

LG ELECTRONICS INDIA LIMITED



Trust • Invest • Grow

SUBSCRIBE

Issue Highlights:

- The Company was incorporated on January 20, 1997, as a wholly owned subsidiary of LG Electronics Inc., the world’s leading single-brand home appliances company in terms of revenue market share in CY2024, supported by the strength of the globally recognized LG brand.
- LG Electronics India Limited (“LGEIL”) is the market leader in the home appliances and consumer electronics industry in India, holding the #1 market share across key categories including washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves. The Company’s leadership is based on market share (by value) in the offline channel, which represented approximately 78% and 77% of India’s home appliances and consumer electronics market (excluding mobile phones) for the twelve months ended December 31, 2024, and the six months ended June 30, 2025, respectively.
- LGEIL has consistently introduced pioneering technologies to the Indian market. The Company was the first major player to launch OLED televisions in India in 2015 and was also among the earliest to introduce 4K and Smart televisions in 2011.
- The Company maintains a strong distribution footprint with 35,640 B2C touchpoints as of June 30, 2025. This includes exclusive LG Brand Shops located in prominent retail hubs, partnerships with leading modern trade retailers such as Reliance Retail, Croma (Infiniti Retail), and Vijay Sales, as well as extensive presence across e-commerce platforms, traditional retail outlets, distributors, and sub-dealers.
- On the manufacturing front, LGEIL operates two large-scale production facilities located in Noida and Pune. These facilities collectively contributed 85.51%, 84.18%, 86.05%, 85.73%, and 85.28% of the Company’s total sales during the three months ended June 30, 2025, the three months ended June 30, 2024, and Fiscal Years 2025, 2024, and 2023, respectively. This positions LGEIL among the leading home appliances and consumer electronics companies in India in terms of in-house production capacity (excluding mobile phones).
- The Company is supported by a robust supplier ecosystem comprising 287 suppliers, with whom it has maintained an average relationship of over 13 years as of June 30, 2025.
- LGEIL places strong emphasis on capital efficiency, reflected in its industry-leading return profile, with ROCE of 45.31% in Fiscal 2024, the highest among major home appliances and consumer electronics players in India

Offer Details

Offer for Sale of up to 101,815,859 Equity Shares

Offer Highlights

Offer Size:	₹ 10,994 – 11,605 Cr
Face Value:	₹10/-
Price Band:	₹1,080 – 1,140
Bid Lot:	13 Shares and in multiples
Employee Reservation	Up to 210,728 Shares
Employees Discount:	₹ 108/- per share
Post Offer Implied MCap:	₹73,307~ Cr - ₹ 77,380^
Offer Opens On:	Tuesday, 7th October 2025
Offer Closes On:	Thursday, 9th October 2025
Registrar:	KFin Technologies Ltd
Listing :	BSE & NSE

Offer break-up

	₹ In Cr		No. of Shares	% of Issue
	@Upperr	@Lower		
QIB	5,791	5,487	50,802,565	50%
NIB	1,737	1,646	15,240,770	15%
RET	4,054	3,841	35,561,796	35%
Emp	22	20	210,728	
Total	11,605	10,994	101,815,859	100%

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	10-10-2025
Refunds/Unblocking ASBA Fund	13-10-2025
Credit of Equity Shares to DP A/c	13-10-2025
Trading Commences	14-10-2025

Category	Retail Category	NII-Bid Between ₹2-10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot	13 Shrs	182 Shrs	884 Shrs
Minimum Bid Lot	14,820^	₹ 2,07,480^	₹ 10,07,760^
Appl for 1x	27,35,523	27,913	55,827

Shareholding (No. of Shares)

Pre Offer	Post Offer
678,772,392	678,772,392

Shareholding (%)	Pre-Offer	Post-Offer
Promoters	100.00%	85.00%
Public	-	15.00%
Total	100.00%	100.00%

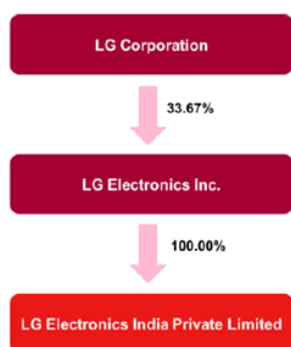
Key Financials

(₹ mn)	As at June 30		As at March 31		
	Q1FY26	Q1FY25	FY25	FY24	FY22
Share Capital	6,788	1,131	6,788	1,131	1,131
Reserves	57,691	43,032	52,550	36,227	42,067
Net Worth	64,479	44,163	59,338	37,358	43,198
Total Borrowings	Nil	Nil	Nil	Nil	Nil
Revenue from Operations¥	62,629	64,088	2,43,666	2,13,520	1,98,646
Revenue Growth (%)	-2.3%	0.0%	14.1%	7.5%	0.0%
EBITDA	7,163	9,581	31,101	22,249	18,951
EBITDA Margin (%)	11.4%	15.0%	12.8%	10.4%	9.5%
Net Profit for the period/Year#	5,133	6,797	22,034	15,111	13,449
Net Profit (%)	11.44%	14.95%	12.76%	10.42%	9.54%
EPS – Basic & Diluted (₹)^	7.6	10.0	32.5	22.3	19.8
RONW (%)	8.0%	15.4%	37.1%	40.5%	3113.0%
ROCE (%)	9.1%	18.0%	42.9%	45.3%	34.4%
NAV (₹)	95.0	65.1	87.4	55.0	63.6

Source: RHP, *Restated Statement, ^Not annualized, ¥Revenue from continuing operations, ~Reserve excluding Amalgamation Reserve, #Net profit from continued and discontinued operations.

Source: Company RHP, LKP Research

Corporate Structure:



Source: Company RHP, LKP Research

LG Electronics India Limited (“the Company”) was promoted by LG Electronics Inc. and was incorporated on January 20, 1997, under the name LG Electronics India Private Limited in the National Capital Territory of Delhi and Haryana, with its registered office in New Delhi, India. Pursuant to Section 43A(1A) of the Companies Act, 1956, the Company became a deemed public limited company with effect from March 31, 2000, and was subsequently renamed LG Electronics India Limited.

The Promoter, LG Electronics Inc., holds 100.00% of the equity share capital of the Company. LG Electronics Inc. is a global pioneer in innovative technology and a leading manufacturer of high-technology components for industrial consumers. As of FY2025, LG Electronics Inc. supported a global workforce of more than 75,241 employees across 146 locations, including headquarters and regional offices in North America, Latin America, Europe, Asia, the Middle East, and Africa.

In addition to five AI research laboratories, LG Electronics Inc. operates 33 production facilities across 14 countries. These comprise 19 facilities in Asia (including five in Korea and two in India), seven facilities in North America, three facilities in the Middle East and Africa, three facilities in Europe and the Commonwealth of Independent States, and one facility in South and Central America.

Key Personnel

Hong Ju Jeon is the Managing Director of the Company. He has been associated with the Company since December 22, 2022. He is responsible for directing sales strategies, operational planning, and initiatives to support overall business objectives and strengthen the dealer network at the Company. He has been associated with the LG group since October 4, 1994.

Dongmyung Seo is the Whole-time Director and Chief Financial Officer of the Company. He has been associated with the Company since December 31, 2021. He is responsible for managing all financial activities and accounting operations and overseeing every aspect of the Company's finances, including financial reports. He has been associated with the LG group since December 19, 1994.

Ashish Agrawal is the Chief Operating Officer of the Company and has been associated with the Company since July 19, 1999. He has prior professional experience with S.R. Batliboi & Co. At the Company, he is responsible for the go-to-market division, which includes business strategy, market sensing, brand shop management, and in-store and sell-out management.

Atul Khanna is the Chief Accounting Officer of the Company. He joined Escorts Communications Limited on September 8, 1997, which was subsequently merged with the Company on December 13, 2002. He is responsible for treasury and insurance management, customer and credit risk management, direct and indirect taxation, and financial reporting in the Company.

Sanjay Chitkara is the Chief Sales Officer of the Company and has been associated with the Company since March 8, 1999. He has prior professional experience with Videocon International Limited. At the Company, he is responsible for the home appliance solutions business.

Business Overview

LG Electronics India Ltd. ("LGEIL") is the leading player in India's major home appliances and consumer electronics market (excluding mobile phones), ranked first in terms of volume for the six months ended June 30, 2025, as well as for CY2024, CY2023, and CY2022, based on market share (by value) in the offline channel. The Company has consistently maintained the top position in the industry during the same periods, holding the highest value market share in the offline channel in India.

LGEIL is the market leader across several core product categories, including washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves, as per market share (by value) in the offline channel, which represented approximately 78% and 77% of the total major home appliances and consumer electronics market (excluding mobile phones) in India, for the twelve months ended December 31, 2024, and the six months ended June 30, 2025, respectively.

As a wholly owned subsidiary of LG Electronics Inc., the Company benefits from strong promoter support, including the global recognition of the "LG" brand, which featured in Interbrand's Top 100 Best Global Brands in 2024. As of June 30, 2025, the Company offered one of the broadest product portfolios among leading home appliances and consumer electronics players in India (excluding mobile phones). In addition to selling products to B2C and B2B customers in India and overseas, LGEIL also provides installation, repair, and maintenance services across its product portfolio. Its operations are organized across two primary segments: (a) Home Appliances & Air Solutions, and (b) Home Entertainment.



Technological Leadership: With over 28 years of operations in India, the Company has developed a deep understanding of Indian consumer behavior and preferences. Leveraging the global expertise of LG Electronics Inc., it continues to introduce innovative technologies and adapt products to meet local requirements.

Among leading players, it was the first to introduce inverter air conditioners in India in 2014 and the only player to transition fully to inverter technology in 2017. For the twelve months ended December 31, 2024, and the six months ended June 30, 2025, approximately 8 out of 10 air conditioners sold in India were inverter-based. The Company was also the first among leading industry peers to replace plastic tanks with stainless steel tanks in its water purifiers.

Pan-India Distribution and Service Network: As of June 30, 2025, LGEIL operates the largest distribution network among home appliances and consumer electronics companies in India, with 35,640 B2C touchpoints spanning urban and rural regions. Its presence covers all major retail formats.

The Company is supported by 286 dedicated employees and 463 B2B trade partners during the three months ended June 30, 2025. It has built strong distributor relationships, with 49.46% of its trade partners having worked with the Company for over a decade.

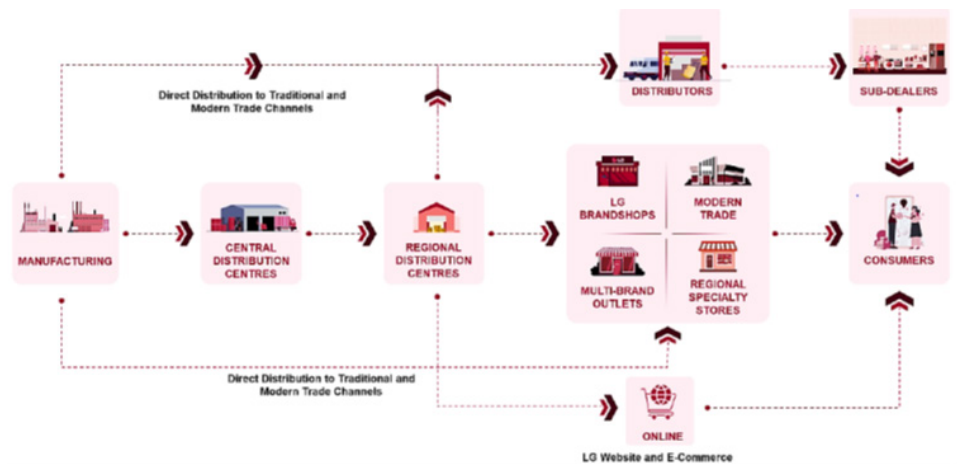
In addition, LGEIL maintains the largest after-sales service network among leading players in the industry. As of June 30, 2025, it operated 1,006 service centres across India, supported by 13,368 engineers and four call centres, enabling it to provide comprehensive installation, repair, and maintenance services nationwide.

Distribution Footprint with Balanced Mix of Physical and Digital Channels

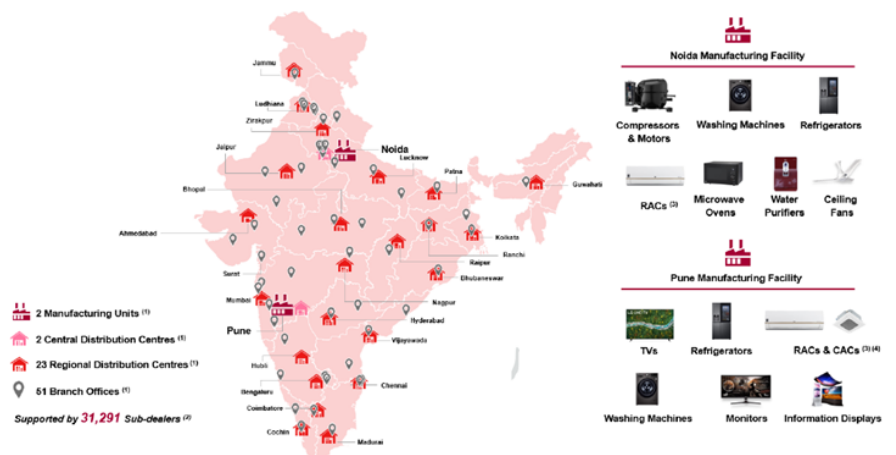
	LG BrandShops	Modern Trade Outlets	Multi-Brand Outlets	Regional Specialty Stores	Distributors & Sub-dealers	B2B	Online
Overview							
	Offline stores which sell LG products exclusively	Organized stores including supermarkets, hypermarkets & large-format stores	Traditional outlet stores that offer products from various brands	Traditional offline stores that focus on a narrow product line	Wholesale distributors who purchase products in bulk and resell in smaller quantities	Dedicated distributors and dealers	LG Website and 2 e-commerce marketplaces
Number of B2C Touch Points / B2B Trade Partners ⁽¹⁾	777	1,266	1,218	1,471	375 Distributors 31,291 Sub-dealers ⁽²⁾	472 B2B Trade Partners	3

Manufacturing and Supply Chain:

Among the home appliances and consumer electronics players in India, LGEIL had the largest in-house production capacity (excluding mobile phones), as of June 30, 2025. The company has 2 advanced manufacturing units at Noida and Pune. In Fiscal 2025 and in the 3 months ended June 30, 2025, the company has an installed capacity of 14,510,000 products at the Noida and Pune units collectively.



Manufacturing and Pan-India Distribution Presence



Manufacturing Unit

Unit	Q1FY26			FY25			FY24		
	Installed Capacity	Production Volume	Capacity Utilization %	Installed Capacity	Production Volume	Capacity Utilization %	Installed Capacity	Production Volume	Capacity Utilization %
Noida	76,00,000	17,43,171	91.8%	76,00,000	61,20,208	80.5%	74,00,000	54,66,598	73.9%
Pune	69,10,000	12,99,118	75.2%	69,10,000	50,22,841	72.7%	65,90,000	44,74,809	67.9%
Total	1,45,10,000	30,42,289	83.5%	1,45,10,000	1,11,43,049	76.6%	1,39,90,000	99,41,407	70.9%

Source: Company RHP, LKP Research

Distribution Channels

Particulars	Q1FY26	FY25	FY24	FY22
LG BrandShops	777	800	780	814
Modern trade	1,385	1,369	1,224	1,034
Online business				
LG website	1	1	1	1
E-commerce	2	2	2	2
Traditional channels				
Distributors and subdealers	30,726	31,259	31,275	30,563
Distributors	377	412	417	429
Sub-dealers	30,349	30,847	30,858	30,134
Multi-brand outlets	1,134	1,221	1,272	1,341
Regional specialty stores	1,615	1,578	1,279	1,119
Total	35,640	36,230	35,833	34,874

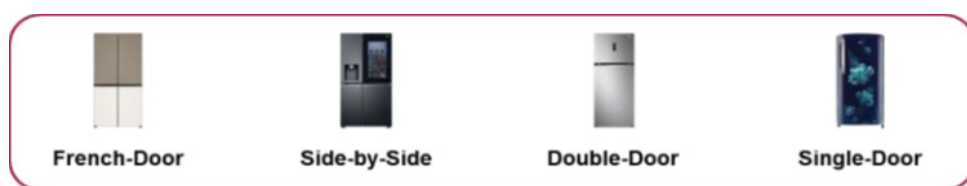
Source: Company RHP, LKP Research

Product Portfolio

The company's activities are organized into 2 business segments – (i) **Home Appliances and Air Solution**; and (ii) **Home Entertainment**.

Within this portfolio, the company manufactures televisions and monitors, refrigerators, washing machines, air conditioners, microwave ovens, water purifiers, compressors, and ceiling fans at its manufacturing units in Noida and Pune. The entry-level refrigerators, washing machines, window air conditioners, and small-sized televisions are manufactured on a stock-in-trade basis, wherein the company typically provides blueprints, specifications, and key materials to third-party suppliers to manufacture the products for them in India. The remaining products, such as audio systems, vacuum cleaners, dish-washers, and air purifiers, are imported by the company from other members of the LG Group.





Home Appliances and Air Solutions:

Within this segment, the company markets a wide portfolio of (i) home appliances such as refrigerators, washing machines, water purifiers, dishwashers, and microwave ovens, and (ii) air solutions including air conditioners, air purifiers, and compressors. In addition, the company provides installation and after-sales services for these products.

Refrigerators

The company introduced its first refrigerator in 1997 with a single-door model. Since then, it has diversified its refrigerator offerings to include (i) French door, (ii) side-by-side, (iii) double-door, and (iv) single-door models. Each type comes in multiple variants and designs tailored to consumer preferences.

These refrigerators are available in various capacities and designs, and incorporate features such as (i) Door Cooling+, which provides dedicated cooling vents in the door area; (ii) Convertible mode, allowing the freezer to be converted into a fridge for greater storage flexibility; and (iii) Hygiene Fresh+, which extends food freshness through anti-bacterial deodorizing filters that minimize odor and eliminate bacteria. LGEIL's refrigerators are certified by the Bureau of Indian Standards ("BIS"), the Bureau of Energy Efficiency ("BEE"), and Wireless Planning & Coordination ("WPC"). The company also exports refrigerators manufactured in India to international markets across Asia, the Middle East, Africa, and South America.

Washing Machines and Dryers

The company launched its first washing machine in 1997, beginning with a top-load model. Since then, it has broadened its product line to include (i) the wash tower, a fully integrated two-in-one unit combining a washing machine and dryer with automatic program sync, (ii) standalone dryers, (iii) washer-dryers, (iv) front-load and top-load washing machines, and (v) semi-automatic models.

The washing machines feature (i) 6 Motion Direct Drive technology that simulates multiple drum movements for a hand-wash effect, (ii) AI Direct Drive, which uses machine learning to analyze fabrics and load size to optimize wash cycles, (iii) LG ThinQ, enabling smart home integration through Wi-Fi, (iv) LG Steam, designed to eliminate bacteria, (v) Wrinkle Care for wrinkle-free finishes, (vi) Turbo Wash for faster cycles, and (vii) durable toughened glass exteriors. These products are generally BIS, BEE, and WPC certified and have also received other relevant regulatory approvals in India. The company exports washing machines and dryers made in India to regions in the Middle East and Africa.



Air Conditioners

The company manufactures and markets a wide variety of residential and commercial air conditioners and air purifiers. Its first air conditioner was launched in 1998. At present, it offers two categories of residential air conditioners: (i) split ACs, and (ii) window ACs, available in multiple models and designs. In addition, the company supplies commercial AC solutions to B2B clients.

These include multi-V cassette, ductable systems, multi-I home units, and chillers, catering to large-scale projects such as housing complexes, hotels, educational institutions, offices, airports, and shopping malls. The company emphasizes sustainable, energy-efficient solutions for commercial cooling and chiller systems. Its ACs are equipped with (i) AI convertibles that use machine learning to adjust cooling based on usage and environmental conditions, (ii) ThinQ Wi-Fi smart control, and (iii) Plasmaster Ionizer for air purification. Models also include an energy manager that tracks and regulates electricity consumption through the ThinQ app. The company transitioned to inverter-based energy-efficient AC technology in 2016. Its air conditioners are BIS, BEE, and WPC certified and are exported mainly to Nepal and Sri Lanka.



Split Air Conditioners



Window Air Conditioners

Other Products

Under the Home Appliances and Air Solution segment, the company also markets dishwashers, microwave ovens, water purifiers, air purifiers, and compressors.

Home Entertainment

The company manufactures a comprehensive range of display and audiovisual products, including televisions, monitors, interactive displays, information systems, and imported devices such as soundbars, audio systems, projectors, speakers, and earbuds for the domestic market.

The company's first television was introduced in 1997. Its television portfolio spans small to large-screen models, with advanced variants featuring OLED, QNED, NanoCell, UHD, and LED technologies. To deliver enhanced user experiences, the company has introduced differentiated products such as rollable televisions, wallpaper televisions, and gallery televisions. In addition, it markets lifestyle TVs with mobile connectivity and touch features for flexible viewing. Its televisions are BIS, BEE, and WPC certified.



Product Wise Revenue

Particulars	Q1FY26		FY25		FY24		FY23	
	₹ mn	% of Revenue	₹ mn	% of Revenue	₹ mn	% of Revenue	₹ mn	% of Revenue
Home Appliances & Air Solutions	49,082	78.4%	1,82,679	75.0%	1,56,797	73.4%	1,50,307	75.7%
Refrigerators	21,667	34.6%	66,965	27.5%	57,845	27.1%	58,056	29.2%
Washing machines	11,576	18.5%	50,417	20.7%	44,919	21.0%	42,208	21.3%
Air conditioners	12,774	20.4%	52,708	21.6%	42,902	20.1%	39,906	20.1%
Others	3,066	4.9%	12,589	5.2%	11,132	5.2%	10,137	5.1%
Home Entertainment	13,547	21.6%	60,988	25.0%	56,723	26.6%	48,339	24.3%
Televisions	10,466	16.7%	49,248	20.2%	45,583	21.4%	39,320	19.8%
Others	3,081	4.9%	11,740	4.8%	11,139	5.2%	9,019	4.5%
Total Revenue	62,629	100.0%	2,43,666	100.0%	2,13,520	100.0%	1,98,646	100.0%

Source: Company RHP, LKP Research

Other Products

The Home Entertainment division also offers home audio products, including sound bars, party speakers, wireless speakers, and earbuds. For B2B clients, LGEIL provides IT systems such as monitors used in hospitals, hotels, gaming, museums, and airports, and information displays such as (i) commercial TVs for hotels, (ii) signage monitors for banks, airports, and railway stations, (iii) interactive display boards for education and government use, and (iv) LED screens for offices, indoor and outdoor displays, and home theatre systems.



Soundbars



Party Speaker - XBOOM



Tone Free



Tone Free Fit

IPs & Royalty

LGEIL entered into a revised license agreement dated July 27, 2017, along with subsequent addendums dated March 9, 2018, June 17, 2021, June 20, 2023, September 28, 2023, and November 18, 2024 (the "License Agreement"), executed with LG Electronics. This agreement grants LGEIL the rights to use (i) the licensed brand, (ii) patented technologies covered under the licensed patents, and (iii) licensed technical know-how and other intellectual property rights for the Authorized Products (as defined therein). Under the License Agreement, effective January 1, 2023, LGEIL is obligated to pay royalties at the rate of 2.30% of net sales for Authorized Products (excluding LCD televisions and monitors) and 2.40% of net sales for LCD televisions and monitors.

Additionally, the company executed a framework agreement on November 25, 2024, supplemented by an addendum dated January 31, 2025 (the "Framework Agreement"), to set out the principal terms relating to the provision and receipt of services and deliverables between the company, its Promoter, and other entities within the LG Group. The termination of the License Agreement and/or the Framework Agreement by LG Electronics would restrict LGEIL's ability to manufacture and market its products, thereby materially affecting its business operations, financial performance, and overall prospects. LGEIL does not grant licenses to LG Group companies and consequently does not generate any revenue from such arrangements.

Royalty paid to LG Electronics, South Korea

Particulars	Q1FY26		FY25		FY24		FY23	
	₹ mn	% of Revenue	₹ mn	% of Revenue	₹ mn	% of Revenue	₹ mn	% of Revenue
Royalty	1,175	1.9%	4,546	1.9	4,032	1.9%	3,232	1.6%

The increase in royalty expense from Fiscal 2023 to Fiscal 2025 was primarily driven by higher sales volumes during the period. Further, LGEIL has periodically declared and paid dividends to its shareholder, LG Electronics.

On the intellectual property front, LGEIL has filed 74 trademark applications, of which 6 are currently registered, 45 have been abandoned, 6 have been removed, and 18 have expired. The company has also filed 500 patent applications, of which 445 have been published, 159 granted or registered, and 55 remain unpublished in India. In addition, 2 patent applications have been filed internationally, both of which have been published. The company has further filed 89 design applications, with 88 successfully registered and 1 abandoned.

Competitive Positioning

Leading Market Share in India

- LGEIL is the #1 player in India's home appliances & consumer electronics industry, consistently maintaining leadership across washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves.
- The company has held the top position by value in the offline channel across CY2022, CY2023, CY2024, and H1CY2025, reflecting its dominance and strong consumer preference.
- Its diversified portfolio caters to both mass-market buyers and premium customers, offering products that balance affordability, durability, advanced features, and aspirational design.



Pioneer in Consumer-Centric Innovation

- With 28+ years of operating experience in India, LGEIL has built deep insights into Indian consumer needs, enabling it to create differentiated products across categories.
- It has consistently been the first to launch industry-defining products such as 4K TVs and Smart TVs (2011), OLED TVs (2015), and microwaves (1999), reinforcing its position as a technology pioneer.
- The company integrates consumer feedback from its distribution and service networks, allowing it to fine-tune products to local requirements such as energy efficiency, durability, and multifunctionality.



Pan-India Distribution & Service Leadership

- LGEIL operates the most extensive distribution network among peers, with 35,640 touchpoints including LG Brand Shops, modern trade outlets, e-commerce platforms, and traditional retailers.
- LG Brand Shops are 1.4x larger than the next competitor's exclusive brand outlet network, while its distributor base is 1.2x higher, giving it unmatched retail penetration and visibility.
- The company also offers strong after-sales service with 97 sales offices, 1,006 service centres, 13,368 engineers, and 4 call centres, ensuring same-day resolution in many cases. Long-standing trade relationships (with ~50% of partners associated for over a decade) and exports to 47 countries further enhance its distribution strength.

Robust Manufacturing & Localized Supply Chain

- LGEIL has one of the largest in-house manufacturing capacities among consumer electronics companies in India (excluding mobile phones), with >82% utilization in FY2025.
- In-house production of critical components enables better control over product quality, costs, and delivery timelines, while automation allows flexible production at scale.
- The company has a strong supplier ecosystem with 287 suppliers, averaging 13 years of relationship, ensuring reliability and supplier stickiness. Its share of domestic sourcing has steadily risen to ~54–58% in recent quarters, reducing dependence on imports and improving cost efficiency.
- A well-established supply chain network with 2 central and 23 regional distribution centres, supported by WMS and TMS systems, enables real-time tracking, faster deliveries, and optimized logistics.

Strong Parentage & Brand Equity

- Backed by LG Electronics, the world's #1 single-brand global home appliances company by revenue in CY2024, LGEIL benefits from global best practices, R&D, and technology sharing.
- The company has leveraged the strong "LG" brand equity in India to maintain consumer trust, loyalty, and recall across categories.
- Recognitions include "Most Trusted Brand – Electronics 2025" (Brand Empower), "India's No.1 Refrigerator Brand" (Intage India), and "Most Trusted Brand in Refrigerator, Microwave & Dishwasher 2025" (TRA). These accolades reinforce LG's market credibility.
- With over 6 million social media followers, LGEIL enjoys strong digital engagement, helping it connect with younger, tech-savvy consumers.

Superior Profitability & Capital Efficiency

- LGEIL has consistently delivered industry-leading profitability metrics, with ROCE of 45.3% in FY2024 versus ~17% peer average, reflecting efficient capital deployment.
- Its net working capital cycle stands at 16 days, significantly better than peers at 26 days, highlighting operational discipline and faster inventory turnover.
- The company's free cash flow conversion ratio of 59.5% also exceeds the industry average of ~55.6%, underlining strong cash generation capability.
- With an EBITDA margin of 10.4% and PAT margin of 7.0% in FY2024, LGEIL outperformed peers (~7% EBITDA margin, ~4.5% PAT margin), showcasing its ability to balance growth, scale, and profitability.

Competition

The company competes with global and Indian players in the consumer electronics and home appliances industry in India, such as **Voltas**, **Havells**, **Blue Star**, **Whirlpool**, **Philips**, and **Samsung** and, among others. The company also faces competition from emerging business models, such as brands introduced by consumer electronics retail chains.

Comparison with listed industry peers - FY25

Company	Face Value (₹)	Closing Price as on 26-Sep-25	Revenue from Ops (₹ mn)	Basic (₹)	Diluted (₹)	NAV (₹)	P/E Ratio (x)	RONW (%)	Market Cap (₹ mn)
LG Electronics	10		2,43,666	32.5	32.5	87.4		37.1	
Havells	1	1,507	2,17,781	23.5	23.5	133.1	64.1	17.6	9,44,950
Voltas	1	1,340	1,54,128	25.4	25.4	197.7	52.7	12.8	4,33,290
Whirlpool	10	1,232	79,194	28.3	28.3	314.5	43.5	9.1	1,56,310
Blue Star	2	1,886	1,19,677	28.8	28.8	149.2	65.6	19.3	3,87,860

Source: Company RHP, LKP Research

Financial benchmarking for FY25

₹ mn	LG Electronics	Havells	Voltas	Blue Star	Whirlpool
Revenue from Operations	2,43,666	2,17,781	1,54,128	1,19,677	79,194
Revenue Growth YOY (%)	14.1%	17.1%	23.5%	23.6%	16.0%
Gross Margin	77,865	71,697	34,524	28,933	26,946
Gross Margin (%)	32.0%	32.9%	22.4%	24.2%	34.0%
EBITDA	31,101	21,309	9,902	8,871	5,573
EBITDA Margin (%)	12.8%	9.8%	6.4%	7.4%	7.0%
PAT	22,033	14,702	8,343	5,913	3,628
PAT Margin (%)	8.9%	6.7%	5.3%	4.9%	4.5%
EBIT/Op. Profit	27,298	17,305	9,284	7,587	3,442
Capital employed	63,616	86,595	74,323	34,486	42,748
Shareholders' equity	59,337	83,410	65,403	30,676	39,904
ROCE (%)	42.9%	20.0%	12.5%	22.0%	8.1%
RONW (%)	37.1%	17.6%	12.8%	19.3%	9.1%
Working Capital Days	21	42	15	10	2
FCF Conversion Ratio	39.0%	30.5%	-43.4%	21.1%	56.6%

Source: Company RHP, LKP Research

Income Statement

₹ mn	FY23	FY24	FY25
Income			
Revenue from operations	1,98,646	2,13,520	2,43,666
Other income	2,440	2,051	2,640
Total income	2,01,086	2,15,571	2,46,306
Expenses			
Cost of materials consumed	1,23,608	1,29,160	1,47,406
Purchases of stock-in-trade	18,788	19,358	19,729
Changes in Inventories	-2,115	784	-1,334
Employee benefits expense	7,992	8,868	9,628
Finance costs	226	285	306
Depreciation and amortisation expense	3,004	3,644	3,804
Other expenses	31,380	33,101	37,136
Total expenses	1,82,883	1,95,200	2,16,675
Profit before tax from continuing operations	18,203	20,371	29,631
Tax expense			
Current tax	4,794	5,567	7,901
Current tax expense relating to previous year	14	40	-1
Deferred tax	-85	-347	-302
Total tax expense	4,723	5,260	7,598
Profit for the period/year from continuing operations	13,480	15,111	22,033
Other Comprehensive Income			
Remeasurement of post-employment benefit obligation	-7.6	-30.0	-72.5
Income tax relating to these items	1.6	8.1	18.2
Other Comprehensive Income for the period/year (net of tax)	-6.0	-21.9	-54.2
Total Comprehensive Income for the period/year	13,474	15,089	21,979
Basic EPS	19.86	22.26	32.46
Diluted EPS	19.86	22.26	32.46

Source: Company RHP, LKP Research

Balance Sheet

₹ mn	FY23	FY24	FY25
ASSETS			
Non-current assets			
(a) Property, plant and equipment	13,328	13,105	13,197
(b) Capital work-in-progress	243	242	753
(c) Intangible assets	99	83	94
(d) Intangible assets under development	2.6	2.5	0.0
(ii) Loans	48	55	56
(iii) Other financial assets	1,193	1,141	1,266
(f) Deferred tax assets (net)	1,365	1,720	2,040
(g) Other non-current assets	2,001	2,052	2,357
Total non - current assets	18,280	18,400	19,763
Current assets			
(a) Inventories	26,410	23,974	30,315
(b) Financial assets			
(i) Trade receivables	14,995	17,970	23,612
(ii) Cash and cash equivalents	27,626	22,226	37,415
(iii) Loans	21	18	31
(iv) Other financial assets	613	930	1,605
(c) Other current assets	1,936	1,466	2,432
Assets classified as held-for-sale	40	0	0
Total current assets	71,641	66,584	95,408
Total assets	89,921	84,984	1,15,171
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	1,131	1,131	6,788
(b) Other equity	42,431	36,591	52,914
Total equity	43,562	37,722	59,702
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	2,495	2,847	3,305
(b) Provisions	705	875	939
(c) Other non-current liabilities	1,160	1,673	2,241
Total non - current liabilities	4,360	5,395	6,485
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	690	853	973
- total outstanding dues of micro enterprises and small enterprises; and	3,751	3,094	3,195
total outstanding dues of creditors other than micro enterprises and small enterprises	27,441	27,257	30,476
(iii) Other financial liabilities	3,236	2,881	4,720
(b) Other current liabilities	5,092	5,906	7,132
(c) Provisions	1,354	1,532	1,852
(d) Current tax liabilities (net)	435	344	636
Total current liabilities	41,999	41,867	48,985
Total liabilities	46,359	47,262	55,470
Total equity and liabilities	89,921	84,984	1,15,171

Source: Company RHP, LKP Research

DISCLAIMERS AND DISCLOSURES

LKP Securities Limited (CIN-L67120MH1994PLC080039, www.lkpsec.com) herein after referred as “LKP” and its affiliates are a full-fledged, brokerage and financing group. LKP was established in 1994 and is a brokerage and distribution house. LKP is a registered Research Analyst (SEBI Regn.: INH00001758), corporate trading member (SEBI Regn.: INZ000216033) of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Metropolitan Stock Exchange of India Limited (MSEI) and Depository Participant (SEBI Regn.: IN-DP-705-2022) of CDSL and SEBI Registered Portfolio Management Services (SEBI Regn.: INH00001758). LKP along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking (SEBI Regn.: INM000002483), commodity broking, depository participant, insurance broking (IRDA Regn.: IRDA- CA0365) and services rendered in connection with distribution of primary market issues and financial products like mutual funds(ARN: 31751) etc. LKP hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on LKP for certain operational deviations in ordinary/routine course of business. LKP has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

LKP offers research services to clients. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report. Other disclosures by LKP and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:- LKP or its associates or Research Officials employed by LKP or relatives of research officials may have financial interest in the subject company. LKP or its associates and Research Analyst or his/her relative's may have actual/beneficial ownership of 1% 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 public appearance. LKP or its associates and Research officials or his/her relative's does not have any material conflict of interest in the subject company.

LKP or its associates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12(twelve) months. LKP or its associates may have co-managed public offering of securities for the subject company in the past 12(twelve) months. LKP or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12(twelve) months. LKP or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12(twelve) months. LKP or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. LKP or its associates may have received any compensation from the subject company in the past twelve months. Subject Company may have been client of LKP or its associates during twelve months preceding the date of distribution of the research report for the services provided by LKP or its associates. Research Officials has served as officer, director or employee of the subject company: (NO). The research Analyst or research entity (LKP) has not been engaged in market making activity for the subject company. LKP and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject LKP or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of LKP or its Group Companies.

The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read “Risk Disclosure Document for Capital Market and Derivatives Segments” as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. All material presented in this report, unless specifically indicated otherwise, is under copyright to LKP. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of LKP.