

LG ELECTRONICS

IPO MEET TAKEAWAYS

IPO details

Issue price: INR 1,080-1,140

Issue size: INR 109.9-116 bn

Post-issue implied m-cap: INR733-774bn

OFS of 15% from promoters

Issue opens: 7th October 2025

Issues closes: 9th October 2025

Market leader in most categories

LG Electronics India Limited (LGEIL), promoted by a global leader in consumer electronics and home appliances, entered India in 1997 and currently holds market leadership (by value in offline channel) across washing machines (WMs), refrigerators, panel televisions, inverter air conditioners (ACs) and microwaves.

LGEIL has posted a revenue/EBITDA/PAT CAGR of 8%/5%/6% over FY19-25 (14%/37%/44% YoY growth in FY25) with a median post-tax RoCE/RoIC of 34%/89% (45%/106% in FY25). The company has announced USD600mn capex for a third unit to expand capacity to cater to domestic market as well as exports. At INR1,140 (upper end of offer band), LGEIL is priced at 35.6x FY25 EPS.

Robust brand with strong parentage

LGEIL offers one of the widest portfolios among leading home appliances (HA) and consumer electronics (CE) players (ex-mobile phones) with market leadership in WMs, refrigerators, panel televisions, inverter ACs and microwaves by value market share in the offline channel. Its 28-year legacy in India helps it address India consumer demand by leveraging global leadership of parentco (new and innovative products), and customising them, if needed, to Indian consumer preferences.

Consumer durables industry poised for healthy growth

The consumer durables (CD) market shall expand at a CAGR of 8-10% from INR969bn in CY24 to INR1.44-1.59tn by CY29E driven by growing: i) young and aspirational consumers; ii) incomes and prosperity; iii) urbanisation; iv) digital adoption and digital advancement; v) spending on discretionary items; and vii) retail consumption. Penetration of most HA and CE in India (except TV) is about one-fourth of global level. LGEIL operates: i) the largest distribution network among leading HA and CE players with 35,640 B2C touchpoints and 463 B2B trade partners (49.46% with associations of 10+ years); and ii) an aftersales network of 1,006 service centres and 13,368 engineers. LGEIL is, thus, positioned to harness tailwinds.

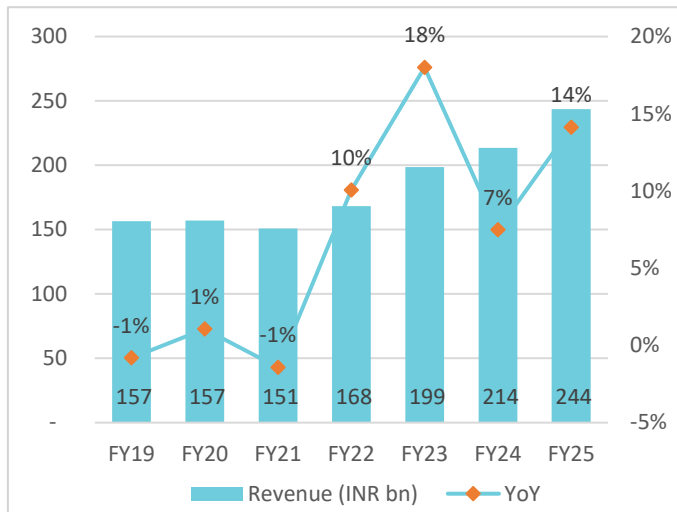
Robust returns profile

LGEIL turned in a revenue/EBITDA/PAT CAGR of 8%/5%/6% over FY19-25 with median (post-tax) RoCE/RoIC of 34%/89% (45%/106% in FY25). It posted growth of 14%/37%/44% YoY in FY25; 1QFY26 performance was subdued with revenue/EBITDA/PAT decreasing 2%/25%/24% YoY on account of a weak summer season (unseasonal rains undermining sales of RACs, which contribute 20%-plus to annual revenue). LGEIL plans to invest USD600m in a greenfield facility in Sri City (Andhra Pradesh) over the next four-five years (with Phase 1 expected to be operational by end-CY26E).

Valuations

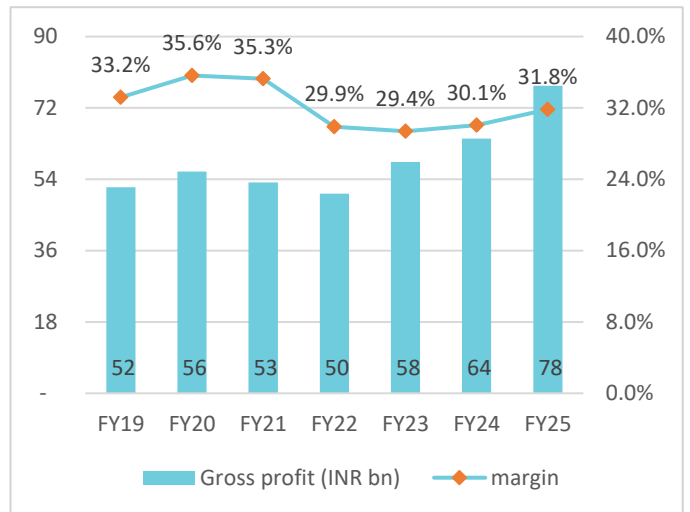
At the upper range of the price band, LGEIL is valued at 35.6x FY25 EPS.

Exhibit 1: Revenue trend



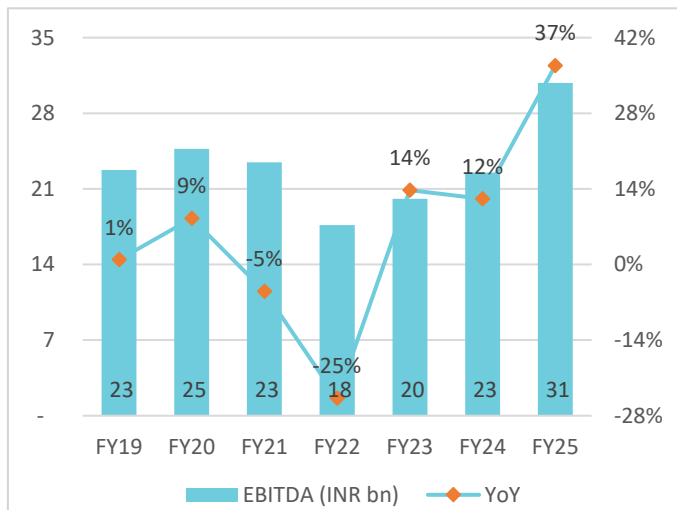
Source: Company, Nuvama Research

Exhibit 2: Gross profit and margin trend



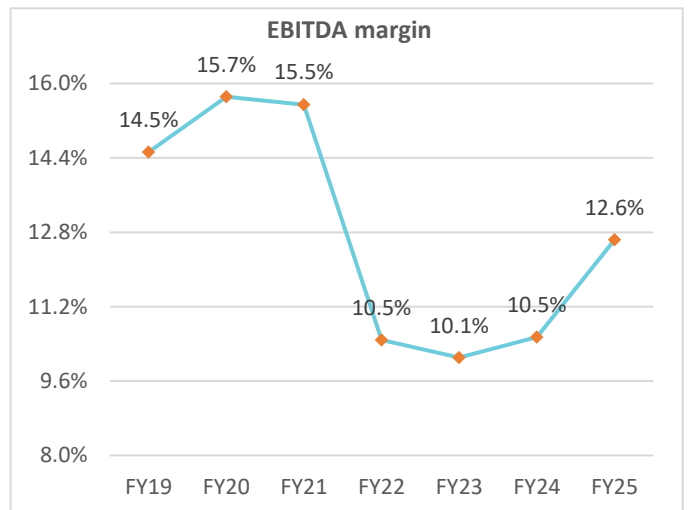
Source: Company, Nuvama Research

Exhibit 3: EBITDA trend



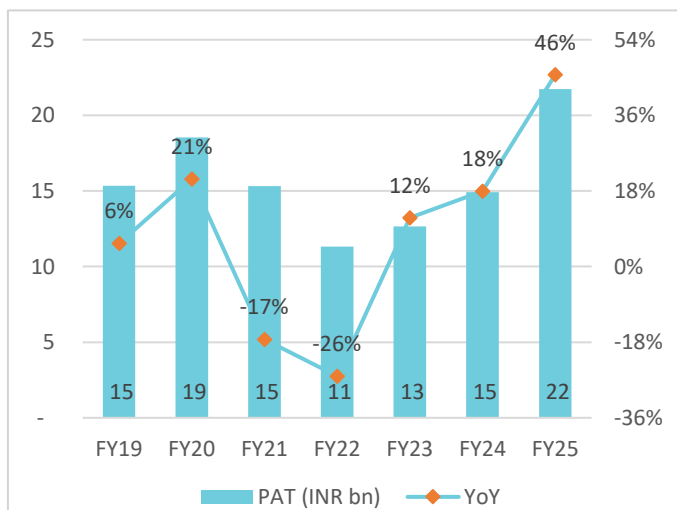
Source: Company, Nuvama Research

Exhibit 4: EBITDA margin trend



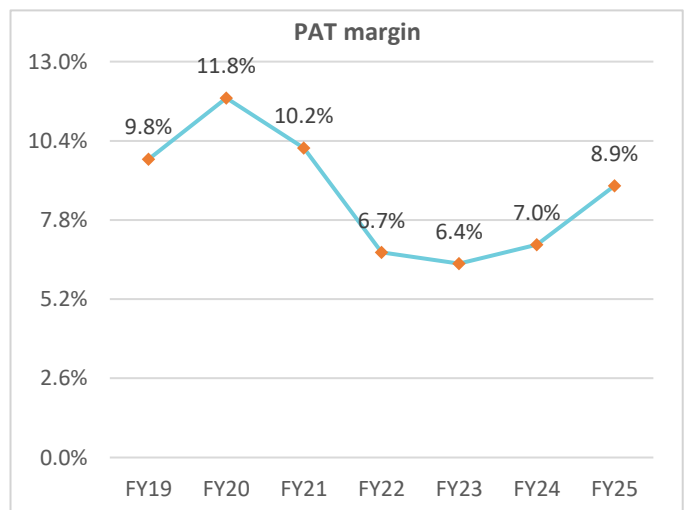
Source: Company, Nuvama Research

Exhibit 5: PAT trend



Source: Company, Nuvama Research

Exhibit 6: PAT margin trend



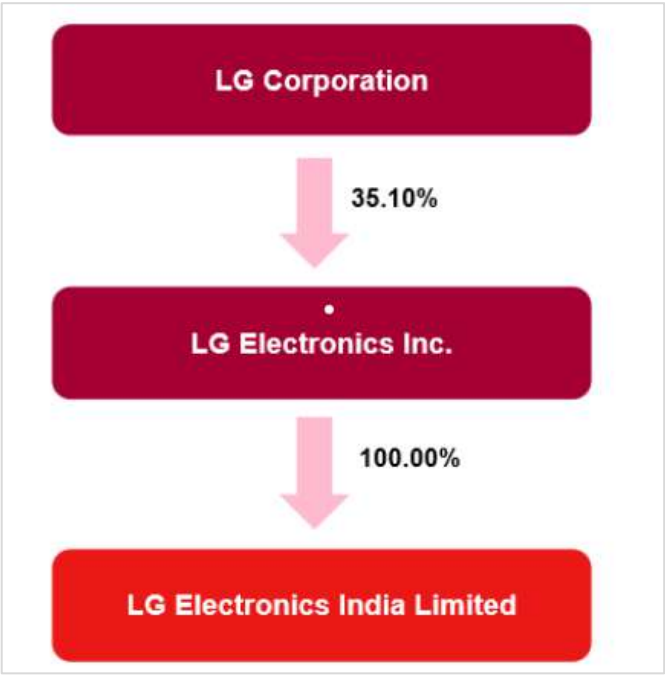
Source: Company, Nuvama Research

About the company

LGEIL was incorporated in 1997 as a wholly owned subsidiary of parentco LG Electronics, which is the leading single-brand global HA player in terms of market share by revenue in CY24, according to a [Redseer report](#).

The company derives several benefits from its strong parentage, including the “LG” brand, which was listed among Interbrand’s Top 100 Best Global Brands in 2024. The strong parentage, access to innovative technologies and commitment to quality positions it as a trusted brand in India. The company’s 28 years of experience in India has enabled it to develop insights into Indian consumers’ preferences and demand.

Exhibit 7: Corporate structure (pre-IPO)



Source: Company, Nuvama Research

LGEIL is the number one player in major HA and CE (excluding mobile phones) in India for the six months ended June 30, 2025, CY24, CY23 and CY22 by market share (in terms of value) in the offline channel, as noted in the Redseer report. It is also the market leader in India across multiple product categories, including WMs, refrigerators, panel televisions, inverter ACs and microwaves by market share (in terms of value) in the offline channel (which represents approximately 78% and 77% of major HA and CE market (excluding mobile phones) in India by value over same period) for the 12-month period ending December 31, 2024 and six months ended June 30, 2025, respectively.

LGEIL offers one of the widest product portfolios among leading HA and CE players (excluding mobile phones) in India as of June 30, 2025, according to the Redseer report. It sells products to B2C and B2B consumers in India and overseas. It also offers installation services and repairs & maintenance services for all its products.

LGEIL India's business is broadly split into two categories: Home Appliances & Air Solutions, and Home Entertainment.

- **Home Appliances & Air Solutions:** This segment includes the manufacture and sale of ACs, refrigerators, WMs, microwave ovens, compressors, ceiling fans, water purifiers, and air purifiers. The company is a leading player in these categories in the Indian market with strength in product innovation such as inverter technology, energy efficiency and smart features. It focuses on premium and value offerings, selectively optimising its portfolio to maximise profitability rather than volume in entry-level segments.
- **Home Entertainment:** This category includes sales of televisions (flat panel, monitors, projectors, signage), audio-visual equipment, security cameras and personal computers. The company focuses on premium segments with emphasis on technology, design and consumer experience.

LGEIL operates a diversified sales and distribution network, comprising LG Brand Shops (exclusive LG retail outlets), modern trade stores, traditional dealers, online platforms, and multi-brand outlets. It also serves the B2B market through institutional sales for commercial and industrial air conditioning and electronics.

Exhibit 8: Product portfolio



Source: Company, Nuvama Research

Key highlights from IPO meet

- LGEIL is setting up a new plant at an investment of USD600mn over four–five years; the first line expected to be operational by Diwali next year.
- Royalty payments are limited to 1.8–1.9% for brand, technical knowhow and new product development, with no other fees.
- The company declared a 300% dividend in FY24, but has not paid any dividend since.
- Current capacity utilisation stands at 85%; OEM/ODM support and a new plant ramp-up by Q3 would help meet strong RAC demand.
- Exports grew 45% YoY in FY25 led by the Middle East and Africa, and the company plans to expand into developed markets with a premium product portfolio.
- Localisation is being increased each year to mitigate forex risk and reduce customs and logistics costs; current local content stands at 54%.
- G Korea has identified India as an export hub under its Global South strategy, with a vision to scale exports from mid/low-end to premium products.

Key strengths

Pan-India distribution and service network: LGEIL operates the largest distribution network among leading HA and CE players in India as of June 30, 2025, according to the Redseer report. The distribution network spans urban and rural India through 35,640 B2C touchpoints for the three months ended June 30, 2025. The company serviced consumers through a dedicated team 463 B2B trade partners as of June 30, 2025, and also had a team of 286 employees engaging in customer service as of June 30, 2025.

Exhibit 9: Distribution footprint: A mix of physical and digital channels

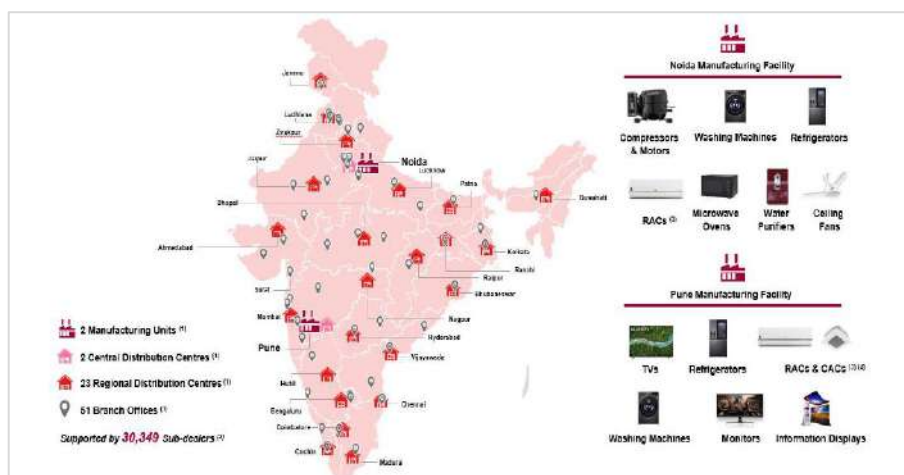
	LG Brand Shops	Modern Trade Outlets	Multi-Brand Outlets	Regional Specialty Stores	Distributors & Sub-dealers	B2B	Online
Overview							
	Offline stores which sell LG products exclusively	Organized stores including supermarkets, hypermarkets & large-format stores	Traditional outlet stores that offer products 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	1,385	1,134	1,616	377 Distributors 30,349 Sub-dealers ⁽²⁾	463 B2B Trade Partners	3

Source: Company, Nuvama Research

Manufacturing excellence: LGEIL has among the largest in-house production capacities (excluding mobile phones) across leading HA and CE players in India as of June 30, 2025, according to the Redseer Report. It has two advanced manufacturing units located in Noida (the “Noida Manufacturing Unit”) and Pune (the “Pune Manufacturing Unit”). In fiscal 2025 and in the three months ended June 30, 2025, it had an installed capacity of 14,510,000 products at Noida and Pune manufacturing units collectively. In addition to manufacturing products, it also manufactures several key components, such as compressors and motors, at its Noida Manufacturing Unit and Pune Manufacturing Unit, giving LGEIL greater control over the product development process, product quality, costs and supply and delivery time.

The company has an extensive supplier network comprising 287 suppliers that have had a relationship with the company for an average of 13.13 years as of June 30, 2025. LGEIL is committed to the “Make in India” philosophy, whereby it manufactures products domestically and to the extent available sources a significant amount of its raw materials from domestic suppliers. To facilitate storage and movement of products to and from manufacturing units, it has a pan-India supply chain network of 25 product warehouses, comprising two central distribution centers (“CDCs”) and 23 regional distribution centers (“RDCs”) as of June 30, 2025.

Exhibit 10: Manufacturing and distribution networks



Source: Company, Nuvama Research

Technological leadership: The company's 28 years' experience in India has enabled it to develop insights into consumers' preferences in India and understand the demands of Indian consumers. The company addresses the demand by leveraging the global leadership of LG Electronics, by introducing new and innovative products, and, where necessary, customizing the products to cater to Indian consumer preferences and local requirements. The company was the first to introduce global technologies among leading HA and CE players in India.

LGEIL was the first among leading players to introduce inverter ACs in India in 2014 and was the first and only player in India to move 100% to inverter technology in 2017. As of 12 months ending December 31, 2024 and six months ending June 30, 2025, about eight out of ten ACs sold in India are based on inverter technology. Furthermore, among the leading HA and CE players in India, LGEIL was the first company to transition from using plastic tanks in water purifiers to stainless steel tanks.

Diversify business model to create new consumer value: The company intends to deepen B2B business and introduce additional revenue streams. Valued at approximately INR515bn in CY24 and INR550bn in the six months ended June 30, 2025 (annualised), the B2B market is projected to grow at a five-year CAGR of approximately 14% from CY24 to CY29, reaching INR970bn by CY29, according to the Redseer report. LGEIL aims to leverage global technology of LG Group to expand its product portfolio and meet the specialised needs of high-value industries and expand into new industries such as hospitality. For example, according to the Redseer report, the demand for advanced heating, ventilation and air conditioning ("HVAC") solutions is driven by the expansion of healthcare, education and government facilities requiring sophisticated equipment, the growth of IoT and smart building initiatives fueling integrated and automated solutions, increased penetration in emerging commercial real estate and urban infrastructure, and a growing emphasis on sustainability and energy efficiency. The company is expanding portfolio to cover HVAC, commercial information displays, commercial WMs, LED displays and electronic blackboards to address the growing demand in the B2B market. Specifically, it is focused on B2B products that offer a superior performance, have high energy efficiency, can be easily integrated with building management systems, and are compatible across multiple industry verticals.

In addition, LGEIL intends to continue strengthening AMC offerings for its B2C and B2B consumers, with a focus on HVAC servicing for the B2B consumers. According to the Redseer report, the AMC market in India was valued at INR55bn in CY24 and INR60bn in the six months ended June 30, 2025 (annualised), with projections indicating a five-year CAGR of approximately 14% from CY24 to CY29, and the market reaching approximately INR105bn by CY29. As consumers increasingly prioritise the longevity and performance of LGEIL's appliances, the demand for AMCs is on the rise, according to the Redseer report. Further, the company aims to offer quality and prompt one-stop services by expanding the service network, improving service standards, deploying certified engineers and enhancing spare parts availability. It also plans to launch additional revenue streams such as subscription services that are long-term appliance rentals program. LGEIL test-launched product subscription services at select LG Brand Shops in India in November 2024, which was paused for further evaluation due to prevalent market conditions in India.

However after careful evaluation and in line with market demand, they may resume these services. As of the date of this Red Herring Prospectus (RHP), LGEIL is focusing on offering the "Careship" subscription program, wherein customers can subscribe to AMC services at the time of purchase with flexible service term options and the company covers the repair costs during the AMC period. It plans to roll this out across its distribution network, which the company believes will enable it to offer differentiated services, enhance consumer satisfaction and drive sales to consumers.

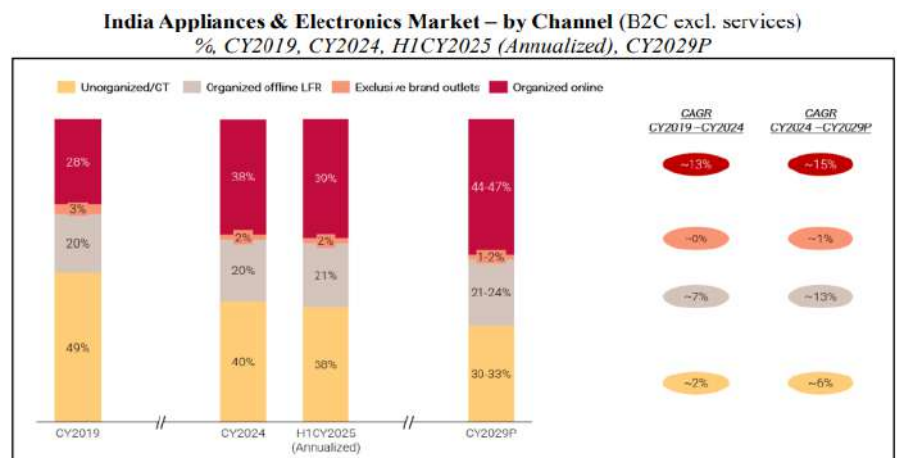
Industry overview

The India appliances and electronics market comprises both business-to-consumer (“B2C”) and business-to business (“B2B”) segments. This segmentation reflects distinct consumer behaviours, purchasing dynamics and product applications, each contributing to the market’s overall growth trajectory.

B2C: Representing ~92% of the overall market as of H1CY25 (annualised), the B2C or consumer segment thrives on robust household consumption driven by premiumisation, penetration and replacement, particularly in urban and semi-urban regions. This segment encompasses a diverse range of HA and CE products, including refrigerators, WMs, televisions, mobile phones and various smaller household gadgets. Key buying factors are heavily influenced by design, functionality and aftersales service, wherein warranties and customer support play pivotal roles in purchasing decisions.

B2B: Accounting for ~8% of the market in H1CY25 (annualised), the B2B segment caters to commercial and institutional users, providing products such as commercial ACs, computers & peripherals, and specialised displays for offices, hospitals, commercial & retail spaces, and government facilities. In this domain, buyers prioritise factors such as product reliability, energy efficiency, and long-term cost savings, underscoring the need for solutions tailored to meet the operational demands of businesses.

Exhibit 11: India appliances & electronics market by channel



Source: LGEIL RHP

The following key channels and their respective growth drivers shaping this shift:

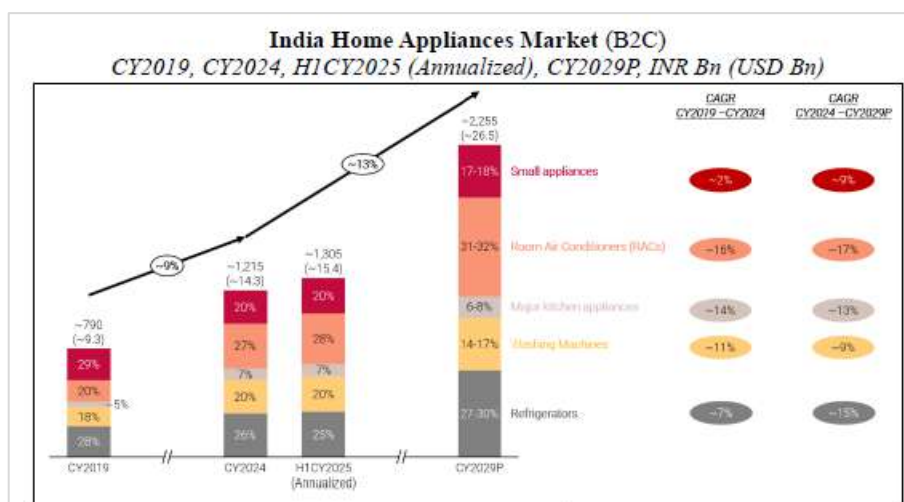
- Unorganised trade channel:** Representing ~38% of the market as of H1CY25 (annualised), the unorganised or general trade (“GT”) channel includes independent retail stores, local dealers or "mom-and-pop" stores and regional specialty stores. GT stores thrive in semi-urban and rural regions due to accessibility and price sensitivity. While other channels gain prominence, GT stores are expected to continue to hold a sizeable share of the market.
- Organised offline channel:** Large-format retail (“LFR”) stores include structured and centrally managed large retail chains that sell appliances & electronics in a standardised format. These Multi-Brand Outlets (“MBOs”) are part of Modern Trade (“MT”) and account for ~21% of the market as of H1CY25 (annualised), preferred for their variety and hands-on experiences. Factors such as product comparison, expert advice, and superior customer service drive growth. LFRs are poised to gain further market share, especially in urban centers.

3. **Organised online channel:** The online channel constitutes a significant share of the market at ~39% as of H1CY25 (annualised) and has significant share in electronics categories such as mobile phones. Growth is expected to be robust, driven by increased internet penetration and a rising demand for convenience. Competitive pricing and exclusive online promotions are transforming consumer purchasing habits, while festive & seasonal sales and targeted offers are significantly accelerating e-commerce expansion.
4. **Exclusive brand stores:** Brand shops / exclusive brand outlets (“EBOs”) and company-owned stores represent ~2% of the market and are expected to maintain share.
5. **Omni channel strategies:** The integration of online and offline experiences is becoming essential for retailers. Companies utilizing omnichannel strategies—such as click-and-collect, seamless transitions between online and offline, and personalised customer journeys—are experiencing increased consumer engagement and retention. This reflects a growing preference for flexible shopping experiences.

Home appliances

The HA market in India is projected to grow steadily, driven by macroeconomic tailwinds and a growing preference for premium and energy-efficient products. The segment formed ~21% of the overall B2C appliances & electronics market in H1CY25 (annualised) and is expected to reach about INR2,255bn (USD ~26.5bn) by CY29P, growing at a CAGR of ~13% between CY24 and CY29. Key product categories, including refrigerators, WMs, major kitchen appliances (including dishwashers, microwaves, water purifiers, chimneys, hobs, and built-in kitchens), air conditioners, and other small appliances (including water heaters, vacuum cleaners, air purifiers, and other minor appliances such as ironing and heating appliances) are witnessing significant demand uptake. With the organised sector accounting for ~65% of sales as of H1CY25 (annualised), the shift towards online and large-format retail channels is becoming more pronounced.

Exhibit 12: Home appliances market size



Source: LGEIL RHP

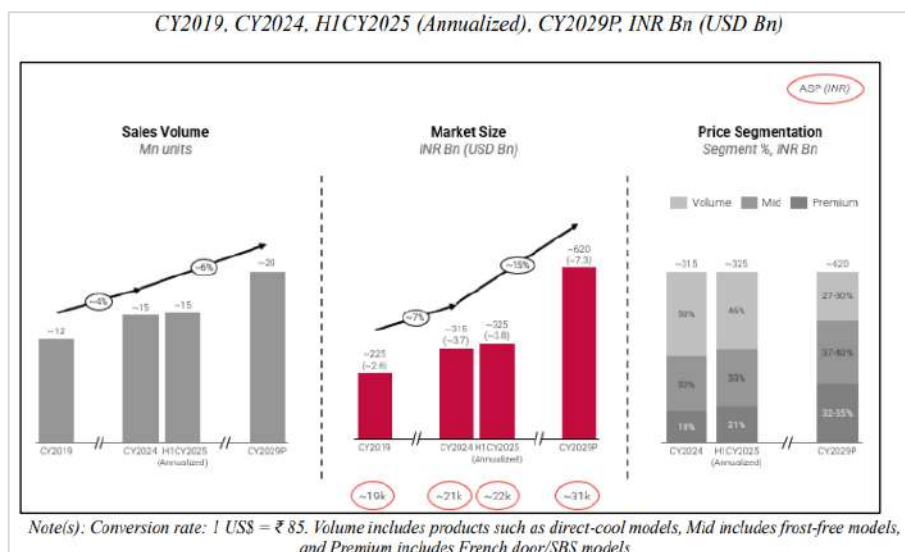
The HA market in India is driven by key growth factors that influence various product categories and play a crucial role in shaping consumer demand and market dynamics

1. **Increasing penetration:** The broadening reach and affordability of HA are driving penetration rates, particularly in urban and semi-urban areas. Shifting climate conditions are sharply increasing demand for categories such as air conditioners and refrigerators.
2. **Replacement cycle:** Rise in living standards, increases in consumer expectations, and new innovations in HA are prompting consumers to invest in newer models that are more functional and efficient models. This replacement trend is particularly evident in categories such as refrigerators and WMs where older models are less efficient and reliable.
3. **Premiumisation:** While increasing penetration drives demand for volume and mid-tier products, as disposable incomes rise, consumers are also increasingly drawn to premium, feature-rich appliances that offer superior energy efficiency and advanced functionalities. This shift not only reflects a preference for high-quality products but also drives replacement demand, as consumers upgrade to more sophisticated models that align with evolving lifestyle expectations. LGEIL's products listed on leading e-commerce marketplaces were the most energy efficient (in terms of % product line rated 5-star by BEE) across the aggregate of Room Air Conditioners ("RAC"), Refrigerators, and Washing Machine categories, among leading HA and CE players in India as of June 30, 2025.
4. **Urbanisation and lifestyle changes:** Rapid urbanisation is changing consumer lifestyles, leading to increased demand for compact and multifunctional appliances suited for smaller living spaces, particularly in Metro cities.
5. **Technological advancements:** Innovations such as smart appliances and IoT integration are elevating consumer convenience with connectivity and preventive maintenance among other novel features, driving demand across categories. Consumers are increasingly seeking products that offer connectivity, automation, and a wide range of features.
6. **Access to credit:** Increased access to consumer financing and instalment-based purchase options are enabling more consumers to afford more and premium HA, boosting overall demand across categories.

The home appliances market in India comprises the following categories:

1. **Refrigerators:** The refrigerator segment in India is poised for substantial growth, being valued at about INR315bn (USD ~3.7bn) in CY24, with projections indicating a robust CAGR of ~15% that will elevate the market to about INR620bn (USD ~7.3bn) by CY29P. The segment has reached about INR325bn (USD ~3.8bn) in H1CY25 (annualised), having been impacted by the unseasonably cool summer across several states in India. The market is becoming increasingly organised with 65% of sales in H1CY25 (annualised) occurring through established channels. In H1CY25 (annualised), large-format retail stores contributed to ~40% of the market while the online segment contributed to ~19% of the market. Samsung India Electronics Private Limited is a key competitor to LGEIL in the refrigerators segment within the India appliances and electronics market.

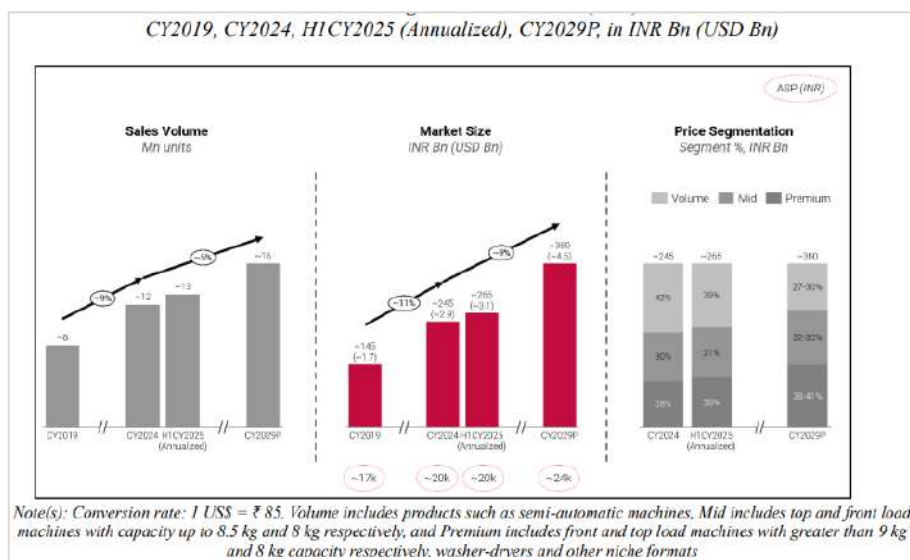
Exhibit 13: India refrigerators market (B2C)



Source: LGEIL RHP

2. **Washing machines:** As of H1CY25 (annualised), WMs market stands at about INR265bn (USD ~3.1bn), and as of CY24 it was about INR245bn (USD ~2.9bn), having grown at a CAGR of ~11% from CY2019 to CY24, continuing to grow steadily due to growing need for convenience in daily routines. It is projected to grow at a 5-year CAGR of ~9%, reaching about INR380bn (USD ~4.5bn) by CY29P. ~65% of the market is organised. In H1CY25 (Annualised), large-format retail contributed ~37% of sales, while the online segment contributed ~23% of sales.

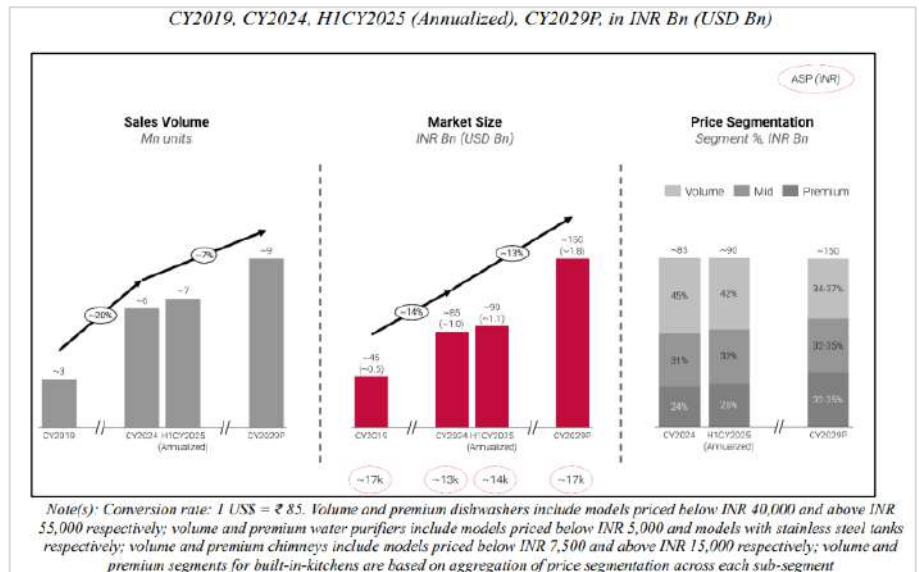
Exhibit 14: India washing machines market (B2C)



Source: LGEIL RHP

3. **Major kitchen appliances:** The major kitchen appliances segment in India, encompassing dishwashers (~8%), microwaves (~20), water purifiers (~26%), chimneys and hobs (~15%), and built-in-kitchens (~31%), is valued at about INR90bn (USD ~1.1bn) in H1CY25 (Annualised) and is projected to grow at a CAGR of ~13% between CY24 and CY29P, reaching about INR150bn (USD ~1.8bn) by CY29P. Penetration remains low at

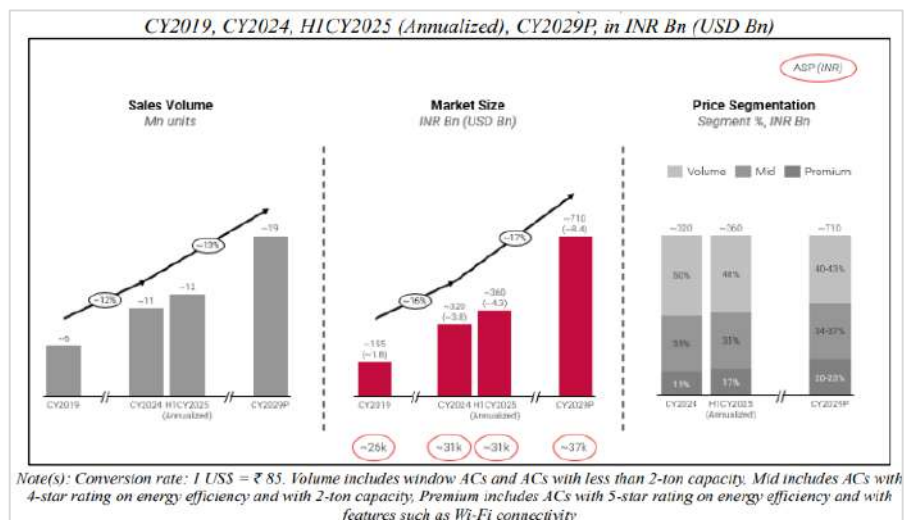
Exhibit 15: India major kitchen appliances market (B2C)



Source: LGEIL RHP

- Air conditioners:** As of H1CY25 (annualised), the consumer air conditioner/RAC segment stands at about INR360bn (USD ~4.3bn), and as of CY24 it was about INR320bn (USD ~3.8bn), having grown at a CAGR of ~16% from CY2019 to CY24, with the relatively slower growth rate due to a milder summer season and untimely pre-monsoon showers this year, which reduced the urgency for cooling solutions. It is projected to grow at a 5-year CAGR of ~17%, reaching about INR710bn (USD ~8.4bn) by CY29P. Inverter ACs dominate the market with a ~75% share, while fixed-frequency models account for ~25%. Share of window air conditioners has declined in India between CY2019 and H1CY25 (annualised). Window ACs now form ~10% and are expected to decline further. The RAC segment is expected to see a marked increase in penetration, forecasted to rise from ~13% in CY24 to ~19% in CY29P. The market experiences seasonal fluctuations, with higher sales during summer months. In H1CY25 (annualised), ~64% of the market was organised. Large-format retail contributed ~38% of sales, while the online segment contributed ~20% of sales.

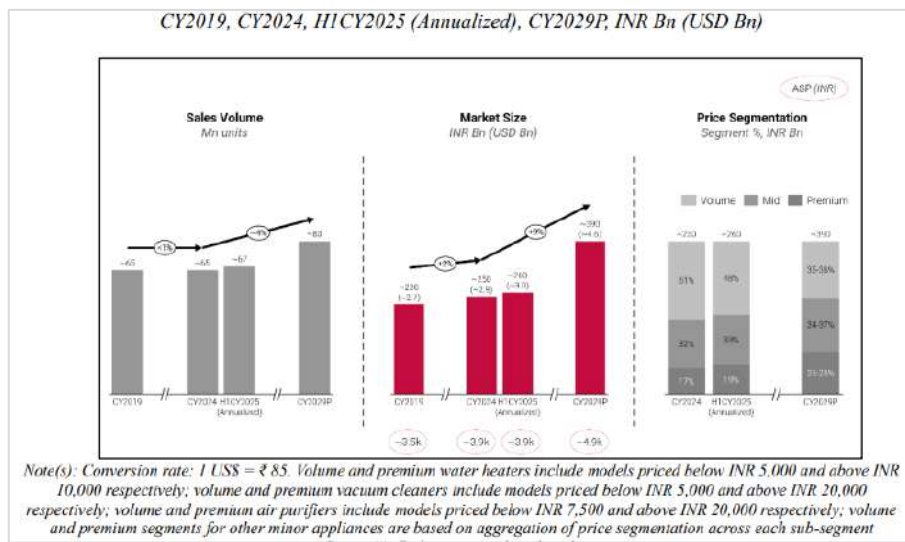
Exhibit 16: India air conditioners market (B2C)



Source: LGEIL RHP

- Small appliances: In H1CY25 (Annualised), the other small appliances segment, including water heaters (15%), vacuum cleaners (1%), air purifiers (3%), and other minor appliances such as irons and heating appliances, is valued at about INR260bn (~USD3bn), and as of CY24 it was about INR250bn (USD ~2.9bn), having grown at a CAGR of ~2% from CY2019 to CY24. It is projected to grow at a 5-year CAGR of ~9%, reaching about INR390bn (USD ~4.6bn) by CY29P. In H1CY25 (annualised), ~50% of the market is organised, with significant contributions from online channels and large-format retail at ~31% and ~19% respectively.

Exhibit 17: India small appliances market (B2C)

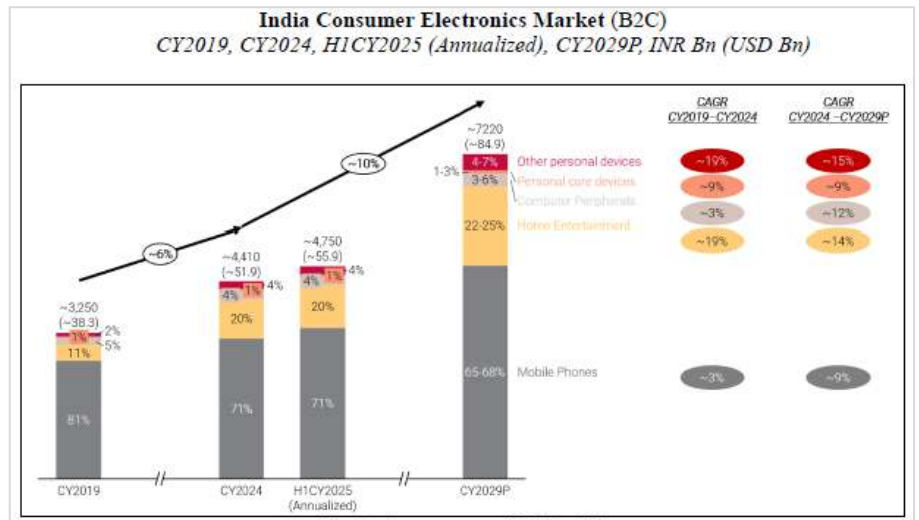


Source: LGEIL RHP

Consumer electronics

The CE market in India accounts for ~75% of the overall appliances & electronics (B2C) market and is projected to reach about INR7,220bn (USD ~84.9bn) by CY29P, growing at a 5-year CAGR of ~10%. This segment encompasses key categories such as home entertainment (including TVs and audio), computers & peripherals (including monitors), personal care gadgets (such as shavers, trimmers, and hair styling gadgets), other personal devices (such as imaging devices, wearables, e-readers and portable players), and mobile phones. The market is witnessing significant demand, with the organised sector contributing ~61% of total sales in H1CY25 (annualised). E-commerce and large-format retail channels continue to drive growth as they capture a greater share of the market

Exhibit 18: Consumer electronics market



Source: Company, Nuvama Research

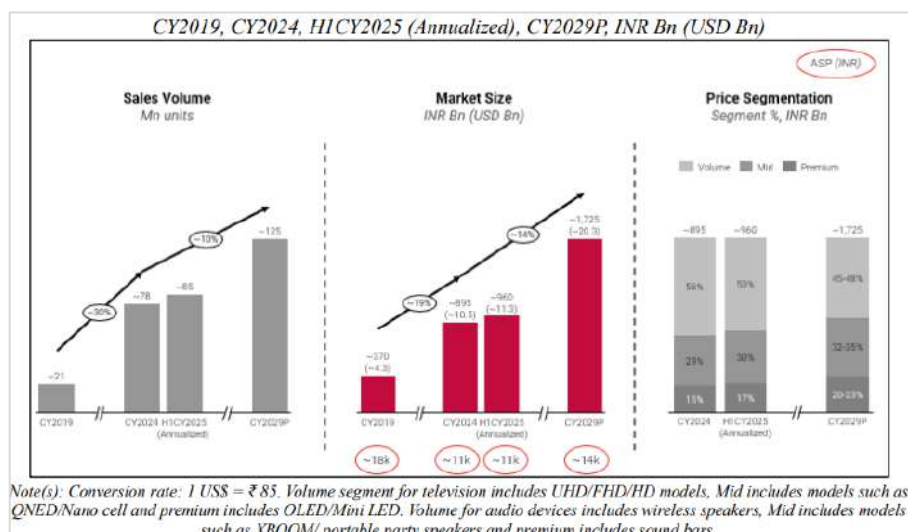
The CE market in India is propelled by several growth drivers that are essential in shaping consumer demand and market dynamics.

- Wider availability:** Increasing affordability, rising awareness, and the improved distribution of CE products have led to expanding penetration rates across various categories, particularly in rural and semi-urban areas.
- Technological innovation:** The rapid pace of technological advancements in CE is a key growth driver. The demand for newer, faster, and feature-rich models is expected to drive repeat purchases, fueling growth across the segment.
- Uptake in premium offerings:** With rising disposable incomes, consumers are increasingly shifting towards high-end, premium electronics that offer superior features and design. This trend is particularly evident in the home entertainment segment.
- Shift in lifestyle and preferences:** Urbanisation, along with a growing tech-savvy population, is driving demand for multifunctional and compact electronic devices. Lifestyles are shifting towards convenience and connectivity, with a surge in demand for wearable devices and smart home products.
- Gaming demand:** Gaming demand is a major catalyst in driving growth across multiple CE categories in India. The rise in eSports and competitive gaming, coupled with the growing gaming community, has increased demand for high-performance gaming PCs, accessories, and entertainment devices. Gaming monitors with their high refresh rates, higher resolutions, and adaptive sync technologies are experiencing strong sales as gamers seek performance-driven products. The popularity of console gaming is also propelling demand for large-screen TVs with low latency and 4K HDR capabilities, enhancing the immersive experience of gaming at home. Furthermore, the expanding role of virtual reality and multiplayer online games is pushing the need for specialised audio devices such as gaming headsets and soundbars that deliver immersive sound and communication clarity, which are essential for gamers. As the gaming culture continues to evolve, products in this category are becoming increasingly premium and feature-rich, driving both volume and value growth in the market.

The consumer electronics market in India comprises the following categories:

1. **Home entertainment:** As of H1CY25 (annualised), the home entertainment segment, encompassing televisions and audio devices stands at about INR960bn (USD ~11.3bn), and as of CY24 it was about INR895bn (USD ~10.5bn), having grown at a CAGR of ~19% from CY2019 to CY24. The relatively slower growth in H1CY25 (annualised) is primarily due to the high base effect (driven by marquee sporting events in CY24), and decline in Average Selling Prices. It is expected to grow at a 5-year CAGR of ~14%, reaching about INR1,725bn (USD ~20.3bn) by CY29P. In H1CY25 (annualised), Televisions account for ~45% of this market, with audio devices (personal audio and home audio systems) making up the remaining ~55%.

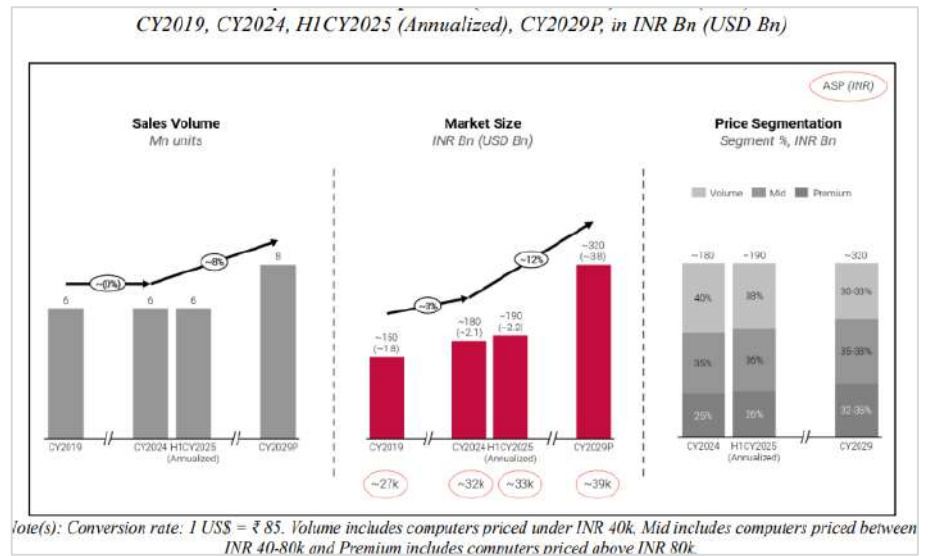
Exhibit 19: India home entertainment market (B2C)



Source: LGEIL RHP

2. **Computers & Peripherals:** As of H1CY25 (annualised), the computers & peripherals market, including monitors, stands at about INR190bn (USD ~2.2bn), and as of CY24 it was about INR180bn (USD ~2.1bn), having grown at a CAGR of ~3% from CY2019 to CY24. It is projected to grow at a 5-year CAGR of ~12%, reaching about INR320bn (USD ~3.8bn) by CY29P. Driven by remote work, online education, and the gaming boom, this category has seen significant growth in recent years. Organised retail including ecommerce is a key channel and contributes ~93% of total sales of computers & peripherals in H1CY25 (annualised).

Exhibit 20: India Computers & Peripherals (incl. Monitors) Market (B2C)

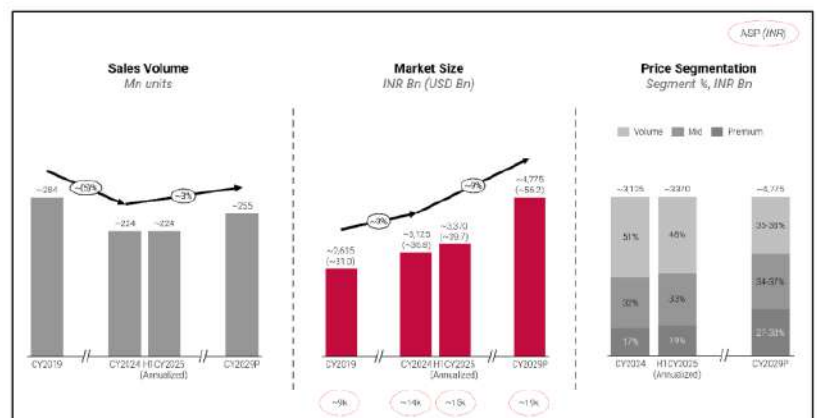


Source: LGEIL RHP

- Mobile phones:** As of H1CY25 (annualised), the mobiles phones segment stands at about INR3,370bn (USD ~39.7bn), and as of CY24 it was about INR3,125bn (USD ~36.8bn), having grown at a CAGR of ~3% from CY2019 to CY24, driven by continuing rollout of 5G services and budget 5G smartphone offerings, which has triggered a wave of device upgrades and replacements across the country. It is expected to grow at a 5-year CAGR of ~9%, reaching about INR4,775bn (USD ~56.2bn) by CY29P. Penetration is already high at ~79% as of H1CY25 (annualised), and the market is increasingly driven by premiumisation, with consumers upgrading to 5G-enabled smartphones and devices with better cameras and longer battery lives. In H1CY25 (annualised), organised retail channels, both online and offline, contribute ~42% and ~12% of total sales, respectively.

Exhibit 21: India Mobile Phones Market (B2C)

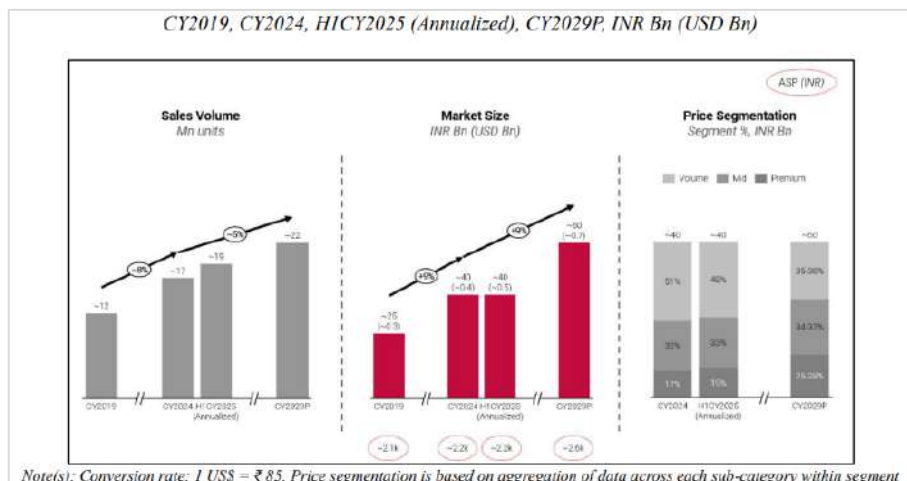
CY2019, CY2024, H1CY2025 (Annualized), CY2029P, INR Bn (USD Bn)



Source: LGEIL RHP

4. **Personal care devices:** As of H1CY25 (annualised), the personal care gadgets segment (including hair styling devices, facial care devices, epilators and hair removal devices) stands at about INR40bn (USD ~0.5bn), and as of CY24 it was about INR40bn (USD ~0.4bn), having grown at a CAGR of ~9% from CY2019 to CY24. It is projected to grow at a 5-year CAGR of ~9%, reaching about INR60bn (USD ~0.7bn) by CY29P. This growth is driven by increasing consumer focus on personal grooming and wellness. The organised market contributes ~85% of sales, with e-commerce channels contributing a steady 65% of sales in H1CY25 (annualised).

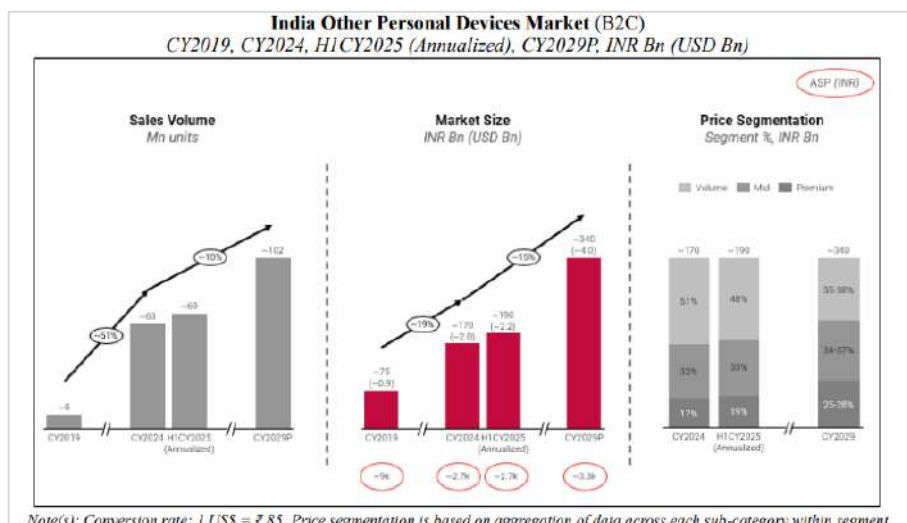
Exhibit 22: India Personal Care Devices Market (B2C)



Source: LGEIL RHP

5. **Other personal devices:** As of H1CY25 (annualised), the market for other personal devices which includes imaging devices, wearables, e-readers and portable players stands at about INR190bn (USD ~2.2bn), and as of CY24 it was about INR170bn (USD ~2.0bn), having grown at a CAGR of ~19% from CY2019 to CY24. It is expected to grow at a 5-year CAGR of ~15%, reaching about INR340bn (USD ~4bn) by CY29P.

Exhibit 23: India Other Personal Devices Market (B2C)

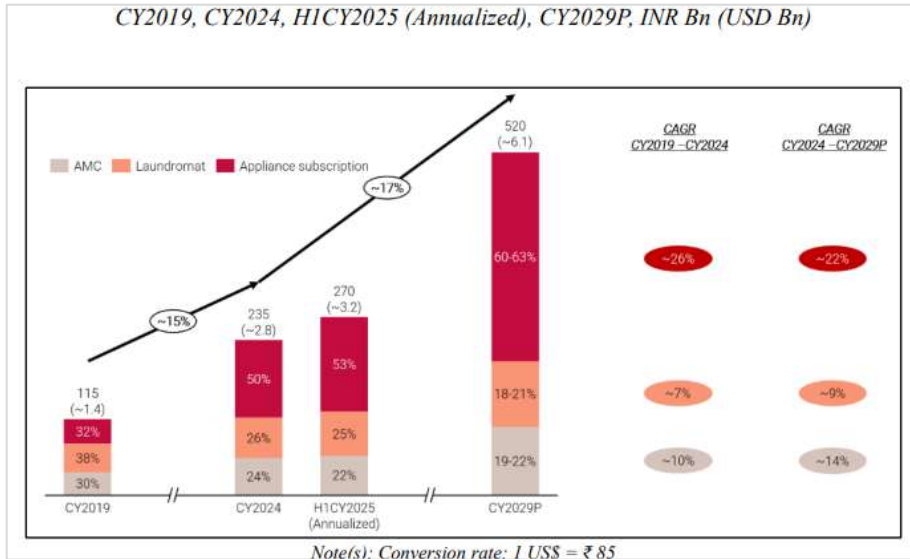


Source: LGEIL RHP

Services

The services segment of the India appliances & electronics market encompasses Annual Maintenance Contracts (“AMCs”), appliance subscription and rental services, and pay-to-use laundromat services. Collectively, this segment is projected to reach about INR520bn (USD ~6.1bn) by CY29P, growing at a robust 5-year CAGR of ~17%. The increasing consumer preference for convenience and long-term relationships with service providers is driving growth across these service categories, with the shift towards subscription models and digital platforms becoming increasingly significant.

Exhibit 24: India (Electronics & Appliances) Services Market (B2C)



Source: LGEIL RHP

Exhibit 25: Performance versus peers

INR Mn	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR (FY19-23)	CAGR (FY23-25)	CAGR (FY19-25)
Net Sales										
LG Electronics	156,590	157,096	150,866	168,342	198,646	213,520	243,666	6%	11%	8%
Whirlpool	53,977	59,925	58,999	61,966	66,677	68,298	79,194	5%	9%	7%
Voltas	71,241	76,581	75,558	79,345	94,988	124,812	154,128	7%	27%	14%
Blue Star	52,348	53,602	42,636	60,456	79,773	96,854	119,677	11%	22%	15%
Havells	100,677	94,292	94,292	138,885	168,684	185,499	217,458	14%	14%	14%
Revenue YoY										
LG Electronics	-1%	0%	-4%	12%	18%	7%	14%			
Whirlpool	90%	11%	-2%	5%	8%	2%	16%			
Voltas	11%	7%	-1%	5%	20%	31%	23%			
Blue Star	13%	2%	-20%	42%	32%	21%	24%			
Havells	64%	-6%	0%	47%	21%	10%	17%			
EBIT										
LG Electronics	20,385	20,491	22,270	21,018	15,065	17,069	18,865	-7%	12%	-1%
Whirlpool	5,309	5,440	3,769	2,682	1,849	1,927	3,371	-23%	35%	-7%
Voltas	5,878	6,547	6,075	6,443	5,328	4,270	10,544	-2%	41%	10%
Blue Star	2,716	1,948	1,475	2,605	4,080	5,674	7,476	11%	35%	18%
Havells	10,345	8,095	13,164	14,968	13,069	15,068	17,499	6%	16%	9%
EBIT Margins										
LG Electronics	13.0%	NM	14.2%	12.5%	7.6%	8.0%	7.7%			
Whirlpool	9.8%	9.1%	6.4%	4.3%	2.8%	2.8%	4.3%			
Voltas	8.3%	8.5%	8.0%	8.1%	5.6%	3.4%	6.8%			
Blue Star	5.2%	3.6%	3.5%	4.3%	5.1%	5.9%	6.2%			
Havells	10.3%	8.6%	14.0%	10.8%	7.7%	8.1%	8.0%			
RoCE										
LG Electronics	41%	34%	26%	21%	30%	38%	45%			
Whirlpool	21%	21%	12%	7%	6%	7%	9%			
Voltas	14%	14%	12%	11%	9%	7%	14%			
Blue Star	20%	13%	8%	14%	15%	19%	20%			
Havells	19%	17%	20%	20%	17%	18%	19%			

Source: Company, Nuvama Research

Management team

Mr 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 that support overall business objectives and strengthen the dealer network. He has been associated with the LG group since October 4, 1994.

Mr 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.

Mr Daehyun Song is the Chairman and Non-executive Director of the Company. He has been associated with the Company since November 18, 2024. He is responsible for leading the board and ensuring effective governance practice and communication between the board, stakeholders, management, and advisors. He has been associated with the LG group since November 28, 1983.

Ms Promila Bhardwaj is an Independent Director of the Company. She has been associated with the Company since November 19, 2024. She joined the Indian Revenue Services in 1979 and retired as the Directorate General of Income Tax (Systems) from Directorate of Income Tax (Systems).

Mr Ramesh Ramachandran Nair is an Independent Director of the Company. He has been associated with the Company since November 19, 2024. He was previously associated with Avaada Electro Pvt. Ltd, Mundra Solar PV Ltd, Bharat Aluminium Company Ltd, and Jindal Stainless Ltd.

Mr Santosh Kumar Mohanty is an Independent Director of the Company. He has been associated with the Company since November 19, 2024. He was previously associated with the Securities and Exchange Board of India, Forward Markets Commission (GoI), and Income Tax Department (GoI).

Mr Anuj Goyal is the Company Secretary and Compliance Officer of the Company. He has been associated with the company since November 25, 2024. Previously, he worked with JBM Auto Ltd, Uniparts India Ltd, and MB Power (Madhya Pradesh) Ltd. He is responsible for handling secretarial and compliance functions in the Company.

Exhibit 26: Valuation comps – small and large appliances companies

CMP	Mkt Cap (INR bn)	P/E(x)				EV/EBITDA(x)				EV/FCF			RoE			FY25-28E			Avg 3M Value (mn\$)	
		FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	Sales	EBITDA	EPS		
ECD																				
Havells India (SA)	1,486	932	63.9	55.7	45.2	42.0	44.1	37.3	30.5	28.3	80.5	62.0	50.9	19%	21%	20%	13%	16%	15%	19
Crompton Consumer	291	188	33.6	30.9	25.6	22.0	21.2	19.8	16.9	14.8	42.4	27.2	23.0	16%	18%	19%	10%	13%	15%	9
Eureka Forbes	563	109	70.7	55.9	42.8	31.0	41.4	34.4	27.8	21.1	41.7	33.3	27.1	4%	5%	7%	9%	34%	47%	1
Bajaj Electricals	547	63	56.1	36.1	21.9	17.7	24.2	16.5	12.8	10.1	39.4	33.3	24.6	9%	11%	14%	9%	34%	47%	3
Symphony	914	63	26.9	31.4	24.2	20.8	21.9	25.8	19.8	17.1	72.8	42.3	26.5	25%	28%	29%	6%	9%	9%	1
V-Guard India	367	160	49.6	46.0	35.7	29.7	30.6	28.3	23.2	19.6	77.4	53.8	43.6	16%	18%	18%	13%	16%	19%	2
Orient Electric	196	42	50.2	37.3	27.2	22.8	20.6	16.5	13.7	12.1	21.0	21.1	18.4	15%	19%	21%	10%	19%	30%	0
Cello World	572	126	37.2	34.4	28.2	25.5	23.7	22.9	19.2	17.4	58.4	41.4	37.7	16%	17%	16%	13%	11%	13%	1
TTK Prestige	636	87	41.7	45.3	36.9	30.0	27.8	31.0	24.3	19.7	153.2	75.0	41.7	9%	11%	13%	10%	12%	12%	0
Voltas	1,350	447	52.0	56.8	40.6	33.8	39.3	44.6	32.8	28.1	77.5	73.5	59.7	12%	15%	16%	10%	12%	15%	19
Blue Star	1,849	380	63.1	59.2	46.0	37.8	41.4	38.8	30.9	25.9	119.6	81.4	63.1	19%	21%	22%	16%	17%	19%	13
Whirlpool India	1,170	148	43.7	33.3	26.7	22.2	23.7	19.5	16.2	13.7	45.1	28.4	27.7	11%	13%	14%	11%	20%	25%	3
IFB Industries	1,675	68	50.8	41.2	30.4	24.4	21.5	18.0	15.1	13.2	42.7	26.7	21.2	18%	20%	20%	13%	18%	28%	2
Median for sector			50.8	41.1	30.7	27.1	27.8	24.3	19.5	17.4				15%	17%	17%	12%	17%	19%	2

Source: Bloomberg (as of 1st Oct 2025)

Exhibit 27: Q1FY26 quarterly performance

INR Mn	Q1FY25	Q1FY26	YoY
Revenue	64,088	62,629	-2%
RM cost	42,824	42,832	0%
Gross Profit	21,264	19,797	-7%
Gross Margin	33.2%	31.6%	-160 bps
Employee Costs	2,409	2,536	5%
% of sales	3.8%	4.0%	30 bps
Other Expenses	9,275	10,099	9%
% of sales	14.5%	16.1%	170 bps
Total Expenditure	54,507	55,467	2%
EBITDA	9,581	7,162	-25%
EBITDA Margin	14.9%	11.4%	-350 bps
Depreciation	967	902	-7%
EBIT	8,613	6,260	-27%
Other Income	580	744	28%
Finance Costs	69	85	23%
XO (Income)/Expenses	0	0	
Profit Before Tax	9,124	6,919	-24%
Tax Expense	2,328	1,787	-23%
Tax Rate	25.5%	25.8%	
Share of Minority Interest	0	0	
Reported Net Profit	6,796	5,132	-24%
Reported EPS	10.0	7.6	-24%
Adjusted Net Profit	6,796	5,132	-24%
Adjusted EPS	10.0	7.6	-24%

Source: Company, Nuvama Research

Exhibit 28: Profit & loss statement (historical)

Y/E March	FY19A	FY20	FY21	FY22	FY23	FY24	FY25
Net sales	156,590	157,096	150,866	168,342	198,646	213,520	243,666
Growth (%)	-1%	0%	-4%	12%	18%	7%	14%
RM Consumed	104,608	101,122	97,679	118,006	140,281	149,302	166,101
Employee Cost	6,154	6,274	6,610	7,255	7,992	8,868	9,628
Other expenses	23,086	25,011	23,120	25,433	30,300	32,841	37,136
Total Expenses	133,848	132,407	127,409	150,693	178,573	191,011	212,865
EBITDA	22,742	24,689	23,457	17,649	20,073	22,509	30,801
EBITDA (%)	14.5%	15.7%	15.5%	10.5%	10.1%	10.5%	12.6%
Growth (%)	1%	9%	-5%	-25%	14%	12%	37%
Depreciation & amortisation	2,251	2,419	2,439	2,584	3,004	3,644	3,804
EBIT	20,491	22,270	21,018	15,065	17,069	18,865	26,998
Interest (income)/exp (net)	22	61	156	225	226	285	306
Other non-operational income	2,862	3,001	1,702	2,038	2,440	2,051	2,640
Pre tax profit	23,331	25,210	22,564	16,878	19,284	20,632	29,332
Taxes	7,986	6,666	5,951	4,260	4,723	5,260	7,598
Exceptional (Losses)/Gains (net of tax)	0	0	0	0	0	0	0
Minority Interest	0	0	0	0	0	0	0
Reported Net Profit	15,345	18,544	16,613	12,618	14,560	15,371	21,734
Adjusted Net Profit	15,345	18,544	16,613	12,618	12,649	14,918	21,734
Margin (%)	9.8%	11.8%	11.0%	7.5%	6.4%	7.0%	8.9%
Adjusted profit growth	6%	21%	-10%	-24%	0%	18%	46%

Source: Company, Nuvama Research

Exhibit 29: Balance sheet (historical)

Y/E March	FY19A	FY20	FY21	FY22	FY23	FY24	FY25
Share capital	1,131	1,131	1,131	1,131	1,131	1,131	6,788
Reserves & surplus	44,295	62,789	64,734	53,876	42,431	36,591	52,914
Networth	45,426	63,920	65,865	55,007	43,562	37,722	59,702
Minority Interest	0	0	0	0	0	0	0
Total loans	0	0	0	0	0	0	0
Sources of funds	45,426	63,920	65,865	55,007	43,562	37,722	59,702
Fixed assets	15,320	18,564	22,781	24,840	30,147	32,840	35,801
Less: Accum Depreciation	7,945	10,216	12,292	14,366	16,719	19,652	22,509
Net block	7,375	8,348	10,489	10,475	13,428	13,188	13,292
CWIP	169	846	338	1,030	246	245	753
Investments	0	0	0	0	0	0	0
Deferred tax assets/(liability)	1,090	1,199	1,432	1,278	1,365	1,720	2,040
Current assets	65,244	81,624	98,331	81,410	74,883	69,832	99,087
Inventories	17,634	22,225	26,418	24,094	26,410	23,974	30,315
Sundry debtors	11,105	5,007	10,595	13,811	14,995	17,970	23,612
Cash & bank balance	29,442	48,106	55,108	37,269	27,626	22,226	37,415
Loans & advances	7,063	6,286	6,210	6,237	5,851	5,661	7,746
Current liabilities & provisions	28,452	28,097	44,725	39,185	46,359	47,262	55,470
Sundry Creditors	20,547	21,106	33,397	25,984	31,192	30,351	33,671
Provisions	7,905	6,991	11,328	13,201	15,167	16,911	21,799
Net current assets	36,792	53,527	53,606	42,225	28,524	22,570	43,617
Others (net)							
Application of funds	45,426	63,920	65,865	55,007	43,562	37,722	59,702

Source: Company, Nuvama Research

Exhibit 30: Cash flow statement (historical)

Y/E March	FY19A	FY20	FY21	FY22	FY23	FY24	FY25
Profit before Tax	23,331	25,210	20,750	15,898	18,161	20,371	29,631
Depreciation & Amortisation	2,251	2,419	2,460	2,612	3,004	3,644	3,804
Net Interest (Int expense-Int income)	-1,724	-2,614	-1,467	-1,400	-1,976	-1,720	-2,172
-Inc/dec in working cap	-392	87	4,229	-6,791	3,814	-133	-7,025
Other Items	-525	381	130	-324	130	191	-159
Taxes Paid	-8,731	-5,483	-5,676	-4,016	-4,425	-5,699	-7,539
Net cash from operations	14,210	20,000	20,426	5,979	18,708	16,655	16,539
Capex	-1,554	-3,636	-1,749	-2,696	-5,138	-2,402	-3,346
FCFF	12,656	16,364	18,677	3,283	13,570	14,253	13,193
(Inc)/dec in investments	0	0	0	0	0	0	0
Others	1,890	2,568	2,051	1,921	2,398	2,198	3,070
Cash flow from inv.	336	-1,068	302	-775	-2,740	-205	-275
Inc/(dec) in capital	0	0	0	0	0	0	0
Inc/dec in loans	0	0	0	0	0	0	0
Dividends paid + div tax	0	0	-13,327	-22,626	-24,888	-20,929	0
Others	-3	-267	-399	-639	-719	-924	-1,065
Cash flow from investing activities	-3	-267	-13,726	-23,265	-25,607	-21,853	-1,065
Net increase/decrease in cash	14,543	18,665	7,002	-18,061	-9,639	-5,402	15,199

Source: Company, Nuvama Research

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