LG Electronics India Ltd

IPO Note

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Transforming Consumer Electronics with Innovation-Driven Growth

LG Electronics India Limited, incorporated in 1997, is a leading market player in the Indian consumer electronics and home appliances market. The company offers a diverse range of products, including televisions, refrigerators, air conditioners, washing machines, and mobile phones. It operates across multiple segments, with a significant share of revenues coming from consumer electronics (40%), home appliances (35%), and mobile communication (25%). The company also provides services such as installation and Repairs & maintenance for its products.

The company's operations are supported by its parent company, LG Electronics Inc., which provides technological expertise and global brand recognition in exchange for royalty. It leverages strong distribution channels, including direct sales, online platforms, and a network of dealers.

LG Electronics India Limited reported consistent growth in revenue, with FY25 revenue grew at 14.1% to ₹24,367 cr., reflecting its strong market position in the consumer electronics and home appliances segments. Despite this growth, the company faces margin pressures due to intense competition in the Indian market. In FY25, the company posted an EBITDA/Net Profit of ₹3,110 cr./₹2,203 cr. with margins around 12.8%/9.0%, driven by efficiency improvements and premium product offerings. The company's balance sheet remains stable, supported by its parent, though there is reliance on imported components and global supply chains.

The IPO proceeds will not be utilized by LG Electronics India but will help the promoter unlock value from its investment in the company.

Industry	Consumer Electronics

Scrip Details	
Listing	BSE & NSE
Open Date	October 7, 2025
Close Date	October 9, 2025
Price Band	INR 1080 – 1140
Face Value	INR 10.0
Market Lot	13 Shares
Minimum Lot	1

Issue Structure	
Issue Size (INR cr)	11,607.0
Issue Size (Shares)	10.2
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh. (cr)	67.9
Post Issue sh. (cr)	67.9
Post Issue Market Cap (cr)	77,380

Shareholding (%)	Pre(%)	Post (%)
Promoter	100.0	85.0
Public	0.0	15.0
TOTAL	**100.0**	**100.0**

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net Profit (%)	EPS (INR)	BVPS (INR)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY23	19,864.6	1,901.4	1,348.0	9.6	6.8	19.9	64.2	30.9	100.5	57.4	39.2
FY24	21,352.0	2,227.2	1,511.1	10.4	7.1	22.3	55.6	40.1	120.2	51.2	33.7
FY25	24,366.6	3,110.1	2,203.4	12.8	9.0	32.5	88.0	36.9	122.5	35.1	23.7

Source: Ventura Research & Company update

Issue Structure and Offer Details

LG Electronics India Limited IPO is a bookbuilding of INR 11,607.0 cr. The issue is fully Offer for Sale of 10.2 crores aggregating to INR 11,607.0 cr.

Issue Structure

Investor Category	Allocation
QIB	Not more than 50.00% of the Offer
NII (HNI)	Not less than 15.00% of the Offer
Retail	Not less than 35.00% of the Offer

Number of shares based on a higher price band of INR 1,140

Source: Company Reports

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement			
Revenue	19,864.6	21,352.0	24,366.6
YoY Growth (%)	*18.0*	*7.5*	*14.1*
Raw Material Cost	14,028.1	14,930.2	16,580.1
RM Cost to Sales (%)	*70.6*	*69.9*	*68.0*
Employee Cost	799.2	886.8	962.8
Employee Cost to Sales (%)	*4.0*	*4.2*	*4.0*
Other Expenses	3,136.0	3,307.8	3,713.6
Other Exp to Sales (%)	*15.8*	*15.5*	*15.2*
EBITDA	1,901.4	2,227.2	3,110.1
Margin (%)	*9.6*	*10.4*	*12.8*
YoY Growth (%)	*11.2*	*17.1*	*39.6*
Depreciation & Amortization	300.4	364.4	380.4
EBIT	1,601.0	1,862.8	2,729.8
Margin (%)	*8.1*	*8.7*	*11.2*
YoY Growth (%)	*10.3*	*16.4*	*46.5*
Other Income	244.0	206.7	264.0
Bill discounting & other charges	24.6	32.4	30.6
Fin Charges Coverage (X)	65.0	57.6	89.1
Exceptional Item	0.0	0.0	0.0
PBT	1,820.3	2,037.1	2,963.1
Margin (%)	*9.2*	*9.5*	*12.2*
YoY Growth (%)	*11.6*	*11.9*	*45.5*
Tax Expense	472.3	526.0	759.8
Tax Rate (%)	*25.9*	*25.8*	*25.6*
PAT	1,348.0	1,511.1	2,203.4
Margin (%)	*6.8*	*7.1*	*9.0*
YoY Growth (%)	*11.8*	*12.1*	*45.8*
Min Int/Sh of Assoc	0.0	0.0	0.0
Net Profit	1,348.0	1,511.1	2,203.4
Margin (%)	*6.8*	*7.1*	*9.0*
YoY Growth (%)	*11.8*	*12.1*	*45.8*
Balance Sheet			
Share Capital	113.1	113.1	678.8
Total Reserves	4,243.1	3,659.1	5,291.4
Shareholders Fund	4,356.2	3,772.2	5,970.2
Long Term Borrowings	0.0	0.0	0.0
Deferred Tax Assets / Liabilities	(136.5)	(172.0)	(204.0)
Other Long Term Liabilities	365.5	452.0	554.6
Long Term Trade Payables	0.0	0.0	0.0
Long Term Provisions	70.5	87.5	93.9
Total Liabilities	4,655.8	4,139.8	6,414.7
Net Block	1,342.8	1,318.8	1,329.1
Capital Work in Progress	24.3	24.2	75.3
Intangible assets under development	0.3	0.2	0.0
Non Current Investments	0.0	0.0	0.0
Long Term Loans & Advances	124.0	119.6	132.2
Other Non Current Assets	200.1	205.2	235.7
Net Current Assets	2,964.2	2,471.8	4,642.4
Total Assets	4,655.8	4,139.8	6,414.7

Fig in INR Cr (unless specified)	FY23	FY24	FY25
Per share data & Yields			
Adjusted EPS (INR)	19.9	22.3	32.5
Adjusted Cash EPS (INR)	24.3	27.6	38.1
Adjusted BVPS (INR)	64.2	55.6	88.0
Adjusted CFO per share (INR)	27.6	24.5	24.4
CFO Yield (%)	2.4	2.2	2.1
Adjusted FCF per share (INR)	20.3	21.4	19.8
FCF Yield (%)	1.8	1.9	1.7
Solvency Ratio (X)			
Total Debt to Equity	0.0	0.0	0.0
Net Debt to Equity	(0.6)	(0.6)	(0.6)
Net Debt to EBITDA	(1.5)	(1.0)	(1.2)
Return Ratios (%)			
Return on Equity	30.9	40.1	36.9
Return on Capital Employed	27.2	36.6	34.0
Return on Invested Capital	100.5	120.2	122.5
Working Capital Ratios			
Payable Days (Nos)	56	51	50
Inventory Days (Nos)	49	41	45
Receivable Days (Nos)	28	31	35
Net Working Capital Days (Nos)	20	21	30
Net Working Capital to Sales (%)	5.4	5.7	8.3
Valuation (X)			
P/E	57.4	51.2	35.1
P/BV	17.8	20.5	13.0
EV/EBITDA	39.2	33.7	23.7
EV/Sales	3.8	3.5	3.0
Cash Flow Statement			
PBT	1,820.3	2,037.1	2,963.1
Adjustments	408.0	296.0	257.2
Change in Working Capital	114.8	(141.6)	(806.6)
Less: Tax Paid	(472.3)	(526.0)	(759.8)
Cash Flow from Operations	1,870.8	1,665.5	1,653.9
Net Capital Expenditure	(513.8)	(240.2)	(334.6)
Change in Investments	239.8	219.8	307.0
Cash Flow from Investing	(274.0)	(20.5)	(27.5)
Change in Borrowings	(47.3)	(60.0)	(75.8)
Less: Finance Cost	(24.6)	(32.4)	(30.6)
Proceeds from Equity	0.0	0.0	0.0
Buyback of Shares	0.0	0.0	0.0
Dividend Paid	(2,488.8)	(2,092.9)	0.0
Cash flow from Financing	(2,560.7)	(2,185.3)	(106.5)
Net Cash Flow	(963.9)	(540.2)	1,519.9
Forex Effect	(0.4)	0.3	0.0
Opening Balance of Cash	3,726.9	2,762.6	2,222.6
Closing Balance of Cash	2,762.6	2,222.6	3,742.5

Source: Company Reports

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