

IPO Flash

October 06, 2025

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LG Electronics India Ltd

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LG Electronics India Ltd

IPO Details:	
Issue opens	October 7, 2025
Issue closes	October 9, 2025
Issue size	Rs. 11,605 crore
Type of issue	Offer for Sale – Rs. 11,605 crore
Offer size	Total size 10.18 crore shares (Fully OFS)
Face value	Rs. 10 per share
Price band	Rs. 1,080-1,140
Bid lot	13 shares and in multiple thereof
QIB portion	Not more than 50% of the net offer
Non-Institution portion	Not less than 15%
Retail portion	Not less than 35%

Source: Company RHP

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About the IPO

LG Electronics India Ltd. (LGEIL) is coming up with a book build issue of Rs. 11,605 crore. The IPO is purely an offer for sale (OFS) of 10 crore shares. The issue opens for subscription on October 7, 2025 and closes on October 9, 2025. The IPO will list on the BSE and NSE with a tentative listing date fixed as October 14, 2025. The IPO is priced at Rs. 1,080-1,140.0 per share.

Valuation and View

LG Electronics has a leading market share in home appliances and consumer electronics market in India. The company, along with market leadership, boasts strong parent backing (LG Electronics Inc), a large distribution network, a strong brand image, largest manufacturing facilities and healthy fundamental profile. Considering the company's diversified portfolio, largest distribution network, strong brand image and global parent support, we see the issue is fairly valued at 35x FY25EPS and assign a Subscribe rating for the issue.

Peer Comparison

Peer Valuation	LG Electronics	Blue star	IFB Industries	Voltas	Whirlpool
CMP	1,140	1,902	1,686	1,364	1,188
Market Cap	77,383	38,607	7019	44,773	14,874
Revenue (Rs. Crore)	24,366	11967	5091	15413	7919
EPS	32.5	28.8	28.8	25.4	28.3
RoCE (%)	45.7	20.5	18.0	14.4	10.0
RoE (%)	45.2	20.8	15.2	13.6	9.4
PE	35.1	65.3	59.0	53.2	41.4

Source: Company RHP; *PE and PB are calculated on upper band, # Market cap is calculated on upper band

Offer details

Particulars	Issue size
Offer for Sale	Rs. 11,605 crore
Total	Rs. 11,605 Crore

Source: Company RHP

Shareholding pattern

Particulars	Number of shares	Pre offer holding (%)	Number of share Post-Offer Holding (%)	Post-Offer Holding (%)
Promoter and Promoter Group		100%		85.00%
Public		--%		15.00%
Total	101,815,859	100.0%	101,815,859	100%

Source: Company RHP; Note: the company is professionally managed and does not have any promoter.

Utilization of proceeds: The promoter entity is diluting the stake and thus, it will receive the entire proceeds of the issue.

BRLMs: A large consortium including Citi group global markets India, Morgan Stanley Inda, J.P Morgan, BoFA securities India.

About the company

Established in 1997, LG Electronics is wholly owned subsidiary of Korean parent LG Inc. The company is a market leader across various products such as washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves. It has also pioneered the launch of smart TVs and OLED TVs. LG has an extensive sales network with 35,640 B2C touch points, presence across modern trade stores and online sales and the largest manufacturing facility among peers with two manufacturing plants in Noida and Pune. The company offers one of the widest product portfolios among peers (excluding mobile phones) in India as of June 30, 2025. Apart from selling products to B2C and B2B consumers in India and outside India, the company also offers installation services, repairs, and maintenance services. The company operates its business across 2 segments: a) Home Appliances & Air Solutions and b) Home Entertainment.

Other Highlights

- ♦ Strong parentage from LG Electronics inc. allows access to technology and product development, manufacturing, quality control and brand marketing. LG Electronics India pays royalty of 1.8%-1.9% for brand and technical know-how.
- ♦ Company is investing \$600 million in its third plant at Sri City, Andhra Pradesh. Groundbreaking ceremony was done in May 2025, first line of production likely to start in Diwali 2026. This will reduce logistics costs for Southern market.

Business Segments

Segments	Revenue (Rs. crore)	Stake (%)
Home appliances and Air Solutions	18,267	74.9%
• Refrigerators	6,696	27.5%
• Washing Machines	5,041	20.7%
• Air Conditioners	5,270	21.6%
Others	1,258	5.2%
Home Entertainment	6,099	25.0%
• Television	4,925	20.2%
• Others	1,174	4.8%
Total	24,366	100.0%

Source: Company RHP

Brief profile of directors, senior management and KMPs

- ♦ **Mr. Daehyun Song, Chairman and Non-Executive Director:** He holds a bachelor's degree in science (mechanical design) from Pusan National University, Busan, Korea. He is responsible for leading board and ensuring effective governance practice and communication between the board, stakeholders, management, advisories and advisors. He has been associated with the LG group since November 28, 1983.
- ♦ **Mr. Hong Ju Jeon, Managing Director & CEO:** He holds an MBA (global management) from Thunderbird School of Global Management, Glendale, Arizona, United States. He is responsible for directing sales strategies, operational planning, and initiatives to support overall business objectives and strengthen the dealer network at our Company. He has been associated with the LG group since October 4, 1994.
- ♦ **Mr Dongmyung Seo, Chief Financial Officer:** He has been associated with the Company since December 31, 2021. He holds an MBA from Seoul School of Integrated Sciences & Technologies, Seoul, Korea. He is responsible for managing all financial activities and accounting operations and overseeing every aspect of finances. He has been associated with the LG Group since December 19, 1994.
- ♦ **Mr. Promila Bharadwaj, Independent Director:** She has been associated with the company since November 19, 2024. She joined the Indian Revenue Services in 1979 and retired as the Directorate General of Income Tax (Systems) from Directorate of Income Tax (Systems).
- ♦ **Mr. Ramesh Ramchandran Nair, Independent Director:** He holds a bachelor's degree in technology (electrical engineering) from Kurukshetra University and a post graduate diploma in financial management from Indira Gandhi National Open University, New Delhi. He was previously associated with Avaada Electro Private Limited, Mundra Solar PV Limited, Bharat Aluminium Company Limited and Jindal Stainless Limited.

Industry Overview

The home appliances ("HA") market in India is projected to grow steadily, driven by macroeconomic tailwinds and a growing preference for premium and energy-efficient products. The segment formed ~21% of the overall B2C appliances & electronics market and is expected to reach Rs ~2.25 lakh crore (~\$26.5 billion) by CY2029P, clocking a CAGR of ~13% between CY2024 and CY2029 with organized sector forming 65% of sales. This accelerated growth will be driven by rising disposable incomes, urbanisation, increased appliance penetration, government support for local manufacturing, and a shift toward premium, energy-efficient products. As a market leader, LG is a direct beneficiary of growth in home appliances market.

Key Concerns

- ♦ Intense competition in India's lending market may pressurise margins and growth
- ♦ Economic slowdown may impact on sector growth

Key Strategies

Diversify in HVAC solutions business to create consumer value: LG India intends to deepen its B2B business introducing additional revenue streams. Company is expanding product portfolio to cover HVAC, commercial information displays, commercial washing machines, LED displays and electronic blackboards, to address the growing demand in the B2B market. In addition to strengthening its B2B offerings, company also intends continue strengthening its AMC offerings for B2C and B2B consumers, with a focus on HVAC servicing for B2B consumers. According to the Redseer Report, the AMC market in India is valued at Rs 55 billion in CY2024 with projections indicating a five-year CAGR of approximately 14% from CY2024 to CY2029, and the market reaching approximately Rs 105 billion by CY2029..

Eyeing persistent market share gains: LG India plans to continue leveraging their scale in the Indian home appliances and consumer electronics industry and deep consumer insights to introduce products in new product categories. The company is well-positioned to capture the opportunity given its leading market standing, pan-India network, strong brand, and high-quality products. The company plans to deepen its reach across India through expanding its B2C distribution network, increasing the B2C touch points across LG brand shops and traditional channels, and expanding its B2B products across new industry verticals. Moreover, the company plans to expand its online distribution presence to new commerce platforms, such as quick commerce, through partnerships.

Capacity expansion: LG India plans to construct a third manufacturing unit at Sri City, Andhra Pradesh to expand its manufacturing capacity to address the potential growth in demand for its products. The company also intends to enhance its existing manufacturing capabilities by implementing additional automation technologies. Additionally, the company intends to further strengthen its supply chain to bring higher efficiency and optimisation. For that, it intends to increase locally sourced raw materials.

Competitive Strengths:

- ♦ **Market leader in home appliances segment:** Reports claim that LGEIL holds a strong market share in core categories such as 33.5% in washing machines, 29.9% in refrigerators, 27.5% in panel televisions, and 20.6% in inverter ACs (these 4 categories are 90% of FY25 sales). While in the premium category, market share is further higher at 62.9% in OLED Televisions, 43.2% in side-by-side Refrigerators, 36.9% in fully automatic front-load Washing Machines and 27.2% in five-star inverter AC.
- ♦ **Strong pan-India distribution and after sales network:** The Company operates the largest distribution network among home appliance and consumer electronics players in India. With 35,640 B2C touchpoints, including LG Brand Shops, modern trade stores, online platforms, and traditional outlets. The Company has established long-standing relationships with its trade partners, with 49.46% of partners working for over 10 years. Their 1,006 authorised service centres, provide extensive after-sales support, including same-day services. The company's service centres are supported by 13,368 engineers and 4 consumer call centres. The Company's export business spans 47 countries, extending its reach beyond India.
- ♦ **Strong parent entity:** LGEIL has access to global manufacturing and automation best practices and operating insights being a subsidiary of Korean entity LG Electronics Inc. The company has leveraged the LG Electronics ecosystem to enhance its operational processes and systems. In India, the company has leveraged the "LG" brand image and associated consumer loyalty to maintain its market leadership. Company has acclaimed vaious rewards such as "Most Trusted Brand – Electronics segment" for 2025 by Brand Empower Pvt Ltd, India's No.1 Inverter Air Conditioner Brand etc.
- ♦ **Largest manufacturing facility:** Company has largest in-house production capacity (excluding mobile phones) amongst leading home appliances and consumer electronics players in India. The company's in-house manufacture of key components gives it greater control over the product development process, product quality, costs, and supply and delivery time. Further, the manufacturing units are flexible and employ automation technologies, enabling the company to efficiently produce a wide range of products at scale and adjust the production levels based on projected demand.

Valuation and View

LG Electronics has a diversified business model focused on sustained growth, leadership positioning, strong brand image, strong parentage, largest distribution network, and manufacturing strength. The revenues / PAT grew at CAGR of 13%/ 22% over FY22-25. EBITDA margins improved to 12.8% from 10.1% in 2022. Company boasts strong ratios with RoCE/RoE at 45.7%/ 45.2%, respectively. The company is debt free and operates with low working capital requirement. Cash flow conversion is healthy with aggregate OCF/EBITDA of 65% and FCF/sales of 5.4% over FY22-25. Considering all the above factors we see the IPO is reasonably valued at 35x to FY25EPS.

Peer Comparison

Peer Valuation	LG Electronics	Blue Star	IFB Industries	Voltas	Whirlpool
Revenue	24,366	11,967	5,091	15,412	7,919
EBITDA	3110	8759	302	1116	550
EBITDA Margin (%)	12.8	7.3	5.9	7.2	6.9
PAT	2203	591	118	841	359
PAT Margin (%)	9.0	4.9	2.3	5.5	4.5
EPS	32.5	28.8	28.8	25.4	28.3
RoE (%)	45.2	20.8	15.2	13.6	9.4
RoCE (%)	45.7	20.5	18.0	14.4	10.0
CMP (₹)	1,140	1,878	1,701	1,354	1,172
PE	35.1	65.3	59.0	53.2	41.4

Source: Company RHP

Financials

Consolidated Income Statement

(Rs. crore)

Particulars	FY22	FY23	FY24	FY25
Revenues	16,834	19,864	21,352	24,366
Operating expense	11,800	14,028	14,930	16,580
Employee cost	725	799	886	963
Others	2,599	3,138	3,310	3,713
EBITDA	1,708	1,899	2,224	3,101
Depreciation and Amortization	258	300	364	380
EBIT	1450	1598	1860	2729
Interest Expenses	22	22	28	31
Other Income	203	244	205	264
PBT	1632	1,820	2,037	2,963
Tax	426	472	526	760
PAT	1,205	1,348	1,511	2,203
EPS	17.8	19.9	22.3	32.5

Source: Company RHP

Consolidated Restated Balance Sheet as of March 31

(Rs. crore)

Assets	FY22	FY23	FY24	FY25
Fixed Assets	1,150	1,367	1,343	1,404
Net current Assets	4,222	2,852	2,257	4,361
Total Assets	5,372	4,219	3,600	5,765
Liabilities				
Debt	0	0	0	0
Others (Deffered Tax Liabilities)	126	-136	-172	-204
Net worth	5,500	4,356	3,772	5,970
Total Liabilities	5,374	4,220	3,600	5,766

Source: Company RHP

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