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IPO Note
3rd October 2025

LG Electronics India Ltd

Subscribe For Long Term

Rating: Subscribe For Long Term

Issue Offer

OFS up to 10,18,15,859 equity shares bringing the total issue size up to INR 116.07 Bn.

Issue Summary	
Price Band (INR)	1,080-1,140
Face Value (INR)	10
Implied Market Cap (INR Bn)	773.8 Bn
Market Lot	13
Issue Opens on	October 7, 2025
Issue Close on	October 9, 2025
No. of share pre-issue	67,87,72,392
No. of share post issue	67,87,72,392
Listing	NSE / BSE

Issue Break-up (%)	
QIB Portion	≤50
NIB Portion	≥15
Retail Portion	≥35

Book Running Lead Managers

Axis Capital Limited
Citigroup Global Markets India Private Limited
Morgan Stanley India Company Private Limited
J.P. Morgan India Private Limited
BofA Securities India Limited

Registrar

KFin Technologies Limited

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	100%	85%
Public & Others	0%	15%

Objects of the issue

Company will not receive any proceeds from the Offer

LG Electronics India Limited is engaged in the manufacturing and trading of a wide range of consumer electronics and home appliances, including televisions, air conditioners, refrigerators, washing machines, microwave ovens, dishwashers, vacuum cleaners, water purifiers, air purifiers, compressors, and personal computers. The company operates through two primary business segments: the home appliances and air solution division, and the home entertainment division, catering to both B2C and B2B customers across India and international markets. With manufacturing facilities located in Greater Noida (Uttar Pradesh) and Ranjangaon (Maharashtra), LG Electronics India has established itself as a leading player in India's major home appliances and consumer electronics industry, leveraging its strong brand, extensive product portfolio, advanced technology, and wide after-sales service network to serve customers in India and 47 countries across Asia, Africa, and Europe

Investment Rationale

Market Leadership Across Product Categories

LG Electronics India holds the number one market position in core product segments such as refrigerators, washing machines, televisions, and air conditioners, benefiting from robust brand recognition and a comprehensive distribution network with more than 35,000 B2C touchpoints nationwide. Its strong execution capability, leadership in the offline retail channel, and strategic partnerships ensure recurring demand and reinforce long-term revenue visibility across India's fast-growing consumer durables market.

Expansion of Manufacturing Footprint and Integrated Operations

The company's ongoing investments in expanding local manufacturing—including two major facilities in Noida and Pune with an upcoming $600 million plant in Andhra Pradesh—deepen backward integration and enhance operational efficiency. This backward integration enables better quality control, cost optimization, and reduces supply chain risk, positioning LG Electronics to scale up exports and meet persistently rising domestic and global demand for consumer appliances.

Strong Financial Profile and Consistent Profitability

LG Electronics India has delivered robust financial performance, with net profit surging 45% year-on-year and revenues exceeding INR 240 Bn in FY2025. The company's capital-efficient business model, high capacity utilization, and strong service and maintenance ecosystem underpin its ability to scale efficiently, maintain industry-leading margins, and generate stable cash flows even amidst competitive intensity.

Valuation & Outlook: **LG Electronics India's IPO comes amid heightened momentum in the Indian consumer durables sector and robust domestic consumption trends. The company's dominant market position across key product verticals—supported by widespread distribution, growing local manufacturing, and a capital-efficient, debt-free balance sheet—provides strong levers for growth and margin resilience. The IPO, valued at approximately INR 773 Bn, is attractively priced versus domestic peers and backed by industry-leading return ratios and expanding profitability metrics. However, key factors to monitor include execution risks related to the new Andhra Pradesh plant, intensity of competition, and raw material cost fluctuations, though LG's brand equity and operational track record mitigate many of these sectoral headwinds. At the upper band of INR 1,140, the issue is valued at P/E of 37.69x AND EPS of INR 30.25. We are recommending a "Subscribe For Long Term" rating for this issue.**

Particulars (INR Bn)	FY23	FY24	FY25
Revenue from Operations	201.08	215.57	246.30
EBITDA	18.95	22.24	31.10
Margins (%)	9.42	10.32	12.63
PAT	13.44	15.11	22.03
Margins (%)	6.68	7.01	8.94

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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%

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