



**Date: August 20, 2025**

To,  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E), Mumbai- 400001

**Scrip Code: 543714**

**Symbol: LANDMARK**

**Sub.: Transcript of Analyst/ Investor Earnings Conference Call held on August 13, 2025**

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Dear Sir/Madam,**

Further to our communication dated August 08, 2025, please find enclosed the transcript of the Earning Conference Call held on Wednesday, August 13, 2025 at 9:30 A.M. (IST) to discuss the unaudited standalone & consolidated financial results for the quarter ended June 30, 2025.

The said Transcript is also available on the website of the Company at <https://www.grouplandmark.in/investor-relation.html>.

Request you to please take the same on your record.

Thanking You,

Yours faithfully,  
**For Landmark Cars Limited**

**Amol Arvind Raje**  
**Company Secretary & Compliance Officer**  
**Mem. No.: A19459**

**Encl. as above**

**Landmark Cars Limited**  
**CIN: L50100GJ2006PLC058553 | GSTIN: 24AABCL1862B1Z2**

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“Landmark Cars Limited  
Q1 FY '26 Earnings Conference Call”  
August 13, 2025



E&OE: This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on August 13<sup>th</sup>, 2025, will prevail

**MANAGEMENT:** **MR. SANJAY THAKKER – CHAIRMAN AND EXECUTIVE DIRECTOR – LANDMARK CARS LIMITED**  
**MR. ARYAMAN THAKKER – EXECUTIVE DIRECTOR – LANDMARK CARS LIMITED**  
**MR. SURENDRA AGARWAL – CHIEF FINANCIAL OFFICER – LANDMARK CARS LIMITED**

**MODERATOR:** **MR. AKHIL PAREKH – B&K SECURITIES**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Landmark Cars Limited Q1 FY '26 Earnings Conference Call, hosted by B&K Securities. Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touch-tone phone.

With this, I now hand the conference over to Mr. Akhil Parekh from B&K Securities. Thank you, and over to you, sir.

**Akhil Parekh:** Thanks, Soumya. Good morning, everyone. On behalf of B&K Securities, I welcome you all to Landmark Cars 1Q FY '26 conference call. From the management side, we have with us Mr. Sanjay Thakker, Promoter, Chairman and Executive Director; Mr. Aryaman Thakker, Executive Director; and Mr. Surendra Agarwal, Chief Financial Officer.

Without taking much time, I will hand over the call to Sanjay sir for his opening remarks, post which we will open the floor for Q&A session. Over to you, sir.

**Sanjay Thakker:** Thank you, Akhil. Much appreciated. On behalf of the company, I extend a sincere welcome to everyone, who has joined the call today. As explained by Akhil, we have Aryaman and Surendra, who are along with me for this call. The results and the presentations are uploaded on the stock exchanges and the company website. I hope everyone has had a chance to have a look at it.

While the Indian passenger vehicle market grew only by 2.59% year-on-year in the first quarter on volume basis, Landmark Cars achieved nearly 22% growth in revenue, which was driven by strong deliveries in new car sales segment. This performance was backed by recent brand additions over the past couple of years, which have significantly outperformed the industry. Our profit before tax and profit after tax have more than doubled over the same period last year.

And if we consider the pre-Ind AS numbers, the underlying growth was even stronger. The auto industry globally is currently waiting for clarity on tariffs and bilateral trade. India has one of the highest tariffs in the world. It is likely that these tariffs will come down sooner or later.

Landmark has several global brands within its portfolio and will stand to benefit when this were to happen. India has taken a central stage in many global OEs future plans. Many have announced aggressive India plans in the past few months. Many more global OEs will announce them soon. In the last year, Landmark has transformed itself completely as far as the portfolio mix is concerned.

We now represent fast-growing brands in a meaningful way. BYD and MG together are nearly 20% of the company's business now. With the possible improvement of relationship between India and China, this could grow rapidly in the times to come.

Landmark has seen seamless execution of projects last year and near-perfect operationalization of newly opened outlets thereafter. We are focused on reducing costs continuously and the results are evident. In an environment, which is challenging, Landmark aims to significantly grow and show better results in the coming quarters and outperform the industry by a distance.

I hand over to Aryaman for more granular detail. Aryaman?

**Aryaman Thakker:**

Thank you. Let me first start with an update on our network expansion. During July, which is in quarter 2, we operationalized the Mercedes-Benz showroom in Patna as well as the workshop. It is the first luxury brand outlet in Bihar. We, at Landmark Cars, have again iterated our status as a partner of choice for our OEMs.

We expect that this new outlet will further increase our market share for the brand. In July, we operationalized the showroom and service center for MG Select in Ahmedabad as well, with deliveries and operations beginning in August. One, a further outlet of MG Select in Kolkata and a workshop for Kia in Hyderabad are set to commence operations in the later part of Q2 FY '26.

In quarter 1, FY '26, saw healthy performance from most of our OEM partners. Mercedes-Benz India achieved its best-ever quarterly sales in April to June of 2025, retailing 4,238 vehicles, which was a 10% year-on-year growth. This performance was driven by strong demand for both high-end luxury models as well as the balance model lineup. Sales of top-end models like the S-Class, the Maybach as well as the AMG portfolios rose approximately 20% in this time frame.

Mercedes continues to be the leader for the leading luxury OEM in India and Landmark continues to be partners. Mahindra outpaced the industry growth. It recorded over a 22% year-on-year growth in Q1 FY '26. Its models continue to enjoy a high demand with long waiting periods. Our outlets in both Hyderabad and Kolkata are stabilizing as expected.

At an OEM level, BYD enjoys a strong demand across its model range. With its consistent healthy demand, BYD has become a meaningful contributor to our brand portfolio, and we remain bullish on the future of the brand in India. We recently started our outlet for MG Select in Ahmedabad. MG Select is a new age luxury brand and has launched with 2 models in India currently. The Cyberster, which is priced at approximately INR75 lakhs and the MG M9 MPV positioned at INR69.9 lakhs.

Both these models have received a positive response with reasonably long waiting periods already. With deliveries expected to begin from August, MG Select will contribute positively to Landmark's top line and profitability starting from quarter 2.

Also, the premium positioning of these models will help uplift our average selling price, and we expect MG Select to be a good long-term story, which will help expand the premium luxury market in India. Renault has recently announced its plans to launch 5 new products in India over the next 2 years. This includes models like the new Duster as well as revamping the balance model lineup as well.

This will turn around Renault's performance in India. Let me share that Landmark remains the only partner for Renault in the Mumbai region. As mentioned previously, our focus on renegotiating contracts for consumables as well as focus on finance and insurance with better terms with banks have been executed. The benefits of these agreements will start reflecting in the coming few quarters.

I now hand it over to our CFO, Surendra Agarwal, to take us through financial highlights. Thank you.

**Surendra Agarwal:**

Thank you, Aryaman. Good morning, everyone. I would now like to present the financial highlights for the quarter of FY '26. The total proforma revenue for the quarter stood at INR1,415 crores compared to INR1,164 crores in the same period last year, reflecting a year-on-year growth of 21.6%. Of this, the new car proforma sale contribute approximate INR1,181 crores across all OEM partners, while after-sale revenue was INR235 crores.

Gross profit for the quarter was INR184 crores versus INR161 crores in Q1 FY '25, reflecting a growth of 14.8%. The GP margin in Q1 FY '26 stood at 17.4%. The rate of growth in new car sales has been much faster than the growth in after sales segment, thus impacting the GP margin on year-on-year basis.

Once the new workshop reached full operational capacity and start generating more after-sale revenue, it is likely to improve the GP margin. The EBITDA for Q1 FY '26 was recorded at INR66 crores with the EBITDA margin of 6.2% on a reported revenue basis.

At Landmark, we have believed that both sales and after-sales need to contribute to the company, and that is happening. We expect the after-sales business growth to pick up from H2 onwards when the newer workshops start contributing more.

In after-sales service, the total number of services stood at 94,000 (Note: This is to be read as 93,777) in Q1, '26 with a growth of 10.5% on a year-on-year basis. For Q1 FY '26, the average revenue per vehicle service was INR25,000, even though the ASP of after-sales have gone down marginally which is due to product mix increasing of newer brand.

The gross profit and EBITDA margin remained constant for after-sales business. We will see the impact of reduced borrowing cost due to the reduction in repo rates from this quarter onwards. Profit after tax stood at INR7 crores versus INR3 crores in the same quarter last year, representing 114% year-on-year growth. Cash PAT for the quarter stand at INR22 crores.

With that, I open the floor for Q&A.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Pritesh from Lucky Investments.

**Pritesh:**

My question is, first, with respect to the service revenues. So what we see is now that the new car sales growth rate is fairly strong for us. What is the lag between this and the service revenue growth rate to pick up because the service revenue is still 8% growth? So that's question one.

Second question, if I look at your revenue growth this quarter and try to look at new brands-led growth and the legacy brand-led growth, the split up is even. Is it fair to assume that this new car -- new brand-led growth, which is like some 10% to 12% easily contributing to the overall growth number.

Since the brands have set in, we can assume a further acceleration in this growth with the launches within MG and other brands because MG seems to have not done well between last year and this year. So the third question is basically some comment on MG. These are my 3 questions.

**Sanjay Thakker:**

Yes. Thanks, Pritesh, for your questions. Let me first answer the after-sales question. And this is an important question. So I'll take a little time. So many of the questions of the next participants may also be answered simultaneously.

After-sales also like sales is a seasonal business. Now why is it a little seasonal? Because the cars which are sold, they come for a service at an interval of, say, 12 months. The quarter that has gone by April, May, June quarter is the softest quarter in our trade. It contributes around 20%, 21% of the overall year, which is what we have seen historically.

And the pace of service also is more or less in that zone. Also, as you will see, the contribution of the new cars to the overall turnover is nearly 20%, while the service is only 10%. The reasons are small, small, but several. Our Kia workshops, for example, we did not have a Kia workshop in Hyderabad until July of this year, and it has started now.

So last quarter, had our Kia operations without a workshop in Hyderabad. Our Mahindra workshop actually was awarded, and this is, again, a very satisfactory situation for us. It was awarded as the fastest breakeven by Mahindra & Mahindra in Hyderabad. We achieved the fastest breakeven for any workshop and they awarded a special award to us.

So your question was that when will the growth come back? Our expectation is that we will reach the double-digit growth in the next half of the year and try going towards the 13%, 14% growth that we have seen for the last 10 years, which is the 10-year CAGR by end of the year. So we will get back to that pace.

I don't think we see that much of a challenge. It is going more or less as planned. It's a mathematical business, and it will get there. The other thing was about the growth in sales. Now -- and as I think Surendra mentioned in his speech, we have been firm believers that sales

and after-sales both need to contribute towards the profitability of the company. It is not only after-sales. After-sales is clearly -- I think everybody has understood that this is an annuity type of a business. It keeps on growing every year.

But we believe that sales also because it has insurance, finance, accessories, a lot of other peripheral income streams that, that also needs to contribute. You will see that in this quarter, around one-third of our EBITDA has come from sales. It is improving. And we believe that this will improve further in the times to come.

The growth in -- Aryaman has listed down a few brands. The good part about having a kind of a portfolio approach is that at any given time, some brands will do well, new launches will help. So we will see the growth momentum continue in the coming quarters. Our expectation is that the growth momentum will continue. We believe that the MG has done well. In absolute numbers, they are one of the fastest-growing brands that we have seen.

**Sanjay Thakker:**

And they have grown at around 26% in the first quarter year-on-year, which is amongst the fastest growing. My figures are showing me that they have grown at 26%, which is possibly amongst the fastest in the industry this year, and we have kind of grown simultaneously.

If you were to only look at our market share from an OE's perspective, it may not be such a good number to see on a quarter-on-quarter basis because we have reduced -- this is based on wholesale. What has happened is that we have reduced in many of the OEs, the stock that we had on 1st April and what we have on 30th June, there has been a reduction in stock, which is good for our balance sheet. So that way -- that's the answer I have to say. Pritesh, anything else?

**Pritesh:**

Sir, just a clarification. So in the new brand, when you do the calculation, when you say that the new brand contribution to sales has moved from 13% in FY '25 to 19%, it means that the new brands are growing at a 50% run rate and it's just the start. Is it fair to extrapolate this incrementally also an acceleration further in terms of growth rate?

**Sanjay Thakker:**

Yes. So the growth rate, as I -- see, it's slightly difficult to kind of put a hard-coded number on it. The growth, what we have seen, we are hoping to continue for the balance part of the year.

**Moderator:**

The next question comes from the line of Arnav Sakhuja from Ambit.

**Arnav Sakhuja:**

So I just wanted to know how has been the response for Tesla in India since they recently launched their Model Y. And do we expect that it will provide any threat to our current product portfolio, especially the EV portfolio that we have?

**Aryaman Thakker:**

Yes, this is Aryaman here. I'll just quickly answer that. Of course, there was a good amount of media hype and buzz surrounding the launch. I think on an on-ground level because their first showroom has opened in Mumbai, and we do have some of our EV brands like BYD also operating in the region.

So far, we have not had any sort of impact on our sales. And this is at least what our data says that it has been low single-digit customers that we have at least experienced who have

switched over to the brand in the time since they have launched. So so far, we have not seen any sort of meaningful impact on our EV portfolio of brands.

**Sanjay Thakker:** One of the journalists actually said an important -- very interesting thing. He said that the -- as it stands now, India seems to be more interested in Tesla than Tesla in India.

**Arnav Sakhuja:** Okay. Sure. So my next question is with regards to Mercedes. So basically, as you were mentioning in your opening comments, Mercedes had a very strong quarter on a year-on-year basis this Q1 FY '26. But does it indicate a wider growth in the luxury and ultra-luxury car segment this quarter? Like, for example, did Mercedes' competitors like BMW and Audi, did they also show such strong growth levels? Or was it restricted to Mercedes?

**Sanjay Thakker:** So my -- I'll check the numbers, which are -- so I think JLR as well as BMW both have grown. But the growth in luxury cars, we expect that it is generally around 3x right now. That is the way we are looking at it of the normal passenger cars. That is how we believe it will happen. So first quarter is a short period. We still have a whole year to go. So let's hope that it kind of continues. But BMW and JLR both have grown. I think Audi may have degrown.

**Arnav Sakhuja:** Okay. But would they have grown at somewhat similar levels as Mercedes or slower level?

**Sanjay Thakker:** It could be at similar levels. I don't have the numbers. They don't publish these numbers very -- on a monthly basis, as you know. They -- so I don't have the data unfortunately, with me today.

**Arnav Sakhuja:** And just one last question. So with regards to the new MG Select segment that we've entered into MG M9 and MG Cyberster, how is the market reaction for these 2 models?

**Sanjay Thakker:** Yes, Aryaman, look at it.

**Aryaman Thakker:** I think the market reaction as well as the customer as well as the media reaction has been reasonably positive. I think they -- it's a new age segment, and they are trying to tap into a slightly what they call as the value or the accessible luxury price point. So I think the price point to what they offer has been well accepted by the market.

It's still early days of these products has just started this week, but we do expect the response so far and the waiting periods that we are showing so far are quite positive. And we think that this will be a good long-term bet in the Indian luxury space.

**Moderator:** The next question comes from the line of Lokesh Manik from Vallum Capital.

**Lokesh Manik:** Sir, just a couple of questions. One is on pre-owned vehicles. If you can share some developments on that side with some numbers for this quarter. And the second one is on financing and insurance numbers on that front as well for this quarter. It was not mentioned in the presentation. So has it inched up from 1% or is it still at 1%?

**Sanjay Thakker:** Yes. Lokesh, the first question about finance and insurance. No, it has not moved from 1%. It is in and around that. The sales has moved up. It will not -- it will gradually move up as Aryaman said, with better penetration, better margins and all that. This quarter has not been anything which is significantly different than some of the other quarters, but it is improving.



On the POC front, we -- this is something we need to kind of crack but in a better way. Our focus in the last maybe 9 to 12 months has been to operationalize and stabilize the 25 outlets that we had done. We left everything else for the future and basically focused on getting that done and which is where we have reached.

I think we are happy with the situation that we find ourselves in. And the preowned car business will again get on to the center stage of our happening. We would also, I think, from -- after 2 quarters, stop reporting the new and old kind of a thing because I don't think it will be required after that. December, maybe after that, we won't have this done. And the focus will turn to the things that need to be done like the pre-owned cars.

**Lokesh Manik:** Right, sir. Sir, just for clarification. Finance and income would have grown in line with the new car sales growth. Would that be a fair assessment?

**Sanjay Thakker:** Yes. That is right.

**Moderator:** The next question comes from the line of Nishant Shah from JCurve Capital.

**Nishant Shah:** Congratulations on the result. Just a very basic question. I wanted to understand what really is the moat for our after-sales service? Or if you could kind of like try and quantify what percentage of the cars that we sell end up having after-sales only with us?

Like as far as I understand, like whenever we buy a car, you end up somehow or the other receiving calls from a lot of other workshops for annual maintenance or like any kind of like service requests. So how do you ensure like a higher wallet share in after-sales from the cars that we sell?

**Sanjay Thakker:** Yes, Nishant, this is a good fundamental question that you are asking. So unlike the global environment, India doesn't have any local garages, which are a meaningful play as far as the after-sales business is concerned. Neither are there any insurance-backed garages where the car gets repaired. So the after-sales revenue is basically broken up into periodic and general maintenance and accident repair. The accident repairs take around -- give around 45% of our after-sales revenue comes from accident repair.

Now that also should be kind of understood. Now the moat, what you are saying, the cars come with a warranty of 3 to 4 years, depending on what car you are talking about. And during that time, a customer is expected to service these vehicles only at the authorized dealerships. After that, people like us sell extended warranty. Some of them like us have a white-labeled extended warranty product. So this is also something which happens.

So during the period of the extended warranty, which may extend up to 7 years from the time the car was bought, the car comes to our workshop for service. Your question was also that you receive many times the calls from different workshops. Now as far as Landmark is concerned, in many of the brands that we represent, in most of the geographies that we operate, we are, as of now, their only partner.

So there is a natural inflow that happens because we would be the only authorized workshop in that region. Now the other answer is that because we provide superior services, most of our workshops are rated nearly 5 star as far as the customer satisfaction is concerned. I believe that the customers migrate in from other workshops wherever there are competing workshops rather than moving out. So it is a very unique proposition that India has to offer as far as the after-sales business is concerned, currently, and it is like an annuity business that you need to kind of look at.

**Nishant Shah:** Understood. So what would be the -- like the attachment rate for extended warranties beyond the first 3 years or 4 years of pre-warranty?

**Sanjay Thakker:** I would think around 40%, 35% to 40% is what we -- and many of the brands that we focus on. But the -- what we believe is that the cars come to our workshop. Every year, some amount of cars do drop in. First 3, 4 years is upwards of, say, 93%, 95%. And after that, it keeps on gradually going down up to around 7 years, 8 years is what we kind of look at the cars coming in.

**Moderator:** The next question comes from the line of Vaidik from Monarch Network Capital Limited.

**Vaidik:** Congratulations on good set of numbers. Sir, I just have one doubt regarding our other income, which has come. So it has increased drastically. So what has driven this other income? And what would be a steady state of other income, which we should build on for the full year?

**Sanjay Thakker:** Yes, I'll have Surendra here.

**Surendra Agarwal:** So Vaidik, it is not increased drastically. If you look at the total year, it is in line with that. It mainly consist of the interest income, which we put the FD against the bank guarantee we used to take. And then the miscellaneous income, which is like an old provision write-back, etcetera. So it is in the line. Some quarter, it may have slightly up, or some quarter, it may slightly down.

**Vaidik:** Sir, for the full year, how much should we build in?

**Surendra Agarwal:** So full year, last full year, it was roughly around INR14 crores, and we expect similar or maybe a better number than the full year.

**Moderator:** The next question comes from the line of Bhavya from Tamohara Investment Managers.

**Bhavya:** I had a question on the after-sales for EVs. So I want to understand how is the average service realization for vehicles compared to ICE models? And how should we think about service visit frequency for EVs maybe annually? So if you can broadly explain this?

**Sanjay Thakker:** These are, Bhavya, probably early days for us to kind of stick our neck out and give a very definitive number. The experience that we have had with, say, a BYD, which is a pure EV brand. In case of MG, for example, it's a mixed thing that we keep on selling. The accidents what we have seen are more frequent in EVs is what we are seeing.

As I had said that the -- around 45% of our after-sales business comes from body and paint accident repairs. So this is slightly more in EVs because they run more, they accelerate more and the damage whenever it happens, has a disproportionate amount of claim attached to it. So that is what we are seeing.

The report of Goldman, which I'm still referring to and we are trying to plot our findings along with it, which came from China 2 years back, I think, was saying that the revenue generated by EVs is approximately 86% of the regular ICE cars as far as the revenue generation is concerned in after-sales. It is still a little early to kind of call it, maybe another 6 months, and we will have a better data point to give you.

**Moderator:** The next question comes from the line of Bhargav from Ambit Asset Management.

**Bhargav:** Congratulations on a strong performance. Sir, my first question is that if you look at the EBITDA margins in the after-sales business on a Y-o-Y basis, there has been a significant improvement from 16.5% to 18.2%, given the seasonality, whereas the revenue per the vehicle in after-sales has seen a decline. So what explains this EBITDA margin improvement, sir?

**Sanjay Thakker:** So Bhargav, as far -- I'll answer the second part first. The marginal drop in the average service cost is kind of expected because the product mix, when we service non-Mercedes vehicles, it will drop. So that -- I'm really not too concerned about because the margins, whether we service this or that is more or less similar. So that is the first part.

The second is that the after-sales businesses, a lot of the workshops have started to get in a mature state or near breakeven or profitable stage. We had a lot of workshops last year, which we were paying the rent, the salaries, electricity bills, etcetera, where they were not generating any revenue or very small revenue. Workshops keep on kind of maturing, the profitability of workshops will start showing.

We believe that this has further use in the after-sales business where many of the workshops are nearing breakeven and all that, they should make significantly more money and the ROCE that they should generate should be upwards of 30%. Many of the workshops are still not there, but they are on their way.

**Bhargav:** Sir, what would be the EBITDA margin for the most profitable workshop? Is it possible to highlight?

**Sanjay Thakker:** We will -- we have still not, Bhargav, gone into that kind of granularity because we believe that it will finally even out. But I think the long-term average has been where we are currently. Between 18% and 18.5%, 19%. That's the range.

**Bhargav:** Sir, if I look at your loss on the new car outlets, it has dropped to about INR7 crores versus INR12 crores in the fourth quarter. Is it fair to say that this year, as we end, we should be closer to breakeven in new car outlet?

**Sanjay Thakker:** So the new car outlet definition, Bhargav, is that we -- as soon as a location completes 12 months, we are moving them into what we call existing outlets. So it is not a like-to-like

comparison that we are talking about. But I mean, the hope is that it will go by textbook and after 12 months, they at least start breaking even.

You will see that even in these things, the EBITDA breakeven or profitability has happened in the most recent of the outlets. One of the locations, which I also pointed out was operating without even a workshop. So there is all reason to believe that we will kind of have no loss situation in practically all the new locations. Let's keep our fingers crossed. That's what we are all working towards.

**Bhargav:** And lastly, sir, if I look at the contribution of Mercedes in after-sales and new car, it is very similar at about 38%. Aryaman...

**Sanjay Thakker:** It is for the full year. Bhargav, dropped around 5% from the whole of last year.

**Bhargav:** Yes, sir. But if I just want to compare the Honda, Renault and Jeep, their share in after-sales is much higher versus new car and understandably so because they are struggling in terms of new car sales. But with M&M, Kia and BYD doing well, can we assume that going forward, the contribution in new car sales and after-sales will be also similar to how the Mercedes trend has been.

**Sanjay Thakker:** See, Mercedes, Bhargav has happened after a long period of time of association with them. So it's on a -- Mercedes business is a very steady-state business for us, which then grows with the market. It is very early days for us for -- in, say, a Mahindra or a Kia where the new car sales, it will depend on the overall pie also. So it's difficult to kind of put a number, but you brought out a very interesting and a nice point saying that even brands like a Honda or a Jeep or a Renault have a higher contribution in after-sales. Now this is the beauty of this business that you don't really need continuous new cars to kind of support you in business.

When, say, in a case like Honda, we are significantly profitable as a company of Honda business even without selling any meaningful number of cars. Now this has been happening for the last 2, 3 years. I'm hoping that the Honda new car sales will start picking up from maybe 1.5 years' time when their new models come in. But by that -- till that time, you have that buffer zone, which is there. But the contribution of Mahindra and Kia and MG will obviously tick up as the workshops become mature.

**Moderator:** The next question comes from the line of Manish Bhandari from Vallum Capital.

**Manish Bhandari:** So I have a few questions. One, do you compute the market share gains in the services business versus the competitors?

**Sanjay Thakker:** The data is really not available. The OEs do not share us that data readily. So we do not -- as of now, we wish we had, but we do not have any source of getting that information from co-dealers wherever they are.

**Manish Bhandari:** Sure. Sir, my second question, Mr. Thakker, was related to the consolidation in the industry. You have done a few purchases across India. So is there a way to accelerate this? And assuming that your analysts would suggest that you would get a 14% to 16% IRR on the

business what you acquired. So can this be a debt funded or some kind of structure could be made where you can accelerate the consolidation in the industry?

**Sanjay Thakker:**

Yes. So Manishji, the 25% of what we are is by way of mergers and acquisitions. The last year was a very important year for us, where we kind of took 25 new outlets, organic and inorganic and have operationalized them. If you are asking -- the answer to your question is that can this be done theoretically, yes, of course, it can be done. Will it happen immediately? We need to kind of plan out. So the point is that the consolidation in the industry is likely to happen. At what pace, we will have to kind of define that pace as the market leader, but it can theoretically happen.

And we have kind of initially shown right now that we are able to digest growth and make it profitable. I think the way to kind of do it is to do it in a profitable way. Consolidation per se will obviously happen, but we also don't want to lose the focus on profitability. And we can talk at a separate time on a kind of a structure and all that, which we can see.

**Manish Bhandari:**

Sir, my another question is related to the BYD. I understand that there are many dealers of BYD across India. And looking at your early mover advantage with Mercedes and a few other brands, are you not able to capture a bigger share of the dealership with BYD?

And second thing is related to the number of cars BYD can sell in India, looking at the homologation test and everything. So if you can throw some light that what is the potential opportunity -- and it's such a wonderful brand across the world. So what is the opportunity for us? How many cars to sell and what other dealership we can look at in terms of expansion with BYD?

**Sanjay Thakker:**

Yes. So first, about the homologation and all that. So BYD currently sells 4 models in India, the eMAX 7, the Atto 3, the Sealion and the Seal and all are doing pretty well. The numbers are -- the way it is trending, it will be around 3 times of what happened in the calendar year 2024. That's the trend.

Now -- and this is happening, mind you, without any kind of marketing. I have not seen any marketing for BYD cars. It's word of mouth, which the superior cars are selling. So this can grow significantly big. And the first point that you have mentioned is something which is obviously being worked upon on the sidelines.

We are also as aware and mindful of what the opportunity is. And beyond that, I can't really say on this call. And we are obviously their largest partner and a partner of choice for them. So we are hoping that a similar kind of a story will play out as it has happened for Mercedes-Benz.

**Manish Bhandari:**

And sir, last question related to the pre-owned cars. You have spoken about on a few occasions related to the inventory what you need to own and maybe the diminishing value in the business, while many competitors are thriving in this business in a much -- in a similar compliant way, I would say that. So is there a way where we can build our pre-owned business, which was case you built out a year back about the excitement around the pre-owned

car business because it improves the throughput and it gives you a service income in the catchment area.

**Sanjay Thakker:** Manishji, I couldn't agree with you more. The pre-owned car business remains to be a mountain for us to climb and we will climb it. It is just -- it was a matter of timing. We had to kind of prioritize what we had to do. We had to kind of get the mojo and the momentum back in our existing business, stabilize them.

We had a brand portfolio, which we thought was good enough, which wasn't, and we have now added brands which are performing. So we have kind of done what we had to do for our core business. And everything in and around which had to be built will be built. And yes, there has been a delay in executing the pre-owned car business, but it's not that it is out of our mind. It is just that we have tried to sequence it out.

**Moderator:** The next question comes from the line of Hitaindra Pradhan from Maximal Capital.

**Hitaindra Pradhan:** Hope I'm audible. So my first question is with regards to the comment that you made earlier. So you talked about the -- you talked about the servicing business and how 45% comes from the accident repairs and all. So sir, like if I segregate into 2 basically, the normal warranty-based servicing and accident-based servicing. So what are the trends that you are seeing like accident part would be more secure, right?

**Sanjay Thakker:** Secure, I don't understand what would that mean?

**Hitaindra Pradhan:** It will be more stickier like when there is a slowdown -- auto slowdown or anything, that component should be -- shouldn't be going down that much. It should be like in the frame, should be secure...

**Sanjay Thakker:** Actually -- there is -- in fact, there are several theories I have heard during my 26-, 27-year career. One of them is that if there is an economic slowdown, then the car -- the people don't change their cars that frequently. So they need to maintain them well.

Now this is also some theory. It is untested and there is no scientific data to support it. But my people tell me on the ground that if there is a slowdown, people use their cars more often and change less frequently. So that servicing aspect can also become bigger in a slowdown.

**Hitaindra Pradhan:** Got it. Got it. Second question is for Surendra, sir. Sir, what would be the pre-Ind AS EBITDA for the after-sales and the new vehicles?

**Surendra Agarwal:** Just a minute. I will give you. So pre-Ind AS EBITDA is 4-0-3, INR40.3 crores. We have the Slide number 13 in our presentation, which gives the complete reconciliation of Ind AS.

**Hitaindra Pradhan:** Right, sir. But what would be the contribution of the after-sales versus the new car sales?

**Surendra Agarwal:** So roughly, if we look at after-sales and the new car sales is one-third, two-third is the EBITDA contribution.

**Moderator:** The next question comes from the line of Dhiraj from RRR Investment.

**Dhiraj:** Great set of results. Congratulations on that. So my first question is, sir, like this year, as we've seen in the presentation that we are not going to open any more outlets as we had planned in the past 2 years. So we are going to have a lot of cash flow from operations this year is what I'm estimating.

Based on that, we did great numbers last year also INR152 crores, and this year, we are not going to take the blow of extra inventory, change in inventory that we had to put in all the new outlets that we like constructed last year. So like what are the plans of using those funds?

**Sanjay Thakker:** Sorry, your voice broke my friend, Dhiraj. What is the question here?

**Dhiraj:** Sir, we are going to have a lot of cash flow from operations this year like last year also, we did INR150 crores. And this year, we are doing more sales. And this year we are not going to have the effect of change in inventory that happens because of when we open new outlets, we have to like put a lot of cars in the new showrooms. So we are not going to have that also. So I think we will do to around INR200 crores to INR250 crores of cash flow from operations this year. So what are our plans of using those funds as we are not opening a lot of outlets this year also?

**Sanjay Thakker:** Yes, I wouldn't put a number what you have put. We are as of now not kind of putting in any number on that metric. Now as far as opening of new outlets is concerned, we have said that we will not have this same size of expansion what we did last year, one or two keeps on happening here and there, nothing that big what happened last year.

All our expansion in the past have been funded through our internal accruals. And so we will keep -- we have a very easy way of deploying this money for the time being because we believe that India has a lot of juice to offer. We have on our presentation, given a kind of an ambition statement saying that we want to be around 1.5% of the Indian auto market, which is there.

So we are still some way so the growth will happen, and we will need to keep money for that. Now when we either have to set up or acquire dealerships at the right time, at the right price. So that's what happens. In the interim, we can reduce our inventory and pay off our working capital debt and save on interest. So that is there. We have a dividend declaration policy, which is also there, and we are consistently following that. So nothing that comes to mind, which makes me give any different answer.

**Dhiraj:** Okay. So I mean our position -- our financial position is going to be great this year as we are not -- our cash flow from investing is going to be low, we have -- we are not opening a lot of outlets and we are ramping up our old outlets, which were mostly loss making till now.

**Sanjay Thakker:** Not really loss-making. Wherever the loss-making outlets have been there, we have continuously tried to rationalize them, either shut them down or to have a fungible thing where we are colluding with one or the other brand. So it is a process what we need to do, and we keep on doing continuously.

**Dhiraj:** Yes. And my next question would be that as we saw this quarter that a lot of news going...

- Moderator:** Sorry to interrupt.
- Sanjay Thakker:** Sorry, I am unable to hear.
- Moderator:** Dhiraj sir, I request you to join the queue for a follow-up question, please. The next question comes from the line of Puneet Javeri from Javeri & Company.
- Puneet Javeri:** So sir, largely, you spoke about BYD, and you mentioned the multiple partners. Do you have any kind of -- if you can share with us any kind of conversations with the team and what's the plan for expansion going forward? You already are 8 outlets. So in the medium term, 3 to 4 years, where do you expect this to go?
- Sanjay Thakker:** No. Sorry, Puneet. This is something I would not like to share on the call at this point. It is an important thing, which will be unfolding.
- Puneet Javeri:** And would you also currently having a workshop also for BYD in India?
- Sanjay Thakker:** Yes, yes. We have it. We are partners with them in the NCR and the Greater Mumbai region. We have it at both ends.
- Puneet Javeri:** And is there a similar agreement that you have for MG Select as well? Because that as well, you mentioned that the average selling price is quite higher compared to the existing models and rightly so. So for these models as well, do you have anything that you can share on growth aspirations for MG Select as a brand as well as in terms of service and workshop, what's the plan of setting those up?
- Sanjay Thakker:** So in MG Select, we are setting up workshops. We are in 2 places where we are starting our sales operations in the next 1 week, which is Ahmedabad and Kolkata. And both ends, the workshops will be set up. So my feeling is that the initial maybe 2 years or so, the profitability will come from sales and not so much as after-sales because there is not any car parc of that.
- The workshop requirement will be pretty small to begin with as far as MG Select is concerned. The models of MG Select are seeing great traction. And I'll not be surprised if we find a situation that once we see cars on road, they will be -- there is a huge waiting list for people to come.
- Puneet Javeri:** And do you expect this to go to 8 to 10 showrooms in the medium term over the next 2, 3 years for MG Select specifically?
- Sanjay Thakker:** Again, difficult to kind of give a forward-looking thing for the brand because the brand also will have to kind of see how things are. And we don't have any kind of visibility to give a scientific answer to this. Early days.
- Puneet Javeri:** And just one final question from my side. You mentioned that last year, the investments that have gone in stores as well as setting up workshops will yield results this year and that's visible in quarter 1 numbers as well. But in terms of new store expansion for this year, are you penciling in or giving a number, how many are you targeting?



Because while you mentioned in the presentation, that there will be some rationalization of new store openings? Because the question is largely coming from what will lead the growth essentially next year, if the new store openings is slightly limited. Will it come from existing ones? Or the ones which are scaling up over the last 12 to 15 months?

**Sanjay Thakker:**

Yes. So many things will happen. What has happened is that we have partnered with the fast-growing brands, and they will kind of play out. Our -- what we have also done as a strategy is that we -- in the brands, we buy out our local level competition wherever it is possible. A case in example was that Kia, again, very early days where we entered, we bought out our local level competitor in one of the towns that we have been operating.

So our growth for next year is -- this year, obviously, everybody now understands that we are going to be there. We have understood the template now. The point is that we will build in so that we significantly outpace the industry, and we will have a strategy around -- in and around it. In the first quarter, it is difficult for me to kind of lay out what that strategy is. Some of it may not be such a great idea to discuss on the call.

**Moderator:**

Ladies and gentlemen, we'll take this as the last question for today. I will now hand the conference over to Mr. Sanjay Thakker for closing comments.

**Sanjay Thakker:**

Yes. Thank you for hosting us, B&K. As we go through the year, we look at it with a lot of positive feelings that a lot of things are falling into place as far as Landmark is concerned, and the entire team, I thank for pulling their weight in difficult times that everybody contributed to make things happen. And the ship has turned around is what we believe and the better days are ahead. Thank you.

**Moderator:**

Thank you. On behalf of B&K Securities, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.