IPO Report

09 Oct, 2025

Rating	
Business	★★★★
Financials	★★★
Valuation	★★★★
Management	★★★★

Ranking 1 to 5 , denoting lowest to highest

FIN2RESEARCH
Investment Advisor Pvt. Ltd.

LG Electronics India Limited

IPO: LG Electronics India Limited | **Sector: Electronics** | **Expected Listing Returns: Upto 25% to 30%**

Stock Info	
Issue Size	Rs.11,607.01 Cr
Lot Size	13
Face Value (per sh.)	Rs.10
Min. Investment	Rs.14,820
Issue Price Band	Rs.1080 - 1140
Listing At	BSE, NSE
QIB	50%
HNI	15%
Retail	35%
Sales Type	Offer for sale
OFS	Rs.11,607.01 Cr
Issue Type	Bookbuilding IPO
BRLM	Axis Capital Ltd, Citigroup Global Markets India Pvt. Ltd., Morgan Stanley India Company Pvt. Ltd, J.P. Morgan India Pvt Ltd., BofA Securities India Ltd.
Registrar	KFin Technologies Limited

IPO Timeline	
Opening Date	The, 07 October, 2025
Closing Date	Thu, 09 October, 2025
Allotment	Fri, 10 October, 2025
Initiation of Refund	Mon, 13 October, 2025
Credit of shares	Mon, 13 October, 2025
Listing Date	Tue, 14 October, 2025

Shareholding Pattern (Promoters)	
Promoter holding pre issue	100%
Promoter holding post issue	85%

Objective of Issue

The objects of the Offer are to carry out the Offer for Sale of up to 101,815,859 equity shares by the Selling Shareholder aggregating up to ₹ 11.607.01 Cr and achieve the benefits of listing the Equity Shares on the Stock Exchanges.

LG Electronics India Limited, leadership position in India's major home appliances and consumer electronics market (excluding mobile phones) across multiple periods — the six months ended June 30, 2025, and calendar years 2024, 2023, and 2022 — based on market share (by value) in the offline channel. It continues to be the market leader across key product categories such as washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves. The offline channel, which accounted for approximately 78% and 77% of India's major home appliances and consumer electronics market (excluding mobile phones) in terms of value during CY2024 and the six months ended June 30, 2025, respectively, remains the primary driver of sales for the Company.

Key Highlights:

- **Leadership Across Key Consumer Appliance Segments:** LGIL has firmly established itself as India's leading home appliance and consumer electronics company, holding market leadership positions across multiple categories. As per the Redseer industry report cited in the RHP, LGIL commands approximately 33.5% share in washing machines, 29.9% in refrigerators, and a strong double-digit share in air conditioners and televisions. LGIL was the first to introduce inverter technology across product categories refrigerators, washing machines, and Acs catering to the demand for energy efficiency and performance.
- **Scalable Manufacturing Base and 'Make in India' Commitment:** LGIL has a strong and scalable domestic manufacturing base with two integrated facilities in Noida (U.P.) and Pune (Maharashtra), offering a combined annual capacity of ~14.5 million units as of FY2025. With ~76% utilization on a double-shift basis, the company has sufficient headroom for growth. A third facility in Andhra Pradesh—LG's first "smart factory" in India—is under development, aimed at premium appliances and exports, aligning with the government's Make in India and PLI initiatives. In-house manufacturing of key components such as compressors, motors, and PCBs enhances cost efficiency and quality control.
- **Strong Financial Performance and Consistent Growth Trajectory:** LG Electronics India Limited (LGIL) has demonstrated robust financial growth, underpinned by its strong brand, diversified product mix, and operational efficiency. The company's revenue from operations increased from ₹16,965.7 crore in FY2023 to ₹19,868.2 crore in FY2024, and further to ₹21,352.0 crore in FY2025, reflecting a two-year CAGR of around 12%. Profitability also improved significantly, with EBITDA rising from ₹1,665 crore in FY2023 to ₹2,225 crore in FY2025, translating to a margin expansion from 9.8% to 10.4%.

	Market cap (Rs cr)	Revenue FY25 (Rs cr)	Rev. growth (FY23-25) CAGR %	EBITDA margin (%)	EBITDA CAGR (%)	FY25 PE (x)
LG Electronics India	77,380	24,367	10.8	12.8	28.0	35.1
Havells India	93,209	21,778	13.5	9.8	15.4	62.5
Bluestar	39,064	11,967	22.5	7.5	33.9	68.5
Voltas	44,990	15,320	27.7	7.4	40.3	63.1
Whirlpool	14,958	7,919	9.0	7.0	21.8	41.7

Valuation & Investment Recommendation

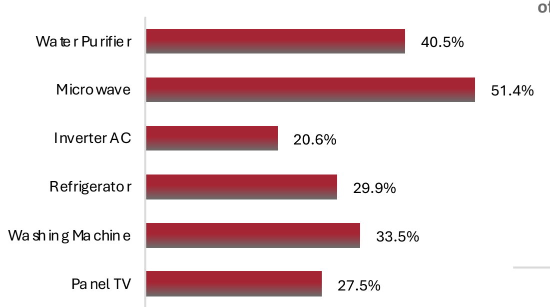
LG Electronics India has maintained its leadership position in India's home appliances and consumer electronics market (excluding mobile phones) for four consecutive years, up to the first half of CY2025. At the upper end of the price band, the IPO is valued at a post-issue P/E multiple of 35.1x FY2025 earnings. Compared to listed peers, LG Electronics India exhibits superior return ratios and operational efficiency, justifying a premium valuation. We recommend a SUBSCRIBE rating on the issue, given its market leadership, strong financial performance, and robust return profile.

SWOT Analysis

Strengths

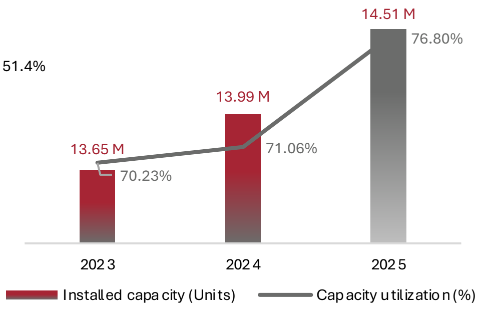
LG Electronics India Limited holds a dominant position in the Indian consumer durables market, ranking among the top two players in categories such as refrigerators, washing machines, air conditioners, and televisions.

Market share by product category



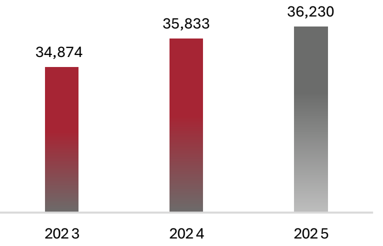
Source: RHP

LGIL operates two state-of-the-art manufacturing facilities in Noida and Pune, with a combined capacity of around 14.51 million units annually as of FY2025.



Source: RHP

With over 36,230 retail touchpoints across India and a strong presence in Tier-II and Tier-III cities, LGIL has built one of the most extensive dealer networks in the country. Nearly half of its dealers have partnered with LG for more than a decade.

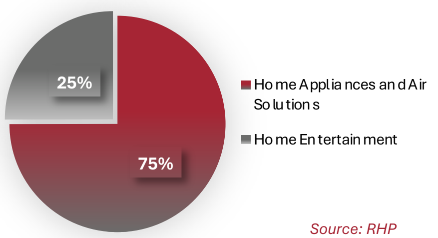


Source: RHP

Weaknesses

Unlike conglomerate peers (e.g., Havells or Crompton), LGIL's business model is concentrated entirely in home appliances and electronics. The absence of diversification into complementary B2B or lighting/electrical categories could restrict growth if the appliance market slows down or experiences structural headwinds.

Revenue contribution of Home Appliances and Air Solution and Home Entertainment division

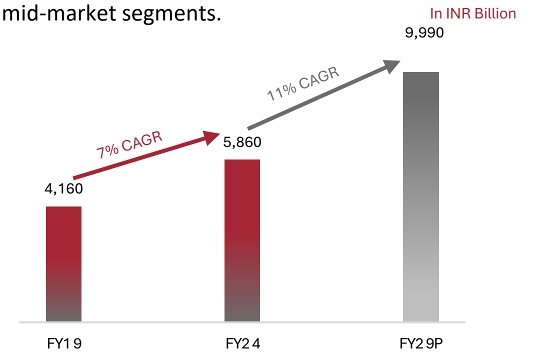


Source: RHP

LGIL pays technology and brand royalties to LG Electronics Inc., typically amounting to ~1.9% of revenue. This reduces net profitability compared to standalone peers and subjects the company to transfer-pricing scrutiny. Any adverse tax rulings or changes in the royalty structure could materially impact earnings.

Opportunities

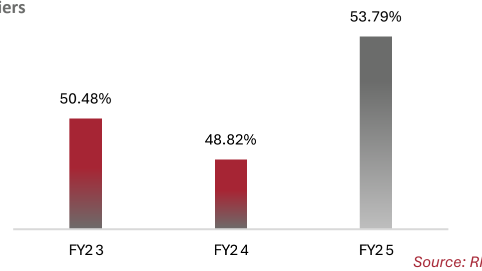
The Indian appliance and consumer electronics (ACE) market is projected to double by FY2030, driven by urbanization, rising disposable incomes, and increasing electrification in rural regions. LGIL's strong brand and wide portfolio position it ideally to capture both premium and mid-market segments.



Source: RHP

India's push for domestic manufacturing and import substitution presents a significant opportunity. LGIL's growing local sourcing (53.79% of materials in FY2025) and ongoing capacity expansion align perfectly with these initiatives, potentially qualifying it for PLI incentives and improving cost competitiveness.

LGIL increase the percentage of raw materials sourced from domestic suppliers



Source: RHP

Threats

High Exposure to Raw Material Price Volatility: Raw material costs constitute over 70% of total operating expenses, making LGIL susceptible to global commodity fluctuations especially steel, plastics, and semiconductors. The company's limited pricing flexibility in certain competitive categories can compress margins during inflationary cycles.

Macroeconomic and Inflationary Pressures: A slowdown in discretionary spending due to inflation, high interest rates, or weakening consumer sentiment could impact appliance sales, especially in price-sensitive rural markets. Volatility in commodity and freight costs may also weigh on operating margins.

High Dependence on Key Raw Material Suppliers: LGIL relies heavily on a limited number of vendors for essential materials like coated steel, specific polymers, and electronic components. The top 10 suppliers account for over 30% of total raw material purchases, increasing vulnerability to supply disruptions, input price volatility, or bargaining power loss.

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