

LG ELECTRONICS INDIA LTD.

'SUBSCRIBE'

07-10-2025 TO 09-10-2025

Industry: Consumer electronics / Home appliances
Recommendation: Subscribe for long term

Price Band: ₹1080 to ₹1140
Post Implied Market Cap: 73,307 Cr - ₹77,380 Cr

Key Data

Issue Size (₹ Cr)	₹11,607.01
Fresh (₹ Cr)	-
OFS (₹ Cr)	₹11,607.01
No of shares offered (total issue)	10,18,15,859
Face Value (₹ /share)	10
Bid Lot	13 Shares

Indicative Timetable

IPO Open Date	Tue, Oct 7, 2025
IPO Close Date	Thu, Oct 9, 2025
Tentative Allotment	Fri, Oct 10, 2025
Initiation of Refunds	Mon, Oct 13, 2025
Credit of Shares to Demat	Mon, Oct 13, 2025
Tentative Listing Date	Tue, Oct 14, 2025
Cut-off time for UPI mandate confirmation	5 PM on Thu, Oct 9, 2025

Shareholding (No. of shares)

Pre-Issue	67,87,72,392
Post-Issue	67,87,72,392

Issue Breakup

QIB	50%
NII	15%
Retail	35%

Shareholding Pattern

	Promoter	Public
Pre-Issue	100.00%	0.00%
Post-Issue	85.00%	15.00%

Other Details

BRLMs: 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

Listing: BSE & NSE

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About the company

LG Electronics India Ltd. is a leading consumer electronics and home appliances company headquartered in New Delhi. Established in 1997, it operates as a subsidiary of the global LG Corporation. The company offers a wide range of products including televisions, refrigerators, washing machines, air conditioners, and mobile phones, catering to millions of Indian households. Known for innovation, quality, and customer-centric solutions, LG Electronics India Ltd. has built a strong reputation across urban and rural markets.

Investment Rationales

Market dominance: LG is the long-time market leader in the Indian home appliance and consumer electronics segment (excluding mobile phones), backed by a powerful and trusted brand name.

Robust financials: The company shows consistent, healthy revenue and profit growth (e.g., strong PAT growth) with excellent efficiency ratios (high ROCE/ RONW).

High potential market growth: LG is a direct beneficiary of India's accelerating consumer market driven by rising middle-class income, urbanization, and low product penetration.

Strategic localization: Substantial investments in new manufacturing plants and component localization align with government policies and ensure efficient, cost-effective operations to meet domestic demand.

High-Margin diversification: The strategic shift toward premium products, B2B segments (like HVAC), and new recurring revenue from platform/subscription services aims to secure future high-margin growth.

Risk

Sales are through multiple partners such as traditional channels, Modern trade and own brand shops/website.

Nature of business is seasonal and varies with consumers spending power and disposal income.

Our views

We believe that LG Electronics India Limited, a global leader in consumer electronics and home appliances, offers a highly compelling investment proposition in India's high-growth consumer market. The company is strategically positioned as the undisputed market leader to capitalize on rising middle-class incomes, urbanization, and low product penetration.

LG Electronics India Limited exhibits market dominance and exceptional financial efficiency, driven by: Industry Leadership: Holds the No. 1 market share across key appliance categories. Robust Financials: Sustained, healthy revenue growth (e.g., ₹21,352 Cr in FY24) and high profitability with a nil debt capital structure.

LG Electronics India Ltd.'s strategic focus is on accelerating high-margin growth by emphasizing premium products, the B2B segment (e.g., HVAC), and new recurring revenue streams, supported by its vast, localized manufacturing and distribution ecosystem.

We recommend that investors seeking exposure to a market-dominant, financially sound company poised for sustainable, long-term growth in the Indian consumption story consider SUBSCRIBING for a medium-to-long-term perspective.

CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial Performance Indicators	Unit	Fiscal 2023	Fiscal 2024	Fiscal 2025
GAAP Measures				
Revenue from Operations	₹ in Cr.	19868.24	21352.00	24366.64
Revenue Growth (year-on-year)	%	-	7.47%	14.12%
Revenue from Home Appliances and Air Solutions	₹ in Cr.	15030.68	15679.75	18267.86
Revenue from Home Appliances and Air Solutions as % of Revenue from Operations	%	75.65%	73.43%	74.97%
Revenue from Home Entertainment	₹ in Cr.	4833.92	5672.25	6098.78
Revenue from Home Entertainment as % of Revenue from Operations	%	24.33%	26.57%	25.03%
Profit for the period/year	₹ in Cr.	1344.93	1511.07	2203.35
Non-GAAP Measures				
EBITDA	₹ in Cr.	1895.12	2224.87	3110.12
EBITDA Margin	%	9.54%	10.42%	12.76%
Profit Margin	%	6.69%	7.01%	8.95%
Return on Capital Employed (RoCE)	%	34.38%	45.31%	42.91%
Return on Net Worth	%	31.13%	40.45%	37.13%
Operating Performance Indicators	Unit	Fiscal 2023	Fiscal 2024	Fiscal 2025
Number of LG Brand Shops	#	814	780	800
Number of B2C touch points	#	34874	35833	36230

Source: Company RHP

LG Electronics India Ltd. IPO Peer Comparison

(As on March 31, 2025)

Company Name	EPS (Basic)	EPS (Diluted)	NAV (per share) (Rs)	P/E (x)	RoNW (%)	P/BV Ratio
LG Electronics India Ltd.	32.46	32.46	87.42	35.12	37.13	
Havells Ltd.	23.49	23.48	133.05	64.14	17.63	11.32
Voltas Ltd.	25.43	25.43	197.66	52.68	12.76	6.8
Whirlpool Ltd.	28.3	28.3	314.52	43.53	9.09	3.92
Blue Star Ltd.	28.76	28.76	149.19	65.59	19.27	12.66

Notes:

Basic/Diluted EPS refers to the Basic/Diluted EPS sourced from the financial statements of the respective peer group companies for the year ended March 31, 2025.

RoNW is computed as net profit after tax attributable to shareholders divided by total equity attributable to the equity shareholders as on March 31, 2025.

Return on Net worth (%) is calculated as profit for the year divided by Net Worth at the end of the respective year / period.

Net assets value per share = Net asset value per share is calculated by dividing net worth by weighted average number of equity shares outstanding at the end of the period.

P/E ratio for the peer group has been computed based on the closing market price of equity shares on BSE as on September 26, 2025, divided by the Basic EPS for the year ended March 31, 2025.

Market Capitalization = Total number of shares disclosed on BSE as of June 30, 2025, multiplied by the closing share price on BSE as on September 26, 2025.

P/E Ratio of LG Electronics India Ltd. Is implied and not actual.

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