	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E	FY28E
Revenue	2.7	1.5	1.5
EBITDA	(2.8)	0.4	0.3
PAT	(7.3)	1.3	0.8

Previous Reports

13-08-2025: [Q1FY26 results review](#)

01-06-2025: [Q4FY25 results review](#)

Financial Summary

Y/E (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	40,255	51,190	60,485	68,948
EBITDA	2,216	2,958	3,687	4,254
EBITDA %	5.5	5.8	6.1	6.2
Net Profit	220	770	1,370	1,769
EPS (INR)	5.5	19.5	34.6	44.7
EPS % Chg YoY	(63.5)	250.7	77.9	29.1
P/E (x)	109.6	31.3	17.6	13.6
EV/EBITDA (x)	14.5	10.4	8.2	6.9
RoCE (%)	5.1	8.8	12.2	14.1
RoE (%)	4.0	13.0	19.6	20.7

- After-sales revenue increased 11% YoY to INR 2.5bn. Growth and GM in this segment are lower in recent quarters and LMC expects growth/margins to increase to their long-term averages as new outlets ramp up. GM for new outlets is lower than that of existing ones due to lower service contribution and is expected to gradually improve. Average revenue per vehicle for its after-sales business was down 1% YoY, at ~INR 26k, led by mix change. The Compensation Cess issue is sub judice; currently, Landmark is subjected to INR 50-60mn liability.

Exhibit 1: Q2FY26 result review (consolidated)

INR mn	Q2FY26	Q2FY25	YoY	Q1FY26	QoQ
Revenue	12,109	9,073	33.5%	10,617	14.1%
Input material/vehicle cost	10,200	7,428	37.3%	8,825	15.6%
Gross profit	1,909	1,645	16.0%	1,792	6.5%
<i>Gross margin</i>	15.8%	18.1%	-237 bps	16.9%	-111 bps
Staff cost	738	606	21.7%	635	16.2%
<i>Staff cost/sales</i>	6.1%	6.7%	-59 bps	6.0%	11 bps
Other expenses	629	519	21.1%	547	15.0%
<i>Other expenses/sales</i>	5.2%	5.7%	-53 bps	5.1%	4 bps
Total expenses	11,567	8,553	35.2%	10,007	15.6%
EBITDA	543	520	4.4%	610	-11.1%
EBITDA margin	4.5%	5.7%	-125 bps	5.7%	-127 bps
Depreciaton	384	324	18.5%	359	6.9%
EBIT	159	196	-18.9%	252	-36.8%
<i>EBIT margin</i>	1.3%	2.2%	-85 bps	2.4%	-106 bps
Other income	49	28	75.3%	52	-5.1%
Interest	202	182	10.9%	204	-1.2%
PBT	6	42	-85.5%	99	-93.9%
Tax	-9	1	-704.7%	25	-135.5%
Exceptionals	-	-37	N.M.	-	N.M.
Adj. PAT	15	40	-62.8%	74	-79.6%
EPS	0.4	1.0	-62.8%	1.9	-79.6%

Source: Company data, I-Sec research

Exhibit 2: Estimates revision

	FY26E			FY27E			FY28E		
	Previous	Revised	% Change	Previous	Revised	% Change	Previous	Revised	% Change
Revenue	49,841	51,190	2.7%	59,565	60,485	1.5%	67,908	68,948	1.5%
EBITDA	3,043	2,958	-2.8%	3,670	3,687	0.4%	4,242	4,254	0.3%
EBITDA Margin (%)	6.1%	5.8%	-33 bps	6.2%	6.1%	-7 bps	6.2%	6.2%	-8 bps
PAT	831	770	-7.3%	1,352	1,370	1.3%	1,754	1,769	0.8%
EPS (INR)	21	19	-7.3%	34	35	1.3%	44	45	0.8%

Source: I-Sec research

Downside risks

- Slowdown in domestic PV market.
- Rise in working capital and discounts for models, ex-MB, in times of weak car demand.

Exhibit 3: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	51.6	51.6	49.8
Institutional investors	23.5	22.5	24.1
MFs and other	7.4	7.2	7.3
Banks/ FIs	1.6	1.7	2.2
Insurance Cos.	4.7	4.1	3.9
FIs	9.8	9.5	10.6
Others	24.9	25.9	26.1

Source: Bloomberg, I-Sec research

Exhibit 4: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 5: Profit & Loss

(INR mn, year ending)

	FY25A	FY26E	FY27E	FY28E
Net Sales	40,255	51,190	60,485	68,948
Operating Expenses	4,752	5,836	7,137	8,619
EBITDA	2,216	2,958	3,687	4,254
EBITDA Margin (%)	5.5	5.8	6.1	6.2
Depreciation & Amortization	1,309	1,450	1,450	1,450
EBIT	907	1,508	2,237	2,804
Interest expenditure	741	660	620	620
Other Non-operating Income	133	153	163	175
Recurring PBT	299	1,000	1,780	2,359
Profit / Loss from Associates	-	-	-	-
Less: Taxes	79	230	409	590
PAT	220	770	1,370	1,769
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	173	770	1,370	1,769
Net Income (Adjusted)	220	770	1,370	1,769

Source Company data, I-Sec research

Exhibit 6: Balance sheet

(INR mn, year ending)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	10,792	12,804	14,838	17,276
of which cash & cash eqv.	413	1,942	2,192	2,962
Total Current Liabilities & Provisions	4,586	5,464	6,170	6,880
Net Current Assets	6,206	7,340	8,667	10,396
Investments	163	163	163	163
Net Fixed Assets	7,647	7,497	7,347	7,197
ROU Assets	-	-	-	-
Capital Work-in-Progress	-	-	-	-
Total Intangible Assets	-	-	-	-
Other assets	-	-	-	-
Deferred Tax assets	292	177	177	177
Total Assets	14,307	15,177	16,354	17,932
Liabilities				
Borrowings	5,258	5,258	4,958	4,658
Deferred Tax Liability	19	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Equity Share Capital	207	207	207	207
Reserves & Surplus	5,334	6,104	7,475	9,244
Total Net Worth	5,541	6,311	7,682	9,451
Minority Interest	44	44	44	44
Total Liabilities	14,307	15,162	16,339	17,918

Source Company data, I-Sec research

Exhibit 7: Quarterly trend

(INR mn, year ending)

	Dec-24	Mar-25	Jun-25	Sep-25
Net Sales	11,950	10,913	10,617	12,109
% growth (YOY)	24.6	26.3	27.6	33.5
EBITDA	665	547	610	543
Margin %	5.6%	5.0%	5.7%	4.5%
Other Income	30	61	52	49
Extraordinaries	-	-	-	-
Adjusted Net Profit	118	20	74	15

Source Company data, I-Sec research

Exhibit 8: Cashflow statement

(INR mn, year ending)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	794	2,614	1,743	2,260
Working Capital Changes	(689)	394	(1,078)	(958)
Capital Commitments	(1,200)	(1,300)	(1,300)	(1,300)
Free Cashflow	(406)	1,314	443	960
Other investing cashflow	(1)	-	-	-
Cashflow from Investing Activities	(1,201)	(1,300)	(1,300)	(1,300)
Issue of Share Capital	-	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	2,419	103	(194)	(190)
Dividend paid	-	-	-	-
Others	(1,678)	110	-	-
Cash flow from Financing Activities	741	213	(194)	(190)
Chg. in Cash & Bank balance	335	1,528	249	770
Closing cash & balance	654	1,941	2,192	2,962

Source Company data, I-Sec research

Exhibit 9: Key ratios

(Year ending)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	5.5	19.5	34.6	44.7
Adjusted EPS (Diluted)	5.5	19.5	34.6	44.7
Cash EPS	38.6	56.1	71.2	81.3
Dividend per share (DPS)	0.5	3.0	3.0	3.0
Book Value per share (BV)	139.9	159.4	194.0	238.6
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	22.4	27.2	18.2	14.0
EBITDA	1.9	33.4	24.6	15.4
EPS (INR)	(63.5)	250.7	77.9	29.1
Valuation Ratios (x)				
P/E	109.6	31.3	17.6	13.6
P/CEPS	15.7	10.8	8.5	7.5
P/BV	4.3	3.8	3.1	2.5
EV / EBITDA	14.5	10.4	8.2	6.9
EV / Sales	0.8	0.6	0.5	0.4
Profitability Ratios				
Gross Profit Margins (%)	17.3	17.2	17.9	18.7
EBITDA Margins (%)	5.5	5.8	6.1	6.2
EBIT Margins (%)	2.3	2.9	3.7	4.1
Net Profit Margins (%)	0.5	1.5	2.3	2.6
RoCE (%)	5.1	8.8	12.2	14.1
RoE (%)	4.0	13.0	19.6	20.7
Dividend Yield (%)	0.1	0.5	0.5	0.5

Operating Ratios

Fixed Asset Turnover (x)	5.3	6.8	8.2	9.6
Inventory Turnover Days	59	50	50	50
Receivables Days	16	11	11	11
Payables Days	13	14	14	14
Effective Tax Rate (%)	22.9	23.0	23.0	25.0
Net Debt / Equity (x)	1.5	1.1	0.8	0.6
Net Debt / EBITDA (x)	3.7	2.3	1.7	1.3

Source Company data, I-Sec research

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