



LG Electronics India is a leading manufacturer and seller of home appliances and consumer electronics, catering to both B2C and B2B customers in domestic and international markets. The company operates through two primary business divisions: (i) the Home Appliances and Air Solutions segment, offering a wide range of products including refrigerators, washing machines, air conditioners, water purifiers, dishwashers, microwave ovens, air purifiers, and compressors; and (ii) the Home Entertainment segment, comprising televisions, monitors, interactive displays, and information systems. In addition to product sales, the company provides installation, repair, and maintenance services, ensuring an integrated customer experience across its portfolio.

Investment Rationale:**Dominant Market Share in India:**

- #1 market share in key home appliance & consumer electronics categories.
- Strong category leadership: convection microwaves 51.4%, water purifiers 40.5%, washing machines 33.5%, refrigerators 29.9%, panel TVs 27.5%, inverter ACs 20.6%.
- Leadership backed by offline channel (~77-78% of market) FY22-H1FY25.
- Wide portfolio: OLED, QNED, NanoCell, UHD, LED TVs, 28 years of brand trust.
- Expanded B2B presence: IT monitors, signage/interactive boards, commercial ACs; pioneered transparent OLED displays (2020) & OLED gaming monitors (2022).

Shaping Consumer Experience with Pan-India Reach and After-Sales Network:

- Largest distribution network in India: 36,000+ B2C touchpoints including BrandShops, modern trade, traditional stores, and online channels.
- Regional supply customization supported by trained promoters; BrandShops 1.4x and distributor base 1.2x larger than nearest competitor.
- Strong trade relationships: 49.46% of partners >10 years; 97 sales offices across semi-urban and rural areas.
- Extensive after-sales network: 1,006 service centers, 13,368 engineers, 4 call centers for same-day service.
- Exports to 47 countries across Asia, Africa, and Europe for revenue diversification.

Operational Efficiency Through Strong Manufacturing and Localized Supply Chain:

- Largest in-house manufacturing (Noida & Pune), covering ~85% of sales, flexible lines produce multiple products.
- Automation boosted efficiency; AC, washing machine, microwave lines ≥82% utilization.
- Strong suppliers (287 partners, avg. 13 yrs), domestic sourcing ~54% to optimize costs.
- Real-time monitoring and strict quality control ensure consistent products.
- 2 CDCs, 23 RDCs with WMS/TMS enable scalable, efficient distribution.

Expanding Growth & Diversifying Revenue:

- Third Andhra Pradesh plant (₹50.01 bn) to start FY27, producing ACs, compressors, washing machines, refrigerators.
- Expanding B2C/B2B network, BrandShops, and direct-to-consumer channels.
- Strengthening supply chain and online presence to optimize costs and enhance brand.
- Growing B2B portfolio with LG Group tech in hospitality, HVAC, commercial displays, and washing machines.
- Enhancing AMC offerings and launching subscription services like “Careship” to boost service quality.

Preferred Brand Across Volume & Premium Segments:

- Brand of choice across volume and premium segments with durable, reliable, and region-specific products.
- Expanded into new categories like water purifiers, plans for built-in kitchens.
- Volume market: affordable, locally relevant products with advanced features (e.g., AI TVs from ₹50,000).
- Premium market: AI-backed, smart home-enabled appliances (LG ThinQ) with Energy Manager.
- Market leadership - Premium: 62.9% OLED TVs, 43.2% side-by-side refrigerators, 36.9% front-load washing machines; Volume: 32.7% semi-automatic washing machines, 29.6% window ACs, 29.9% 4K TVs.

Strong Financials Driving Growth and Profitability:

- Strong revenue growth to ₹243,666 mn in FY25, driven by Home Appliances & Home Entertainment.
- EBITDA rose from ₹18,993 mn in FY23 to ₹31,101 mn in FY25, margins improved to 12.76%.
- PAT rose from ₹13,449 mn in FY23 to ₹22,033 mn in FY25, margins improved to 9.04%.
- High capital efficiency: ROCE 42.9%, RONW 37.1%.

Valuation and Outlook: India's home appliances and consumer electronics market is expected to accelerate to ~11% CAGR over FY24-FY29, driven by rising disposable incomes, rapid urbanization, and deeper rural and urban penetration. LG Electronics is well positioned to capture this growth, leveraging dominant market shares across volume and premium segments, including convection microwaves (51.4%), water purifiers (40.5%), washing machines (33.5%), refrigerators (29.9%), panel TVs (27.5%), and inverter ACs (20.6%), with offline channel leadership (~77-78% of market FY22-H1FY25). Its broad product portfolio across TVs and pioneering B2B innovations, supported by 28 years of brand trust, reinforce its competitive edge. LG's pan-India distribution and after-sales network - 36,000+ B2C touchpoints, 1,006 service centers, 13,368 engineers, and 97 sales offices along with exports to 47 countries, enable strong consumer engagement and revenue diversification. Operational efficiency is driven by in-house manufacturing covering ~85% of sales, flexible automated lines (≥82% utilization), a 287-partner supplier base with ~54% domestic sourcing, and scalable supply chain capabilities. LG is building a new Andhra Pradesh plant (₹50.01 bn) to produce ACs, compressors, washing machines, and refrigerators from FY27, while expanding B2C/B2B networks, BrandShops, direct-to-consumer channels, and online presence. The company remains the preferred choice across volume and premium segments, entering new categories like built-in kitchens, offering advanced features in affordable models (AI TVs from ₹50,000) and premium smart-home appliances under LG ThinQ with Energy Manager. Looking ahead, LG aims to deepen its B2B portfolio using LG Group technology in hospitality, HVAC, commercial displays, and washing machines, while enhancing AMC offerings and rolling out subscription services like “Careship” to drive recurring revenue and improve service quality. Financially, LG Electronics has delivered strong growth, with revenue rising to ₹243,666 million in FY25, EBITDA at ₹31,101 million (12.76% margin), PAT at ₹22,033 million (9.04% margin), and high capital efficiency with ROCE of 42.9% and RONW of 37.1%. We recommend subscribing to the issue as a long term investment, backed by LG Electronics' dominant market share in India, robust financials versus peers, strategic future Andhra Pradesh capex, expansion of B2B/B2C networks, and diversified revenue streams poised for sustainable growth.

Key Financial & Operating Metrics (Consolidated)

In INR mn	Revenue	YoY (%)	EBITDA	EBITDA %	PAT	EPS	ROE	ROCE
FY23	198645.93	18.00	18993.15	9.56	13449.30	19.81	31.13	34.38
FY24	213520.00	7.49	22,248.73	10.42	15100.68	22.25	40.45	45.31
FY25	2,43,666.38	14.12	31,101.24	12.76	22,033.48	32.46	37.13	42.91

Issue Snapshot

Issue Open	07-Oct-25
Issue Close	09-Oct-25
Price Band	INR 1080 - 1140
Issue Size (Shares)	10,18,15,859
Market Cap (mln)	INR 773801

Particulars

Fresh Issue (INR mln)	-
OFS Issue (INR mln)	INR 116070.08
QIB	50%
Non-institutionals	15%
Retail	35%

Capital Structure

Pre Issue Equity	67,87,72,392
Post Issue Equity	67,87,72,392
Bid Lot	13 Shares
Minimum Bid amount @ 1080	INR 14040
Maximum Bid amount @ 1140	INR 14820

Share Holding Pattern

	Pre Issue	Post Issue
Promoters	100.00%	85.00%
Public	0.00%	15.00%

Particulars

Face Value	INR 10
Book Value	INR 87.96
EPS, Diluted	INR 32.46

Objects of the Issue

1. Offer for Sale - INR 116070.08 million

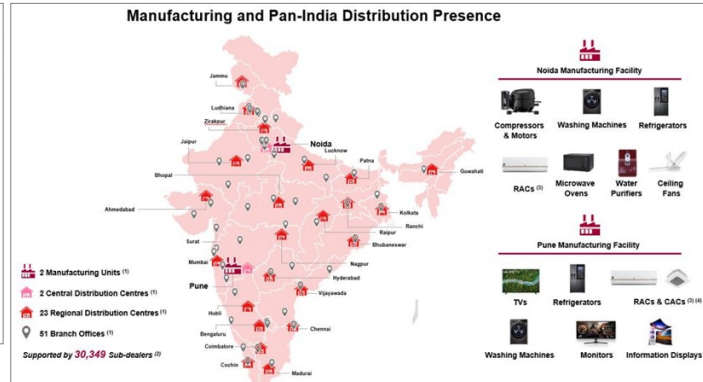
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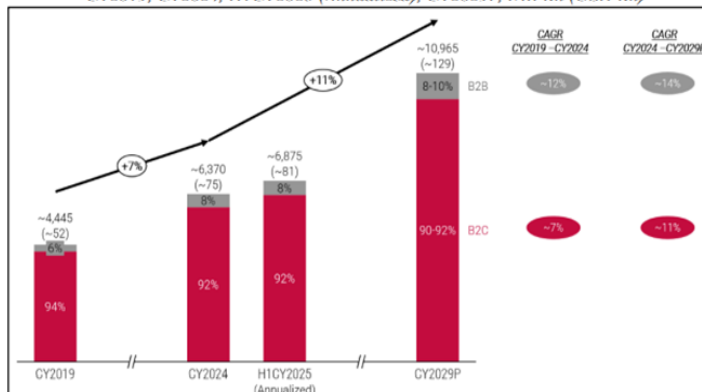
LG's Segments



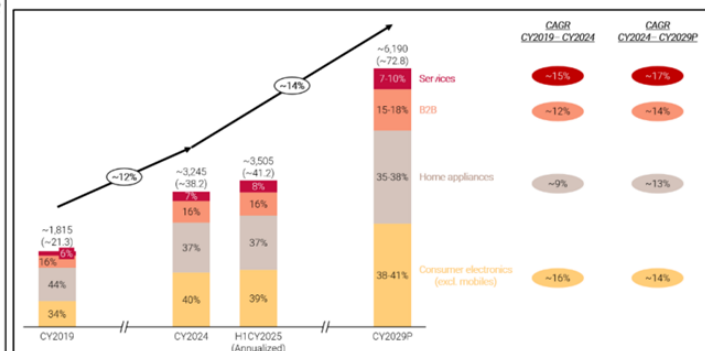
Industry Overview:

The Indian appliances and electronics market is projected to reach ~₹11 trillion (US\$129 billion) by FY29, supported by strong macroeconomic tailwinds and structural growth drivers. Having expanded at ~7% CAGR during FY19-FY24, the sector is expected to accelerate to ~11% CAGR over FY24-FY29, driven by rising disposable incomes, urbanization, and increasing penetration across urban and rural markets. The B2C segment, distributed through organized and unorganized retail, e-commerce, and exclusive brand outlets, is undergoing a significant shift from basic utility products to premium, technology-driven appliances and services such as subscriptions. Meanwhile, the B2B segment continues to expand rapidly, led by robust institutional demand from hospitality, healthcare, retail, and commercial establishments.

India Appliances & Electronics Market Size
 CY2019, CY2024, H1CY2025 (Annualized), CY2029P, INR Bn (USD Bn)

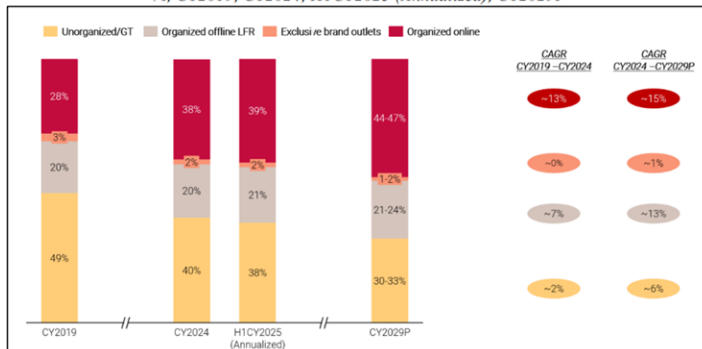


India Total Addressable Market
 CY2019, CY2024, H1CY2025 (Annualized), CY2029P, INR Bn (USD Bn)



India's appliances and electronics market is dominated by the B2C segment (~92% of H1FY25 annualized), driven by premiumization, replacement demand, and rising penetration in urban and semi-urban areas across categories like refrigerators, washing machines, televisions, mobiles, and small appliances. Purchase decisions here are shaped by design, functionality, and after-sales support. The B2B segment (~8% of H1FY25 annualized) serves institutional demand for commercial air conditioners, IT products, and specialized displays across offices, hospitals, retail, and government, where reliability, energy efficiency, and cost savings are key priorities.

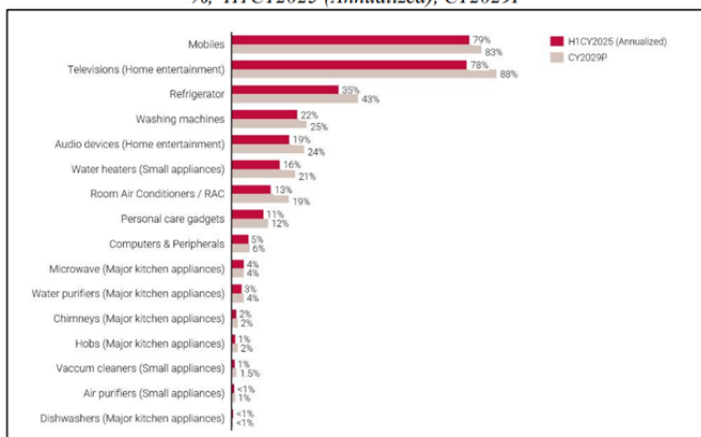
India Appliances & Electronics Market – by Channel (B2C excl. services)
 %, CY2019, CY2024, H1CY2025 (Annualized), CY2029P



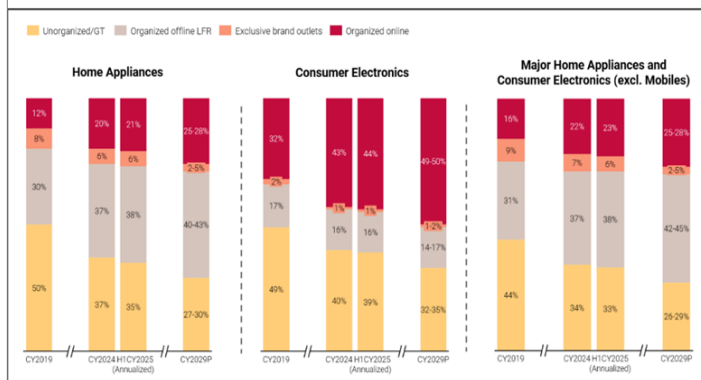
India Appliances & Electronics Market Summary
 CY2019, CY2024, H1CY2025 (Annualized), CY2029P, INR Bn

Categories	CY2019	CY2024	H1CY2025 (Annualized)	CY2029P	CAGR (CY2019-CY2024)	CAGR (CY2024-CY2029P)
India Appliances & Electronics (A+B+C+D)	~4,445	~6,370	~6,875	~10,965	~7%	~11%
India Appliances & Electronics excl. Mobile phones (A+B+C+D-M)	~1,815	~3,245	~3,505	~6,190	~12%	~14%
India Appliances & Electronics (B2C) (A+B+C)	~4,160	~5,860	~6,330	~9,990	~7%	~11%
Major Home Appliances and Consumer Electronics (excl. mobile phones)¹	~820	~1,315	~1,410	~2,500	~10%	~14%
Home Appliances (A)	~790	~1,215	~1,305	~2,255	~9%	~13%
Refrigerators	~225	~315	~325	~620	~7%	~15%
Washing machines	~145	~245	~265	~380	~11%	~9%
Air conditioners (RACs)	~155	~320	~360	~710	~16%	~17%
Major kitchen appliances ²	~45	~85	~90	~150	~14%	~13%
Other small appliances ³	~230	~250	~260	~390	~2%	~9%
Consumer Electronics (B)	~3,250	~4,410	~4,750	~7,220	~6%	~10%
Home entertainment ⁴	~370	~895	~960	~1,725	~19%	~14%
Computers & peripherals ⁵	~150	~180	~190	~320	~3%	~12%
Mobile phones (M)	~2,635	~3,125	~3,370	~4,775	~3%	~9%
Personal care devices ⁶	~25	~40	~40	~60	~9%	~9%
Other personal devices ⁷	~75	~170	~190	~340	~19%	~15%
Services (C)	~115	~235	~270	~520	~15%	~17%
Laundromat	~45	~60	~70	~95	~7%	~9%
Appliance Rentals & Subscriptions	~40	~120	~145	~320	~26%	~22%
AMCs	~35	~55	~60	~105	~10%	~14%
B2B Devices & Systems (D)	~290	~515	~550	~970	~12%	~14%
Commercial Air Conditioning Systems	~30	~65	~75	~145	~16%	~17%
Commercial IT	~205	~355	~380	~660	~12%	~13%
Commercial displays & signages	~10	~30	~30	~55	~19%	~14%
Other B2B devices and systems	~40	~60	~65	~110	~9%	~13%

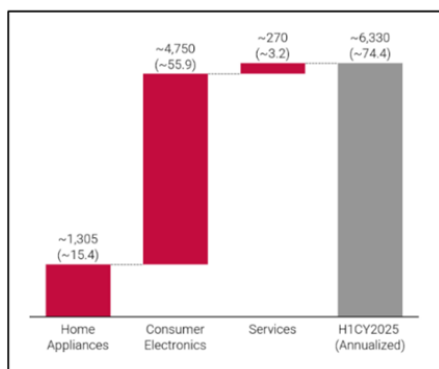
India Appliance & Electronics Market (B2C) – Penetration by Category %, H1CY2025 (Annualized), CY2029P



India Appliances & Electronics Market (B2C) – Key Channels %, CY2019, CY2024, H1CY2025 (Annualized), CY2029P

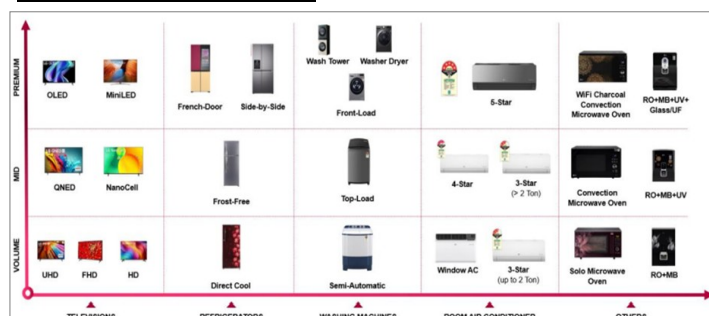


India Appliances & Electronics Market (B2C) – Split by Key Segments H1CY2025 (Annualized), in INR Bn (USD Bn)



conditioning systems. The company leads several technological innovations in the B2B space, including being the first in India to introduce transparent OLED-based information display solutions in 2020 and OLED gaming monitors in 2022. LG follows a consumer-centric innovation strategy across categories and price points, catering to a wide base from mass-market buyers seeking affordability, durability, and quality to premium consumers who value aesthetics, advanced features, and luxury. Its balanced approach ensures technologically advanced offerings in the premium segment alongside tailored product variants for the volume-driven mass market, reinforcing its strong competitive positioning.

Product Range across Price Points



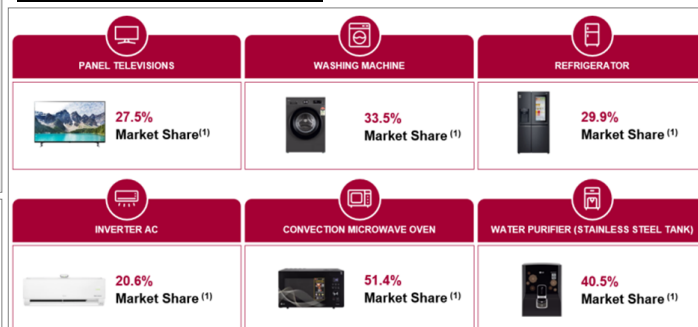
ensuring a consistent and personalized shopping experience supported by trained sales promoters across BrandShops, multi-brand outlets, and modern trade stores. As of June 30, 2025, LG BrandShops were 1.4 times the size of the next-largest exclusive brand outlet network, while its distributor base was 1.2 times larger than the next closest competitor, underscoring its dominant reach.

India's appliances and electronics market is witnessing strong growth, supported by rising incomes, urbanization, and improving lifestyles. Demand is being driven by increasing penetration of appliances in both urban and rural households, along with a growing preference for premium and technology-driven products. Expanding retail networks, e-commerce, and exclusive brand outlets are enhancing accessibility and consumer reach. The sector also benefits from rising institutional demand across hospitality, healthcare, retail, and commercial establishments, providing a broad base for sustained expansion.

Investment Rationale:

Dominant Market Share in India: LG Electronics holds a leading market share in the Indian home appliances and consumer electronics industry, ranking #1 across key product categories. The company has consistently been the number one player for FY22, FY23, FY24 and the six months ended June 30, 2025, based on market share (in terms of value) in the offline channel in India. It is also the market leader across multiple categories, including washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves, with leadership measured by value in the offline channel, which represented ~78% and ~77% of the 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. Furthermore, LG's leadership extends across both the volume and premium segments in washing machines, panel televisions, and microwaves during the same periods, reaffirming its dominance across product ranges. This strong market position reflects the company's deep understanding of Indian consumers and its ability

Market Share by Product Category



to consistently deliver products that align with evolving customer preferences. LG Electronics offers one of the broadest product portfolios in the Indian home appliances and consumer electronics industry, exceeding the range of most other leading players across several categories. For instance, its television lineup spans OLED, QNED, NanoCell, UHD, and LED models, compared to fewer types offered on average by peers. Backed by 28 years of brand presence, quality service, and consumer trust in India, the company is well-positioned to capture demand from both new and replacement purchases of appliances. Leveraging its strong consumer brand and extensive product range, LG has also expanded into the B2B market across three verticals, information technologies (including monitors and medical monitors), information display (including signage, interactive display boards, and LED boards), and commercial air

Shaping Consumer Experience with Pan-India Reach and After-Sales Network:

LG Electronics operates the largest distribution network among leading home appliances and consumer electronics players in India as of June 30, 2025. The company's extensive presence spans 35,640 B2C touchpoints, including LG BrandShops strategically located in key shopping areas, modern trade stores such as Reliance Retail, Croma and Vijay Sales, online platforms, traditional stores, distributors, and sub-dealers. This wide offline footprint, complemented by a growing digital presence through LG's website, e-commerce marketplaces, and partner platforms, enables consumers to experience the brand both online and in-person. The infrastructure allows the company to tailor its sales approach to diverse regional needs such as increasing hot/cold air conditioner supply in North India during winters while

The company has also cultivated strong and long-standing trade relationships, with nearly half (49.46%) of its trade partners associated with LG for over a decade. Its 97 strategically located sales offices, particularly in semi-urban and rural regions, further strengthen coordination with trade partners and ensure efficient fulfillment of consumer demand across markets. On the B2B side, a dedicated team supported by specialized trade partners addresses institutional requirements across industries, enabling LG to effectively capture demand beyond the retail channel.

LG also operates one of the largest after-sales service networks in India, reinforcing its consumer-first positioning. As of June 30, 2025, this infrastructure comprised 1,006 authorized service centers, supported by 13,368 engineers and four call centers, providing timely and professional support through same-day installations, repairs, and maintenance services. This scale ensures high-quality consumer experiences and strengthens brand loyalty. Beyond India, the company exports to 47 countries across Asia, Africa, and Europe, enabling it to tap into consumer demand in targeted international markets and diversify its revenue streams.

Operational Efficiency Through Strong Manufacturing and Localized Supply Chain: LG Electronics operates one of the largest in-house production capacities (excluding mobile phones) among leading home appliances and consumer electronics players in India as of June 30, 2025. Its two manufacturing units in Noida and Pune accounted for 85.28-86.05% of overall sales across FY23-FY25 and the three months ended June 30, 2024 and 2025, with remaining volumes produced by third-party manufacturers or imported from LG Group entities. By manufacturing key components in-house, LG maintains control over product development, quality, costs, and supply timelines. The units are highly flexible and automated, allowing multiple products such as single/double-door refrigerators, air conditioners, water purifiers, televisions, monitors, and signage of various sizes to be produced on the same lines, supporting scalable operations and demand responsiveness. Automation initiatives, including smart monitoring systems, auto-guided vehicles, robotic systems, and automated material handling, have improved efficiency and capacity utilization, with AC, washing machine, and microwave lines achieving at least 82.72% utilization in FY25, and productivity per hour increasing by 29% for ACs and 13% for washing machines from FY22 to FY25.

The company maintains a robust and long-standing supplier network comprising 287 suppliers with an average association of 13.13 years as of June 30, 2025. LG follows a phased localization strategy to increase the share of domestically sourced components, rising from 50.48% in FY23 to 53.79% in FY25, while remaining 54.12% in Q1 FY25. Local sourcing helps optimize cost structures, reduce exposure to currency fluctuations, lower transportation and inventory costs, and improve delivery lead times, enabling competitively priced offerings for Indian consumers. Supplier quality is carefully controlled through detailed specifications, design blueprints, and rigorous due diligence focusing on production quality, supply stability, technological capability, and sustainability. Strong supplier stickiness is demonstrated by 65.51% of third-party raw material suppliers being associated with LG for over 13 years.

LG also leverages advanced operational practices to track manufacturing output and ensure efficiency. Real-time monitoring of equipment condition, combined with automation and strict quality management, enables the company to adapt to changing market demands while maintaining consistent product quality and cost efficiency. Its supply chain network includes two central distribution centers (CDCs) and 23 regional distribution centers (RDCs) across India, supported by a Warehouse Management System (WMS) and Transport Management System (TMS) to provide real-time updates on deliveries and optimized transport routes. Collectively, these manufacturing and supply chain capabilities underpin LG's operational efficiency, scalability, and competitive advantage in the Indian market.

Expanding Growth & Diversifying Revenue: LG Electronics is well-positioned to capture long-term growth in India, driven by a growing middle-class population, increasing preference for premium products, and rapid urbanization and infrastructure development, which are fueling demand for high-quality, technologically advanced consumer and electronics products. The market for home appliances and consumer electronics is expected to grow from ~₹6,875 billion (annualized H1FY25) to ~₹10,965 billion by FY29. Leveraging its leading market position, pan-India network, strong brand, and high-quality product offerings, LG is poised to benefit from expanding penetration and a broader addressable market, following trends seen in other emerging economies.

To support growth, LG plans to construct a third manufacturing unit in Andhra Pradesh, with a total investment of ₹50.01 billion approved by the Board on November 8, 2024. The company has signed a memorandum of understanding with Sri City Private Limited for land allotment under a 99-year lease, executed factory design and construction agreements, and entered into a construction management services agreement to oversee design, cost, and schedule from pre-construction to completion. The Andhra Pradesh unit, expected to become operational by FY27, will initially produce air conditioners and compressors, followed by washing machines and refrigerators. The company has obtained administrative sanctions from the state government with various fiscal incentives, subject to standard conditions. In addition, LG intends to enhance its existing manufacturing capabilities through further automation, including reducing production loss, upgrading machines, and altering product structures for easier manufacturing, alongside strengthening its supply chain with increased locally sourced raw materials.

LG plans to enhance the consumer shopping experience by deepening its reach across India through region-specific distribution strategies. This includes expanding the B2C network to more towns, increasing LG BrandShop and traditional touchpoints, and extending B2B product offerings across new industry verticals. The company aims to grow direct-to-consumer channels, including its website, for better margins and brand engagement, while increasing direct deliveries from central distribution centers to trade partners to reduce third-party dependency, shorten delivery lead times, and optimize costs. Furthermore, LG intends to expand its online presence to new commerce platforms, including quick commerce, through strategic partnerships, reinforcing its brand presence and enabling enhanced consumer feedback.

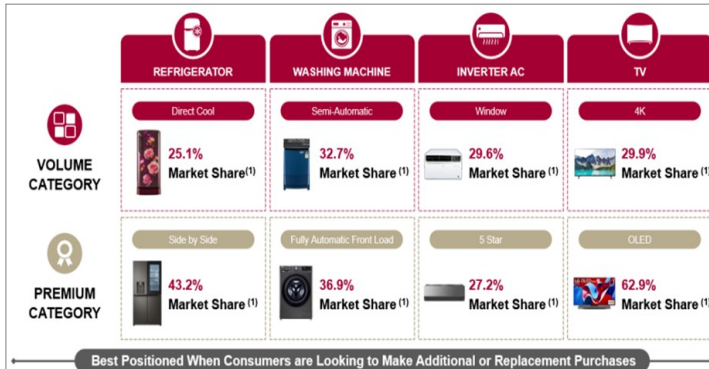
LG aims to deepen its B2B business and diversify revenue by leveraging LG Group technology to serve high-growth industries such as hospitality, healthcare, education, and commercial real estate. The company is expanding its B2B portfolio to include HVAC, commercial displays, commercial washing machines, LED displays, and electronic blackboards, focusing on high-performance, energy-efficient products with easy integration across industry verticals. LG also plans to strengthen AMC offerings for both B2B and B2C customers by expanding its service network, deploying certified engineers, enhancing spare parts availability, and improving service standards. Additionally, the company intends to roll out subscription-based services, including the "Careship" AMC program, across its distribution network, offering flexible service terms and repair coverage to enhance customer satisfaction and generate recurring revenue.

Preferred Brand Across Volume & Premium Segments: LG Electronics aims to be the brand of choice for every Indian household by offering products that meet the core needs of consumers across multiple price points, building strong brand loyalty through high-quality products and enhanced service experiences. The company focuses on durability, reliability, ease-of-use, and region-specific customization to drive demand. Leveraging deep consumer insights and its scale in the Indian home appliances and consumer electronics market, LG has expanded into new product categories, such as water purifiers in 2013 with reverse osmosis technology and mineral booster filters, and plans to enter emerging segments like built-in kitchens.

For the volume market, LG follows a strategy to provide accessible, affordable, and locally relevant products while expanding its portfolio to cover price points where offerings are currently limited. For example, despite a declining market share in window air conditioners between FY19 and H1FY25, LG continues to supply these models in North India to meet local demand. Rapid technological innovation enables the company to introduce advanced features at affordable prices; for instance, smart TV features such as AI integration, previously available only in models above ₹100,000, are now offered in models starting at ₹50,000.

In the premium segment, LG focuses on aspirational consumers in urban, young, and affluent demographics who value advanced features, digital connectivity, aesthetics, and design. With discretionary spending in India growing at a CAGR of 7-8% from FY19 to FY24, the company is introducing AI-backed, smart home-enabled appliances under the LG ThinQ ecosystem, allowing mobile and Wi-Fi connectivity for remote control. LG has been an early mover in features like the Energy Manager in air conditioners, enabling users to monitor energy consumption via the ThinQ app. By expanding premium offerings and upgrading products based on consumer feedback, LG aims to provide more choice and encourage consumers to upgrade within its product portfolio, increasing penetration across households and driving premium adoption.

Volume and Premium Segment



Strong Financials Driving Growth and Profitability: LG Electronics has delivered a robust financial performance from FY23 to FY25 as revenue from operations surged from ₹198,682 million in FY23 to ₹243,666 million in FY25, underpinned by healthy demand across both Home Appliances & Air Solutions and Home Entertainment segments. Profitability also improved, with EBITDA rising to ₹31,101 million in FY25 and margins improving to 12.76%. PAT rose from ₹13,449 million in FY23 to ₹22,033 million translating into an improved margin of 9%. The company maintained solid capital efficiency, posting a return on capital employed (ROCE) of 42.91% and a return on net worth (RONW) of 37.13% in FY25, reflecting resilient business fundamentals and strong execution.

Valuation and Outlook: India's home appliances and consumer electronics market is expected to accelerate to ~11% CAGR over FY24-FY29, driven by rising disposable incomes, rapid urbanization, and deeper rural and urban penetration. LG Electronics is well positioned to capture this growth, leveraging dominant market shares across volume and premium segments, including convection microwaves (51.4%), water purifiers (40.5%), washing machines (33.5%), refrigerators (29.9%), panel TVs (27.5%), and inverter ACs (20.6%), with offline channel leadership (~77-78% of market FY22-H1FY25). Its broad product portfolio across TVs and pioneering B2B innovations, supported by 28 years of brand trust, reinforce its competitive edge. LG's pan-India distribution and after-sales network - 36,000+ B2C touchpoints, 1,006 service centers, 13,368 engineers, and 97 sales offices along with exports to 47 countries, enable strong consumer engagement and revenue diversification. Operational efficiency is driven by in-house manufacturing covering ~85% of sales, flexible automated lines (≥82% utilization), a 287-partner supplier base with ~54% domestic sourcing, and scalable supply chain capabilities. LG is building a new Andhra Pradesh plant (₹50.01 bn) to produce ACs, compressors, washing machines, and refrigerators from FY27, while expanding B2C/B2B networks, BrandShops, direct-to-consumer channels, and online presence. The company remains the preferred choice across volume and premium segments, entering new categories like built-in kitchens, offering advanced features in affordable models (AI TVs from ₹50,000) and premium smart-home appliances under LG ThinQ with Energy Manager. Looking ahead, LG aims to deepen its B2B portfolio using LG Group technology in hospitality, HVAC, commercial displays, and washing machines, while enhancing AMC offerings and rolling out subscription services like "Careship" to drive recurring revenue and improve service quality. Financially, LG Electronics has delivered strong growth, with revenue rising to ₹243,666 million in FY25, EBITDA at ₹31,101 million (12.76% margin), PAT at ₹22,033 million (9.04% margin), and high capital efficiency with ROCE of 42.9% and RONW of 37.1%. We recommend subscribing to the issue as a long term investment, backed by LG Electronics' dominant market share in India, robust financials versus peers, strategic future Andhra Pradesh capex, expansion of B2B/B2C networks, and diversified revenue streams poised for sustainable growth.

Revenue by Segment

Particulars	Q1FY26		FY25		FY24		FY23	
	Revenue (₹ million)	% of Revenue	Revenue (₹ million)	% of Revenue	Revenue (₹ million)	% of Revenue	Revenue (₹ million)	% of Revenue
Home Appliance and Air Solution Division	49082.3	78.37	182678.57	74.97	156797.49	73.43	150306.78	75.67
Refrigerators	21666.6	34.59	66964.52	27.48	57844.93	27.09	58055.68	29.23
Washing Machines	11576.1	18.48	50417.03	20.69	44919.38	21.04	42208.36	21.25
Air Conditioners	12773.84	20.4	52708.23	21.63	42901.58	20.09	39906.05	20.09
Others	3065.76	4.9	12588.79	5.17	11131.6	5.21	10136.69	5.1
Home Entertainment Division	13547.08	21.63	60987.81	25.03	56722.51	26.57	48339.15	24.33
Television	10466.28	16.71	49248.15	20.21	45583.29	21.35	39320.27	19.79
Others	3080.8	4.92	11739.66	4.82	11139.22	5.22	9018.88	4.54
Total	62629.38	100	243666.38	100	213520	100	198645.93	100

Revenue from Sale of Services

Particulars	Q1FY26			FY25			FY24			FY23		
	Service Income	Installation	Total	Service Income	Installation	Total	Service Income	Installation	Total	Service Income	Installation	Total
Home Appliance and Air Solution Division	825.44	732.64	1558.08	2654.59	2909.99	5564.58	2290.21	2515.33	4805.54	1867.71	2046.48	3914.19
Refrigerators	251.51	125.07	376.58	719.65	377.88	1097.53	668.84	212.68	881.52	510.56	158.73	669.29
Washing Machines	289.77	82.86	372.63	1120.47	324.11	1444.58	876.74	240.37	1117.11	703.45	225.02	928.47
Air Conditioners	239.08	210.18	449.26	631	1042.31	1673.31	542.51	1090.94	1633.45	485.36	873.81	1359.17
Others	45.08	314.53	359.61	183.47	1165.69	1349.16	202.12	971.34	1173.46	168.34	788.92	957.26
Home Entertainment Division	161.04	156.34	317.38	563.11	531.31	1094.42	574.81	388.79	963.6	578.69	353.38	932.07
Television	157.81	143.88	301.69	538.12	496.26	1034.38	567.37	355.38	922.75	558.88	335.9	894.78
Others	3.23	12.46	15.69	24.99	35.05	60.04	7.44	33.41	40.85	19.81	17.48	37.29
Total	986.48	888.98	1875.46	3217.7	3441.3	6659	2865.02	2904.12	5769.14	2446.4	2399.86	4846.26

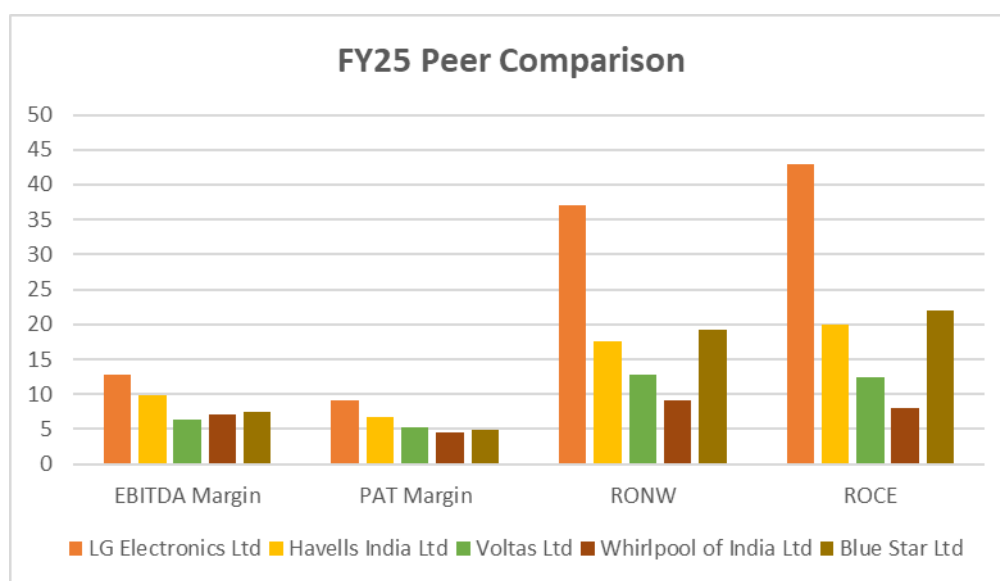
Capacity Utilisation

Manufacturing Units	Q1FY26			FY25			FY24			FY23		
	Installed capacity	Actual capacity	Capacity utilization (%)	Installed capacity	Actual capacity	Capacity utilization (%)	Installed capacity	Actual capacity	Capacity utilization (%)	Installed capacity	Actual capacity	Capacity utilization (%)
Noida	7600000	1743171	91.75	7600000	6120208	80.53	7400000	5466598	73.87	7400000	5343696	72.21
Pune	6910000	1299118	75.2	6910000	5022841	72.69	6590000	4474809	67.9	6250000	4242212	67.88
Total	14510000	3042289	83.87	14510000	11143049	76.8	13990000	9941407	71.06	13650000	9585908	70.23

Peer Comparison

Name of the company	Diluted EPS 2025 (₹)	Price as on Oct 1, 2025	P/E (x)
LG Electronics Ltd	32.46	1140	35.12
Havells India Ltd	23.48	1485.2	63.25
Voltas Ltd	25.43	1353.5	53.22
Whirlpool of India Ltd	28.3	1172.4	41.43
Blue Star Ltd	28.76	1877.8	65.29

Particulars FY25	Unit	LG Electronics Ltd	Havells India Ltd	Voltas Ltd	Whirlpool of India Ltd	Blue Star Ltd
Revenue	₹ million	243666.38	217780.6	154127.9	79193.7	119676.5
EBITDA	₹ million	31101.24	21308.6	9901.8	5573.2	8871
EBITDA Margin	%	12.76	9.78	6.42	7.04	7.41
PAT	₹ million	22033.48	14702.4	8342.8	3627.8	5912.8
PAT Margin	%	9.04	6.66	5.3	4.47	4.91
RONW	%	37.13	17.63	12.76	9.09	19.27
ROCE	%	42.91	19.98	12.49	8.05	22



Income Statement				Balance Sheet			
Y/E (INR mn)	FY23	FY24	FY25	Y/E (INR mn)	FY23	FY24	FY25
Revenue	1,98,645.93	2,13,520.00	2,43,666.38	Source of funds			
Expenses:				Equity Share Capital	1131.29	1131.29	6787.72
Cost of materials consumed	123608.20	129160.49	147405.5	Reserves	42431.16	36591.17	52913.98
Employee Cost	7991.56	8868.24	9627.94	Total Share holders funds	43562.45	37722.46	59701.70
Total Expenses	1,79,652.78	1,91,271.27	2,12,565.14	Total Debt	3,184.51	3,699.55	4,278.28
EBITDA	18,993.15	22,248.73	31,101.24	Current Liabilities	41,998.84	41,866.59	48,984.59
EBITDA Margin %	9.56	10.42	12.76	Trade Payables	30632.51	29755.44	33671.14
Interest	225.84	285.05	306.46	Total Non-Current Liabilities	4,359.91	5,395.30	6,485.16
Depreciation	3003.93	3643.69	3803.57	Total Liabilities	89,921.20	84,984.35	1,15,171.45
Other Income	2439.91	2051.18	2639.90				
PBT	18,203.29	20,371.17	29,631.11	Application of funds			
PAT	13,449.30	15,100.68	22,033.48	Fixed Assets	13328.47	13105.43	13196.70
EPS	19.81	22.25	32.46	Capital Work in Progress	243.49	242.05	753.12
				Cash and Bank	27625.88	22226.05	37414.73
				Current Assets	71640.71	66584.09	95408.32
				Trade Receivables	14995.30	17970.21	23611.71
				Other current assets	1935.82	1465.50	2431.66
				Total Assets	89,921.20	84,984.35	1,15,171.45
Cash Flow				Key Ratios			
Y/E (INR mn)	FY23	FY24	FY25	Y/E (INR mln)	FY23	FY24	FY25
Profit Before Tax	18161.29	20371.17	29,631.11	Growth Ratio			
Adjustment	1157.40	2114.56	1,471.86	Net Sales Growth(%)	18.00	7.49	14.12
Changes In working Capital	3814.34	-132.62	-7,025.32	EBITDA Growth(%)	12.07	17.14	39.79
Cash Flow after changes in Working Capital	23133.03	22353.11	24,077.65	PAT Growth(%)	11.81	12.28	45.91
Tax Paid	-4424.75	-5698.50	-7538.73	Margin Ratios			
Cash From Operating Activities	18708.28	16654.61	16538.92	EBITDA	9.56	10.42	12.76
Cash Flow from Investing Activities	-2740.00	-204.57	-275.45	PBT	9.16	9.54	12.16
Cash from Financing Activities	-25607.31	-21852.53	-1064.54	PAT	6.77	7.07	9.04
Net Cash Inflow / Outflow	-9639.03	-5402.49	15198.93	Return Ratios			
Opening Cash & Cash Equivalent	37268.56	27625.88	22,226.05	ROA	-	17.27	22.02
Closing Cash & Cash Equivalent	27625.88	22226.05	37414.73	ROE	31.13	40.45	37.13
				ROCE	34.38	45.31	42.91
				Turnover Ratios			
				Asset Turnover(x)	-	2.44	2.43
				Inventory Turnover(x)	-	8.48	8.98
				Solvency Ratios			
				Debt/Equity(x)	0.07	0.10	0.07
				Current Ratio(x)	1.71	1.59	1.95
				Quick Ratio(x)	1.08	1.02	1.33
				Interest Cover(x)	81.60	72.47	97.69
				Valuation Ratios			
				P/E	-	-	35.12
				P/B	-	-	12.96
				EV/EBITDA	-	-	23.81
				EV/Sales	-	-	3.04

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Contact us:

SMIFS Limited. (<https://www.smifs.com/>)

Compliance Officer:

Sudipto Datta,

5F Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: +91 33 4011 5414 / +91 33 6634 5414

Email Id.: compliance@smifs.com

Mumbai Office:

206/207, Trade Centre, Bandra Kurla Complex (BKC), Bandra East, Mumbai – 400051, India

Contact No.: (D) +91 22 4200 5508, (B) +91 22 4200 5500

Email Id: institutional.equities@smifs.com

Kolkata Office:

Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: (D) +91 33 6634 5466, (B) +91 33 4011 5466

Email Id: smifs.institutional@smifs.com