

LG Electronics India Ltd.

Nifty: 25,085 | Sensex: 81,790

IPO Note | 7th October, 2025

Subscribe

Sector: Consumer Durables

Price Range: ₹1,080 - ₹1,140

Creating Smarter Homes with Reliable Electronics

LG Electronics India Ltd (LGEIL), incorporated on January 20, 1997, as a wholly owned subsidiary of LG Electronics Inc., is a market leader in India across key product categories, including washing machines, refrigerators, panel TVs, inverter air conditioners, and microwaves. The company was the first to launch 4K and smart TVs in India and boasts one of the largest in-house production capacities among leading home appliance and consumer electronics player.

- ◆ The Indian appliances and electronics market grew from ~₹4,445 billion in CY19 to ~₹6,370 billion in CY24 and is projected to reach ~₹10,965 billion by CY29P, reflecting a CAGR of 11% over CY24–29P (Source: Redseer Research).
- ◆ LGEIL's revenue, EBITDA, and PAT grew at CAGRs of 10.8%, 28%, and 27.8%, respectively, between FY23 and FY25, reaching ₹24,367cr, ₹3,110cr, and ₹2,203cr, driven by product innovation and a robust distribution network.
- ◆ The company reported an EBITDA margin of 12.8% in FY25, up from 9.6% in FY23, while its PAT margin increased to 9% from 6.8% over the same period, driving a robust ROE of 36.9%.
- ◆ LGEIL reported a debt-to-equity ratio of 0.1x in FY25, with a ROCE of 42.2%, the highest among leading home appliance and consumer electronics players.
- ◆ As of FY25, LGEIL's manufacturing facilities in Noida and Pune have a combined installed production capacity of ~1.45 crore units. The company is investing ₹5,001cr to establish a third plant in Andhra Pradesh, aimed at further expanding its production capacity.
- ◆ At the upper price band of ₹1,140, LGEIL trades at an FY25 P/E of 35x, which appears reasonable relative to its peers. LGEIL's strong brand equity, technological capabilities, and robust governance position it well for future growth. The company's new capacity expansion, strong ROE, and better margin profile make it financially strong, efficient, and ready for long-term success. Accordingly, we assign a SUBSCRIBE rating for investors with a medium- to long-term investment horizon.

Issue Details	
Date of opening	October 07, 2025
Date of closing	October 09, 2025
Total No. of shares offered (cr.)	10.18
Post Issue No. of shares (cr)	67.9
Face Value	₹10
Bid Lot	13 Shares
Minimum application for retail (upper price band for 1 lot)	₹ 14,820
Maximum application for retail (upper price band for 13 lot)	₹ 1,92,660
Listing	BSE,NSE
Employee Discount	₹108

Lead Managers	Axis Capital Limited, Citigroup Global Markets India Private Limited, Morgan Stanley India Company Private Limited, J.P. Morgan India Private Limited, BofA Securities India Limited
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Registrar	KFin Technologies Limited
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Issue size (upper price)	Rs.cr
Fresh Issue	-
OFS	11,607.0
Total Issue	11,607.0

Shareholding (%)	Pre-Issue	Post Issue
Promoter & Promo. Group.	100.00	85.00
Public & others	-	15.00
Total	100.00	100.00

Issue structure	Allocation (%)	Size Rs.cr
Retail	35	4,062.45
Non-Institutional	15	1,741.05
QIB	50	5,803.50
Emp. Reservation	-	-
Total	100	11,607

Y.E March (Rs cr) Consol.	FY24	FY25	Q1FY26
Sales	21,352.0	24,366.6	6,262.9
Growth YoY(%)	7%	14%	-2%
EBITDA	2,224.9	3,110.1	716.3
Margin(%)	10.4	12.8	11.4
PAT Adj.	1,511.1	2,203.3	513.3
Growth (%)	12%	46%	-24%
EPS	22.3	32.5	7.6
P/E (x)	51.2	35.1	150.8
EV/EBITDA (x)	34.9	25.0	108.6
P/BV(x)	20.5	13.0	11.9

Purpose of IPO

The issue is primarily an Offer for Sale (OFS) of up to 10,18,15,859 equity shares totalling ₹11,607cr. The objective of the issue is to achieve the benefits of listing the equity shares on the stock exchanges.

Key Risks

- ◆ The nature of business is seasonal and varies with consumers' spending power and disposable income.
- ◆ Increases in the prices of raw materials could adversely affect business.

Peer Valuation

Company	CMP(₹)	MCap(₹ cr)	Sales (₹ cr)	EBITDA(%)	PAT (%)	EPS(₹)	RoE (%)	P/E(x)	EV/EBITDA	P/BV	Mcap/sales
LG Electronics India Ltd	1,140	77,380	24,367	12.76	9.0	32.5	36.9	35.12	25.0	13.0	3.2
Havells	1,502	93,153	21,778	9.8	6.8	23.8	18.7	63.2	43.6	11.3	4.3
Voltas	1,354	44,785	15,321	7.4	5.5	21.5	13.6	62.8	42.6	6.9	2.9
Blue Star	1,881	38,610	11,968	7.4	4.9	27.7	20.8	67.9	48.7	12.6	3.2
Whirlpool	1,191	14,946	7,919	7.0	4.5	28.3	9.4	42.1	18.7	3.8	1.9

Source: Geojit Research, Bloomberg; Valuations of LGEIL are based on upper end of the price band (post issue), Financials as per FY25 consolidated.



Business Description:

LG Electronics India (LGEIL), is the number one player in major home appliances and consumer electronics in India. The company is also the market leader in India across multiple product categories including washing machines, refrigerators, panel televisions, inverter air conditioners and microwaves. The company sell the products to B2C and B2B consumers in India and outside India. The company also offer installation services, and repairs and maintenance services for all products. The company also offer installation service, and repairs and maintenance services for all products. The company operates across two business segments namely home appliances & air solutions as well as home entertainment solutions.

The table sets forth details of revenues from the business segments for the Fiscals indicated:

Particulars	Three months ended June 30,		2024		2025		Fiscal		2023	
	2025	% of revenue from continuing operations	2024	% of revenue from continuing operations	2025	% of revenue from continuing operations	2024	% of revenue from continuing operations	2023	% of revenue from continuing operations
	₹ million		₹ million		₹ million		₹ million		₹ million	
Home Appliance and Air Solution division	49,082.30	78.37%	50,609.38	78.97%	182,678.57	74.97%	156,797.49	73.43%	150,306.78	75.67%
Refrigerators	21,666.60	34.59%	21,606.86	33.71%	66,964.52	27.48%	57,844.93	27.09%	58,055.68	29.23%
Washing machines	11,576.10	18.48%	11,768.56	18.36%	50,417.03	20.69%	44,919.38	21.04%	42,208.36	21.25%
Air conditioners	12,773.84	20.40%	14,148.19	22.08%	52,708.23	21.63%	42,901.58	20.09%	39,906.05	20.09%
Others ⁽¹⁾	3,065.76	4.90%	3,085.77	4.82%	12,588.79	5.17%	11,131.60	5.21%	10,136.69	5.10%
Home Entertainment division	13,547.08	21.63%	13,478.59	21.03%	60,987.81	25.03%	56,722.51	26.57%	48,339.15	24.33%
Televisions	10,466.28	16.71%	10,455.89	16.31%	49,248.15	20.21%	45,583.29	21.35%	39,320.27	19.79%
Others ⁽²⁾	3,080.80	4.92%	3,022.70	4.72%	11,739.66	4.82%	11,139.22	5.22%	9,018.88	4.54%
Total revenue from continuing operations	62,629.38	100.00%	64,087.97	100.00%	243,666.38	100.00%	213,520.00	100.00%	198,645.93	100.00%

Source: RHP, Geojit Research

LGEIL had one of the largest in-house production capacity (excluding mobile phones) amongst leading home appliances and consumer electronics players in India as of June 30, 2025. The company have two advanced manufacturing units located in Noida (the "Noida Manufacturing Unit") and Pune (the "Pune Manufacturing Unit"). In Fiscal 2025 and in the three months ended June 30, 2025, LGEIL had an installed capacity of 14,510,000 products at our Noida and Pune Manufacturing Units. The company intend to construct a third manufacturing unit in Andhra Pradesh to expand the manufacturing capacity. LGEIL have an extensive supplier network comprising 287 suppliers that have a relationship of an average 13.13 years as of June 30, 2025. To facilitate storage and movement of products to and from the manufacturing units, the company have a pan-India supply chain network of 25 product warehouses, comprising two central distribution centers ("CDCs") and 23 regional distribution centers ("RDCs") as of June 30, 2025.

Product Portfolio

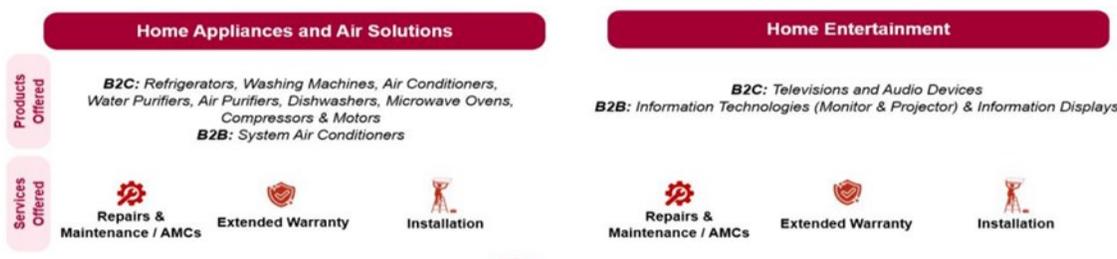
The company's activities are organized into 2 business segments – (i) Home Appliances and Air Solution; and (ii) Home Entertainment.

1) Home Appliances and Air Solution

Under this segment, the company sells a range of (i) home appliances such as refrigerators, washing machines, water purifiers, dishwashers, and microwave ovens, and (ii) air solutions such as air conditioners, air purifiers, and compressors. The company also provides installation and after-sales services for these products.

2) Home Entertainment

The company manufactures a range of media displays and audiovisual products, including televisions, monitors, interactive displays, information systems, and imported products such as soundbars, audio systems, projectors, wireless speakers, and earbuds, for sale in the domestic markets. The company launched its first television in 1997. The company's television products generally range in size from miniature to large screen, and some of the company's higher-end televisions are equipped with more advanced technologies, including OLED, QNED, NanoCell, UHD, and LED. The company has introduced televisions in various forms, including rollable televisions, wallpaper televisions, and gallery televisions, to create differentiated consumer experiences. Further, the company offers various lifestyle television screen products for residential users that are equipped with mobile integration functions and touch abilities that allow the screens to be tailored to various viewing environments. The company's televisions are typically BEE, BIS, and WPC certified.



Source: RHP, Geojit Research

Key strengths:

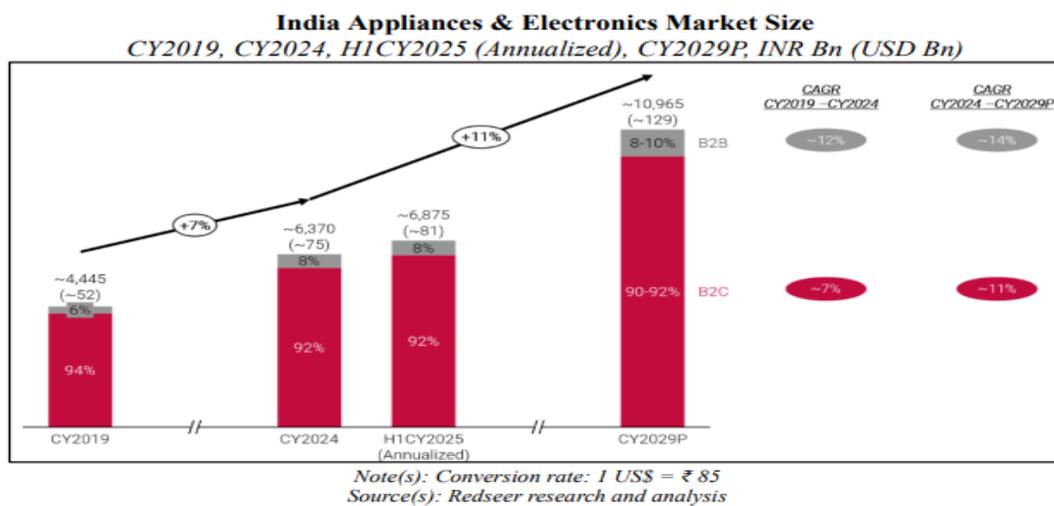
- ◆ Leading market share in the home appliances and consumer electronics industry in India with #1 market share across key product categories.
- ◆ Introducing innovative technologies tailored to the needs of the Indian consumers.
- ◆ Shaping consumer experience with pan-India distribution and after-sales service network.
- ◆ Operational efficiency through strong manufacturing capabilities and localized supply chain.
- ◆ Capital-efficient business with high growth and profitability.

Key strategies:

- ◆ Build a strong foundation to capture long-term growth in India.
- ◆ Continue to be a brand of choice for every Indian household across volume and premium market categories.
- ◆ Diversify business models to create new consumer value.

Industry Outlook

As of H1CY2025 (Annualized), India's appliances & electronics market stands at ₹ ~6,875 billion (US\$ ~81 billion), and as of CY2024 it was ₹ ~6,370 billion (US\$ ~75 billion), having grown at a CAGR of ~7% from CY2019 to CY2024. The market is projected to reach ₹ ~10,965 billion (US\$ ~129 billion) by CY2029P, growing at an accelerated 5-year CAGR of ~11%. This growth will be fueled by rising disposable incomes, urbanization, increased appliance penetration, government support for local manufacturing, and a shift toward premium, energy-efficient products (source - Redseer research analysis).



Source: RHP, Geojit Research

Promoter and promoter group

The Promoter of the company is LG Electronics Inc.

Brief Biographies of directors

- **Hong Ju Jeon** is the Managing Director of the Company. He is responsible for directing sales strategies, operational planning, and initiatives that support overall business objectives and strengthen the dealer network. He has been associated with the LG group since October 4, 1994.
- **Dongmyung Seo** is the Whole-time Director and Chief Financial Officer of the Company. He is responsible for managing all financial activities and accounting operations and overseeing every aspect of the Company's finances, including financial reports. He has been associated with the LG group since December 19, 1994.
- **Daehyun Song** is the Chairman and Non-executive Director of the Company. He is responsible for leading the board and ensuring effective governance practice and communication between the board, stakeholders, management, and advisors. He has been associated with the LG group since November 28, 1983.
- **Promila Bhardwaj** is an Independent Director of the Company. She has been associated with the Company since November 19, 2024.
- **Ramesh Ramachandran Nair** is an Independent Director of the Company. He has been associated with the Company since November 19, 2024.
- **Santosh Kumar Mohanty** is an Independent Director of the Company. He has been associated with the Company since November 19, 2024.
- **Anuj Goyal** is the Company Secretary and Compliance Officer of the Company. He has been associated with the company since November 25, 2024.

CONSOLIDATED FINANCIALS

PROFIT & LOSS

Y.E March (Rs cr)	FY24	FY25	Q1FY26
Sales	21,352.0	24,366.6	6,262.9
% change	7.5%	14.1%	-2.3%
EBITDA	2,224.9	3,110.1	716.3
% change	17.1%	39.8%	-25.2%
Depreciation	364.4	380.4	90.2
EBIT	1,860.5	2,729.8	626.0
Interest	28.5	30.6	8.5
Other Income	205.1	264.0	74.4
Exceptional items	0.0	0.0	0.0
PBT	2,037.1	2,963.1	692.0
% change	11.9%	45.5%	-24.2%
Tax	526.0	759.8	178.7
Tax Rate (%)	26%	26%	26%
Reported PAT	1,511.1	2,203.3	513.3
Adj	0.0	0.0	0.0
Adj. PAT	1,511.1	2,203.3	513.3
% change	12.1%	45.8%	-24.5%
Post issue No. of shares (cr)	67.9	67.9	67.9
Adj EPS (Rs)	22.3	32.5	7.6
% change	12.1%	45.8%	-24.5%

CASH FLOW

Y.E March (Rs cr)	FY24	FY25	Q1FY26
PBT Adj.	2,037.1	2,963.1	692.0
<i>Non-operating & non cash adj.</i>	211.5	147.2	29.4
Changes in W.C	-583.2	-1456.4	220.5
C.F. Operating	1,665.4	1,653.9	941.9
Capital expenditure	-242.1	-339.3	-161.2
Change in investment	0.0	0.0	0.0
Sale of investment	0.0	0.0	0.0
Other invest.CF	221.7	311.8	84.2
C.F - investing	-20.5	-27.5	-77.0
Issue of equity	0.0	0.0	0.0
Issue/repay debt	0.0	0.0	0.0
Dividends paid	-2,092.9	0.0	0.0
Other finance.CF	-92.4	-106.5	-30.2
C.F - Financing	-2,185.3	-106.5	-30.2
Change. in cash	-540.3	1519.9	834.7
Opening Cash	2,762.9	2,221.6	3,740.3
Closing cash	2,222.6	3,741.4	4,574.9

BALANCE SHEET

Y.E March (Rs cr)	FY24	FY25	Q1FY26
Cash	2,222.6	3,741.5	4,574.9
<i>Accounts Receivable</i>	1,797.0	2,361.2	1,498.4
Inventories	2,397.4	3,031.5	3,029.3
<i>Other Cur. Assets</i>	241.4	406.7	328.4
Investments	0.0	0.0	0.0
Deff. Tax Assets	172.0	204.0	201.8
Net Fixed Assets	1,310.5	1,319.7	1,328.2
CWIP	24.2	75.3	156.6
Intangible Assets	8.6	9.4	8.3
Other Assets	324.8	367.9	390.6
Total Assets	8,498.4	11,517.1	11,516.4
Current Liabilities	3,600.6	4,144.0	3,575.6
Provisions	240.7	279.1	301.7
Debt Funds	370.0	427.8	434.4
Other Fin. Liabilities	514.9	696.1	720.4
Deferred Tax liability	0.0	0.0	0.0
Equity Capital	113.1	678.8	678.8
Reserves & Surplus	3,659.1	5,291.4	5,805.5
Shareholder's Fund	3,772.2	5,970.2	6,484.3
Total Liabilities	8,498.4	11,517.1	11,516.4
BVPS (Rs)	55.6	88.0	95.5

RATIOS

Y.E March	FY24	FY25	Q1FY26
Profitab. & Return			
<i>EBITDA margin (%)</i>	10.42	12.76	11.44
<i>EBIT margin (%)</i>	8.7	11.2	10.0
<i>Net profit mgn.(%)</i>	7.1	9.0	8.2
<i>ROE (%)</i>	40.1	36.9	7.9
<i>ROCE (%)</i>	34.8	42.2	8.9
W.C & Liquidity			
<i>Receivables (days)</i>	28.2	31.1	19.8
<i>Inventory (days)</i>	61.6	59.8	56.2
<i>Payables (days)</i>	50.9	50.4	42.6
<i>Current ratio (x)</i>	1.7	2.2	2.4
<i>Quick ratio (x)</i>	1.1	1.5	1.7
Turnover & Levg.			
<i>Net asset T.O (x)</i>	16.2	18.5	4.7
<i>Total asset T.O (x)</i>	2.4	2.4	0.6
<i>Int. covge. ratio (x)</i>	65.3	89.1	73.6
<i>Adj. debt/equity (x)</i>	0.1	0.1	0.1
Valuation ratios			
<i>EV/Sales (x)</i>	3.6	3.2	12.4
<i>EV/EBITDA (x)</i>	34.9	25.0	108.6
<i>P/E (x)</i>	51.2	35.1	150.8
<i>P/BV (x)</i>	20.5	13.0	11.9



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