

IPO Note: LG Electronics India Ltd.

Industry: Consumer Durables

Date: October 06, 2025

Issue Snapshot		Issue Break up		
Company Name	LG Electronics India Ltd.	QIB ex Anchor	20%	2,03,21,026
Issue Opens	October 07, 2025 to October 09, 2025	Anchor Investor	30%	3,04,81,539
Price Band	Rs. 1080 – Rs. 1140	HNI<Rs. 10 Lakhs	5%	50,80,257
Bid Lot	13 Equity Shares and in multiples thereof.	HNI>Rs. 10 Lakhs	10%	1,01,60,513
The Offer	Public issue of 10,18,15,859 Equity shares of Face value Rs. 10 each, (Comprising of Offer for Sale by Selling Shareholder).	RII	35%	3,55,61,796
Issue Size	Rs. 10,996.1 – 11,607.0 Crores	Total Public	100%	10,16,05,131
IPO Process	100% Book Building	Employee Reservation		2,10,728
Face Value	Rs. 10.00	Total		10,18,15,859
Exchanges	NSE & BSE			
BRLM	Axis Capital Ltd., Citigroup Global Markets India Pvt. Ltd., Morgan Stanley India Co. Pvt. Ltd., J.P. Morgan India Pvt. Ltd., BofA Securities India Ltd.	Equity Share Pre Issue (Nos. Cr.)		67.9
Registrar	KFin Technologies Ltd.	OFS Share (Nos. Cr.)		10.2
		Equity Share Post Issue (Nos. Cr.)		67.9
		Market Cap (Rs. Cr.)		77,380.1
		Stake Sale by OFS		15.0%

Objects of the Offer

Offer for Sale

The Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder. (by LG Electronics Inc.)

Company Highlights

- LG Electronics India Ltd. (LG India) is the number one player in major home appliances and consumer electronics (excluding mobile phones) in India, holding the leading market share (in terms of value) in the offline channel consistently from CY22 to H1CY25. The company is also a market leader across multiple categories including washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves.
- The company operates through two business segments: (i) Home Appliances and Air Solution, which includes refrigerators, washing machines, air conditioners, water purifiers, and other appliances, and (ii) Home Entertainment, which comprises televisions, monitors, and audiovisual products. For FY25, the Home Appliances and Air Solution division contributed 75% of revenue, while the Home Entertainment division contributed 25%.
- LG India has one of the widest product portfolios among leading players and caters to both B2C and B2B customers. Its expansive distribution network spans 35,640 B2C touch points and 463 B2B trade partners across urban and rural India, supported by 97 sales offices, 1,006 service centers, 13,368 engineers, and four call centers. Nearly half of its trade partners have been associated with the company for over 10 years, reflecting strong and enduring relationships.
- The company operates two advanced manufacturing units in Noida and Pune, with a combined installed capacity of 14.51 million products in Fiscal 2025, and manufactures key components such as compressors and motors in-house. A third manufacturing unit is under development in Andhra Pradesh, with an investment outlay of Rs. 50.01 billion, and is expected to become operational by FY27. LG India also exports its products to 47 countries across Asia, Africa, and Europe.
- Among the home appliances and consumer electronics players in India, LGEIL had the largest in-house production capacity (excluding mobile phones), as of June 30, 2025. The company has 2 advanced manufacturing units at Noida and Pune. In FY25 and in the 3 months ended June 30, 2025, the company has an installed capacity of 14,510,000 products at the Noida and Pune units collectively.

- With 28 years of operations in India, LG India has consistently introduced industry-first innovations tailored to Indian consumers, including the transition to 100% inverter technology in air conditioners, stainless steel tanks in water purifiers, and localized microwave oven features. The company also emphasizes sustainability, with its products ranking among the most energy efficient on e-commerce platforms, and has received multiple recognitions as India's most trusted home appliances brand.
- LG India have entered into a revised license agreement entered into with LG Electronics for the use of (i) the licensed brand, (ii) the technology claimed in the licensed patents, and (iii) the licensed technical know-how and other intellectual property rights for the Authorized Products. Under the terms of the License Agreement, from January 1, 2023, LGEIL is required to pay a royalty of 2.30% of net sales for Authorized Products other than LCD televisions and monitors and 2.40% of net sales for LCD televisions and monitors.

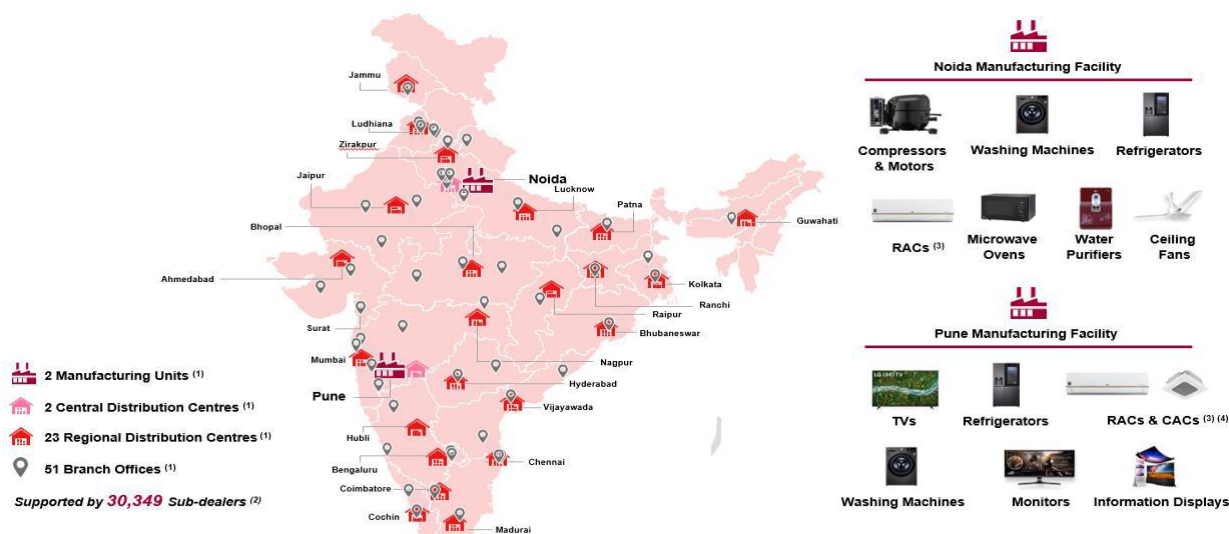
View

- LG India has built a strong competitive position as the market leader in home appliances and consumer electronics, with #1 share across key categories like washing machines, refrigerators, panel televisions, microwaves, and inverter air conditioners. Its balanced product strategy spanning both volume and premium segments positions the company to capture demand across a broad spectrum of Indian consumers.
- The company continues to drive consumer-centric innovations, leveraging LG Electronics' global technological leadership to introduce advanced products tailored for Indian needs. As the first mover in multiple categories such as OLED televisions and inverter air conditioners, LG India has consistently set benchmarks in innovation and design. Its growing premium portfolio, integrated with AI and smart home features through LG ThinQ, aligns well with the rising aspirational demand in India.
- A key strength lies in its pan-India distribution and after-sales service network, the largest among leading peers, which enables effective consumer engagement, regional customization, and superior service delivery. The company's wide offline presence, coupled with its expanding digital footprint, ensures accessibility and a consistent brand experience. The company also operates a large network of 97 sales offices that are strategically situated in semi-urban and rural areas, as of June 30, 2025, to coordinate sales and effectively meet the requirements of trade partners.
- The company's strong focus on after-sales services and AMC offerings enhances customer stickiness and brand loyalty. With one of the largest service networks in India, LG India is well-positioned to generate recurring revenues, improve consumer satisfaction, and drive repeat purchases across its product portfolio. In FY25, the company had received over 9 million service claims, encompassing AMC, out-of-warranty, cleaning service, and in-warranty claims, out of which 7 million claims were resolved within the same fiscal year.
- The company plans to deepen its B2B business and introduce additional revenue streams. The B2B business is expected to grow at a CAGR of ~ 14% from CY24 to CY29, from Rs.550 billion in H1CY25, to Rs.970 billion by CY29. The company plans to expand its portfolio to cover HVAC, commercial information displays, commercial washing machines, LED displays, and electronic blackboards to address the growing demand in the B2B market.
- The Company has built strong profitability and returns, as compared to its peers, due to its effective business model. The company achieved a Return on Capital Employed (ROCE) of 45.31% in FY24, the highest among the industry peers, having an average of 17%. The Company's net working capital cycle of 16 days, compared to the average 26 days of other home appliances and consumer electronics players. Additionally, the Company's EBITDA Margin of 10.42% and a Net Profit Margin of 7.01% were higher than the average of ~7% and 4.5% EBITDA Margins and PAT Margins, respectively, of other home appliances and consumer electronics players.
- In terms of the valuations, on the higher price band, LG India demands P/E multiple of 35.1x post issue FY25 annualized EPS.

Robust Financial Performance

Leadership in India				Fully Integrated Value Chain			Profitable Growth at Scale		
Only Player with Market Leadership Across Categories ¹				Manufacturing and Robust Supply Chain ⁴			Market Leader in India in Major Home Appliances and Consumer Electronics ¹		
33.5% Market Share ² <i>#1 in Washing Machines</i>	29.9% Market Share ² <i>#1 in Refrigerators</i>	27.5% Market Share ² <i>#1 in Panel Televisions</i>	20.6% Market Share ² <i>#1 in Inverter Air Conditioners</i>	19 Production Lines <i>Across Noida and Pune Manufacturing Units</i>	23 RDCs <i>Located Pan-India for Efficient Distribution</i>	287 Suppliers <i>Diversified Supplier Network</i>	₹243.67 Billion Revenue ⁵ <i>FY2025</i>	14.12% Revenue Growth <i>FY2025 YoY Growth</i>	
Comprehensive Portfolio		Localized Innovation		Comprehensive Market Coverage ⁴			High Profitability ¹		
Broader Range of Product Offerings Than Most Leading Players ¹		Track Record of Introducing Several Industry-Firsts in India ¹		777 <i>LG BrandShops</i>	1,134 <i>Multi-Brand Outlets</i>	1,615 <i>Regional Specialty Stores</i>	30,349 ⁹ <i>Sub-Dealers</i>	12.76% EBITDA Margin ⁶ <i>FY2025</i>	8.95% PAT Margin ⁶ <i>FY2025</i>
Strong Brand Equity				Quality Customer Support at Each Touch Point ⁴			Capital Efficient		Strong Cash Flow Generation
Most Trusted Brand (Jan – Dec’25) ³ <i>Awarded Across Refrigerator, Microwave and Dishwasher</i>				1,006 <i>Service Centers</i>	9,463 <i>LG Sales Promoters</i>	13,368 <i>Certified Engineers</i>	42.91% ROCE ⁷ <i>FY2025</i>	₹16.54 Billion Net Operating Cash Flow ⁸ <i>FY2025</i>	

Manufacturing and Pan-India Distribution Presence



Revenue from Operations

	FY23	FY24	FY25	Q1FY25	Q1FY26
Revenue from contracts with customers	6,235.8	6,318.1	24,156.7	21,230.0	19,758.5
Sale of products	6,048.2	6,139.6	23,490.8	20,653.1	19,273.9
Sale of stock-in-trade	693.0	744.6	2,523.3	2,348.8	2,330.9
Sale of manufactured goods	5,355.2	5,395.0	20,967.5	18,304.3	16,943.0
Rendering of services	187.6	178.5	665.9	576.9	484.6
Service income	98.7	92.9	321.8	286.5	244.6
Home Appliance and Air Solution	82.5	79.0	265.5	229.0	186.8
Home Entertainment	16.1	13.9	56.3	57.5	57.9
Installation and commissioning	88.9	85.7	344.1	290.4	240.0
Home Appliance and Air Solution	73.3	74.6	291.0	251.5	204.7
Home Entertainment	15.6	11.1	53.1	38.9	35.3
Other operating revenue	27.2	90.7	210.0	122.0	106.1
Government grant related to revenue	5.0	68.9	122.4	52.4	44.3
Sale of scrap	14.6	13.1	52.3	43.1	36.2
Duty drawback and other export incentives	7.6	8.8	35.2	26.5	25.6
Total Revenues from Operations	6,262.9	6,408.8	24,366.6	21,352.0	19,864.6

Product-wise Revenue from Operations

	FY23		FY24		FY25		Q1FY25		Q1FY26	
	Amount (Rs. Cr.)	% to Total	Amount (Rs. Cr.)	% to Total	Amount (Rs. Cr.)	% to Total	Amount (Rs. Cr.)	% to Total	Amount (Rs. Cr.)	% to Total
Home Appliance & Air Solutions	15,030.7	75.7%	15,679.8	73.4%	18,267.9	75.0%	5,060.9	79.0%	4,908.2	78.4%
Refrigerators	5,805.6	29.2%	5,784.5	27.1%	6,696.5	27.5%	2,160.7	33.7%	2,166.7	34.6%
Washing machines	4,220.8	21.3%	4,491.9	21.0%	5,041.7	20.7%	1,176.9	18.4%	1,157.6	18.5%
Air conditioners	3,990.6	20.1%	4,290.2	20.1%	5,270.8	21.6%	1,414.8	22.1%	1,277.4	20.4%
Others	1,013.7	5.1%	1,113.2	5.2%	1,258.9	5.2%	308.6	4.8%	306.6	4.9%
Home Entertainment	4,833.9	24.3%	5,672.3	26.6%	6,098.8	25.0%	1,347.9	21.0%	1,354.7	21.6%
Television	3,932.0	19.8%	4,558.3	21.4%	4,924.8	20.2%	1,045.6	16.3%	1,046.6	16.7%
Others	901.9	4.5%	1,113.9	5.2%	1,174.0	4.8%	302.3	4.7%	308.1	4.9%
Revenues from Operations	19,864.6	100.0%	21,352.0	100.0%	24,366.6	100.0%	6,408.8	100.0%	6,262.9	100.0%

Royalty and Dividend paid to LG Electronics Inc., South Korea

	FY23	FY24	FY25	Q1FY25	Q1FY26
Royalty	323.2	403.2	454.6	121.5	117.5
Dividend	2488.8	2092.9	-	-	-

Distribution Channels and Consumer Support

	FY23	FY24	FY25	Q1FY25	Q1FY26
Distribution Channels					
LG Brand Shops	814	780	800	777	777
Modern trade	1,034	1,224	1,369	1,266	1,385
Online business	3	3	3	3	3
LG website	1	1	1	1	1
E-commerce	2	2	2	2	2
Traditional channels					
Distributors and sub-dealers	30,563	31,275	31,259	31,666	30,726
Distributors	429	417	412	375	377
Sub-dealers	30,134	30,858	30,847	31,291	30,349
Multi-brand outlets	1,341	1,272	1,221	1,218	1,134
Regional specialty stores ("RSS")	1,119	1,279	1,578	1,471	1,615
Total	34,874	35,833	36,230	36,401	35,640
Service and Consumer Support					
LG centres	55	56	58	56	58
Exclusive service centres	872	885	953	893	948
Total service touch points	927	941	1,011	949	1,006
Spare warehouses	10	10	10	10	10
Engineers deployed at LGCs and ESCs	11,195	12,081	13,571	12,590	13,368

Manufacturing Facilities - Installed Capacity, Actual Production

	FY24			FY25			Q1FY26		
	Installed Capacity (MT)	Actual Production (MT)	% of Utilization	Installed Capacity (MT)	Actual Production (MT)	% of Utilization	Installed Capacity (MT)	Actual Production (MT)	% of Utilization
Noida	74,00,000	54,66,598	73.87%	76,00,000	61,20,208	80.53%	76,00,000	17,43,171	91.75%
Pune	65,90,000	44,74,809	67.90%	69,10,000	50,22,841	72.69%	69,10,000	12,99,118	75.20%
Total	1,39,90,000	99,41,407	71.06%	1,45,10,000	1,11,43,049	76.80%	1,45,10,000	30,42,289	83.87%

Financial Statement

(In Rs. Cr)	FY23	FY24	FY25	Q1FY25	Q1FY26
Share Capital	113.13	113.13	678.77	113.13	678.77
Net Worth	4356.2	3772.2	5970.2	4452.8	6484.3
Long Term Borrowings	0.0	0.0	0.0	0.0	0.0
Other Long Term Liabilities	436.0	539.5	648.5	549.7	673.9
Short-term borrowings	0.0	0.0	0.0	0.0	0.0
Other Current Liabilities	4199.9	4186.7	4898.5	4250.5	4358.3
Fixed Assets	1367.4	1343.3	1404.4	1317.7	1493.1
Non Current Assets	1828.0	496.7	571.9	494.8	592.3
Current Assets	7164.1	6658.4	9540.8	7440.5	9431.0
Total Assets	8992.1	8498.4	11517.1	9253.1	11516.4
Revenue from Operations	19864.6	21352.0	24366.6	6408.8	6262.9
Revenue Growth (%)		7.5	14.1		(2.3)
EBITDA	1899.3	2224.9	3110.1	958.1	716.3
EBITDA Margin (%)	9.6	10.4	12.8	14.9	11.4
Net Profit	1348.0	1511.1	2203.3	679.6	513.3
Net Profit Margin (%)	6.8	7.1	9.0	10.6	8.2
Earnings Per Share (Rs.)	19.8	22.3	32.5	10.0	7.6
Return on Networth (%)	31.1	40.5	37.1	15.4	8.0
Net Asset Value per Share (Rs.)	63.6	55.0	87.4	65.1	95.0

Source: RHP, Ashika Research

Cash Flow Statement

(In Rs. Cr)	FY23	FY24	FY25	Q1FY25	Q1FY26
Cash flow from Operations Activities	1870.8	1665.5	1653.9	1404.7	941.9
Cash flow from Investing Activities	(274.0)	(20.5)	(27.5)	4.1	(77.0)
Cash flow from Financing Activities	(2560.7)	(2185.3)	(106.5)	(25.5)	(30.2)
Net increase/(decrease) in cash and cash equivalents	(963.9)	(540.2)	1519.9	1383.3	834.7
Cash and cash equivalents at the beginning of the year	3726.9	2762.6	2222.6	2222.6	3741.5
Cash and cash equivalents at the end of the year	2762.6	2222.6	3741.5	3606.1	4574.9

Source: RHP

Comparison with Listed Industry Peers

Co Name	Net Sales (Rs. Cr.)	OPM (%)	D/E (x)	ROCE (%)	RONW (%)	P/E (x)	P/BV (x)	EV/EBIDTA (x)	MCap/Sales (x)	Market Cap (Rs. Cr.)
LG Electronics India Ltd.	24366.6	12.8	0.0	42.9	37.1	35.1	11.9	23.7	3.2	77380.1
Havells India Ltd.	21778.1	11.3	0.0	26.2	18.7	66.9	10.9	38.4	4.4	94404.0
Voltas Ltd.	15412.8	9.3	0.1	18.0	13.5	70.3	6.8	38.2	3.2	45523.1
Blue Star Ltd.	11967.7	7.9	0.1	27.6	20.9	72.0	12.3	42.9	3.2	39112.0
Whirlpool Of India Ltd.	7919.4	6.8	0.0	14.0	9.7	42.2	3.8	17.0	1.9	15228.4

ANALYST CERTIFICATION

The undersigned analyst hereby certifies that all the opinions presented in this report accurately reflect their personal views regarding the subject securities, issuers, products, sectors, or industries. No part of their compensation has been, is, or will be directly or indirectly tied to specific recommendations or views expressed in this report. The analyst assumes primary responsibility for the creation of this research report and has diligently endeavored to establish and maintain independence and objectivity in formulating any recommendations.

Investors are strongly advised to carefully consider all relevant risk factors, including their financial condition and suitability to risk-return profiles, and to seek professional advice before making any investment decisions.



Ashika Stock Broking Limited (ASBL) commenced its operations in 1994 and is currently a trading and clearing member of various prominent stock exchanges, including BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Metropolitan Stock Exchange of India Limited (MSEI), National Commodity and Derivative Exchange (NCDEX), and Multi Commodity Exchange (MCX). ASBL is dedicated to offering a comprehensive range of services to its esteemed clients, encompassing broking services, depository services (both CDSL and NSDL), and the distribution of financial products such as mutual funds, IPOs, and bonds.

Recognized as a "Research Entity" under SEBI (Research Analyst) Regulations 2014 since 2015 (Registration No. INH000000206), ASBL operates as a wholly-owned subsidiary of Ashika Global Securities (P) Ltd., a non-deposit-taking NBFC company registered with the Reserve Bank of India (RBI). The broader Ashika Group, with detailed information available on our website (www.ashikagroup.com), serves as an integrated financial service provider involved in diverse activities, including Investment Banking, Corporate Lending, Debt Syndication, and other advisory services.

Over the past three years, ASBL has not faced any substantial or material disciplinary actions imposed by regulatory authorities. Nonetheless, routine inspections conducted by SEBI, Exchanges, and Depositories have identified certain operational deviations. In response to these observations, advisory letters or minor penalties have been issued by the relevant authorities.

**KRISHNA
KUMAR
AGARWAL**
Digitally signed by
KRISHNA KUMAR
AGARWAL
Date: 2025.10.06
15:33:35 +05'30'

DISCLOSURE

ASBL prepares and distributes research reports solely in its capacity as a Research Analyst under SEBI (Research Analyst) Regulations 2014. The disclosures and disclaimer provided herein are integral components of all research reports being disseminated.

- 1) ASBL, its associates, and its Research Analysts (including their relatives) may hold a financial interest in the subject company(ies). This financial interest extends beyond merely having an open stock market position and may include acting as an advisor to, or having a loan transaction with, the subject company(ies), in addition to being registered as clients.
- 2) ASBL and its Research Analysts (including their relatives) do not possess any actual or beneficial ownership of 1% or more of securities in the subject company(ies) at the conclusion of the month immediately preceding the publication date of the source research report or the date of the relevant public appearance. Nevertheless, it is noted that associates of ASBL may hold actual or beneficial ownership of 1% or more of securities in the subject company(ies).
- 3) ASBL and its Research Analysts (including their relatives) do not possess any other material conflict of interest at the time of publishing the source research report or the date of the relevant public appearance. It is important to note, however, that associates of ASBL may have an actual or potential conflict of interest, distinct from ownership considerations.
- 4) ASBL or its associates may have received compensation for investment banking, merchant banking, and brokerage services, from the subject companies within the preceding 12 months. However, it is important to clarify that neither ASBL, its associates, nor its Research Analysts (who are part of the Research Desk) have received any compensation or other benefits from the subject companies or third parties in relation to the specific research report or research recommendation. Furthermore, Research Analysts have not received any compensation from the companies mentioned in the research report or recommendation over the past twelve months.
- 5) The subject companies featured in the research report or recommendation may be a current client of ASBL or may have been a client within the twelve months preceding the date of the relevant public appearance, particularly for investment banking, merchant banking, or brokerage services.
- 6) ASBL or its Research Analysts have not been involved in managing or co-managing public offerings of securities for the subject company(ies) within the past twelve months. However, it is worth noting that associates of ASBL may have managed or co-managed public offerings of securities for the subject company(ies) in the past twelve months.
- 7) Research Analysts have not held positions as officers, directors, or employees of the companies mentioned in the report or recommendation.
- 8) Neither ASBL nor its Research Analysts have been engaged in market making activity for the companies mentioned in the report / recommendation.

DISCLAIMER

The research recommendations and information provided herein are intended solely for the personal use of the authorized recipient and should not be construed as an offer document or as investment, legal, or taxation advice, nor should it be considered a solicitation of any action based upon it. This report is strictly not for public distribution or use by any individual or entity in jurisdictions where such distribution, publication, availability, or utilization would contravene the law, regulation, or be subject to registration or licensing requirements.

Recipients of this report will not be treated as customers merely by virtue of receiving it. The content is derived from information obtained from public sources deemed reliable, but we do not guarantee its accuracy or completeness. All estimates, expressions of opinion, and other subjective judgments contained herein are as of the date of this document and are subject to change without notice.

Recipients should conduct their own investigations and due diligence. ASBL disclaims any responsibility for any loss or damage that may result from inadvertent errors in the information contained in this report. Past performance should not be relied upon as a guide for future performance; future returns are not guaranteed, and the possibility of loss of capital exists.