

Retail Research	IPO Note
Sector: Consumer Durables	Price Band (Rs): 1,080 – 1,140
1 st October 2025	Recommendation: SUBSCRIBE

LG Electronics India Ltd

Company Overview:

LG Electronics India Ltd (LGEIL) has been the number 1 player in major home appliance and consumer electronics in India (excluding mobile phones) for CY22, CY23, CY24 and 1HCY25 as per the market share by value in offline channels. It was also the market leader across multiple product categories in India, including washing machines (33.5%), refrigerators (29.9%), panel televisions (27.5%), inverter air conditioners (20.6%) and microwaves (51.4%) as per market share by value in offline channels during 1HCY25. LGEIL operates both a B2B and B2C segments across two product segments **a) Home Appliances & Air solutions (~75% of FY25 revenue)**, which includes refrigerators, washing machines, air conditioners etc; and **b) Home Entertainment (~25% of FY25 revenue)**, which includes televisions and audio devices. It also offers installation services and repairs & maintenance services for all its product offerings.

Key Highlights:

1. Innovative technologies tailored for Indian consumers: LGEIL's experience of 28 years in the Indian market has enabled it to develop insights into the preferences of the Indian consumer. It further leverages the global leadership of LG Electronics Inc in introducing innovative technology and customizes products according to needs of the Indian consumers. Through this approach, it has introduced many industry-first technologies in the country like inverter OLED & 4K televisions, inverter ACs, microwaves, etc.

2. Pan-India distribution network: The company operates the largest distribution and after-sales services network among leading home appliance and consumer electronic players in India as of Jun'25. It includes a robust distribution reach of 35,640 B2C touchpoints strategically located in main shopping hubs in cities and modern trade stores like Croma, Reliance Retail, Vijay Sales, etc. As of Jun'25, the company's after-sales service network included 1,006 service centres and 4 customer call centres and a team of 13,368 engineers to offer same day installations and repairs & maintenance services.

3. Robust manufacturing capabilities supported by localized supply chain: As of Jun'25, LGEIL operated one of the largest in-house production capacities amongst leading home appliance and consumer electronics in India (excluding mobile phones) in India. Its manufacturing capacities are located in Pune and Noida and have a total installed capacity of 1.45 cr products. These units are flexible and employ automation technologies enabling the company to efficiently produce a wide range of products at scale.

4. Strong parentage: The company is a subsidiary of LG Electronics Inc, which is a leading single-brand global home appliance player. It leverages reputation and brand recall of the 'LG' brand to maintain its market leadership in India. Further as part of LG ecosystem, the company uses product innovation to design and introduce new products in the country.

Valuation: LG Electronics India Ltd is one of the largest home appliance and consumer electronics in India, with market leadership across multiple product categories. Further, it has one of the largest in-house production capabilities among peers in India making it a giant in the industry. The company's robust Revenue/EBITDA/PAT CAGR of 10.8%/28.0%/27.8% respectively during FY23-FY25 portrays its financial prowess. At upper price band of Rs 1,140, the issue is valued at P/E multiple of 35.1x based on the post-issue capital. When comparing to its closest peers, the company outshines them in most valuation parameters with superior return profile. We recommend investors to SUBSCRIBE to the issue.

Issue Details	
Date of Opening	7 th October 2025
Date of Closing	9 th October 2025
Price Band (Rs)	1,080 – 1,140
Offer for sale (Rs cr) @ upper price band	11,607
Fresh Issue (Rs cr)	-
Issue Size (Rs cr) @ upper price band	11,607
No. of shares	10,18,15,859
Face Value (Rs)	10.0
Post Issue Market Cap (Rs cr)	73,307 – 77,380
BRLMs	Axis Capital Ltd, Citigroup Global Markets India Pvt Ltd, Morgan Stanley India Company Pvt Ltd, J.P. Morgan India Pvt Ltd, BofA Securities India Ltd.
Registrar	KFin Technologies Ltd
Bid Lot	13 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%
Employee Reservation (shares)	2,10,728
Employee Discount (Rs)	108

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	67,87,72,392	100.0
Public & Others	-	-
Total	67,87,72,392	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	57,69,56,533	85.0
Public & Others	10,18,15,859	15.0
Total	67,87,72,392	100.0

Selling shareholders through OFS	Classification	No. of shares
LG Electronics Inc.	Promoter	10,18,15,859
Total		10,18,15,859

Source: RHP, SSL Research

Key Financials

Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Revenue from operations	19,865	21,352	24,367	6,263
EBITDA	1,899	2,225	3,110	716
Reported PAT	1,345	1,511	2,203	513
EBITDA Margin (%)	9.6	10.4	12.8	11.4
Reported PAT Margin (%)	6.8	7.1	9.0	8.2
RoE (%)	30.9	40.1	36.9	-
RoCE (%)	42.3	54.8	50.1	-
P/E (x)*	57.4	51.2	35.1	-

**Note: Pre-issue P/E based on upper price band*

Source: RHP, SSL Research

Risk Factors

- **Royalty Fees:** During FY23/FY24/FY25/1QFY26, the company paid ~1.9% of its revenue as a royalty to its parent LG Corporation. Any increase in royalty fees by the parent may have an adverse impact on the company's performance.
- **Raw material price risk:** During FY23/FY24/FY25/1QFY26, the company's cost of raw materials as a % revenue stood at 75.1%/71.5%/75.3%/74.2% respectively. Any sudden or unsustainable increase in prices of raw materials may have an adverse impact on the company's performance.
- **Supplier concentration:** The company purchased 35.8%/36.8%/32.8%/32.3% of its raw materials from its Top 10 suppliers. Any interruption in the availability of raw materials due to geopolitical uncertainties, shortages or supplier misconduct, among other reasons may have an adverse impact on the company's performance.

Growth Strategies

- Build a strong foundation to capture long-term growth in India.
- Continue to be a brand of choice for Indian households across volume and premium market categories.
- Diversify business model to create new customer value.

Revenue Mix

Particulars	FY23		FY24		FY25		1QFY26	
	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue	Rs cr	as a % of Total Revenue
Home Appliance & Air Solutions	15,030.7	75.7	15,679.7	73.4	18,267.9	75.0	4,908.2	78.4
Refrigerators	5,805.6	29.2	5,784.5	27.1	6,696.5	27.5	2,166.7	34.6
Washing Machines	4,220.8	21.2	4,491.9	21.0	5,041.7	20.7	1,157.6	18.5
Air Conditioners	3,990.6	20.1	4,290.2	20.1	5,270.8	21.6	1,277.4	20.4
Others	1,013.7	5.1	1,113.2	5.2	1,258.9	5.2	306.6	4.9
Home Entertainment	4,833.9	24.3	5,672.3	26.6	6,098.8	25.0	1,354.7	21.6
Television	3,932.0	19.8	4,558.3	21.3	4,924.8	20.2	1,046.6	16.7
Others	901.9	4.5	1,113.9	5.2	1,174.0	4.8	308.1	4.9
Total Revenue	19,864.6	100.0	21,352.0	100.0	24,366.6	100.0	6,262.9	100.0

Source: RHP, SSL Research

Revenue from Services (part of Revenue from Operations)

Particulars	FY23		FY24		FY25		1QFY26	
	Rs cr	as a % of Revenue from services	Rs cr	as a % of Revenue from services	Rs cr	as a % of Revenue from services	Rs cr	as a % of Revenue from services
Home Appliance & Air Solutions	391.4	80.8	480.6	83.3	556.5	83.6	82.5	83.7
Refrigerators	66.9	13.8	88.2	15.3	109.8	16.5	25.2	25.5
Washing Machines	92.8	19.2	111.7	19.4	144.5	21.7	29.0	29.4
Air Conditioners	135.9	28.0	163.3	28.3	167.3	25.1	23.9	24.2
Others	95.7	19.8	117.3	20.3	134.9	20.3	4.5	4.6
Home Entertainment	93.2	19.2	96.4	16.7	109.4	16.4	16.1	16.3
Television	89.5	18.5	92.3	16.0	103.4	15.5	15.8	16.0
Others	3.7	0.8	4.1	0.7	6.0	0.9	0.3	0.3
Total Revenue from Services	484.6	100.0	576.9	100.0	665.9	100.0	98.6	100.0

Source: RHP, SSL Research

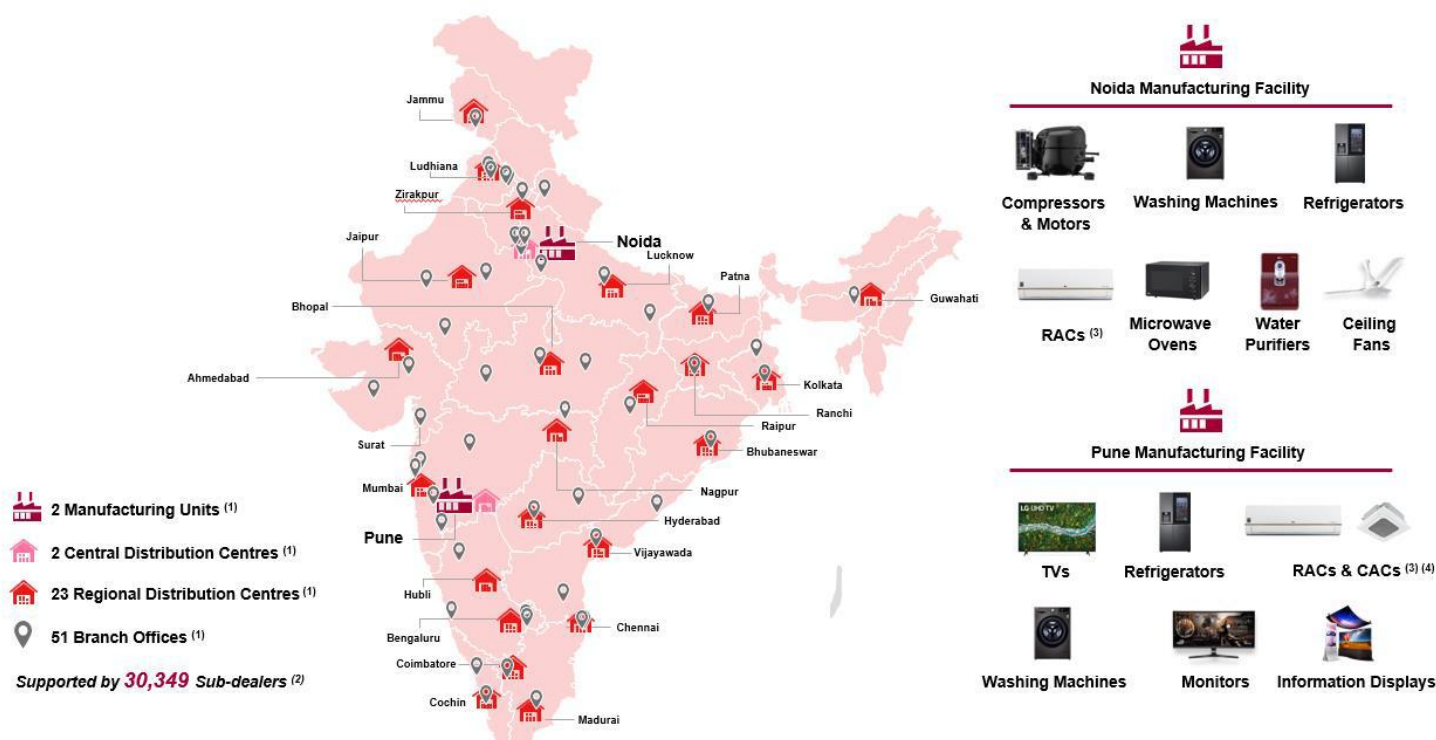
Customer Touchpoints

Particulars	FY23	FY24	FY25	1QFY26
LG centres	55	56	58	58
Exclusive service centres	872	885	953	948
Total service touchpoints	927	941	1,011	1,006

Source: RHP, SSL Research

Geographical Footprint

Manufacturing and Pan-India Distribution Presence



Source: RHP, SSL Research

Installed Capacity (in products) and Capacity Utilization (%)

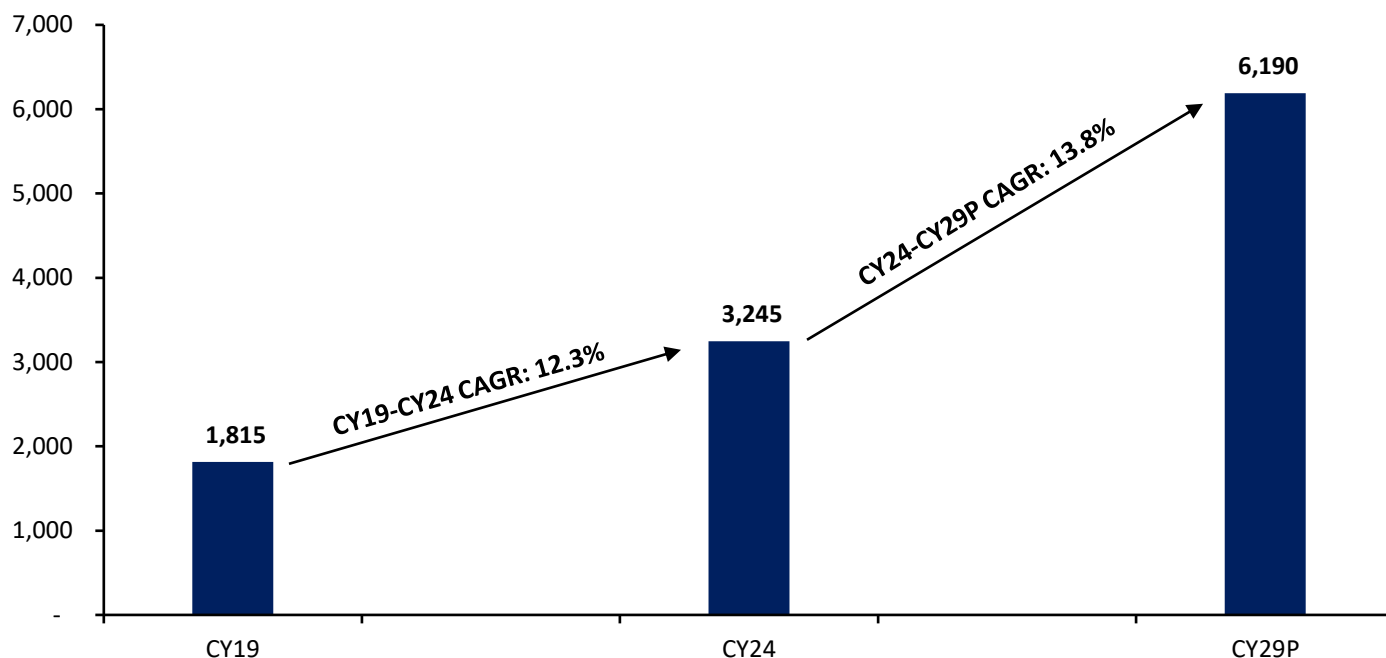
Particulars	FY23	FY24	FY25	1QFY26
Noida				
Installed Capacity	74,00,000	74,00,000	76,00,000	76,00,000
Production Volume	53,43,696	54,66,598	61,20,208	17,43,171
Capacity Utilization	72.2%	73.9%	80.5%	91.7%*
Pune				
Installed Capacity	62,50,000	65,90,000	69,10,000	69,10,000
Production Volume	42,42,212	44,74,809	50,22,841	12,99,118
Capacity Utilization	67.9%	67.9%	72.7%	75.2%*
Total				
Total Installed Capacity	1,36,50,000	1,39,90,000	1,45,10,000	1,45,10,000
Total Production Volume	95,85,908	99,41,407	1,11,43,049	30,42,289
Total Capacity Utilization	70.2%	71.1%	76.8%	83.9%*

Source: RHP, SSL Research

*Capacity Utilization for 1QFY26 is on an annualized basis.

Industry Overview

Indian Appliances & Electronics Market excluding mobile phones (Rs bn)



Source: RHP, SSL Research

Segmentation of the Indian Home Appliances & Electronics Market

Particulars	CY19	CY24	CY29P	CY19-CY24 CAGR (%)	CY24-CY29P CAGR (%)
Refrigerators					
Sales Volume (million units)	~12	~15	~20	4.6	5.9
Market Size (Rs bn)	~225	~315	~620	7.0	14.5
Washing Machines					
Sales Volume (million units)	~8	~12	~16	8.4	5.9
Market Size (Rs bn)	~145	~245	~380	11.1	9.2
Air Conditioners					
Sales Volume (million units)	~6	~11	~19	12.9	11.6
Market Size (Rs bn)	~155	~320	~710	15.6	17.3
Home Entertainment Systems					
Sales Volume (million units)	~21	~78	~125	30.0	9.9
Market Size (Rs bn)	~370	~895	~1,725	19.3	14.0

Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Revenue from Operations	19,865	21,352	24,367	6,263
YoY growth	-	7.5%	14.1%	-
Cost Of Revenues (incl. Stock Adj.)	14,028	14,930	16,580	4,283
Gross Profit	5,837	6,422	7,787	1,980
Gross margin	29.4%	30.1%	32.0%	31.6%
Employee Cost	799	887	963	254
Other Operating Expenses	3,138	3,310	3,714	1,010
EBITDA	1,899	2,225	3,110	716
EBITDA margin	9.6%	10.4%	12.8%	11.4%
Other Income	244	205	264	74
Interest Exp.	23	29	31	9
Depreciation	300	364	380	90
PBT	1,820	2,037	2,963	692
Exceptional item	-	-	-	-
Tax	472	526	760	179
Reported PAT	1,345	1,511	2,203	513
Reported PAT margin	6.8%	7.1%	9.0%	8.2%
Reported EPS	20	22	32	8
DPS	220	185	-	-

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Assets				
Net Block	1,333	1,311	1,320	1,328
Capital WIP	24	24	75	157
Intangible Assets	10	8	9	8
Other Non-current Assets	461	497	572	592
Current Assets				
Inventories	2,641	2,397	3,031	3,029
Trade receivables	1,500	1,797	2,361	1,498
Cash and Bank Balances	2,763	2,223	3,741	4,575
Short-term loans and advances	2	2	3	3
Other Current Assets	255	240	404	326
Total Current Assets	7,160	6,658	9,541	9,431
Current Liabilities & Provisions				
Trade payables	3,063	2,976	3,367	2,931
Other current liabilities	932	973	1,249	1,119
Short-term provisions	135	153	185	204
Total Current Liabilities	4,131	4,101	4,801	4,254
Net Current Assets	3,029	2,557	4,740	5,177
Assets Classified as held for sale	4	-	-	-
Total Assets	4,861	4,397	6,716	7,262
Liabilities				
Share Capital	113	113	679	679
Reserves and Surplus	4,243	3,659	5,291	5,806
Total Shareholders' Funds	4,356	3,772	5,970	6,484
Total Debt	-	-	-	-
Long Term Provisions	70	88	94	98
Lease Liabilities	318	370	428	434
Other Long-Term Liabilities	116	167	224	246
Total Liabilities	4,861	4,397	6,716	7,262

CASH FLOW STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Cash flow from Operating Activities	1,871	1,665	1,654	942
Cash flow from Investing Activities	(274)	(20)	(28)	(77)
Cash flow from Financing Activities	(2,561)	(2,185)	(106)	(30)
Free Cash Flow	1,354	1,423	1,315	781

RATIOS			
Particulars	FY23	FY24	FY25
Profitability			
Return on Assets	15.0%	17.8%	19.1%
Return on Capital Employed	42.3%	54.8%	50.1%
Return on Equity	30.9%	40.1%	36.9%
Margin Analysis			
Gross Margin	29.4%	30.1%	32.0%
EBITDA Margin	9.6%	10.4%	12.8%
Net Profit Margin	6.8%	7.1%	9.0%
Short-Term Liquidity			
Current Ratio (x)	1.7	1.6	2.0
Quick Ratio (x)	1.1	1.0	1.4
Avg. Days Sales Outstanding	28	31	35
Avg. Days Inventory Outstanding	69	59	67
Avg. Days Payables	62	57	58
Fixed asset turnover (x)	14.9	16.3	18.5
Debt-service coverage (x)	81.6	72.5	97.7
Long-Term Solvency			
Total Debt / Equity (x)	-	-	-
Interest Coverage Ratio (x)	81.6	72.5	97.7
Valuation Ratios*			
EV/EBITDA (x)	39.3	33.8	23.7
P/E (x)	57.4	51.2	35.1
P/B (x)	17.8	20.5	13.0
EV/Sales (x)	3.8	3.5	3.0
Mkt Cap/Sales (x)	3.9	3.6	3.2

*Valuation ratios are based on pre-issue capital at the upper price band

Source: RHP, SSL Research

Peer Comparison – FY25

Particulars (Rs cr)	LG Electronics India Ltd	Havells India Ltd	Voltas Ltd	Blue Star Ltd	Whirlpool of India Ltd
CMP (Rs)	1,140	1,485	1,352	1,879	1,178
Sales	24,367	21,788	15,413	11,968	7,919
EBITDA	3,110	2,131	1,116	876	550
Net Profit	2,203	1,472	841	591	359
Mkt Cap.	77,380	93,153	44,722	38,637	14,946
Enterprise Value	73,639	89,775	44,907	38,405	12,386
EBITDA Margin (%)	12.8	9.8	7.2	7.3	6.9
Net Profit Margin (%)	9.0	6.8	5.5	4.9	4.5
RoE (%)	36.9	17.7	12.9	19.3	9.1
RoCE (%)	50.1	24.4	18.7	25.2	13.4
P/E (x)	35.1	63.3	53.2	65.3	41.6
EV/EBITDA (x)	23.7	42.1	40.2	43.8	22.5
EV/Sales (x)	3.0	4.1	2.9	3.2	1.6

For LG Electronics India Limited, the Market Cap, P/E(x), EV/EBITDA (x), EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

RoE (%) and RoCE (%) are calculated on pre-issue capital

CMP for peer companies is closing price as on 1st October, 2025

Source: RHP, Exchange Filings, SSL Research

SBICAP Securities Limited

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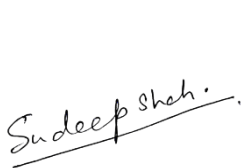
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