



**BAJAJ BROKING**

[bajajbroking.in](https://www.bajajbroking.in) | |

# IPO Note



**LG Electronics India Limited**

Date: 6 October 2025



## LG Electronics India Limited

### About the Company

- Incorporated in 1997 as a wholly owned subsidiary of LG Electronics Inc., LG India is a leading player in the Indian home appliances and consumer electronics industry. The Company benefits from its parent’s global expertise, technological leadership, and strong brand equity. LG Electronics, recognized as the leading global single-brand home appliances company by revenue-based market share in 2024 (Redseer Report), also features in Interbrand’s list of Top 100 Best Global Brands.
- LG India offers one of the most extensive product portfolios in the domestic market, spanning refrigerators, washing machines, panel televisions, air conditioners, and microwaves. It caters to both B2C and B2B customers across India and select international markets, supported by a robust distribution network and a comprehensive after-sales service framework covering installation, repairs, and maintenance.
- The Company has consistently held a leadership position in India’s offline retail market for major home appliances and consumer electronics (excluding mobile phones) across calendar years 2022 to 2024 and the first half of 2025. Its market leadership is underpinned by strong brand recall, innovation-driven product offerings, and widespread channel presence.
- By leveraging its global parentage and localized operational capabilities, LG India continues to strengthen its position in key product categories and maintain operational efficiency within India’s fast-evolving consumer durables landscape.

### Outlook

LG Electronics India’s operations reflect a dominant market position, leveraging strong brand recognition and market leadership in core appliance and electronics categories. Operational efficiency is a key characteristic, driven by a successful model of in-house manufacturing and local component sourcing, which contributes to enhanced margins and cost control. The company’s financial results are supported by a high-margin B2C revenue mix and a capital-efficient approach, enabling superior historical performance compared to industry averages. A comprehensive distribution network and commitment to after-sales service solidify market reach and customer retention.

Currently the stock is valued at PE of 35.1 based on its FY25 earnings Vs its peers Havells India Ltd. , Voltas Ltd., Blue Star Ltd., Whirlpool of India Ltd. trailing at 66x, 69x, 72x,48.5x respectively.

### Issue Details:

Price Band (Rs)	Rs. 1080 to Rs. 1140
Issue Size	Rs. 116.07 bn (upper band)
Fresh Issue	-
Offer for Sale	Rs. 116.07 bn
Lot Size	13
Market Cap	773.80 bn (upper band)
Issue Opens	Oct 07, 2025
Issue Closes	Oct 09, 2025
Lead Manager	AXIS CAP/CITI/MORGAN STANLEY/J.P.MORGAN/BOFA
Registrar	KFin Technologies Limited.
Tentative Listing Date	Oct 14 , 2025
Listing on	BSE, NSE

### Indicative Timetable

Finalization of Basis of allotment	Oct 10, 2025
Refund/ Unblocking of ASBA	Oct 13, 2025
Credit of Equity Shares to DP A/C	Oct 13, 2025

### Issue Breakup

QIB	Not more than 50% of the Net Offer
RETAIL	Not less than 35% of the Net Offer
NII	Not less than 15% of the Net Offer
TOTAL	100%

### Promotor Shareholding

Pre Issue Share Holding	100.0%
Post Issue Share Holding	85.0%

## LG Electronics India Limited

### Objective of The Issue

The IPO is structured entirely as an Offer for Sale (OFS), meaning that LG Electronics Inc., the parent company, will sell existing shares rather than issuing new equity.

### Business Overview

- ❑ LG India is a leading player in the Indian home appliances and consumer electronics industry, offering one of the most comprehensive product portfolios across categories such as refrigerators, washing machines, panel televisions, air conditioners, and microwaves. Incorporated in 1997 as a wholly owned subsidiary of LG Electronics Inc., the Company benefits from its promoter's strong global brand equity, technological expertise, and innovation-driven ecosystem.
- ❑ The Company caters to both retail (B2C) and institutional (B2B) customers across India and select international markets. Its multi-channel distribution framework spans general trade, modern retail, exclusive brand stores, and e-commerce platforms, enabling broad market access. This is supported by an extensive network of distributors and dealers, ensuring product availability across urban and rural markets.
- ❑ Manufacturing operations form the backbone of LG India's business. The Company operates modern and automated facilities in India that integrate advanced technology, quality control systems, and sustainable manufacturing practices. These facilities enable large-scale production, cost efficiency, and customization suited to Indian consumer needs. The Company's strong collaboration with LG Electronics' global R&D centers facilitates continuous innovation, enabling the introduction of energy-efficient, smart, and premium products designed for evolving consumer preferences.
- ❑ Beyond manufacturing, LG India places strong emphasis on service excellence. It provides comprehensive after-sales services—including installation, repair, and maintenance—through a wide service network, ensuring customer satisfaction and brand loyalty.
- ❑ The Company has consistently maintained a leadership position in India's offline home appliance and consumer electronics market (excluding mobile phones) for calendar years 2022, 2023, and 2024, and the first half of 2025. This leadership is supported by a diversified revenue mix, robust offline retail presence, and focus on premiumization and operational efficiency.
- ❑ Leveraging its strong parentage, established distribution network, and innovation-led approach, LG India continues to strengthen its position as a trusted and dominant participant in India's fast-growing consumer durables sector.

### Revenue Mix

Particulars Rs.mn	FY25		FY24		FY23	
	REVENUE	%	REVENUE	%	REVENUE	%
<b>Home Appliance &amp; Air Solution</b>	<b>182678.6</b>	<b>75.0</b>	<b>156797.5</b>	<b>73.4</b>	<b>150306.8</b>	<b>75.7</b>
Refrigerators	66964.5	27.5	57844.9	27.1	58055.7	29.2
Washing Machines	50417.0	20.7	44919.4	21.0	42208.4	21.3
Air Conditioners	52708.2	21.6	42901.6	20.1	39906.1	20.1
Others (1)	12588.8	5.2	11131.6	5.2	10136.7	5.1
<b>Home Entertainment Division</b>	<b>60987.8</b>	<b>25.0</b>	<b>56722.5</b>	<b>26.6</b>	<b>48339.2</b>	<b>24.3</b>
Televisions	49248.2	20.2	45583.3	21.4	39320.3	19.8
Others (2)	11739.7	4.8	11139.2	5.2	9018.9	4.5
<b>Total Revenue</b>	<b>243666.4</b>	<b>100.0</b>	<b>213520.0</b>	<b>100.0</b>	<b>198645.9</b>	<b>100.0</b>

The company derives a substantial portion of its revenue from the Home Appliances and Air Solution division, which includes products such as refrigerators, washing machines, air conditioners, water purifiers, air purifiers, dishwashers, microwave ovens, compressors, and motors.

## Product Wise Market Share

Category	CY22	CY23	CY24
Refrigerators	31.9	30.6	29.6
Washing Machines	35.8	35.0	33.6
Room Air Conditioners	19.8	19.6	17.0
Inverter ACs	25.5	23.4	19.6
Panel Televisions	27.8	27.3	26.8

The Company's market share for refrigerators and washing machines between CY2021 and CY2024 reflected its strategic decision to optimize the product portfolio by limiting participation in basic entry-level segments and focusing on higher-value categories to enhance profitability. Similarly, changes in market share for panel televisions during the same period were aligned with the Company's emphasis on portfolio efficiency and margin-focused growth.

In the case of room air conditioners and inverter air conditioners, variations in market share from CY2021 to CY2024 were influenced by ongoing rationalization within the inverter segment and increased competition following the entry of additional players. The Company's selective participation, including its non-presence in certain categories such as the on/off segment, also formed part of this strategic positioning.

The Company continues to monitor its market presence across product categories with an emphasis on maintaining balanced growth and operational efficiency.

## Service Income

Particulars Rs. mn	FY25			FY24			FY23		
	Service income	Installation & commissioning	Total Rendering services	Service income	Installation & commissioning	Total Rendering services	Service income	Installation & commissioning	Total Rendering services
<b>Home Appliance &amp; Air Solution</b>	<b>2,654.6</b>	<b>2,910.0</b>	<b>5,564.6</b>	<b>2,290.2</b>	<b>2,515.3</b>	<b>4,805.5</b>	<b>1,867.7</b>	<b>2,046.5</b>	<b>3,914.2</b>
Refrigerators	719.7	377.9	1,097.5	668.8	212.7	881.5	510.6	158.7	669.3
Washing Machines	1,120.5	324.1	1,444.6	876.7	240.4	1,117.1	703.5	225.0	928.5
Air Conditioners	631.0	1,042.3	1,673.3	542.5	1,090.9	1,633.5	485.4	873.8	1,359.2
Others (1)	183.5	1,165.7	1,349.2	202.1	971.3	1,173.5	168.3	788.9	957.3
<b>Home Entertainment</b>	<b>563.1</b>	<b>531.3</b>	<b>1,094.4</b>	<b>574.8</b>	<b>388.8</b>	<b>963.6</b>	<b>578.7</b>	<b>353.4</b>	<b>932.1</b>
Televisions	538.1	496.3	1,034.4	567.4	355.4	922.8	558.9	335.9	894.8
Others (2)	25.0	35.1	60.0	7.4	33.4	40.9	19.8	17.5	37.3
<b>TOTAL</b>	<b>3,217.7</b>	<b>3,441.3</b>	<b>6,659.0</b>	<b>2,865.0</b>	<b>2,904.1</b>	<b>5,769.1</b>	<b>2,446.4</b>	<b>2,399.9</b>	<b>4,846.3</b>

The Company also provides installation, repair, and maintenance services for all its major products. The table below presents the Company's revenue from the sale of services by segment for major products for the respective periods/years.

## Manufacturing Unit

Manufacturing Unit	FY25			FY24			FY23		
	Installed Capacity	Production Volume	Capacity Utilization (%)	Installed Capacity	Production Volume	Capacity Utilization (%)	Installed Capacity	Production Volume	Capacity Utilization (%)
Noida	7,600,000	6,120,208	80.5	7,400,000	5,466,598	73.9	7,400,000	5,343,696	72.2
Pune	6,910,000	5,022,841	72.6	6,590,000	4,474,809	67.9	6,250,000	4,242,212	67.9
Total	14,510,000	11,143,049	76.8	13,990,000	9,941,407	71.1	13,650,000	9,585,908	70.2

**Noida Manufacturing Unit:** The Noida Manufacturing Unit, located in Greater Noida, Gautam Buddha Nagar District, Uttar Pradesh, India, spans an area of approximately 190,000 square meters as of June 30, 2025. Commercial operations at the facility commenced in 1997. As of June 30, 2025, the unit operated 10 production lines, manufacturing products such as refrigerators, washing machines, room air conditioners, microwave ovens, compressors, water purifiers, and ceiling fans. The company is also in the process of entering into a power purchase agreement for sourcing solar power for captive consumption at the Noida facility under the captive power mechanism.

**Pune Manufacturing Unit:** The Pune Manufacturing Unit, situated at MIDC Ranjangaon, Pune, Maharashtra, India, covers an area of approximately 214,000 square meters as of June 30, 2025. The unit commenced commercial operations in 2004. As of June 30, 2025, the facility operated nine production lines and manufactured products including refrigerators, washing machines, room air conditioners, commercial air conditioning systems, and televisions.

## Retail Network and B2C Touchpoints

Metric	FY25	FY24	FY23
Number of LG BrandShops	800	780	814
Number of B2C Touch Points	36,230	35,833	34,874

LG BrandShops refer to exclusive retail outlets that sell only LG products and are operated by third parties under a franchise model. B2C touchpoints include LG BrandShops, modern trade stores, online platforms, traditional stores, distributors, and sub-dealers. The number of sub-dealers varies from period to period, depending on the sales made by distributors to sub-dealers during a given timeframe

## Distribution Channel

Particulars	FY25	FY24	FY23
<b>LG BrandShops</b>	<b>800.0</b>	<b>780.0</b>	<b>814.0</b>
<b>Modern Trade</b>	<b>1369.0</b>	<b>1224.0</b>	<b>1034.0</b>
<b>Online Business</b>			
LG Website	1.0	1.0	1.0
E-commerce	2.0	2.0	2.0
<b>Traditional Channels</b>			
Distributors & Sub-dealers	31259.0	31275.0	30563.0
Distributors	412.0	417.0	429.0
Sub-dealers	30847.0	30858.0	30134.0
Multi-Brand Outlets	1221.0	1272.0	1341.0
Regional Specialty Stores (RSS)	1578.0	1279.0	1119.0
<b>Total Touchpoints</b>	<b>36230.0</b>	<b>35833.0</b>	<b>34874.0</b>

The Company distributes its products through multiple channels, supported by a network of trade partners. During the three months ended June 30, 2025, its top 10 sales trade partners accounted for 31.25% of total sales value. The Company works closely with these partners to maintain efficient operations and expand retail touch points, supporting product availability and sales growth across markets.

## Distribution Network

Particulars	FY25	FY24	FY23
<b>Central Distribution Centers (CDCs)</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Regional Distribution Centers (RDCs)</b>	<b>23</b>	<b>23</b>	<b>23</b>
North	5	5	5
South	8	8	8
East	5	5	5
West	5	5	5
<b>Total Distribution Centers</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Leased Area (million sq. ft.)</b>	<b>3.3</b>	<b>3.2</b>	<b>3.0</b>

The Company operates distribution centers across India to store finished products for supply to its various distribution channels. It maintains two central distribution centers (CDCs) near its manufacturing units in Noida and Pune. Products from these CDCs are transported to regional distribution centers (RDCs) across India, which serve as warehouses for subsequent distribution to customer touch points.

The CDCs and RDCs operate on a leasehold basis under lease or leave-and-license agreements, typically ranging from 11 months to nine years. These facilities are designed and managed to ensure operational continuity and efficient product flow throughout the distribution network, supporting timely deliveries and customer satisfaction across markets.

## Raw Material Sourcing and Supplier Dependence

Particulars	FY25	FY24	FY23
Purchases of Raw Materials	1,83,356.6	1,52,586.1	1,49,158.1
Top-5 Suppliers (% of purchases)	22.7	26.1	22.9
Top-10 Suppliers (% of purchases)	32.8	36.8	35.8
From Related Parties (% of purchases)	15.3	17.1	19.3
From Non-Related Parties (% of purchases)	84.8	82.9	80.7

The Company procures most of its raw materials and components from multiple suppliers but continues to source certain key materials from a limited number of vendors. For example, pre-coated and galvanized steel used across product lines is supplied by three steel manufacturers in India to ensure rust prevention. Acrylonitrile butadiene styrene (ABS) resin for plastic components and expanded polystyrene resin for packaging materials are primarily sourced from two suppliers. Internally grooved tubes used in air conditioners for heat and air exchangers are currently procured from a single supplier.

The Company also engages with multiple suppliers based in China for motors, which introduces exposure to region-specific operating conditions. However, these components are available from alternative markets, and the Company maintains flexibility to diversify its supplier base as needed.

### Supplier Relationships and Import Dependence

Particulars	FY25	%	FY24	%	FY23	%
<b>Total Raw Material Purchases</b>	<b>1,83,356.60</b>	<b>100.0</b>	<b>1,52,586.08</b>	<b>100.0</b>	<b>1,49,158.10</b>	<b>100.0</b>
<b>Sourced from India</b>	<b>98,620.22</b>	<b>53.8</b>	<b>74,493.45</b>	<b>48.8</b>	<b>75,297.02</b>	<b>50.5</b>
<b>Sourced from Outside India</b>	<b>84,736.38</b>	<b>46.2</b>	<b>78,092.63</b>	<b>51.2</b>	<b>73,861.08</b>	<b>49.5</b>
From Korea	40,206.99	21.9	34,658.81	22.7	34,597.41	23.2
From Other Countries	44,529.39	24.3	43,433.82	28.5	39,263.67	26.3
From China	20,336.53	11.1	18,968.16	12.4	20,452.06	13.7
From Singapore	10,852.34	5.9	12,931.68	8.5	8,501.70	5.7
From Thailand	5,195.51	2.8	4,040.78	2.7	3,878.27	2.6

The Company maintains relationships with key suppliers for the timely and adequate procurement of raw materials. It typically enters into firm arrangements or contracts with third-party suppliers for a term of three years, which may be renewed on mutually agreed terms.

Key raw materials and components are also available from alternative sources, and the Company periodically evaluates supplier options based on cost, quality, and reliability. Engagement with new suppliers may involve changes in pricing, quality parameters, or delivery timelines.

The Company works closely with its suppliers to ensure adherence to required specifications and quality standards. During Fiscals 2023, 2024, and 2025, and in the three months ended June 30, 2025, the Company did not encounter material supply disruptions, delays, or rejections beyond the ordinary course of business.

The Company also imports certain raw materials, including open cells used in television display panels—primarily from China and, to a lesser extent, from India—and certain electronic components from Korea and China. The table below presents the percentage of raw materials sourced from suppliers in India, Korea, China, Singapore, Thailand, and other countries for the relevant periods.

### Royalty Payments

The Company is subject to royalty arrangements with LG Electronics, its Promoter. Any revision in the royalty rate by the Promoter—within the limit of 5% of the annual consolidated turnover of domestically manufactured products or products manufactured through other original equipment manufacturers—does not require prior shareholder approval under the SEBI Listing Regulations.

As a shareholder, LG Electronics may consider the broader interests of its subsidiaries and affiliates, which may differ from those of the Company's other shareholders.

Royalty payments to the Promoter under the License Agreement are subject to applicable regulatory requirements. As of the date of this Red Herring Prospectus, the Company has disclosed a contingent liability of ₹3,153.00 million relating to royalty payments to the Promoter. The Company continues to monitor developments related to such matters in accordance with applicable laws.

Particulars	FY25	% of Revenue	FY25	% of Revenue	FY25	% of Revenue
Royalty	4546.1	1.87	4032.3	1.89	3232.4	1.63

**Peer Analysis**

Leading Home Appliances and Consumer Electronics Players in India/Metrics <sup>1</sup>	FY25				
	LG Electronics India Ltd.	Havells India Ltd.	Voltas Ltd.	Blue Star Ltd.	Whirlpool of India Ltd.
Revenue from Ops. (INR Mn)	2,43,666.4	2,17,780.6	1,54,127.9	1,19,676.5	79,193.7
Revenue growth YoY (%)	14.1	17.2	23.5	23.6	16.0
Gross Margin (INR Mn)	77,865.5	71,696.9	34,524.0	28,933.1	26,946.2
Gross Margin (%)	32.0	32.9	22.4	24.2	34.0
EBITDA (INR Mn)	31,101.2	21,308.6	9,901.8	8,871.0	5,573.2
EBITDA (%)	12.8	9.8	6.4	7.4	7.0
PAT (INR Mn)	22,033.5	14,702.4	8,342.8	5,912.8	3,627.8
PAT (%)	9.0	6.7	5.3	4.9	4.5
EBIT / Op. Profit (INR Mn)	27,297.7	17,304.6	9,284.0	7,587.3	3,441.5
Capital employed (INR Mn)	63,615.7	86,595.1	74,322.7	34,486.2	42,747.6
Shareholders equity (INR Mn)	59,337.5	83,409.7	65,403.0	30,676.2	39,903.9
PE	36	66	69	72	48.5
EV/EBITDA	24	40	34	45	13
ROCE (%)	42.9	20.0	12.5	22.0	8.1
ROE (%)	37.1	17.6	12.8	19.3	9.1
Working Capital Days	21.1	41.8	15.2	9.6	1.5
FCF Conversion Ratio (%)	39.0	30.5	-43.4	27.1	59.6

Leading Home Appliances and Consumer Electronics Players in India/Metrics <sup>1</sup>	FY24				
	LG Electronics India Ltd.	Havells India Ltd.	Voltas Ltd.	Blue Star Ltd.	Whirlpool of India Ltd.
Revenue from Ops. (INR Mn)	2,13,520.0	1,85,900.1	1,24,812.1	96,853.6	68,297.9
Revenue growth YoY (%)	7.5	9.9	31.4	21.4	2.4
Gross Margin (INR Mn)	64,218.2	60,213.3	26,671.7	22,933.9	22,541.2
Gross Margin (%)	30.1	32.4	21.4	23.7	33.0
EBITDA (INR Mn)	22,248.7	18,426.2	3,360.1	6,654.3	3,840.8
EBITDA (%)	10.4	9.9	2.7	6.9	5.6
PAT (INR Mn)	15,110.7	12,707.6	2,481.1	4,143.1	2,243.0
PAT (%)	7.0	6.8	2.0	4.3	3.2
EBIT / Op. Profit (INR Mn)	18,605.0	15,041.2	2,884.2	5,678.2	1,737.6
Capital employed (INR Mn)	41,057.8	77,499.2	65,978.4	28,555.6	40,744.4
Shareholders equity (INR Mn)	37,358.2	74,467.6	58,542.1	26,126.3	38,434.8
PE	51	75	145	61	71
EV/EBITDA	34	44	50	35	24
ROCE (%)	45.3	19.4	4.4	19.9	4.3
ROE (%)	40.5	17.1	4.2	15.9	5.8
Working Capital Days	16.0	46.9	10.2	9.5	9.6
FCF Conversion Ratio (%)	59.5	59.8	124.0	-19.2	95.2

Leading Home Appliances and Consumer Electronics Players in India/Metrics <sup>1</sup>	FY23				
	LG Electronics India Ltd.	Havells India Ltd.	Voltas Ltd.	Blue Star Ltd.	Whirlpool of India Ltd.
Revenue from Ops. (INR Mn)	1,98,682.30	1,69,107.30	94,987.70	79,773.20	66,676.50
Revenue growth YoY (%)	17.1	21.3	19.7	31.6	7.6
Gross Margin (INR Mn)	58,401.66	52,052.60	21,205.90	17,956.50	20,840.70
Gross Margin (%)	29.4	30.8	22.3	22.5	31.3
EBITDA (INR Mn)	18,951.15	15,991.40	2,079.00	6,639.90	3,703.40
EBITDA (%)	9.5	9.5	2.2	8.3	5.6
PAT (INR Mn)	13,449.30	10,717.30	1,362.20	4,006.90	2,240.10
PAT (%)	6.7	6.3	1.4	5.0	3.3
EBIT / Op. Profit (INR Mn)	15,947.22	13,029.70	1,682.80	5,792.10	1,849.30
Capital employed (INR Mn)	46,382.71	68,485.50	61,443.00	19,957.90	37,796.40
Shareholders equity (INR Mn)	43,198.20	66,254.50	54,937.20	13,338.40	36,679.70
PE	57	70	200	17	76
EV/EBITDA	40	42	54	10	30
ROCE (%)	34.4	19.0	2.7	29.0	4.9
ROE (%)	31.1	16.2	2.5	30.0	6.1
Working Capital Days	19.28	44.61	15.83	4.34	10.92
FCF Conversion Ratio (%)	71.5	-2.8	-31.3	-25.1	3.3

## LG Electronics India Limited

### Market Opportunity

- ❑ **Leading Market Position** : The company commands a strong market share in India's home appliance and consumer electronics sector, leading multiple key categories. Its brand recognition and diverse product portfolio make it a preferred choice among consumers.
- ❑ **Consumer-Centric Innovation** : A focus on consumer-driven innovation allows the company to anticipate and respond to evolving market trends, ensuring its products remain relevant and competitive across segments.
- ❑ **Revenue Mix and Growth** : A strong B2C revenue mix supports sustainable, high-margin growth, enhancing profitability and fostering long-term customer relationships.
- ❑ **Operational Efficiency** : In-house manufacturing and locally sourced components provide better cost control and operational efficiency, reducing dependency on imports.
- ❑ **Superior Profitability** : The company consistently achieves higher growth and profitability compared to industry averages, reflecting capital-efficient operations and strategic resource utilization.
- ❑ **Distribution and Service Network** : A wide dealer and distributor network, backed by robust after-sales service, enhances market reach, strengthens customer loyalty, and reinforces brand presence.

### Key Risk

- ❑ **Reliance on Promoter** : The Company heavily depends on its promoter, LG Electronics, for critical operations such as licensing, royalty payments, and strategic guidance. Any deterioration in this relationship or adverse changes in licensing terms could negatively affect the Company's business, reputation, financial condition, and operational results.
- ❑ **Potential Conflicts of Interest** : Conflicts may arise if the promoter or its subsidiaries, such as Hi-M Solutek India Private Limited, operate in areas overlapping with the Company's business. Although Hi-M Solutek currently serves only the Company, no binding exclusivity exists. Directors, Key Managerial Personnel, and Senior Management may also hold personal interests beyond their roles, potentially misaligning with the Company's best interests.
- ❑ **Operational and Financial Risks** : The Company is exposed to raw material cost increases, which could compress margins if not passed on to customers. Related party transactions with LG Electronics or other LG Group entities—while potentially beneficial—could heighten risk if not conducted transparently and on arm's-length terms.

### Competitive Strength

- ❑ The Company holds leading market share in India's home appliances and consumer electronics segments, dominating key product categories.
- ❑ Its pioneers in introducing technology that meets Indian consumers' specific preferences and needs.
- ❑ It delivers superior customer experience through an extensive pan-India distribution network and robust after-sales service infrastructure.
- ❑ Operational excellence is driven by strong manufacturing capabilities and a localized supply chain.
- ❑ Its association with LG Electronics – recognized globally in 2024 as the top single-brand home appliances player by revenue – provides strong brand equity and international credibility.

### Threats

- ❑ The sector is under strong competitive pressure—from multinationals, niche players, and especially Chinese brands using low-cost manufacturing, fast product cycles, and aggressive pricing.
- ❑ Local manufacturers face cost disadvantages and must differentiate via innovation, service, and channel strength.
- ❑ Dependence on imported components (semiconductors, specialty materials) exposes firms to foreign exchange risk, supply chain disruption, and volatile input costs (steel, copper, aluminium, etc.).
- ❑ Government incentives like India's PLI scheme are helping boost local manufacturing, but risks remain in the near term.
- ❑ Regulatory, environmental, and trade policy pressures are increasing. Firms must invest more in energy-efficient and sustainable products to comply with standards.
- ❑ Additionally, recent US reciprocal tariffs (up to ~50%) on Indian goods are increasing export risk, especially in sectors reliant on foreign markets.

## LG Electronics India Limited

### Directors Profile

Name	Designation	Profile
<b>Hong Ju Jeon</b>	<b>Managing Director</b>	He has been with the Company since December 22, 2022. He holds a Master's degree in Business Administration with a focus on Global Management from the Thunderbird School of Global Management in Glendale, Arizona, USA. In his current role, he leads the development and execution of sales strategies, oversees operational planning, and drives key initiatives aimed at achieving the Company's broader business goals. He also plays a crucial role in enhancing and expanding the dealer network. His association with the LG Group dates back to October 4, 1994.
<b>Dongmyung Seo</b>	<b>Whole time Director</b>	He has been associated with the Company since December 31, 2021. He holds a Master's degree in Business Administration from the Seoul School of Integrated Sciences & Technologies in Seoul, Korea. He is responsible for overseeing all financial operations, including accounting functions and the preparation of financial reports, ensuring the effective management of the Company's overall financial activities. His affiliation with the LG Group began on December 19, 1994.
<b>Daehyun Song</b>	<b>Chairman &amp; Non-Executive Director</b>	He has been associated with the Company since November 18, 2024. He holds a Bachelor's degree in Science, specializing in Mechanical Design, from Pusan National University in Busan, Korea. In his current role, he is responsible for leading the Board and promoting effective governance practices, while ensuring clear and consistent communication among the Board, management, stakeholders, and advisory bodies. His association with the LG Group began on November 28, 1983.
<b>Promila Bhardwaj</b>	<b>Independent Director</b>	She has been associated with the Company since November 19, 2024. She holds a Bachelor's and a Master's degree in Arts (English) from Panjab University, Chandigarh, as well as a Master's degree in Philosophy (Social Sciences) from the same institution. Additionally, she holds a Master's Diploma in Public Administration from the Indian Institute of Public Administration, New Delhi. She joined the Indian Revenue Services in 1979 and retired as the Director General of Income Tax (Systems) from the Directorate of Income Tax (Systems).
<b>Ramesh Ramachandran Nair</b>	<b>Independent Director</b>	He has been associated with the Company since November 19, 2024. He holds a Bachelor's degree in Technology in Electrical Engineering from Kurukshetra University, Kurukshetra, Haryana, and a Postgraduate Diploma in Financial Management from Indira Gandhi National Open University, New Delhi. Prior to joining the Company, he held positions at Avaada Electro Private Limited, Mundra Solar PV Limited, Bharat Aluminium Company Limited, and Jindal Stainless Limited.
<b>Santosh Kumar Mohanty</b>	<b>Independent Director</b>	He has been associated with the Company since November 19, 2024. He holds a Bachelor's degree in Arts (Honours) in Political Science from Utkal University, Bhubaneswar, a Bachelor's degree in Law from Siddharth College of Law, University of Mumbai, a Postgraduate Diploma in Securities Law from Government Law College, Mumbai, and a Master's degree in Arts in Political Science (International Studies) from Jawaharlal Nehru University, Delhi. Prior to joining the Company, he served in various capacities with the Securities and Exchange Board of India, the Forward Markets Commission (Government of India), and the Income Tax Department (Government of India).

## LG Electronics India Limited

### Shareholding

Prior to the IPO, the Promoter LG Electronics Inc held 100.0% of the Company's shareholding, Pursuant to the OFS of 10,18,15,859 equity shares, the Promoter and Promoter Group's shareholding will stand reduced to 85.0% on a post-issue basis.

Particulars	Pre Issue		IPO		Post Issue	
	No. of Shares	% Holding	Fresh Issue	OFS	No. of Shares	% Holding
LG Electronics Inc.	67,87,72,392	100.00%		(10,18,15,859)	57,69,56,533	85.00%
Other Public	0	0.00%	0	10,18,15,859	10,18,15,859	15.00%
<b>Total</b>	<b>67,87,72,392</b>	<b>100.00%</b>			<b>67,87,72,392</b>	<b>100%</b>

**LG Electronics India Limited**
**Financials & Ratio Analysis**

Income Statement Particulars	(Rs in mn)		
	FY25	FY24	FY23
<b>Revenue from Operation</b>	<b>2,43,666.4</b>	<b>2,13,520.0</b>	<b>1,98,645.9</b>
COGS	1,65,800.9	1,49,301.8	1,40,280.7
<b>% of Sales</b>	<b>68.0</b>	<b>69.9</b>	<b>70.6</b>
<b>Gross Profit</b>	<b>77,865.5</b>	<b>64,218.2</b>	<b>58,365.2</b>
<b>Gross margin (%)</b>	<b>32.0</b>	<b>30.1</b>	<b>29.4</b>
Employee Benefit Exp	9,627.9	8,868.2	7,991.6
Other expenses	37,136.3	33,101.3	31,380.5
<b>EBITDA</b>	<b>31,101.2</b>	<b>22,248.7</b>	<b>18,993.2</b>
<b>EBITDA Margins (%)</b>	<b>12.8</b>	<b>10.4</b>	<b>9.6</b>
Other Income	2,639.9	2,051.2	2,439.9
Depreciation	3,803.6	3,643.7	3,003.9
<b>EBIT</b>	<b>29,937.6</b>	<b>20,656.2</b>	<b>18,429.1</b>
<b>EBIT Margins (%)</b>	<b>12.3</b>	<b>9.7</b>	<b>9.3</b>
Finance Cost	306.5	285.1	225.8
<b>Profit before tax</b>	<b>29,631.1</b>	<b>20,371.2</b>	<b>18,203.3</b>
Total Tax expenses	7,597.6	5,260.5	4,723.1
<b>Tax rate (%)</b>	<b>25.6</b>	<b>25.8</b>	<b>25.9</b>
<b>Profit after tax</b>	<b>22,033.5</b>	<b>15,110.7</b>	<b>13,480.2</b>
<b>PAT Margins</b>	<b>9.0</b>	<b>7.1</b>	<b>6.8</b>
<b>Basic EPS</b>	<b>32.5</b>	<b>22.3</b>	<b>19.9</b>

Cash Flow Statement Particulars	(Rs in mn)		
	FY25	FY24	FY23
<b>Cash Flow from operating activities (OA)</b>			
PBT	29,631.1	20,371.2	18,203.3
Depreciation	3,803.6	3,643.7	3,003.9
Operating Profit before WC change	31,103.0	22,485.7	19,318.7
Changes in Assets and liability	(7,025.3)	(132.6)	3,814.3
Cash from Operations	24,077.7	22,353.1	23,133.0
Tax	(7,538.7)	(5,698.5)	(4,424.8)
<b>Net Cash from OA</b>	<b>16,538.9</b>	<b>16,654.6</b>	<b>18,708.3</b>
<b>Cash Flow from investing activities (IA)</b>			
Capex	(3,393.3)	(2,421.3)	(5,171.0)
<b>Net Cash from IA</b>	<b>(275.5)</b>	<b>(204.6)</b>	<b>(2,740.0)</b>
<b>Cash Flow from financing activities (FA)</b>			
Proceeds from Borrowings			
Repayment of Borrowings	(760.0)	(654.3)	494.0
Finance Cost	(304.6)	(269.4)	(225.0)
Proceeds other than borrowing			
<b>Net Cash from FA</b>	<b>(1,064.5)</b>	<b>(21,852.5)</b>	<b>(25,607.3)</b>
Net increase/(decrease) in Cash	15,198.9	(5,402.5)	(9,639.0)
Cash at the beginning of the year	22,226.1	2,765.9	37,268.6
<b>Cash at the end of the year</b>	<b>37,414.7</b>	<b>22,226.1</b>	<b>27,625.9</b>

Balance Sheet Particulars	(Rs in mn)		
	FY25	FY24	FY23
<b>ASSETS</b>			
Fixed Assets	13,196.7	13,105.4	13,328.5
CWIP	753.1	242.1	243.5
Goodwill	94.4	83.1	99.5
Trade Receivable	23,611.7	17,970.2	14,995.3
Inventories	30,314.6	23,974.2	26,410.3
Financial Assets	2,870.6	2,070.8	1,805.2
Cash and cash equivalent	37,414.7	22,226.1	27,625.9
Other Assets	6,915.6	5,313.5	5,413.1
<b>Total Assets</b>	<b>1,15,171.5</b>	<b>84,985.4</b>	<b>89,921.2</b>
<b>EQUITY</b>			
Equity Share Capital	6,787.7	1,131.3	1,131.3
Other Equity	52,914.0	36,591.2	42,431.2
<b>Total Equity</b>	<b>59,701.7</b>	<b>37,722.5</b>	<b>43,562.5</b>
Long Term Borrowings	3,305.3	2,847.0	2,494.9
Short Term Borrowings	5,693.0	4,328.9	4,485.1
Trade Payables	33,671.1	29,755.4	30,632.5
Other Liabilities	12,800.3	10,330.6	8,746.2
<b>Total Liabilities</b>	<b>55,469.8</b>	<b>47,261.9</b>	<b>46,358.8</b>
<b>Total Equity and Liabilities</b>	<b>1,15,171.5</b>	<b>84,984.4</b>	<b>89,921.2</b>

Ratio Analysis Particulars			
	FY25	FY24	FY23
<b>Growth (%)</b>			
Revenue	14.1	7.5	18.0
Gross Profit	21.1	10.2	15.9
EBITDA	39.8	17.1	11.2
EBIT	44.9	12.1	11.4
PAT	45.8	12.1	11.8
<b>% Of Revenue</b>			
Gross Profit	32.0	30.1	29.4
EBITDA	12.8	10.4	9.6
EBIT	12.3	9.7	9.3
PAT	9.0	7.1	6.8
<b>Return Ratios</b>			
ROCE	42.9	45.3	34.4
ROE	37.1	40.5	31.1
<b>Valuation</b>			
P/E	35.1	51.2	57.4
P/B	13.0	20.5	17.8
EV/EBITDA	24.0	34.1	39.7
EV/ Sales	3.1	3.6	3.8
DEBT/EQUITY	(0.5)	(0.4)	(0.5)

## Disclaimer

Investments in the securities market are subject to market risk, read all related documents carefully before investing.

Reg Office: Bajaj Auto Limited Complex, Mumbai –Pune Road Akurdi Pune 411035. Corp. Office: Bajaj Financial Securities Ltd., 1st Floor, Mantri IT Park, Tower B, Unit No 9, Viman Nagar, Pune, Maharashtra 411014. SEBI Registration No.: INZ000218931 | BSE Cash/F&O (Member ID: 6706) | NSE Cash/F&O (Member ID: 90177) | DP registration No: IN-DP-418-2019 | CDSL DP No.: 12088600 | NSDL DP No. IN304300 | AMFI Registration No.: ARN – 163403. Website: <https://www.bajajbroking.in/> | Broking services offered by Bajaj Financial Securities Limited (BFSL) | Registered Office: Bajaj Auto Limited Complex , Mumbai –Pune Road Akurdi Pune 411035 | Corporate Office: Bajaj Financial Securities Ltd,1st Floor, Mantri IT Park, Tower B, Unit No 9 & 10, Viman Nagar, Pune, Maharashtra 411014| CIN: U67120PN2010PLC136026| SEBI Registration No.: INZ000218931 | BSE Cash/F&O (Member ID: 6706) | DP registration No : IN-DP-418-2019 | CDSL DP No.: 12088600 | NSDL DP No. IN304300 | AMFI Registration No.: ARN – 163403 | Research Services are offered by Bajaj Financial Securities Limited (BFSL) as Research Analyst under SEBI Regn: INH000010043. Kindly refer to [www.bajajbroking.in](http://www.bajajbroking.in) for detailed disclaimer and risk factors | Details of Compliance Officer: Ms. Priyanka Gokhale (For Broking/DP/Research) | Email: [compliance\\_sec@bajajbroking.in](mailto:compliance_sec@bajajbroking.in) | Contact No.: 020-4857 4486 | Investment in the securities involves risks, investor should consult his own advisors/consultant to determine the merits and risks of investment.

**Disclosures:** Disclosures under the provisions of SEBI (Research Analysts) Regulations 2014 (Regulations) | Bajaj Financial Securities Limited ("BFSL" or "Research Entity") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. There were no instances of non-compliance by BFSL on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years. This research report has been prepared and distributed by BFSL in the capacity of a Research Analyst as per Regulation 22(1) of SEBI (Research Analysts) Regulations 2014 having SEBI Registration No. INH000010043.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject BFSL and associates / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. BFSL reserves the right to make modifications and alterations to this statement as may be required from time to time. BFSL or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BFSL is committed to providing independent and transparent recommendation to its clients. Neither BFSL nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance. The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. The information provided in these reports remains, unless otherwise stated, the copyright of BFSL. All layout, design, original artwork, concepts and other Intellectual Properties, remains the property and copyright of BFSL and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the copyright holders. We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients as customers by virtue of their receiving this report. Bajaj Broking and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company(ies), mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance. BFSL may have proprietary long/short position in the above mentioned scrip(s) and therefore should be considered as interested. The views provided herein are general in nature and do not consider risk appetite or investment objective of any particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with BFSL. Bajaj Broking or its associates may have received compensation from the subject company in the past 12 months. BFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. BFSL or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. BFSL or its associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. BFSL or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research analyst or his/her relative or BFSL's associates may have financial interest in the subject company. BFSL, its associates, research analyst and his/her relative may have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance. Research analyst has served as an officer, director or employee of subject Company: No | Bajaj Broking has financial interest in the subject companies: No | Bajaj Broking's Associates may have actual / beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report. Research analyst or his/her relative has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No

Bajaj Broking has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No | Subject company may have been client during twelve months preceding the date of distribution of the research report. There were no instances of non-compliance by BFSL on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years. A graph of daily closing prices of the securities is also available at [www.nseindia.com](http://www.nseindia.com). Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors." We/I, Mr Anand Shengde, Mr. Pabitra Mukherjee., Mr. Vikas Vyas, Mr Nisarg Shah, Mr. Harsh Parekh, Mr. Raunaq Murarka , authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

**Analyst Certification:** The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

**For more query reach out to:**

**Name :** Bajaj Broking Research Team | **Email Id :** researchdesk@bajajbroking.in

 [bajajbroking.in](https://www.bajajbroking.in) |  

# BAJAJ BROKING

## Stay ahead in the game!

Follow Bajaj Broking's Social Media Channels for exclusive market insights, research recommendations, and updates on the go.



### Research Analyst

**Anand Shendge**  
(DVP Derivative Analyst)

**Pabitra Mukherjee**  
(AVP Technical Analyst)

**Nisarg Shah**  
(Fundamental Analyst)

**Vikas Vyas**  
(Derivative Analyst)

**Harsh Parekh**  
(Technical Analyst)

**Raunaq Murarka**  
(Derivative Analyst)

**Shashwat Singh**  
(Fundamental Analyst)