



# LG ELECTRONICS INDIA LTD

## Price Band

₹1080 to ₹1140

## Issue Opens

October 7 to October 9

### Face Value

₹10

### Issue Size

₹11,607.01 Cr.

### Lot Size

13 Shares

### Listing At

NSE, BSE

## LG Electronics India Ltd Info

### Issue Size

10,18,15,859 shares / ₹11,607.01 Cr

### Fresh Issue

N/A

### Offer for Sale

10,18,15,859 shares of ₹10 / ₹11,607.01 Cr

### Retail Quota

Not Less than 35% of the Net Issue

### Retail Min/Max

Rs.14,820 /1,92,660

## LG Electronics India Ltd Timeline

### Tentative Allotment

Fri, Oct 10, 2025

### Initiation of Refunds

Mon, Oct 13, 2025

### Credit of Shares to Demat

Mon, Oct 13, 2025

### "LG Electronics India Ltd" Listing Day

Tue, Oct 14, 2025

# Objects of The Offer



The Company proposes to utilize the Net Proceeds towards funding the following objects :

- **LG Electronics India Ltd** expects the proposed listing of its Equity Shares to enhance its visibility and brand image, as well as provide liquidity to its Shareholders and create a public market for the Equity Shares in India
- The Offer includes an Offer for Sale, aggregating up to ₹11,607.01 Cr., by the Selling Shareholders.
- LG Electronics India Ltd will not receive any proceeds from the Offer for Sale.

## About The Company and Business Overview

LG Electronics India Limited (LGEIL), incorporated in 1997, is one of India's leading home appliances and consumer electronics companies. Originally set up as a private limited company, it transitioned to a public limited company in November 2024. A wholly-owned subsidiary of LG Electronics Inc. (Korea), the company benefits from global brand strength, cutting-edge technology, and product innovation. Its registered office is in New Delhi and the corporate office is in Noida, Uttar Pradesh.

### **Business Segments**

**The company operates across two primary segments:**

- Home Appliances & Air Solution (HA&A): Contributed 78.37% of revenue (Q1 FY26). The portfolio includes refrigerators, washing machines, dishwashers, air conditioners, air purifiers, water purifiers, microwaves, vacuum cleaners, and compressors.
- Home Entertainment (HE): Accounted for 21.63% of revenue (Q1 FY26). Offerings include televisions (OLED, QNED, NanoCell, UHD, LED), monitors, projectors, and audio-visual systems.

(The Mobile Communication segment was discontinued in FY23 following the global exit from mobiles by the parent.)



## Market Position

LGEIL holds a leadership position in India's consumer durables sector. It has consistently ranked as the **#1 brand in home appliances** and consumer electronics (excluding mobiles) by offline channel market share for CY22-CY24 and H1 CY25. It is a market leader in washing machines, refrigerators, panel TVs, inverter ACs, and microwaves.

## Manufacturing Capabilities

- **Noida Unit (Uttar Pradesh):** Manufactures refrigerators, washing machines, ACs, microwaves, compressors, water purifiers, and ceiling fans.
- **Pune Unit (Maharashtra):** Produces refrigerators, washing machines, ACs (room and commercial), and televisions. Combined installed capacity was 14.51 million products in FY25, with a utilisation rate of 76.80%.
- **Upcoming Facility:** A new manufacturing unit at Andhra Pradesh (investment: ₹50.01 billion) is expected to be operational by FY27.

The company actively supports the "Make in India" initiative, **sourcing over 54% of raw materials domestically** in Q1 FY26, though key imports like TV open cells and electronic parts come from China and Korea.

## Distribution & Service Network

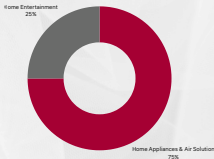
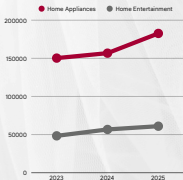
- **B2C Network:** 35,640 touchpoints nationwide (LG BrandShops, modern trade, e-commerce, distributors, and multi-brand outlets).
- **B2B Network:** 463 partners across India.
- **Logistics:** Managed through 2 Central Distribution Centres and 23 Regional Distribution Centres, largely in partnership with LX Pantos Solutions India Pvt. Ltd.
- **After-Sales Service:** One of the largest service networks with 1,006 service centres and 13,368 engineers (as of June 30, 2025).



## Relationship with Promoter

The company relies on its promoter, LG Electronics Inc., for product innovation, patents, and brand strength. Under a license agreement, LGEIL pays royalties of 2.30% of net sales (most products) and 2.40% (LCD TVs & monitors). In Q1 FY26, royalty payments stood at ₹1,175.02 million. Global R&D support has enabled it to pioneer products like OLED TVs (2015) and early adoption of 4K and Smart TVs (2011).

## Financial Performance by Segment



## Financial Ratios

| FINANCIAL RATIOS                | ROCE         | ROE          | P/E          | INDUSTRY P/E | EV/EBITDA  |
|---------------------------------|--------------|--------------|--------------|--------------|------------|
| Havells                         | 25.30        | 18.80        | 72.10        | 56.49        | 38.00      |
| Voltas                          | 17.80        | 13.50        | 69.10        | 56.49        | 41.90      |
| Whirlpool                       | 12.70        | 9.17         | 48.10        | 56.49        | 19.70      |
| Blue Star                       | 25.60        | 20.60        | 72.10        | 56.49        | 42.60      |
| <b>LG Electronics India Ltd</b> | <b>42.91</b> | <b>37.13</b> | <b>35.12</b> | <b>56.49</b> | <b>N/A</b> |



## Brief profile of the Directors

- **Hong Ju Jeon** is serving as the Managing Director of the Company. A master's degree in business administration (global management) from Thunderbird School of Global Management, Arizona, United States was obtained by him. More than 29 years of experience has been gained by him, with association in the LG group since 1994. Sales strategies, operational planning, and initiatives to support overall business objectives and strengthen the dealer network of the Company are being directed by him.
- **Dongmyung Seo** is serving as the Whole-time Director and Chief Financial Officer of the Company. A master's degree in business administration from Seoul School of Integrated Sciences & Technologies, Seoul, Korea was obtained by him. More than 29 years of experience has been gained by him, with association in the LG group since 1994. Financial activities, accounting operations, and all aspects of finances including financial reports of the Company are being managed by him.
- **Daehyun Song** is serving as the Chairman and Non-Executive Director of the Company. A bachelor's degree in science (mechanical design) from Pusan National University, Busan, Korea was obtained by him. More than 40 years of experience has been gained by him, with association in the LG group since 1983. Effective governance practices and communication between the board, stakeholders, management, and advisors are being led by him.
- **Promila Bhardwaj** is serving as an Independent Director of the Company. A bachelor's degree in arts (English) and a master's degree in arts (English) from Panjab University, a master's degree in philosophy (social sciences) from Panjab University, and a master's diploma in public administration from the Indian Institute of Public Administration, New Delhi were obtained by her. She joined the Indian Revenue Services in 1979 and retired as Director General of Income Tax (Systems). More than 40 years of experience in taxation and public administration has been gained by her.
- **Ramesh Ramachandran Nair** is serving as an Independent Director of the Company. A bachelor's degree in technology (electrical engineering) from Kurukshetra University and a postgraduate diploma in financial management from Indira Gandhi National Open University were obtained by him. More than 30 years of experience in the energy and metals sector has been gained by him. He was previously associated with Avaada Electro Private Limited, Mundra Solar PV Limited, Bharat Aluminium Company Limited and Jindal Stainless Limited.
- **Santosh Kumar Mohanty** is serving as an Independent Director of the Company. A bachelor's degree in arts (political science honours) from Utkal University, 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 (political science - international studies) from Jawaharlal Nehru University were obtained by him. More than 35 years of experience in regulatory and legal services has been gained by him. He was previously associated with the Securities and Exchange Board of India, Forward Markets Commission and the Income Tax Department, Government of India.



## Strengths

- **Leading Market Position** – Ranked #1 in major home appliances & consumer electronics (ex-mobiles) in India (CY22-CY24 & H1 CY25); leadership spans washing machines, refrigerators, panel TVs, inverter ACs, and microwaves.
- **Innovation-Driven Offerings** – Strong track record of first-to-market launches in India: OLED TVs (2015), 4K/Smart TVs (2011), inverter ACs (2014; 100% inverter by 2017), microwaves (1999), and locally adapted features like “Indian menu” presets in microwaves.
- **Pan-India Distribution & Service Network** – Largest sales & service footprint among peers with 35,640 B2C touchpoints (as of Jun’25); ~49% dealer relationships older than 10 years; 1,006 service centres with 13,368 engineers ensure strong after-sales reach.
- **Robust Manufacturing Base & Localisation** – Two advanced plants (Noida & Pune) with flexible multi-product assembly; 85.5% of Q1 FY26 sales from in-house production; 54.1% of raw materials sourced locally, aligned with “Make in India”; third plant in Andhra Pradesh (₹50 bn capex) to go live by FY27.
- **Capital Efficiency & Profitability** – Capital-light yet high-margin model with FY24 RoCE at 45.3% vs peer avg ~17%; working capital cycle 15.95 days (peer avg ~26); EBITDA margin 10.4% and PAT margin 7.0% vs peer averages <7% and <4.5%.
- **Strong Parentage & Brand Equity** – Backed by LG Electronics Inc., the world’s leading single-brand home appliances company (CY24); benefits from global R&D, patents, and marketing; “LG” consistently ranked India’s most trusted electronics & home appliances brand (2025).

## Key Risk Factors

- **High Royalty Outflow & Contingent Liabilities** – Pays 2.3–2.4% of net sales as royalties (₹1,175 mn in Q1 FY26); contingent tax liability of ₹3,153 mn under review; future royalty hikes could squeeze margins.
- **Outstanding Tax Claims & Contingent Liabilities** – Exposed to significant pending tax claims of ₹47,171 mn (~73% of net worth) and other contingent liabilities of ₹26,893 mn; adverse outcomes could impact financial stability.
- **Revenue Concentration in Core Categories** – ~78% of revenue from HA&A (refrigerators, washing machines, ACs, TVs); overdependence on a few categories makes business vulnerable to demand shocks.
- **Supplier Dependence & Raw Material Volatility** – Top 10 suppliers contributed 32.3% of raw material purchases; ~46% of raw materials imported, exposing business to FX risks, geopolitical issues, and commodity price swings.
- **Declining Market Share in Key Products** – Loss of share in refrigerators, washing machines, and panel TVs (CY22-CY24) due to reduced focus on entry-level products; sustained decline may affect leadership position.
- **Highly Competitive Market** – Faces pricing pressure and market share threat from domestic (Voltas, Havells), Chinese (Haier), and global peers (Samsung, Sony).
- **Reliance on Leased Properties** – Both major plants (Noida, Pune), corporate office, and other facilities are on leased land; non-renewal or adverse lease terms could disrupt operations.

# Statement of Profit and Loss



(All amounts are in Indian Rupees millions, unless otherwise stated)

| Sr. No.                                      | Particulars                             | FY25 (31 Mar 2025) | FY24 (31 Mar 2024) | FY23 (31 Mar 2023) |
|--|---|--------------------|--------------------|--------------------|
| <b>A. Continuing Operations</b>              |   |                    |                    |                    |
| 1  | Revenue from operations                 | 2,43,666.38        | 2,13,520.00        | 1,98,645.93        |
| 2  | Other income                            | 2,639.90           | 2,051.18           | 2,439.91           |
|  | <b>Total income</b>                     | <b>2,46,306.28</b> | <b>2,15,571.18</b> | <b>2,01,085.84</b> |
| <b>Expenses</b>                              |   |                    |                    |                    |
| 3  | Cost of materials consumed              | 1,47,405.50        | 1,29,160.49        | 1,23,608.20        |
| 4  | Purchases of stock-in-trade             | 19,729.36          | 19,357.72          | 18,787.63          |
| 5  | Changes in inventories of FG, SIT & WIP | (1,333.98)         | 783.57             | (2,115.10)         |
| 6  | Employee benefits expense               | 9,627.94           | 8,868.24           | 7,991.56           |
| 7  | Finance costs                           | 306.46             | 285.05             | 225.84             |
| 8  | Depreciation & amortisation             | 3,803.57           | 3,643.69           | 3,003.93           |
| 9  | Other expenses                          | 37,136.32          | 33,101.25          | 31,380.49          |
|  | <b>Total expenses</b>                   | <b>2,16,675.17</b> | <b>1,95,200.01</b> | <b>1,82,882.55</b> |
| 10   | Profit before tax (Continuing)          | 29,631.11          | 20,371.17          | 18,203.29          |
| <b>Tax expense</b>                           |   |                    |                    |                    |
| 11   | Current tax                             | 7,900.87           | 5,567.39           | 4,794.35           |
| 12   | Current tax (earlier year)              | (1.06)             | 40.08              | 13.73              |
| 13   | Deferred tax                            | (302.18)           | (346.98)           | (84.99)            |
|  | <b>Total tax expense</b>                | <b>7,597.63</b>    | <b>5,260.49</b>    | <b>4,723.09</b>    |
| 14   | Profit from continuing operations       | 22,033.48          | 15,110.68          | 13,480.20          |
| <b>B. Discontinued Operations</b>            |   |                    |                    |                    |
| 15   | Loss before tax (Discontinued)          | —                  | —                  | (42.00)            |
| 16   | Tax expense (Discontinued)              | —                  | —                  | (11.10)            |
| 17   | Loss after tax (Discontinued)           | —                  | —                  | (30.90)            |
|  | <b>Profit for the year</b>              | <b>22,033.48</b>   | <b>15,110.68</b>   | <b>13,449.30</b>   |
| <b>Other Comprehensive Income (OCI)</b>      |   |                    |                    |                    |
| 18   | Remeasurement of post-employment plans  | (72.48)            | (29.98)            | (7.61)             |
| 19   | Tax effect on above                     | 18.24              | 8.13               | 1.63               |
|  | <b>OCI (net of tax)</b>                 | <b>(54.24)</b>     | <b>(21.85)</b>     | <b>(5.98)</b>      |
|  | <b>Total Comprehensive Income</b>       | <b>21,979.24</b>   | <b>15,088.83</b>   | <b>13,443.32</b>   |
| <b>Earnings per share (EPS) – Continuing</b> |   |                    |                    |                    |
| 20   | Basic EPS (₹)                           | 32.46              | 22.26              | 19.86              |
| 21   | Diluted EPS (₹)                         | 32.46              | 22.26              | 19.86              |
| <b>EPS – Discontinued</b>                    |   |                    |                    |                    |
| 22   | Basic EPS (₹)                           | —                  | —                  | (0.05)             |
| 23   | Diluted EPS (₹)                         | —                  | —                  | (0.05)             |
| <b>EPS – Total (Cont. + Discont.)</b>        |   |                    |                    |                    |
| 24   | Basic EPS (₹)                           | 32.46              | 22.26              | 19.81              |
| 25   | Diluted EPS (₹)                         | 32.46              | 22.26              | 19.81              |



# Valuation and Outlook



**LG Electronics India Ltd** IPO is expected to be priced between **₹1080 to ₹1140** per share. At this price, the company is valued at a Price-to-Earnings (P/E) ratio of **35.12x**, whereas the industry average is **56.49x**.

| Name of the company  | Face value (₹ per share) | Closing price as on Oct 03, 2025 (₹) | Revenue from operations FY25 (₹ mn) | EPS Basic (₹) | EPS Diluted (₹) | NAV per share (₹) | P/E Ratio FY25 | RoNW FY25 (%) | Market Cap as on Oct 03, 2025 (₹bn) |
|----------------------|--------------------------|--------------------------------------|-------------------------------------|---------------|-----------------|-------------------|----------------|---------------|-------------------------------------|
| LG Electronics India | 10.00                    | N/A                                  | 2,43,666.38                         | 32.46         | 32.46           | 87.42             | N/A            | 37.13         | N/A                                 |
| Havells              | 1.00                     | 1,485.00                             | 2,17,780.60                         | 23.49         | 23.48           | 133.05            | 72.10          | 17.63         | 931.04                              |
| Voltas               | 1.00                     | 1,352.00                             | 1,54,127.90                         | 25.43         | 25.43           | 197.66            | 69.10          | 12.76         | 446.69                              |
| Whirlpool            | 10.00                    | 1,173.00                             | 79,193.70                           | 28.30         | 28.30           | 314.52            | 48.10          | 9.09          | 148.85                              |
| Blue Star            | 2.00                     | 1,872.00                             | 1,19,676.50                         | 28.76         | 28.76           | 149.19            | 72.10          | 19.27         | 384.88                              |

**LG Electronics India Limited (LGEIL)** stands as a market leader in India's consumer durables and home appliances sector, backed by the strong global brand equity, R&D capabilities, and technological expertise of its promoter, LG Electronics Inc. Its diversified product portfolio, pan-India distribution network of 35,000+ touchpoints, and extensive after-sales service network give it a formidable competitive edge. With strong local manufacturing capacities in Noida and Pune and plans to expand further with a new Andhra Pradesh plant, LGEIL is well-positioned to capture long-term growth opportunities in India's rising urbanisation, premiumisation, and energy-efficient product demand.

Financially, the company operates with high capital efficiency and industry-leading profitability metrics (RoCE 45.3%, EBITDA margin 10.4%, PAT margin 7.0% in FY24). Its consistent leadership across washing machines, refrigerators, air conditioners, televisions, and microwaves underscores a resilient business model with strong customer loyalty.

However, challenges remain. The business is heavily reliant on its promoter for brand, innovation, and technology, with significant royalty outflows and large pending tax claims that could pressure margins and cash flows. Revenue concentration in a few core categories, declining market share in some segments, and intense competition from global and domestic peers add to operational risks. The Offer being entirely an Offer for Sale means no fresh capital will flow into the company, limiting direct financial benefits from the IPO.

Overall, LGEIL combines the strength of global innovation with a strong India-focused execution strategy. Its outlook remains positive given India's structural demand growth in consumer appliances, but sustaining leadership and margins will depend on navigating competitive pressures, resolving contingent liabilities, and maintaining its premium brand positioning.

**"Call us on 8448899576"** to find out whether or not you should apply.



## **Disclaimer:**

This Report is for the personal information of the authorised recipient(s) and is not for public distribution and should not be reproduced or redistributed to any other person or in any form without prior permission of Ganesh Stock. The information provided in the report is from publicly available data, which we believe, are reliable but does not taken as an indication or guarantee of future performance/ assurance of returns. The Report also includes analysis and views of their team. The Report is purely for information purposes and does not construe to be investment recommendation/advice or an offer or solicitation of an offer to buy/sell any securities. Investment in Securities Market is subject to Market Risk.

Accordingly, Ganesh Stock or any of its connected persons including its directors or subsidiaries or associates or employees 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, views and opinions expressed in this publication.

Investors should not solely rely on the information contained in this Report and must make investment decisions based on their own investment objectives, judgment, risk profile and financial position. The recipients of this report may take professional advice before acting on this information.