

LG Electronics India Limited

Sensex	81,927
Nifty	25,108

ISSUE DETAILS

Offer for Sale	up to 101,815,859 Equity Shares
Offer For Sale Issue Size	₹ 11,607crs
Bid/Issue opens on	7 th Oct. 2025
Bid/Issue closes on	9 th Oct. 2025
Face Value	10
Price Band	₹1,080 – 1,140
Lot Size	13 Shares and multiples thereof
Post Issue Implied Market Cap	₹ 77,380crs
Shareholding (No. of Shares)	Pre-Offer and Post-Offer Issue 678,772,392

Book Running Lead Managers	Axis Capital, Citigroup Global Markets India, Morgan Stanley India, J.P. Morgan India, BofA Securities India
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Registrar to issue KFin Technologies Ltd

Listing: BSE & NSE

Indicative Activity

Finalization of Basis of Allotment	10 th Oct. 25
Refunds/Unblocking ASBA Fund	13 th Oct. 25
Credit of equity shares to DP A/c	13 th Oct. 25
Trading commences	14 th Oct. 25

Shareholding	Pre-issue	Post-issue
Promoters	100%	85.0%
Others	0.0%	15.0%
Total	100.00%	100.00%

Issue Highlights

- The Company was incorporated on January 20, 1997, as a wholly owned subsidiary of LG Electronics Inc., the leading single-brand global home appliances player in terms of market share by revenue in CY2024, and a strong LG brand.
- **Reputed Parentage of LG Electronics:** LG Electronics India Ltd (LGEIL) benefits from the strong backing of LG Electronics Inc., the world's leading single-brand home appliances player by revenue. The company leverages the globally trusted "LG" brand and deep consumer loyalty to sustain its market leadership. Recognized by Trust Research Advisory as the "Most Trusted Brand" across key categories from 2020–2023, and the "Most Attractive Brand" by *The Economic Times Brand Equity* (2020), LGEIL enjoys exceptional brand equity. As part of the LG global ecosystem, the company has access to advanced product innovation, global manufacturing best practices, and automation expertise, enabling faster new product rollouts. LGEIL maintains a strong digital presence with over six million social media followers as of June 30, 2025, and pays a royalty of 1.8–1.9% of sales to its parent for brand usage and technical know-how.
- **Premiumization and Product Innovation:** The company's focus on high-margin, technologically advanced products — such as OLED and 4K televisions, inverter air conditioners, and smart home appliances has strengthened its competitive edge. Supported by LG Electronics' global R&D and innovation ecosystem, LGEIL is able to introduce new products quickly, customize global innovations for Indian consumers, and sustain its first-mover advantage in several categories.
- **Expansion Through the New Andhra Pradesh Facility:** LGEIL's planned ₹50.01bn investment in a new manufacturing facility at Sri City, Andhra Pradesh (expected operational by FY27) will enhance capacity, improve localization, and reduce dependency on imports. The plant will initially produce air conditioners and compressors, followed by refrigerators and washing machines, positioning the company for the next phase of scalable growth.
- **Extensive Distribution and After-Sales Network:** The company operates one of the largest distribution and service networks in India, with over 35,000 B2C touchpoints, 463 B2B partners, and 1,006 service centers supported by 13,000+ engineers. This pan-India presence enables deep market penetration, superior customer service, and sustained brand loyalty.
- **Outlook and Valuation:** LG Electronics India Ltd (LGEIL) is well-positioned to sustain its market leadership, supported by a strong brand, diversified product portfolio, and access to global innovation from LG Electronics Inc. The company has delivered strong financial growth with revenue CAGR of 11% and PAT CAGR of 28% (FY23–FY25), driven by premiumization, cost efficiency, and localized manufacturing. EBITDA margins improved from 9.6% to 12.8%, while RoE (45.2%) and RoCE (49.9%) remain the best among in the industry. At the upper price band, the issue is valued at a P/E of 35x FY25 earnings, implying a market cap of ₹77,380crs. Despite superior profitability and scale, LGEIL trades at a discount to peers like Havells, Blue Star, and Whirlpool. **We recommend "SUBSCRIBE" for long-term investors given its strong fundamentals, leadership, and attractive valuation.**

Particulars	FY23	FY24	FY25	Q1FY26
Revenue from operations (₹ mn)	1,98,682	2,13,520	2,43,666	62,629
Growth %	17.11%	7.47 %	14.12 %	
EBITDA (₹ mn)	18,951	22,249	31,101	7,163
EBITDA Margin %	9.54%	10.42%	12.76 %	11.44%
Net Profit (₹ mn)	13,480	15,111	22,033	5,133
EPS	20	22	32	8
PE	57	51	35	
Net Profit Margin	6.78%	7.08%	9.04%	8.20%
Return on Capital Employed	34.38%	45.31%	42.91 %	
Return on Net Worth	31.13%	40.45%	37.13%	

Source: RHP

Company Background

Promoter and Global Presence

LG Electronics India Limited (LGEIL), incorporated in 1997, is a wholly owned subsidiary of LG Electronics Inc., South Korea, the Promoter, holds 100% of the company's equity share capital. The parent company, LG Electronics, headquartered in Seoul, is a global leader in consumer electronics, home appliances, and business solutions with operations in over 120 countries. It was recognized among Interbrand's Top 100 Best Global Brands of 2024 and ranked as the world's leading single-brand home appliances player by revenue in CY2024. In March 2000, the name was changed to "LG Electronics India Limited" on becoming a deemed public company. In February 2002, the Company's status was converted to a private limited company, and the name was changed to "LG Electronics India Private Limited". Later, in November 2024, the name was changed to "LG Electronics India Limited" upon conversion to a public limited company. LG's global strength in research, innovation, and technology enables LGEIL to offer products built on reliability, design excellence, and energy efficiency.

LG Electronics is a global pioneer in innovative technology and a leading manufacturer of high-technology components for industrial consumers. As of March 31, 2025, LG Electronics employed over 75,000 people across 141 locations worldwide, with its headquarters and regional offices spanning North America, Latin America, Europe, Asia, the Middle East, and Africa.

The company operates 33 production facilities across 14 countries, including 19 facilities in Asia (comprising five in Korea and two in India), seven in North America, three in the Middle East and Africa, three in Europe and the Commonwealth of Independent States, and one in South and Central America. It also runs five dedicated AI research labs, strengthening its leadership in innovation and advanced technology development.

Corporate Structure



Source: RHP

Directors & Key Managerial Personnel

Hong Ju Jeon – Managing Director: Associated with LGEIL since December 2022. Holds an MBA (Global Management) from Thunderbird School of Global Management, USA. With the LG Group since 1994, he oversees sales strategy, operations, and dealer network expansion.

Dongmyung Seo – Whole-time Director & CFO: Associated since December 2021. Holds an MBA from Seoul School of Integrated Sciences & Technologies, Korea. With the LG Group since 1994, he manages all financial and accounting operations.

Daehyun Song – Chairman & Non-executive Director: Associated since November 2024. Holds a B.Sc. in Mechanical Design from Pusan National University, Korea. With the LG Group since 1983, he leads the board and ensures governance and stakeholder alignment.

Promila Bhardwaj – Independent Director: Joined in November 2024. Former Directorate General of Income Tax (Systems), IRS (1979 batch). Holds multiple degrees in English, Social Sciences, and Public Administration from Panjab University and IIPA, New Delhi.

Ramesh Ramachandran Nair – Independent Director: Joined in November 2024. Holds a B.Tech (Electrical Engineering) from Kurukshetra University and a PG Diploma in Financial

Management from IGNOU. Previously worked with Avaada Electro, Mundra Solar PV, BALCO, and Jindal Stainless.

Santosh Kumar Mohanty – Independent Director: Joined in November 2024. Holds degrees in Political Science, Law, and Securities Law, and a Master's in International Studies from JNU, Delhi. Formerly associated with SEBI, Forward Markets Commission, and the Income Tax Department.

LG Electronics India Limited

In India, LG Electronics India has established itself as the number one player in major home appliances and consumer electronics (excluding mobile phones) across the offline channel for the six months ended June 30, 2025, as well as in CY2024, CY2023, and CY2022, based on market share (in value terms), according to the Redseer Report. The company holds leadership positions across key categories such as washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves. The offline channel represented 78% of the market in CY2024 and 77% in H1 2025.

As of CY2024 and H1 2025, nearly eight out of ten air conditioners sold in India were inverter-based, a segment led by LG. The company offers one of the widest product portfolios among leading players, catering to both B2C and B2B consumers in India and abroad. Along with product sales, it provides installation, repair, and maintenance services and operates through two primary business segments, ensuring a comprehensive presence across the consumer value chain.

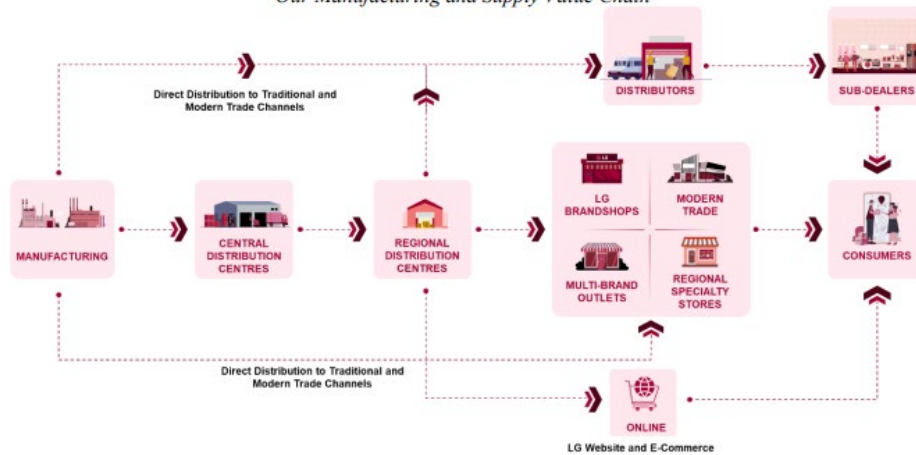


Source: RHP

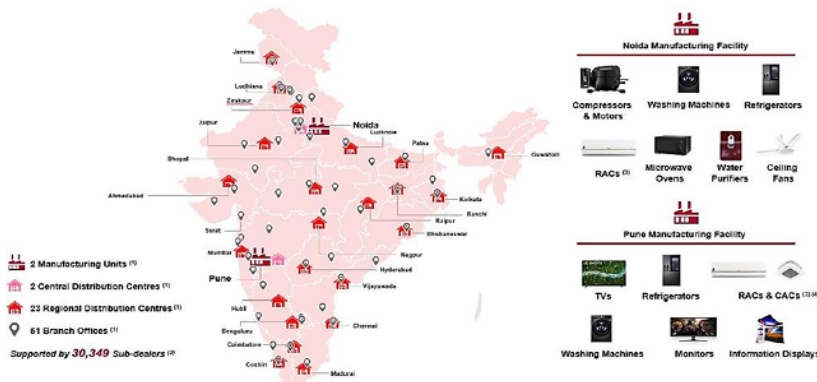
Technological Leadership: Over nearly three decades in India, LG Electronics India has developed strong consumer insights and adapted global innovations to local preferences. The company has consistently led technology adoption, being among the first to launch inverter air conditioners in 2014 and the only player to fully transition to inverter technology by 2017. By CY2024 and H1 2025, about 80% of air conditioners sold in India were inverter-based. In 2013, it also became the first to introduce stainless steel tanks in water purifiers, replacing plastic tanks.

Pan-India Distribution and Service Network: LGEIL operates the largest distribution network among leading home appliances and consumer electronics players in India, encompassing 35,640 B2C touchpoints across both urban and rural areas. The company serves consumers through a dedicated team of 286 employees and 463 B2B trade partners, nearly half of whom have been distributing its products for over 10 years, reflecting strong and long-standing distributor relationships. LGEIL also maintains the largest after-sales service network in India, offering installation and repair/maintenance services through 1,006 service centres, supported by 13,368 engineers and four call centres.

Our Manufacturing and Supply Value Chain



Manufacturing and Pan-India Distribution Presence as of June 30, 2025



Source: RHP

Production Footprint in India

Existing Manufacturing Facilities: LG Electronics India had one of the largest in-house production capacities among leading home appliances and consumer electronics players in India (excluding mobile phones), with two advanced manufacturing units located in Noida and Pune. Together, these units had an installed capacity of 14.51 million products in FY2025. The facilities also produce key components such as compressors and motors, ensuring control over product quality, costs, and supply timelines. Equipped with flexible, automated assembly lines and smart monitoring systems, the plants achieved an aggregate capacity utilization rate of 76.8% in FY2025.

Upcoming Andhra Pradesh Facility: To expand capacity, the company is establishing a third manufacturing unit in Andhra Pradesh with an investment of ₹50.01 bn. Land has been secured under a 99-year lease at Sri City, with agreements in place for factory design, construction, and project management. The government of Andhra Pradesh has granted administrative sanction along with fiscal incentives, subject to conditions. The new facility is expected to be operational by FY2027, initially producing air conditioners and compressors, with future expansion into washing machines and refrigerators.

	2023			2024			2025		
MANUFACTURING UNITS	Installed capacity	Production volume	Capacity utilization	Installed capacity	Production volume	Capacity utilization	Installed capacity	Production volume	Capacity utilization
Noida	7,400,000	5,343,696	72%	7,400,000	5,466,598	74%	7,600,000	6,120,208	81%
Pune	6,250,000	4,242,212	68%	6,590,000	4,474,809	68%	6,910,000	5,022,841	73%
Total	13,650,000	9,585,908	70%	13,990,000	9,941,407	71%	14,510,000	11,143,049	77%

Source: RHP

PRODUCT PORTFOLIO

LGEIL operates through two primary segments: Home Appliances & Air Solution and Home Entertainment. The company's manufacturing facilities in Noida and Pune produce a wide range of products, including televisions, monitors, refrigerators, washing machines, air conditioners, microwave ovens, water purifiers, compressors, and ceiling fans. Entry-level models such as refrigerators, washing machines, window air conditioners, and small-sized televisions are manufactured by third-party suppliers in India under LGEIL's design and quality standards, while products like audio systems, vacuum cleaners, dishwashers, and air purifiers are imported from other LG Group entities.

Under the Home Appliances & Air Solution segment, LGEIL offers a comprehensive range of home and air solutions including refrigerators, washing machines, air conditioners, dishwashers, microwave ovens, water purifiers, air purifiers, and compressors supported by installation and after-sales services.

Since launching its first single-door refrigerator in 1997, the company has expanded its portfolio to include French door, side-by-side, double-door, and single-door models across multiple capacities and configurations. These products integrate advanced features such as Door Cooling+ for even temperature distribution, Convertible technology for flexible storage, and Hygiene Fresh+ for enhanced freshness and odor control. LGEIL's refrigerators are BIS, BEE, and WPC certified and are exported to markets across the Middle East, Asia, Africa, and South America.

Demonstrated Track Record of Introducing Several 'Industry-Firsts' Amongst Leading Home Appliances and Consumer Electronics Players in India



Source: RHP

Washing Machines and Dryers: The company introduced its first top-load washing machine in 1997 and has since diversified its portfolio to include advanced models such as the WashTower (an integrated washer-dryer unit), standalone dryers, washer-dryers, front-load, top-load, and semi-automatic machines. Its washing machines feature innovative technologies like 6 Motion Direct Drive for hand-wash-like cleaning, AI Direct Drive for intelligent fabric-based washing optimization, LG ThinQ for smart home connectivity, Steam and Wrinkle Care technologies for hygiene and fabric care, Turbo Wash for faster cleaning, and durable toughened glass exteriors. All products are BEE, BIS, and WPC certified, and the company exports its washing machines and dryers from India to markets across the Middle East and Africa.



Source: RHP

Air Conditioners: The company entered the air conditioning segment in 1998 and now manufactures a wide range of residential and commercial air conditioners, along with air purifiers. Its residential portfolio includes split and window ACs, each available in multiple variants and designs, while its commercial offerings include multi-V cassette, ductable, multi-l home systems, and chillers used in large-scale projects such as residential complexes, hotels, offices, and malls. The company emphasizes energy efficiency and sustainability, equipping its air conditioners with features like AI Convertible for adaptive cooling, ThinQ Wi-Fi platform for remote control, Plasmaster Ionizer for air purification, and an energy manager for power monitoring. Having transitioned to inverter technology in 2016, its ACs are BEE, BIS, and WPC certified, with exports primarily to Sri Lanka and Nepal.

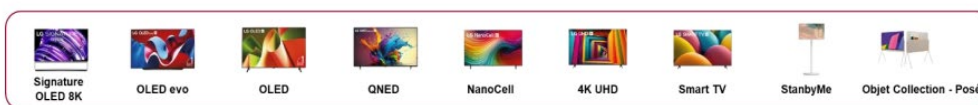


Source: RHP

Home Entertainment: The company entered the television segment in 1997 and now manufactures a wide range of media displays and audiovisual products, including televisions, monitors, interactive displays, and information systems, along with imported products such as soundbars, projectors, audio systems, wireless speakers, and earbuds for the Indian market. Its television portfolio spans from compact to large screens, featuring advanced display technologies like OLED, QNED, NanoCell, UHD, and LED. To enhance consumer experience, the company has also introduced innovative formats such as rollable, wallpaper, and gallery televisions, as well as lifestyle models with mobile integration and touch functionality for customizable viewing. All televisions are BEE, BIS, and WPC certified.

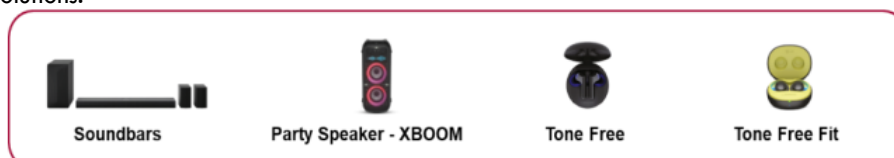


Televisions



Source: RHP

Other Products: The Home Entertainment division also includes a diverse portfolio of home audio products such as soundbars, wireless and party speakers, and wireless earbuds. Additionally, LGEIL caters to B2B consumers through its range of information technology systems and display solutions. These include monitors used in hospitals, hotels, museums, airports, and gaming, as well as commercial televisions, monitor signage, interactive display boards, and LED screens. These products serve applications across sectors such as education, banking, hospitality, government, and retail, offering both functional and interactive display solutions.



Source: RHP

Components: The company manufactures several key components in-house at its Noida and Pune facilities, including motors and compressors for refrigerators and air conditioners, heat exchangers, printed circuit board assemblies, and extruder sheets. These components are primarily used for internal production, though compressors are also sold to third parties. Designed for reliability, the company's compressors deliver stable performance across varying voltages, enhanced energy efficiency, and low noise levels.

Particulars	2023	2024	2025
LG centers	55	56	58
Exclusive service centers	872	885	953
Total service touch points	927	941	1011
Spare warehouses	10	10	10
Engineers deployed at LGCs and ESC	11,195	12,081	13,571

Source: RHP

Service and Consumer Support

The company has a pan-India service network providing installation, repair, and maintenance services through (i) company-operated LG Centres (LGCs) and (ii) third-party operated Exclusive Service Centres (ESCs). It also manages warehouses that supply spare parts and materials to these centres, with some LGCs doubling as spare warehouses. As of June 30, 2025, the service network spanned 633 cities across India. Engineers at LGCs are deployed via third-party agencies, while those at ESCs are directly employed by the centre operators.

Warranties: The company typically provides a standard warranty on its products that usually covers repair or replacement of defective parts or return of amounts paid for such items.

Warranty	Coverage
Standard warranties (for B2C consumers)	Standard warranties cover repairs or replacements for 1–2 years, while extended warranties—often offered as promotions—provide limited coverage on select parts like compressors or motors for up to 10 years.
Standard warranties (for B2B consumers)	Standard B2B warranties span 1–3 years based on product and client, covering repairs or replacements, while extended warranties offer limited coverage on select products.
Annual maintenance contracts (AMCs)	AMCs are optional 1–4 years warranties available to both B2B and B2C consumers, offered across all products for B2C and specifically for HVAC products in B2B.

Source: RHP

Distribution Channels: The company distributes its products through multiple B2C channels, including LG Brand Shops operated by third parties under a franchise model, modern trade partnerships with large retailers such as Reliance Retail, Croma, and Vijay Sales, and an online business comprising its own direct-to-consumer website and leading e-commerce marketplaces. Additionally, it serves mass-market consumers through traditional distribution channels that are more prominent in smaller towns and rural areas across India

B2C touch points by distribution channel for domestic sales

Particulars	2023	2024	2025
LG Brand Shops	814	780	800
Modern Trade	1034	1224	1369
Online business	3	3	3
Traditional channels			
Distributors & Sub-dealers	30563	31275	31259
Distributors	429	417	412
Sub-dealers	30134	30858	30847
Multi-brand outlets	1341	1272	1221
Regional Speciality stores	1119	1279	1578
Total	34874	35833	36230

B2B touch points by distribution channel for domestic sales

Particulars	2023	2024	2025
Total B2B Partners	519	516	576

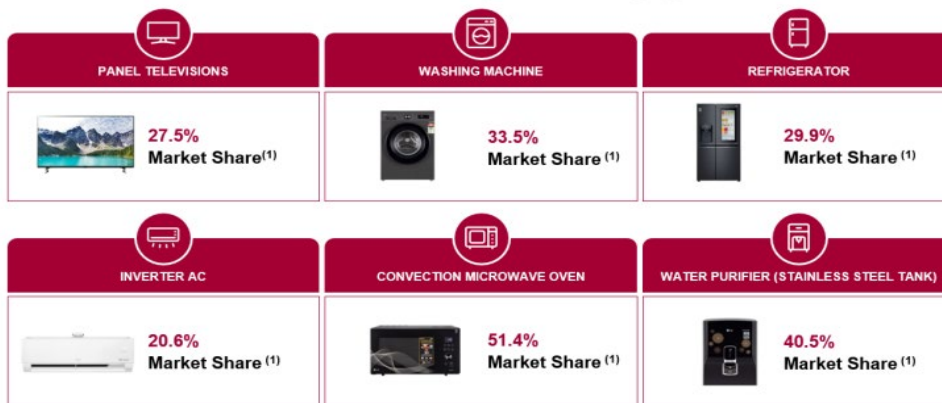
Source: RHP

Competitive Strengths and Core Strategies for Sustained Leadership

Leading market share in the home appliances and consumer electronics industry in India with #1 market share across key product categories

LGEIL has consistently been the number one player in India's home appliances and consumer electronics industry for the six months ended June 30, 2025, CY24, CY23, and CY22, based on offline channel value market share. The company leads across multiple categories, including washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves, and offers a broader product range than most competitors. It focuses on consumer-centric innovations, catering to both volume-market buyers who prioritize affordability, durability, and quality, and premium consumers who seek advanced features, aesthetics, and luxury.

Our Market Share by Product Category



B2C Product Range across price points



Source: RHP

Introducing innovative technologies tailored to the needs of the Indian consumers:

With a 28-year presence in India, the company has leveraged LG Electronics' global leadership and innovation capabilities to develop products tailored to Indian consumers. It has consistently pioneered industry-first technologies, introducing 4K and Smart televisions in 2011 and becoming the first to launch OLED TVs in 2015, establishing leadership across these categories. Today, over 80% of televisions sold in India feature 4K quality, and over 90% are Smart TVs, reflecting the company's role in driving technology adoption. LGEIL also introduced microwaves in 1999 and became the first brand to transition entirely to inverter air conditioners in 2017, underscoring its strong track record of innovation and market leadership in India's home appliances and consumer electronics industry.

Shaping consumer experience with pan-India distribution and after-sales service network:

As of June 30, 2025, the company operates India's largest distribution network among home appliances and consumer electronics players, with 35,640 B2C touch points spanning LG BrandShops, modern trade, online channels, traditional stores, and distributors. Its network includes 97 sales offices and long-standing trade partnerships, with nearly half of partners distributing products for over 10 years. The company also has one of the largest after-sales service networks in India, comprising 1,006 service centers supported by 13,368 engineers and four call centers, enabling timely installations, repairs, and maintenance. Additionally, it exports products to 47 countries across Asia, Africa, and Europe, extending its reach beyond India.

Operational efficiency through strong manufacturing capabilities and localized supply chain:

The company operates two major manufacturing units in Noida and Pune, accounts for ~85% of sales, producing a wide range of products and key components in-house, which enhances quality control, efficiency, and flexibility. The units employ advanced automation technologies such as smart monitoring systems, robotic systems, auto-guided vehicles, and automated material handling to optimize production, improve capacity utilization (e.g., ACs and washing machines up to 82.7%), and increase productivity. The company maintains a strong supplier network of 287 partners, with a focus on local sourcing (rising from ~50% in FY23 to ~54% in Q1FY26) and high-quality standards, enabling cost efficiency and competitive pricing. Its supply chain includes two central distribution centers and 23 regional centers across India, supported by Warehouse and Transport Management Systems for real-time tracking and optimized logistics.

Capital-efficient business with high growth and profitability:

The company has demonstrated strong profitability and returns compared to peers, driven by an efficient business model. In FY2024, it achieved a ROCE of 45.31% versus the industry average of 17%, a net working capital cycle of 16 days versus 26 days, and a free cash flow conversion ratio of 59.5% compared to 55.6%. Its EBITDA margin of 10.42% and net profit margin of 7.01% also exceeded industry averages of ~7% and 4.5%, respectively.

Build a strong foundation to capture long-term growth in India:

With rising middle-class income, urbanization, and demand for premium, tech-enabled appliances, India's home appliances and consumer electronics market is expected to grow from ₹6,875bn (H1CY2025 annualized) to ₹10,965bn by CY2029. The company plans to expand capacity through a new ₹50.01bn manufacturing unit in Andhra Pradesh (operational by FY2027) initially producing ACs and compressors, later adding washing machines and refrigerators. It also aims to enhance existing plants with automation, optimize supply chains with more local sourcing, and strengthen distribution by expanding B2C/B2B touchpoints, LG BrandShops, and online presence to improve reach, margins, and consumer experience.

Continue to be a brand of choice for every Indian household across volume and premium market categories:

The company aims for every Indian household to own an LG product by offering durable, reliable, and region-specific appliances across all price points. It leverages consumer insights and scale to expand into new categories, provide affordable volume-market options, and introduce premium products with advanced features, AI integration, and smart-home connectivity. The strategy focuses on enhancing brand loyalty through superior product experience, services, and targeted marketing, while enabling consumers to upgrade to feature-rich models and meet evolving needs and preferences.

Diversify business model to create new consumer value:

The company plans to expand its B2B business and introduce new revenue streams by leveraging LG Group's global technology to serve high-value industries, including hospitality, healthcare, and education. Its B2B portfolio will cover HVAC, commercial displays, washing machines, LED screens, and electronic blackboards, focusing on energy efficiency, integration, and performance. The company also aims to grow its AMC and subscription services, such as the "Careship" program, to provide long-term appliance maintenance, enhance service quality, and drive consumer satisfaction and sales. The B2B and AMC markets in India are projected to grow at a ~14% CAGR through CY29.

Reputed Parentage of LG Electronics:

LG Electronics India Ltd (LGEIL) benefits from the strong backing of LG Electronics Inc., the world's leading single-brand home appliances player by revenue. The company leverages the globally trusted "LG" brand and deep consumer loyalty to sustain its market leadership. Recognized by Trust Research Advisory as the "Most Trusted Brand" across key categories from 2020–2023, and the "Most Attractive Brand" by The Economic Times Brand Equity (2020), LGEIL enjoys exceptional brand equity. As part of the LG global ecosystem, the company has access to advanced product innovation, global manufacturing best practices, and automation expertise, enabling faster new product rollouts. LGEIL maintains a strong digital presence with over six million social media followers as of June 30, 2025, and pays a royalty of 1.8–1.9% of sales to its parent for brand usage and technical know-how.

LGEIL entered into a revised License Agreement dated July 27, 2017, along with subsequent addendums dated March 9, 2018, June 17, 2021, June 20, 2023, September 28, 2023, and November 18, 2024, with LG Electronics Inc. The agreement grants LGEIL the right to use (i) the licensed "LG" brand, (ii) patented technologies, and (iii) technical know-how and intellectual property rights related to the Authorized Products, as defined in the License Agreement.

Details of the royalty and dividend paid to LG Electronics Inc., South Korea, for the periods/years indicated:

Particulars (₹ mn)	Q1FY25	Q1FY26	FY2023	FY2024	FY2025
Royalty	1,215	1,175	3,232	4,032	4,546
% of sales	1.90%	1.88%	1.63%	1.89%	1.87%
Dividend	-	-	24,888	20,929	-
% of sales			12.57%	9.84%	

Under the current terms, effective January 1, 2023, LGEIL pays a royalty of 2.30% of net sales for all Authorized Products excluding LCD televisions and monitors, and 2.40% of net sales for LCD televisions and monitors. The increase in royalty payments between Fiscal 2023 and Fiscal 2025 was primarily driven by higher product sales volumes.

LGEIL has also entered into a Framework Agreement dated November 25, 2024, read with an addendum dated January 31, 2025, outlining the principal terms governing the provision and receipt of services and deliverables between the company, its Promoter (LG Electronics Inc.), and other LG Group entities. Termination of either the License Agreement or the Framework Agreement by LG Electronics would materially affect LGEIL's ability to manufacture and sell products, thereby impacting its business operations and financial performance.

The company does not license any intellectual property to LG Group companies and, therefore, does not earn any revenue from such arrangements. LGEIL also periodically pays dividends to its shareholder, LG Electronics Inc.

As of the date of the Red Herring Prospectus, LGEIL has filed 74 trademark applications (6 registered, 45 abandoned, 6 removed, and 18 expired), 500 patent applications (445 published, 159 granted/registered, and 55 pending publication), and 2 international patent applications (both published). Additionally, it has filed 89 design applications, of which 88 have been registered and 1 has been abandoned.

Strong Financial Performance:

LG Electronics India Ltd (LGEIL) has demonstrated a strong financial track record, reflecting its strong brand equity, diversified product portfolio, and operational excellence. The company's revenue increased at an 11% CAGR from ₹198,646mn in FY23 to ₹243,666mn in FY25, driven by sustained demand across key categories such as air conditioners, washing machines, and televisions, coupled with an increasing consumer shift toward premium and energy-efficient products.

Profitability has strengthened significantly, with EBITDA and PAT both expanding at a 28% CAGR over FY23-25. EBITDA margins improved from 9.6% in FY23 to 12.8% in FY25, supported by a richer product mix, localized manufacturing, and cost optimization measures. The company's focus on premiumization and operational efficiencies has translated into consistent improvement in earnings quality. The company remains debt-light with strong cash flows and continues to maintain regular dividend payouts to its parent, LG Electronics Inc., reflecting its sound financial.

Product Wise Revenue Split

LGEIL's total revenue grew at an 11% CAGR from ₹198,646mn in FY23 to ₹243,666mn in FY25, supported by healthy performance across both business divisions. The Home Appliance and Air Solution (HAAS) division remained the key driver, contributing about 75% of total revenue and growing at a 10% CAGR, led by strong growth in air conditioners (15% CAGR) and washing machines (9% CAGR). Refrigerators grew steadily at 7% CAGR, while other appliances rose 11% CAGR. The Home Entertainment (HE) division contributed around 25% of revenue, growing at a 12% CAGR, primarily driven by televisions (12%) and other entertainment products (14%). In Q1FY26, revenue stood at ₹62,629mn versus ₹64,088mn in Q1FY25, reflecting a marginal decline of 2.3% YoY on a high base, though the product mix remained stable.

Particulars (₹ mn)	Q1FY26		Q1FY25		FY23		FY24		FY25	
Home Appliance and Air Solution division	49,082	78.37%	50,609	78.97%	1,50,307	75.67%	1,56,797	73.43%	1,82,679	74.97%
Refrigerators	21,667	34.59%	21,607	33.71%	58,056	29.23%	57,845	27.09%	66,965	27.48%
Washing machines	11,576	18.48%	11,769	18.36%	42,208	21.25%	44,919	21.04%	50,417	20.69%
Air conditioners	12,774	20.40%	14,148	22.08%	39,906	20.09%	42,902	20.09%	52,708	21.63%
Others	3,066	4.90%	3,086	4.82%	10,137	5.10%	11,132	5.21%	12,589	5.17%
Home Entertainment division	13,547	21.63%	13,479	21.03%	48,339	24.33%	56,723	26.57%	60,988	25.03%
Televisions	10,466	16.71%	10,456	16.31%	39,320	19.79%	45,583	21.35%	49,248	20.21%
Others	3,081	4.92%	3,023	4.72%	9,019	4.54%	11,139	5.22%	11,740	4.82%
Total revenue from continuing operations	62,629	100.00%	64,088	100.00%	1,98,646	100.00%	2,13,520	100.00%	2,43,666	100.00%

Source: RHP

Particular (₹ mn)	2023			2024			2025		
	Service income	Installation and Commissioning	Total – Rendering of Services	Service income	Installation and Commissioning	Total – Rendering of Services	Service income	Installation and Commissioning	Total – Rendering of Services
Home Appliance and Air Solution	1868	2046	3914	2290	2515	4806	2655	2910	5565
Refrigerators	511	159	669	669	213	882	720	378	1098
Washing machines	703	225	928	877	240	1117	1120	324	1445
Air conditioners	485	874	1359	543	1091	1633	631	1042	1673
Others	168	789	957	202	971	1173	183	1166	1349
Home Entertainment	579	353	932	575	389	964	563	531	1094
Televisions	559	336	895	567	355	923	538	496	1034
Others	20	17	37	7	33	41	25	35	60
Total	2446	2400	4846	2865	2904	5769	3218	3441	6659

Source: RHP

Particulars	FY23	FY24	FY25	Q1FY26
Revenue from operations (₹ mn)	1,98,682	2,13,520	2,43,666	62,629
Growth %	17.11%	7.47 %	14.12 %	
EBITDA (₹ mn)	18,951	22,249	31,101	7,163
EBITDA Margin %	9.54%	10.42%	12.76 %	11.44%
Net Profit (₹ mn)	13,480	15,111	22,033	5,133
EPS	20	22	32	8
PE	57	51	35	
Net Profit Margin	6.78%	7.08%	9.04%	8.20%
Return on Capital Employed	34.38%	45.31%	42.91 %	
Return on Net Worth	31.13%	40.45%	37.13%	

Source: RHP

Peer comparison

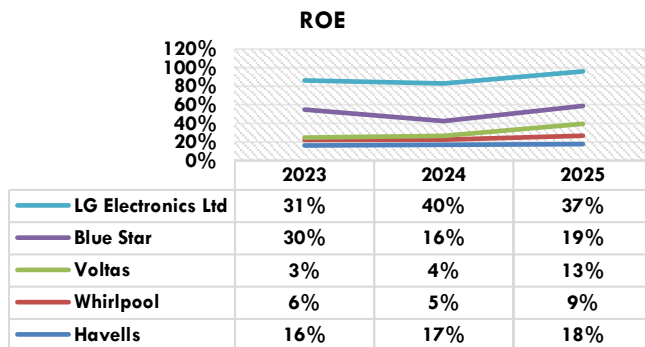
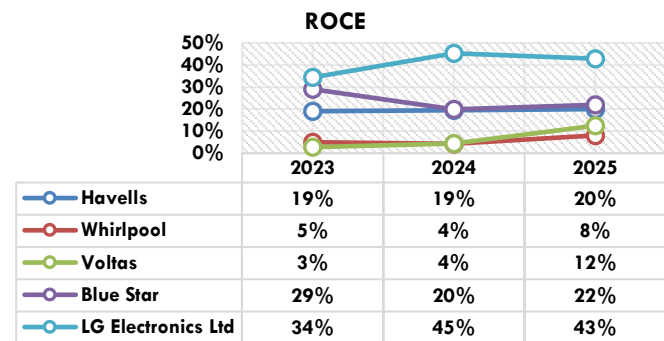
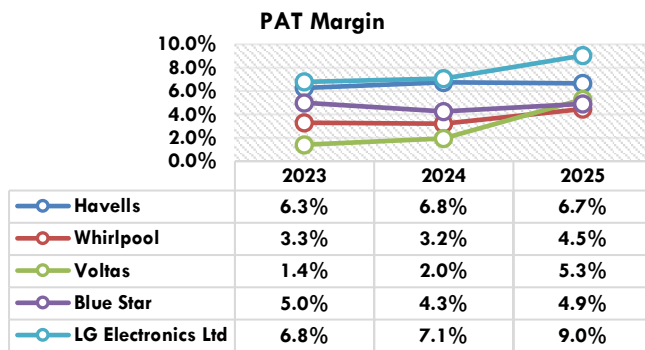
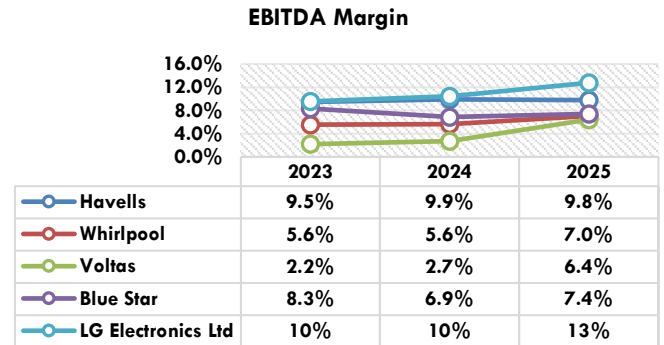
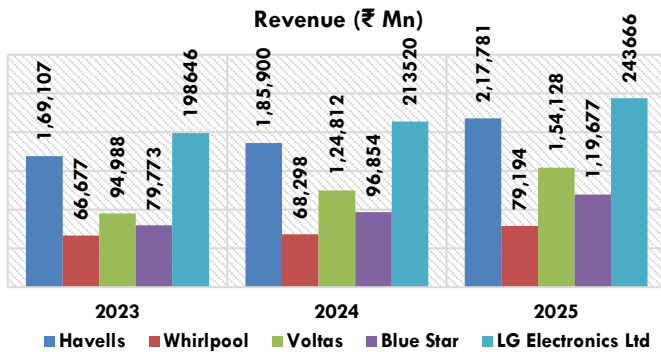
Metrics / Company	LG Electronics India Ltd (FY25)	Samsung India Electronics Pvt. Ltd (FY25)	Havells India Ltd (FY2025)	Godrej & Boyce Mfg. Co. Ltd (FY25)	Voltas Ltd (FY25)	Blue Star Ltd (FY25)	Sony India Pvt. Ltd (FY25)	Whirlpool of India Ltd (FY25)	Haier Appliances (India) Pvt. Ltd (CY24)	Philips India Ltd (FY25)
Revenue from Operations (₹ mn)	243666	NA	217781	NA	154128	119677	NA	79194	NA	NA
Revenue Growth YoY (%)	14.12%	NA	17.15%	NA	23.49%	23.56%	NA	15.95%	NA	NA
Gross Margin (₹ mn)	77866	NA	71697	NA	34524	28933	NA	26946	NA	NA
Gross Margin (%)	31.96%	NA	32.92%	NA	22.40%	24.18%	NA	34.02%	NA	NA
EBITDA (₹ mn)	31101	NA	21309	NA	9902	8871	NA	5573	NA	NA
EBITDA (%)	12.76%	NA	9.78%	NA	6.42%	7.41%	NA	7.04%	NA	NA
PAT (₹ mn)	22033	NA	14702	NA	8343	5913	NA	3628	NA	NA
PAT (%)	8.95%	NA	6.66%	NA	5.30%	4.91%	NA	4.47%	NA	NA
EBIT / Operating Profit (₹ mn)	27298	NA	17305	NA	9284	7587	NA	3442	NA	NA
Capital Employed (₹ mn)	63616	NA	86595	NA	74323	34486	NA	34148	NA	NA
Shareholders' Equity (₹ mn)	59337	NA	83410	NA	65403	30676	NA	39904	NA	NA
ROCE (%)	42.91%	NA	19.98%	NA	12.49%	22.00%	NA	10.65%	NA	NA
RONW (%)	37.13%	NA	17.63%	NA	12.76%	19.27%	NA	9.90%	NA	NA
Working Capital Days	21.09	NA	41.76	NA	15.16	9.62	NA	1.48	NA	NA
FCF Conversion Ratio (%)	39.01	NA	30.48	NA	-43.39	27.13	NA	59.55	NA	NA

Source: RHP

Metrics	LG Electronics India Ltd (FY2024)	Samsung India Electronics Pvt. Ltd (FY2024)	Havells India Ltd (FY2024)	Godrej & Boyce Mfg. Co. Ltd (FY2024)	Voltas Ltd (FY2024)	Blue Star Ltd (FY2024)	Sony India Pvt. Ltd (FY2024)	Whirlpool of India Ltd (FY2024)	Haier Appliances (India) Pvt. Ltd (CY2023)	Philips India Ltd (FY2024)
Revenue from Operations (₹ mn)	213520	995416	185900	163786	124812	96853	76637	82897	63054	60004
Revenue Growth YoY (%)	7.47	0	10.39	10.69	24.31	23.56	0	2.43	12.15	4.65
Gross Margin (₹ mn)	641218.2	246387.6	60213.3	78832.4	34617.7	28933.1	12788.9	26946.2	30332.9	35897.4
Gross Margin (%)	30.08	24.75	32.4	48.13	27.73	29.88	16.69	32.53	30.33	59.83
EBITDA (₹ mn)	22248.73	81397.8	18706.1	15478.3	6137.1	6871	6431.9	5663.8	3571.7	4476
EBITDA (%)	10.42	8.18	10.06	9.45	4.91	7.09	8.39	6.83	5.67	7.46
PAT (₹ mn)	15110.68	61807.8	12707.6	9408.5	3483.7	5912.8	2160.7	3214.5	2447	4250
PAT (%)	7.01	7.81	6.83	5.75	2.79	6.11	2.82	3.88	3.88	7.08
EBIT / Operating Profit (₹ mn)	18605.04	78997.8	15874.5	10904.6	5202	5430.7	3277.3	3371.6	1855.4	4150
Capital Employed (₹ mn)	41405.77	31867.88	77499.4	72991.2	65978.4	48555.6	8828.81	40744.4	24917.1	18309
Shareholders' Equity (₹ mn)	37355.31	311908.3	74467	68542.1	62598.4	46134.5	7719.18	38434.8	24791.7	14986
ROCE (%)	45.31	25.5	19.42	4.37	19.89	19.89	32.4	18	16.7	16.12
RONW (%)	40.45	24.3	17.94	3.9	20.3	19.8	27.6	17.7	16	15.73
Working Cap Days	15.95	12.05	46.89	57.2	13.9	9.51	10.03	9.62	49.32	19.28
FCF Conversion Ratio (%)	59.49	77.45	59.83	35.15	123.95	-19.16	13.34	95.18	113.64	29.28

Source: RHP

- **Revenue:** LG Electronics leads the industry with the highest revenue base (₹243,666 mn in FY25), outpacing Havells, Voltas, Blue Star, and Whirlpool.
- **EBITDA Margin:** LG Electronics shows superior profitability, improving from **10% in FY23 to 13% in FY25**, the highest among peers, reflecting strong operating leverage and premium product mix.
- **PAT Margin:** LG delivers the best bottom-line performance with margins rising from **6.8% to 9.0%**, significantly ahead of Havells (6.7%) and Voltas (5.3%).
- **ROCE:** LG remains the most capital-efficient player with **ROCE improving from 38.9% to 45.7%**, far exceeding peers like Havells (20%), Blue Star (22%), and Voltas (12.5%).



Source: RHP

Company (FY25 Financial)	Face Value (₹)	Closing price as on 26 Sep 2025 (₹)	Revenue from Operations (₹ Mn)	EBITDA margin %	PAT margins %	EPS	NAV (₹)	P/E Ratio (x)	RONW (%)	Market Cap (₹ Mn)
LG Electronics India	10	1140	2,43,666	13%	9.0%	32.46	87.42	35.12	37.13	773801
Havells	1	1,498	2,17,781	9.8%	6.7%	23.48	133.05	63.80	17.63	938750
Voltas	1	1,364	1,54,128	6.4%	5.3%	25.43	197.66	53.64	12.76	451360
Whirlpool	10	1,188	79,194	7.0%	4.5%	24.7	314.52	48.10	9.09	150700
Blue Star	2	1,902	1,19,677	7.4%	4.9%	28.76	149.19	66.13	19.27	391100

Source: RHP

Key Risks

- **Dependence on Promoter:** Heavy reliance on LG Electronics Inc., South Korea for brand, technology, and IP under licensing agreements. Any strain in this relationship could disrupt operations and brand equity.
- **Royalty Scrutiny:** Pays royalties of 2.3–2.4% of net sales to the Promoter; subject to tax authority scrutiny. A contingent liability of ₹3,153mn exists, and adverse rulings could impact profitability.
- **Raw Material Volatility:** Exposure to global price fluctuations in steel, copper, and aluminum may pressure margins, given partial import dependence.
- **High Competition:** Faces intense competition from global and domestic brands in a price-sensitive market, potentially impacting market share and margins.
- **Project Delay Risk:** The planned ₹50.01 bn Andhra Pradesh plant (operational by FY27) faces execution and timeline risks that could affect capacity expansion.
- **Supplier Dependence:** Concentrated supplier base (top 10 suppliers contribute ~32%) exposes the company to potential supply chain disruptions

Valuation and Outlook

LG Electronics India Ltd (LGEIL) has delivered a strong financial performance, with revenue grew at an 11% CAGR and EBITDA and PAT at 28% CAGR over FY23–FY25. Growth has been driven by a premium product mix, operational efficiencies, and increased localization. The improvement in EBITDA margins from 9.6% in FY23 to 12.8% in FY25 reflects robust operating leverage and disciplined pricing.

At the upper price band, LGEIL is valued at a P/E of 35x FY25 earnings, translating to an implied market capitalization of ₹77,380crs. The valuation appears reasonable given its scale, profitability, and leadership across categories.

When compared with peers such as Havells, Blue Star, Whirlpool, and Voltas, LGEIL outperforms on most financial metrics, including growth, margins, and return ratios, reinforcing its dominant position in India's home appliances and consumer electronics market. **We recommend long-term investors to "SUBSCRIBE" to the IPO, given its strong fundamentals, superior brand positioning, and earnings visibility.**

Financials

Income Statement	FY23	FY24	FY25
Net sales	198,646	213,520	243,666
Change(yoy,%)		7	14
Operating expenses	(179,653)	(191,271)	(212,565)
EBITDA	18,993	22,249	31,101
Change(yoy,%)		17	40
Margin (%)	9.6	10.4	12.8
Depreciation	(3,004)	(3,644)	(3,804)
EBIT	15,989	18,605	27,298
Interest paid	(226)	(285)	(306)
Other income	2,440	2,051	2,640
Pre-tax profit	18,203	20,371	29,631
Tax	(4,723)	(5,260)	(7,598)
Effective tax rate (%)	25.9	25.8	25.6
Net profit	13,480	15,111	22,033
Exceptional items	-	-	-
Adjusted net profit	13,480	15,111	22,033
Change(yoy,%)		12	46
EPS	19.9	22.3	32.5
Shares o/s (mn nos)	679	679	679

Balance Sheet	FY23	FY24	FY25
Shareholders' funds	43,562	37,722	59,702
Share capital	1,131	1,131	6,788
Reserves & surplus	42,431	36,591	52,914
Total Debt	-	-	-
Other liabilities	4,360	5,395	6,485
Curr Liab & prov	41,999	41,867	48,985
Current liabilities	40,645	40,335	47,133
Provisions	1,354	1,532	1,852
Total liabilities	46,359	47,262	55,470
Total equity & liabilities	89,921	84,984	115,171
Net fixed assets	13,674	13,433	14,044
Investments	-	-	-
Other non-curr assets	4,607	4,967	5,719
Current assets	71,641	66,584	95,408
Inventories	26,410	23,974	30,315
Sundry Debtors	14,995	17,970	23,612
Cash & Liquid	27,626	22,226	37,415
Other Curr Assets	2,609	2,413	4,067
Total assets	89,921	84,984	115,171

(₹ mn)

Source: RHP

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Disclosure of Interest Statement: LG Electronics India Limited as on 7th October 2025

Name of the Security	LG Electronics India Limited
Name of the analyst	Rupali Singh
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
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