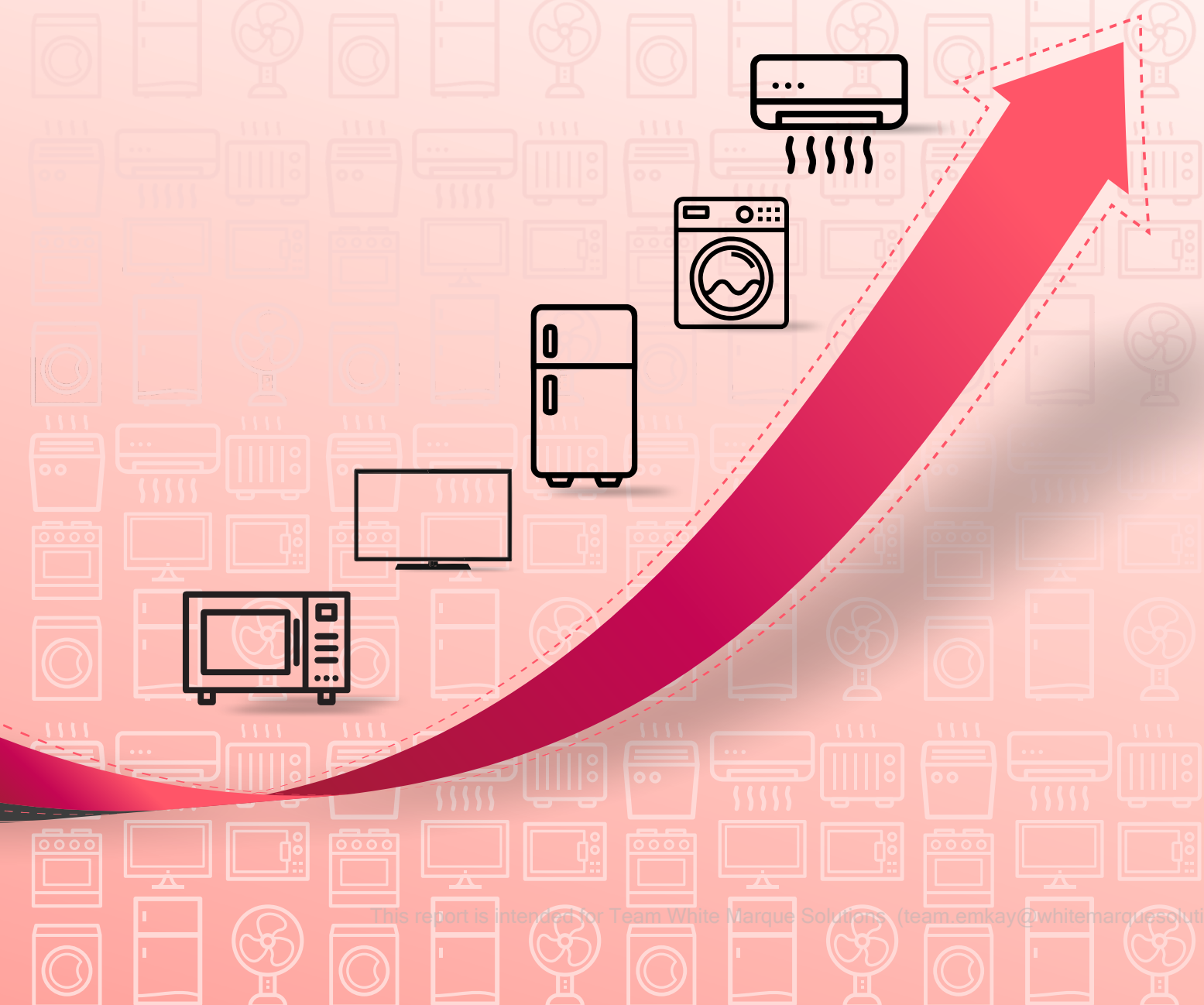




Your success is our success

Growth Acceleration Ahead; Valuations Attractive



We initiate coverage on LG Electronics India (LG) with BUY and TP of Rs2,050 (80% upside), at 50x Sep-27E PER (at 10% premium to Havells). LG has, over the last 3 decades, built a formidable franchise, which leads in key large appliance categories with premium positioning, leveraging its global R&D strength, brand power, and superior execution. Following the parent's 'Global South' strategy (announced in Jul-25; [link](#)) of driving global growth, India (the largest appliance market for the parent outside the US, Korea) would play an important role and is likely to contribute 1/3rd of global growth over 5Y; on expansion into mass-premium categories (refer to LG Korea's 1QCY25 earnings call; [link](#)), a higher focus on B2B (HVAC, information displays, etc), and rising exports, India would emerge as a key exports hub with start of the third plant in FY27E and localized innovation-led launches. This, amid signs of demand revival, is set to accelerate LG's growth, with 13% revenue CAGR over FY26E-28E translating into 14% EPS CAGR, robust average RoE/RoCE of ~32%/44%, coupled with net cash of Rs37bn in FY25 (~Rs50bn in FY28E), FCFE yield (basis sales) of 7.6% by FY28E, and an average dividend payout of 65% (FY27E-28E). Key risks: Continued industry-wide demand slowdown, rise in competition.

India business a formidable franchise; strategically important for the parent

LG is the benchmark franchise, with market leadership across categories: Refrigerators (34%), Washing Machine (30%), TVs (20%), and RACs (18%) in Q1FY26. LG commands a higher market share in premium categories: ~25% of its revenue (vs ~15% industry); likely to rise to ~40% (vs industry's ~27%) over 5Y. As part of the 'Global South' strategy, India is crucial and likely to contribute 1/3rd of growth for LG Korea over the next 5Y.

Parent's 'Global South' strategy to accelerate growth for India operations

As part of the 'Global South' strategy, India is increasingly becoming a strategic growth driver for LG Korea. LG Korea is positioning India as an export hub for several markets like Brazil and Mexico as well as entering mass-premium categories in India to drive growth. We believe LG's mass-premium products (for exports), aided by the new plant in FY27E, improving localization trends (~54% of RM sourced domestically in FY25; ~2-3% improvement expected each year), a higher focus on B2B (HVAC, information displays, etc), and a rising export share from 6% to ~10-15% by FY30P would push revenue to 13% CAGR (8% CAGR over FY19-26E), with 14% EPS CAGR over FY26E-28E.

Earnings to accelerate; valuations attractive

After a relatively muted ~6% EPS CAGR in FY19-26E, we expect a growth revival, with revenue/EPS CAGR of ~13%/14% over FY26E-28E on the back of stable margins (~13%) and a net-cash balance sheet, leading to robust return ratios (32% RoE /44% RoCE), and FCFE yield (basis sales) of ~7.6% by FY28E. We believe LG deserves a premium multiple (50x; Exhibit 19) given its diversified category leadership and focus on growth via mass-premium product expansion, coupled with high RoE (~31-33% over FY26E-28E) vs peers' like Havells (~14-20%) and Blue Star (~18-21%), justifying a ~50x multiple.

LG Electronics India: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	213,520	243,666	261,785	295,303	333,945
EBITDA	22,249	31,101	31,533	36,797	42,612
Adj. PAT	15,111	22,033	22,910	26,326	29,999
Adj. EPS (Rs)	22.3	32.5	33.8	38.8	44.2
EBITDA margin (%)	10.4	12.8	12.0	12.5	12.8
EBITDA growth (%)	17.1	39.8	1.4	16.7	15.8
Adj. EPS growth (%)	12.1	45.8	4.0	14.9	14.0
RoE (%)	37.2	45.2	33.0	31.4	32.1
RoIC (%)	97.4	119.3	86.8	73.2	65.1
P/E (x)	51.2	35.1	33.8	29.4	25.8
EV/EBITDA (x)	33.8	23.7	23.0	19.7	17.0
P/B (x)	20.5	13.0	9.8	8.7	7.9
FCFF yield (%)	2.2	1.8	2.3	2.1	3.1

Source: Company, Emkay Research

Target Price – 12M
Change in TP (%)
 Current Reco.
 Previous Reco.
 Upside/(Downside) (%)

Sep-26
NA
 BUY
 NA
 79.8

Chirag Jain

chirag.jain@emkayglobal.com
 +91-22-66242428

Maulik A Shah

maulik.shah@emkayglobal.com
 +91-22-66121334

Marazbaan Dastur

marazbaan.dastur@emkayglobal.com
 +91-22-66121281

Nandan Pradhan

nandan.pradhan@emkayglobal.com
 +91-22-66121238

Voices from LG Senior Management on India operations

"India is not just a key market for LG but also a land of immense opportunity for global companies. Leveraging our deep understanding of customers and our strong market position, we will seek to collaborate with the people of India to become the nation's most trusted brand and drive our growth for the next era"

- LG Korea CEO William Cho in Mar-25 [Link](#)

"The Global South is no longer emerging, it is leading and India stands at the forefront of this change"

- LG Korea CEO William Cho in May-25 [Link](#)

"India is not only a growth market but also a benchmark for scalable, affordable product design"

- LG Korea CEO William Cho in May-25

"LG Electronics India will double manufacturing capacity in five years as it seeks to make the country a **global manufacturing hub**"

- LG India Chief Sales Officer Sanjay Chitkara in Oct-25 [Link](#)

"We will add some newer geographies and some newer product categories for our exports. Exports will not only be in the underdeveloped economies like southeast Asia, we would be adding more to Europe as well as other developed markets too"

- LG India Chief Sales Officer Sanjay Chitkara in Oct-25 [Link](#)

"We want to make LG Electronics a brand choice across all price points. So our idea is to **take premium products to the masses.** ... We will have to improve the affordability of our product and take it to the masses and increase access to premium products."

- LG India Chief Sales Officer Sanjay Chitkara in Oct-25 [Link](#)

"We want to position India in a global production pool. We are integral part of our parent's **Global South strategy**, through which it wants to establish India as a global production hub"

- LG India Chief Accounting Officer Atul Khanna in Oct-25 [Link](#)

"To maintain agility and competitiveness, we are localizing operations in major markets including India, Southeast Asia and the Middle East"

- LG Korea CEO William Cho in May-25 [Link](#)

"Consumers in smaller cities are increasingly aspirational. They want the same premium products that were earlier restricted to metros, and we are working to make these more accessible."

- LG India Chief Sales Officer Sanjay Chitkara in Oct-25 [Link](#)

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions.com)







Table of Contents

Contents	Page No.
Story in Charts	4
Initiate coverage with BUY; 80% upside	10
India business a formidable franchise; strategically important for the parent	12
A] Market leadership in major discretionary categories	12
[B] Premiumization is the way forward	14
C] India – A pivotal market for the Global Parent	15
An innovation-first approach.....	17
Parent’s ‘Global South’ strategy to accelerate growth for India operations	19
A] From Global to India – LG’s next growth engine.....	19
B] Sri City capex to drive topline growth/margins	20
LG now scaling beyond B2C.....	22
A formidable distribution network in place.....	22
Financials: We model revenue/EBITDA/EPS CAGR ~13/16/14% over FY26E-28E	24
Key risks	28
Annexure 1: Industry	29
Annexure 2: Company Overview	33
LG Electronics India: Consolidated Financials and Valuations	35

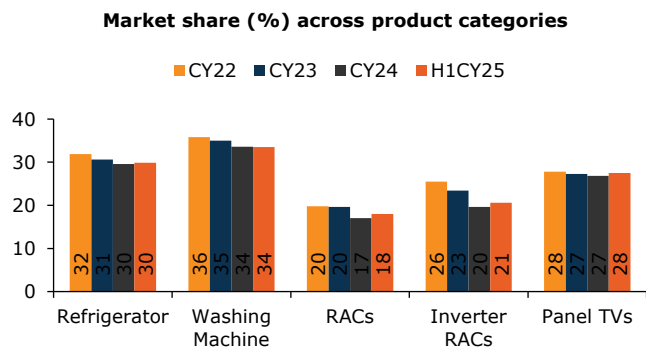
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Story in Charts

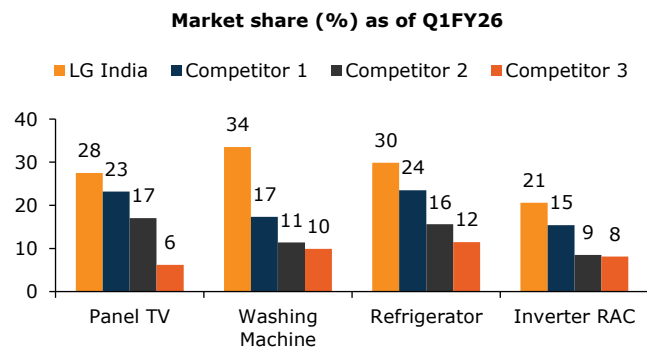
Exhibit 1: Bird's eye view

Particulars	Home Appliance and Air Solution division (Q1FY26 revenue mix: 78%)				Home Entertainment division (Q1FY26 revenue mix: 22%)	
	Refrigerator	Washing Machine	Air Conditioner	Others*	Television	Others #
Product						
Penetration						
-India	~35%	~22%	~14%	NA	~78%	NA
-Global	~80-100%	~70-80%	~40-45%	NA	~85-95%	NA
Market Share - H1CY25	~29.9%	~33.5%	~18.0%	NA	~27.5%	NA
Market Size (Rs bn)						
-CY19	225	145	155	275	370	150
-CY24	315	245	320	350	895	180
-CY29P	620	380	710	540	1725	320
Market Size CAGR (%)						
-CY19-25	7	11	16	4	19	3
-CY25-29P	15	9	17	12	14	12
Revenue (Rs bn)						
-FY22	49	36	29	10	37	7
-FY25	67	50	53	13	49	12
-FY28E	93	70	76	17	64	15
Revenue Mix (%)						
-FY22	29.4	21.5	17.0	5.9	21.8	4.4
-FY25	27.5	20.7	21.6	5.2	20.2	4.8
-FY28E	27.8	20.8	22.7	5.0	19.1	4.6
Revenue CAGR (%)						
-FY22-25	10.6	11.7	22.6	8.2	10.3	16.2
-FY26E-28E	12.0	12.3	20.7	10.0	8.5	10.0
EBIT (Rs bn)						
-FY22		11.7			7.3	
-FY25		23.4			9.3	
-FY28E		32.1			12.4	
EBIT Margin (%)						
-FY24		10.7			12.1	
-FY25		12.8			15.3	
-FY28E		12.6			15.6	
Segmental ROCE (%)						
-FY24		107.1			220.7	
-FY25		111.6			167.1	
Key growth drivers	Premiumization (frost-free, multi-door, IoT-enabled smart fridges)	Shift from semi-automatic to fully automatic; Expanding distribution in Tier 2/3 cities	Low penetration (~8% households in India). Inverter AC and energy-efficient models (star rating, BEE norms)	Rising adoption of built-in kitchen appliances; health-conscious demand for purifiers and water solutions	Strong brand recall in premium OLED/4K/8K space; consumer shift from FHD to UHD and larger screens	Rise in home-theatre/soundbar demand, with OTT boom; higher discretionary spending
Key margin drivers	<ul style="list-style-type: none"> ✓ Focus on high-margin products with advanced features (OLED, side-by-side refrigerator, inverter RACs) ✓ Increasing localization content (targets ~2-3% improvement each year; 54% currently vs 50% in FY24 vs 44% 5Y ago) via domestic sourcing/manufacturing from its new Sri City plant which would help to reduce input/logistics costs ✓ Expanding exports share (from 6% currently to ~10-15% by FY30E) 					
Key risks	Intense competition (Samsung, Whirlpool, Haier)	Competitive intensity from IFB, Whirlpool, Samsung, Volt-Beko	Seasonality risk; Competitive aggression from Daikin, Voltas, Blue Star	Fragmented market with niche/local players; slower category maturity	Aggressive pricing (Xiaomi, OnePlus) in mass-premium; panel price volatility (LG display dependency)	Price-sensitive category; heavy imports from China; competition (Sony, Bose, JBL) in premium soundbars

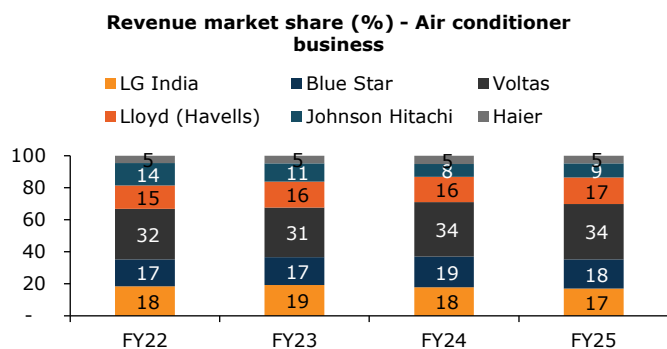
Source: Company, LG RHP (refer to [Link](#)), Emkay Research; Note: *'Others' here includes water purifiers, air purifiers, dishwashers, microwave ovens, vacuum cleaners, and compressors; #'Others' here includes media display and audiovisual products, including monitors, interactive displays, and information systems, projectors, wireless speakers, personal computers, and earbuds

Exhibit 2: LG has sustained healthy market share across major consumer durable product categories...

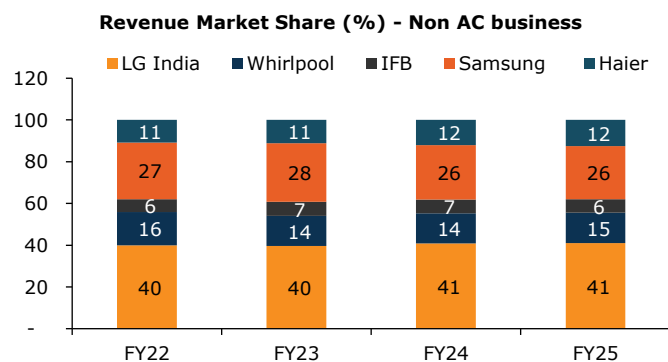
Source: Company, LG RHP, Emkay Research

Exhibit 3: ...and has a considerable gap with its second-largest peer

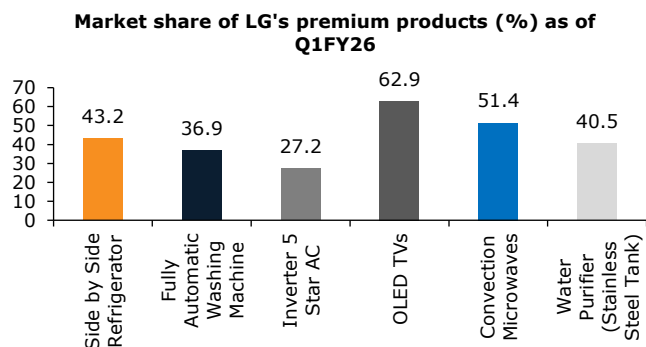
Source: Company, Emkay Research

Exhibit 4: LG has lost some revenue market share in the air conditioner business, owing to rising competition from Indian/Chinese brands...

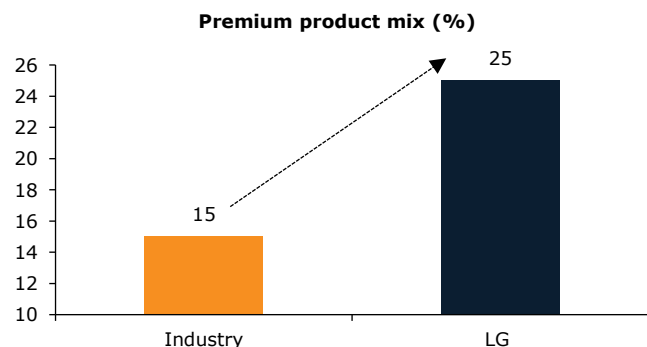
Source: Company, Emkay Research; Note: For Voltas and Blue Star, we have taken UCP revenues; for Haier, we have assumed ~16-20% of revenue mix from air conditioners over FY22-25, based on media articles

Exhibit 5: ...though it continues to be resilient in non-AC revenue, with a dominant market share of ~41% as of FY25

Source: Company, Emkay Research; Note: For Haier, we have assumed that ~16-20% of its overall revenue mix came from air conditioners over FY22-25; for Samsung, we have assumed 5% revenue mix from air conditioners over FY22-25

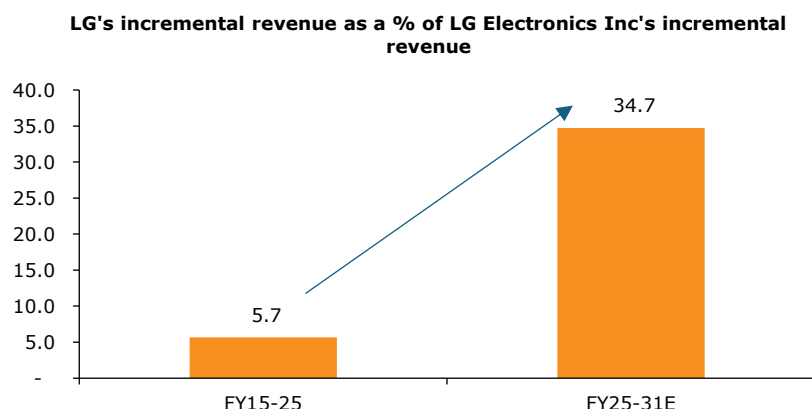
Exhibit 6: LG holds the dominant market share across premium product categories in its portfolio...

Source: Company, Emkay Research

Exhibit 7: ...and per the management, it derives ~25% of its topline from its premium offering vs ~15% for the industry

Source: Company, Emkay Research

Exhibit 8: India's share of LG's incremental revenue is projected to rise 6x—from ~6% during FY15-25 to ~35% over FY25-31E as the global parent pursues its KRW100trn revenue target by CY30P (FY31P)



Source: Company, Emkay Research; Note: Incremental revenue represents change in total revenue over the respective periods. For LG Electronics, calendar year (CY) has been used instead of fiscal year (FY), eg CY24 ≈ FY25. Global revenue in KRW converted to Rs using average FX rate for the respective periods

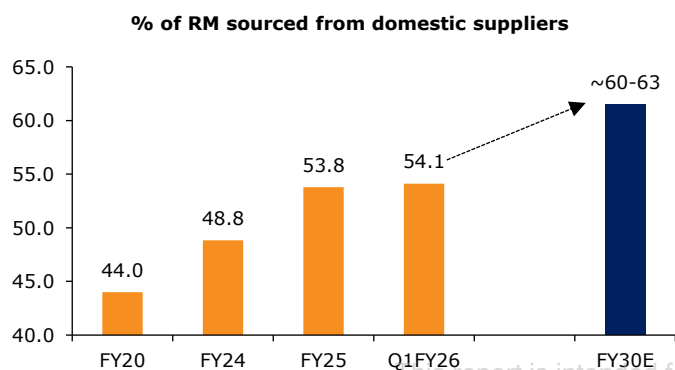
Exhibit 9: LG has demonstrated an industry-first approach over the past 3 decades

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



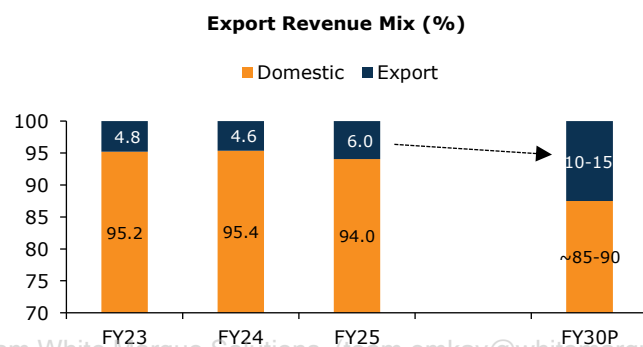
Source: Company, Emkay Research

Exhibit 10: Improving localization trends to ~60-63%...



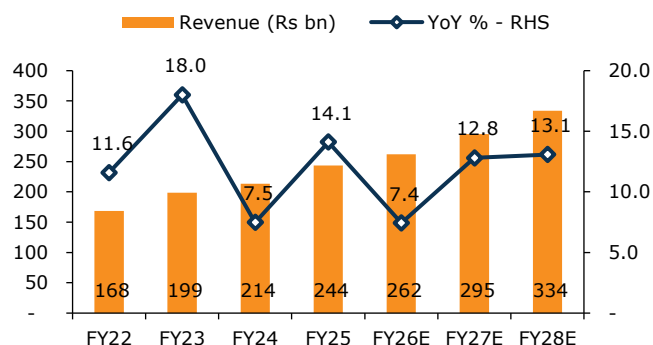
Source: Company, Emkay Research

Exhibit 11: ...coupled with a rising export mix to ~10-15% by FY30P will enable margin improvement



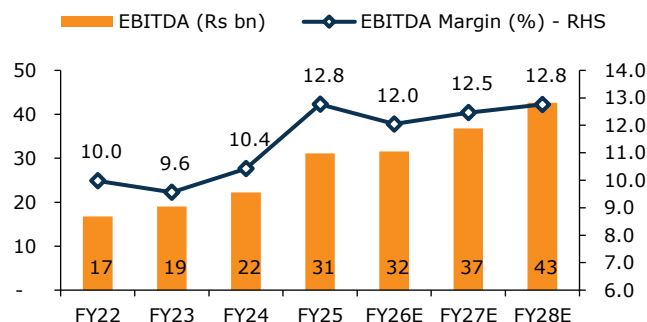
Source: Company, Emkay Research

Exhibit 12: We build in ~13% revenue CAGR over FY26E-28E...



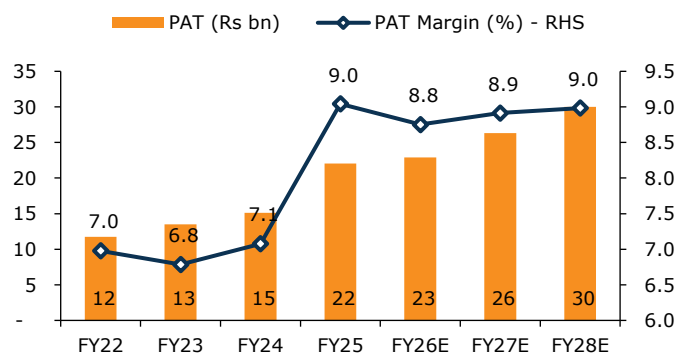
Source: Company, Emkay Research

Exhibit 13: ...with EBITDA margin improvement of ~80bps from FY26E on operating leverage and exports kicking in from FY27E...



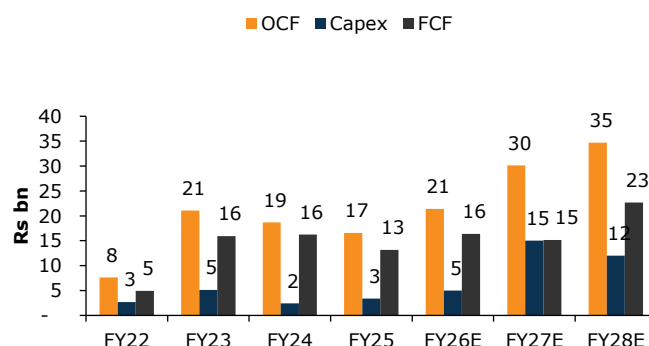
Source: Company, Emkay Research

Exhibit 14: ...with PAT growing steadily (~14% CAGR) over FY26E-28E, partly offset by slightly higher depreciation toward capex allocation for the new Sri City facility



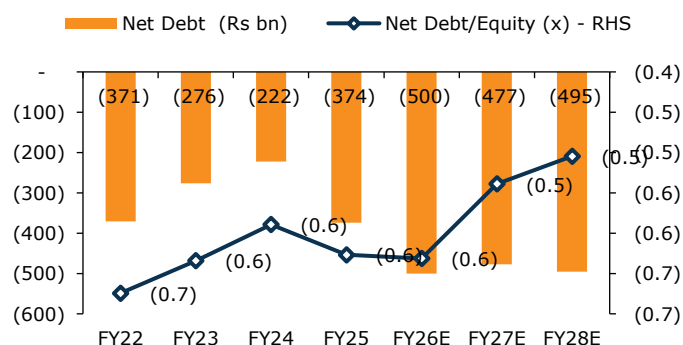
Source: Company, Emkay Research

Exhibit 15: LG will continue to report positive FCF despite higher cumulative capex of ~Rs32bn over FY26E-28E



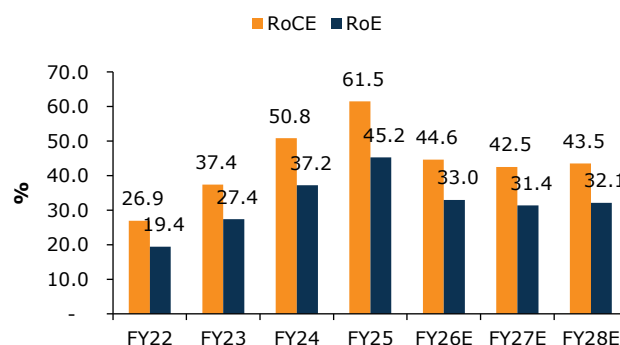
Source: Company, Emkay Research

Exhibit 16: LG has maintained a robust net cash position over the years...



Source: Company, Emkay Research

Exhibit 17: ...with strong RoCE/RoE of ~42-44%/31-33% over FY26E-28E



Source: Company, Emkay Research

Exhibit 18: Peer comparison – LG trades at relatively attractive valuations versus peers in the consumer durables space

Particulars	Revenue (Rs bn)			Revenue CAGR (%)	EBITDA (Rs bn)			EPS (Rs)			EPS CAGR (%)	PER (x)			RoE (%)		
	FY26E	FY27E	FY28E	FY26E-28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E-28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
LG Electronics India	262	295	334	13	32	37	43	34	39	44	14	34	29	26	31	30	31
ODM/EMS players																	
Amber Enterprises	122	150	186	23	10	13	17	114	167	236	44	73	50	35	14	18	20
Epack Durable	26	35	45	32	2	3	4	7	12	16	52	50	30	22	7	10	14
PG Electroplast	57	74	95	29	5	7	9	11	16	22	46	55	36	26	10	14	16
Dixon Tech	534	754	831	25	21	32	43	165	283	395	55	104	61	43	29	36	35
Air Conditioner/Air cooler																	
Blue Star	131	156	186	19	9	12	14	28	37	45	25	67	52	43	18	21	21
Voltas	149	173	198	15	10	13	15	23	32	39	29	59	42	36	11	14	15
Johnson Controls Hitachi	31	37	41	15	2	2	3	32	49	58	34	53	35	30	13	18	18
Symphony	14	16	18	14	2	3	4	29	38	44	22	30	23	20	24	28	28
Wires and Cables																	
Polycab India	270	319	370	17	37	43	50	168	199	227	16	46	39	34	23	23	21
KEI Industries	117	140	167	20	12	15	18	92	111	131	20	47	39	33	14	15	15
RR Kabel	88	103	118	15	7	8	10	37	46	57	24	34	27	22	18	19	19
Havells	236	272	311	15	24	30	32	26	33	35	16	56	45	42	19	21	21
Finolex Cables	59	66	75	12	7	8	NA	47	52	60	12	17	15	13	13	14	14
FMEG																	
Bajaj Electricals	51	56	62	10	4	5	6	15	25	31	43	36	22	18	8	11	14
Crompton	84	94	105	12	9	11	13	9	11	13	18	30	25	22	16	18	18
Orient Electric	34	38	42	11	3	3	7	5	7	9	29	39	28	23	16	19	21
V-Guard Industries	62	71	80	13	6	7	8	8	10	12	24	44	34	29	17	18	19
Other White Goods																	
Eureka Forbes	27	31	36	14	3	4	5	10	13	18	34	54	41	30	4	5	7
IFB Industries	57	64	72	13	4	4	5	41	55	69	30	42	31	25	19	21	20
Whirlpool Of India	86	97	108	12	6	8	9	35	44	53	23	33	27	22	11	12	14

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 19: LG deserves a premium multiple (~50x), given its unique combination of diversified premium-category leadership and a structural turnaround in growth visibility

Parameter	LG Electronics India	Havells	Blue Star	Voltas	Comment / Implication for Valuation
Revenue Mix Share - FY25 (%)	Refrigerator - 27%, Washing Machine - 21%, Air Conditioner - 22%, Television - 20%; Others - 10%	Switchgears - 11%, Cable - 33%, Lighting and Fixtures - 8%, ECD - 18%, Lloyd - 24%, Others - 6%	EMP and CAC - 50%, UCP - 47%, PIES - 3%	UCP- 69%, EMPS - 27%, EPS - 4%	LG is the most diversified across premium discretionary durables
Product Diversification	5+ major categories: RAC, Refrigerator, Washing Machine, TV, Microwave, etc	5+ categories (FMEG: Wires, Switchgear, Lighting, Fans, Lloyd AC)	Primarily cooling (RAC, CAC, air coolers, water coolers)	Cooling-heavy (RAC, CAC, air coolers)	
Category Growth Profile (over CY24-29P)	~15% (Ref), ~9% (WM), ~17% (RAC), 14% (TV)	~10% (FMEG), ~17% (RAC via Lloyd)	17% (RAC and CAC)	17% (RAC and CAC)	LG's mix skewed toward faster-growing discretionary categories
Business Quality / Cyclicity	Low cyclicity due to multi-category presence	Low – electrical consumption steady	Moderate/High – cooling seasonal	High – RAC dependence	LG's balanced mix de-risks seasonality and enhances earnings stability
Growth Levers - FY25-30P	Export ramp-up, premiumization, Sri City capacity, Tier-2 penetration	Consumer expansion via Lloyd + rural push, high demand in wires and cables	CAC expansion, water coolers, RAC premiumization	RAC rebound, B2B cooling, Domestic projects will start seeing pickup	LG's growth levers are more structural and less cyclical
Market Leadership	#1 in TVs, WM; Top-2 in RAC, Refrigerator	Top-3 in Fans, Switchgear, Cables; #5 in RAC via Lloyd	Top-2 in CAC; #3-4 in RAC	#1 in RAC (with market share under pressure)	LG has multi-category leadership vs single-category dominance for peers
Pricing Power / Brand Premium	High – perceived aspirational Korean MNC	Medium/High – strong brand in electricals; Lloyd improving	Moderate/High – B2B + B2C mix dilutes premium	Medium/Low – strong distribution, mid-premium	LG commands pricing power similar to Havells due to premium positioning
Distribution Reach	30k+ outlets, 777+ brand shops, strong offline + digital	2k+ distributors, 200k retailers	10k+ outlets	30k touchpoints	LG's hybrid retail + brand shop strategy ensures higher control and visibility
Export Potential / Global Integration	High – Sri City plant (Rs50bn capex) to boost exports from 6% to ~10-15% of revenue by FY30	Low – domestic-centric (~3.7% of FY25 revenue)	Moderate – exports in cooling (exports ~4.5% of FY25 revenue)	Low – domestic heavy (exports only 0.5% of FY25 revenue)	Export focus adds operating leverage and margin expansion optionality for LG
R&D as a % of revenue (FY25)	0.4% for LG (3% for LG Korea)	1.2%	1.2%	0.2%	R&D intensity remains modest at ~0.4% of revenue for LG (vs. ~3% for LG Korea). The strong R&D backbone of the global parent provides LG access to cutting-edge innovation/tech
Gross Margin - FY25 (%)	32%	33%	24%	22%	LG and Havells enjoy superior gross margins owing to premium product mix
EBITDA Margin - FY25 (%)	13%	10%	7%	6%	LG's margins already better vs Havells; ahead of peers
ROE – FY26E-28E (%)	~31-33%	~14-20%	~18-21%	~10-15%	LG's high returns justify Havells-like valuation multiples
EPS CAGR - FY26E-28E (%)	14.4	15.7	25.3	29.2	LG's EPS CAGR is relatively low owing to high base effect and rise in depreciation owing to new Sri-City Capex plans
PER (x)					
- FY27E	29.4	45.9	50.5	42.5	
- FY28E	25.8	42.3	41.8	35.7	
Valuation Rationale	LG deserves a premium multiple (~50x) given its unique combination of diversified premium-category leadership and a structural turnaround in growth visibility. Historically viewed as a mature player, LG India is now entering a new growth phase driven by multiple engines: 1) mass-premium category expansion that broadens its addressable market, 2) export scale-up via the new Rs50bn (FY25 Gross Block at Rs35bn) Sri City facility, 3) B2B and institutional channel build-out in CAC and commercial appliances. With leadership across multiple high-growth, premium discretionary categories, LG offers earnings durability, and growth visibility comparable to peers like Havells — justifying a structural re-rating toward a ~50x multiple (vs 26x FY28E multiple based on the upper end of the IPO price band of Rs1,140)				

Source: Company, LG RHP (refer to [Link](#)), Havells PPT (Refer Link), Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Initiate coverage with BUY; 80% upside

India business a formidable franchise; strategically important for LG Korea

LG is the benchmark franchise, with market leadership across categories: Refrigerators (34%), Washing Machine (30%), TVs (20%), and RACs (18%) in Q1FY26. LG commands a higher market share in premium categories: ~25% of its revenue (vs ~15% industry); likely to rise to ~40% (~27% - industry) over 5Y. As part of the 'Global South' strategy, India is crucial and is likely to contribute 1/3rd of growth for LG Korea over the next 5Y. Its innovation-first approach spanning direct-drive washing machines (1999) to OLED/transparent OLED TVs (2015/2020) has consistently defined consumer trends in India rather than following trends. LG's premium mix (~25% vs 15% for industry) continues to expand as households upgrade to new age-tech like inverter RACs, frost-free refrigerators, front-load washing machines, and high-end smart appliances like OLED TVs.

Parent's 'Global South' strategy to accelerate growth for India operations

As part of the 'Global South' strategy, India is increasingly becoming a strategic growth driver for LG Korea. LG Korea is positioning India as an export hub for several markets like Brazil, Mexico as well as entering mass-premium categories in India to drive growth. Beyond B2C, LG is also scaling up its B2B portfolio (in line with global strategy), encompassing commercial air-conditioning (CAC), display/signage solutions, aimed at institutional/hospitality segments. A >35,600 touchpoint network across brand shops, modern trade, e-commerce, and sub-dealers anchors LG's reach across India. We believe LG's expansion into mass-premium products, aided by the third plant's commencement in FY27E, improving localization trends (~54% of RM sourced from domestic suppliers in FY25; ~2-3% improvement expected each year), a higher focus on B2B (HVAC, information displays), and a rising export share from ~6% to ~10-15% would push revenue to 13% CAGR (8% CAGR over FY19-26E), with 14% EPS CAGR over FY26E-28E (6% CAGR over FY19-26E).

Earnings to accelerate; valuations attractive

Following a relatively muted ~6% EPS CAGR over FY19-26E, we expect a growth revival, with revenue/EPS CAGR of ~13/14% over FY26E-28E on the back of stable margins (~13%) and a net-cash B/S, leading to robust return ratios (32% RoE /44% RoCE), and an FCFE yield (basis sales) of ~7.6% by FY28E. We believe LG deserves a premium multiple (50x; refer Exhibit 19) given its diversified category leadership and renewed focus on growth via mass-premium product expansion, coupled with high RoEs (~31-33% over FY26E-28E) vs peers like Havells (~14-20%) and Blue Star (~18-21%) justifying a ~50x multiple.

Exhibit 20: Financial snapshot – We build in revenue/EBITDA/EPS CAGR of 13%/16%/14% over FY26E-28E

Particulars (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenues	213,520	243,666	261,785	295,303	333,945
Growth YoY (%)	7.5	14.1	7.4	12.8	13.1
Gross Profit	64,218	77,865	84,295	95,678	108,532
Gross Margin (%)	30	32	32	32	33
EBITDA	22,249	31,101	31,533	36,797	42,612
EBITDA margin (%)	10.4	12.8	12.0	12.5	12.8
Depreciation	3,644	3,804	4,039	4,502	5,468
EBIT	18,605	27,298	27,494	32,295	37,144
EBIT margin (%)	8.7	11.2	10.5	10.9	11.1
Other Income	2,051	2,640	3,502	3,341	3,468
Interest	285	306	368	441	507
PBT	20,371	29,631	30,628	35,195	40,105
Tax rate (%)	26	26	25	25	25
Adj. PAT	15,111	22,033	22,910	26,326	29,999
PAT margin (%)	7.1	9.0	8.8	8.9	9.0
Growth YoY (%)	12	46	4	15	14
No of shares (mn)	679	679	679	679	679
EPS (Rs)	22	32	34	39	44
DPS (Rs)	31	-	5	25	30
Dividend payout (%)	139	-	15	64	68

Source: Company, Emkay Research

Exhibit 21: Revenue model – LG's home appliance and air solution is expected to deliver a sustained ~14% CAGR over FY26E-28E, with the home entertainment division expected to deliver ~9% CAGR over the same period

Particulars (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Home Appliance and Air Solution division	156,797	182,678	194,934	223,392	254,842
Contribution (%)	73.4	75.0	74.5	75.6	76.3
Growth YoY (%)	4.3	16.5	6.7	14.6	14.1
Refrigerators	57,845	66,965	73,891	82,899	92,748
Contribution (%)	27.1	27.5	28.2	28.1	27.8
Growth YoY (%)	-0.4	15.8	10.3	12.2	11.9
Washing machines	44,919	50,417	55,178	61,675	69,526
Contribution (%)	21.0	20.7	21.1	20.9	20.8
Growth YoY (%)	6.4	12.2	9.4	11.8	12.7
Air conditioners.	42,902	52,708	52,018	63,584	75,813
Contribution (%)	20	21.6	19.9	21.5	22.7
Growth YoY (%)	7.5	22.9	-1.3	22.2	19.2
Others	11,132	12,589	13,848	15,232	16,756
Contribution (%)	5.2	5.2	5.3	5.2	5.0
Growth YoY (%)	9.8	13.1	10.0	10.0	10.0
Home Entertainment division	56,723	60,988	66,852	71,912	79,103
Contribution (%)	26.6	25.0	25.5	24.4	23.7
Growth YoY (%)	17.3	7.5	9.6	7.6	10.0
Televisions	45,583	49,248	54,173	57,965	63,761
Contribution (%)	21	20	21	20	19
Growth YoY (%)	15.9	8.0	10.0	7.0	10.0
Others	11,139	11,740	12,679	13,947	15,341
Contribution (%)	5	5	5	5	5
Growth YoY (%)	23.5	5.4	8.0	10.0	10.0
Total Revenue	2,13,520	2,43,666	2,61,785	2,95,303	3,33,945
Growth YoY (%)	7.5	14.1	7.4	12.8	13.1

Revenue Mix (%)	FY24	FY25	FY26E	FY27E	FY28E
Home Appliances and Air Solution	73%	75%	74%	76%	76%
-Refrigerators	27%	27%	28%	28%	28%
-Washing Machines	21%	21%	21%	21%	21%
-Air Conditioners	20%	22%	20%	22%	23%
-Others	5%	5%	5%	5%	5%
Home Entertainment	27%	25%	26%	24%	24%
-Television	21%	20%	21%	20%	19%
-Others	5%	5%	5%	5%	5%
Total Revenue	100%	100%	100%	100%	100%

Source: Company, Emkay Research

Exhibit 22: We value LG at 50x Sep-27E PER with TP of Rs2,050, implying an upside of ~80% from the upper-end of the IPO price band of Rs1,140

Particulars	FY25	FY26E	FY27E	FY28E
EPS (Rs)	32	34	39	44
Target Multiple – Sep-27E (x)				50
Target price (Rs)				2,074
Round off (Rs)				2,050
Implied PER (x) - At the upper price band (Rs1,140)	35	34	30	26
Price band – LG				
CMP – Higher end (Rs)				1,140
CMP - Lower end (Rs)				1,080
Upside/(Downside) - taking the upper end as the base				80%

Source: Company, Emkay Research

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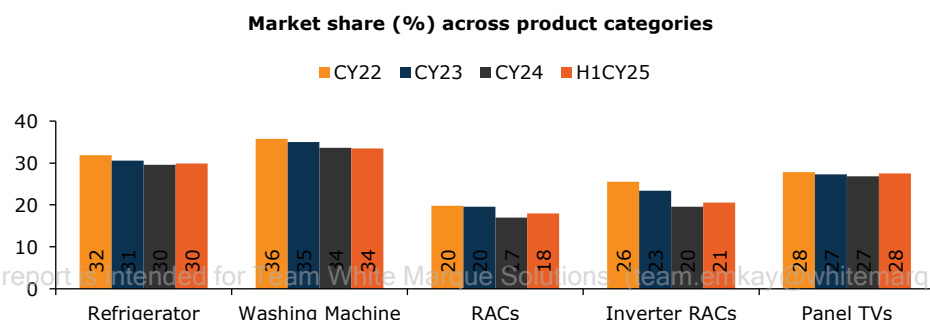
India business a formidable franchise; strategically important for the parent

- Over the past decade, LG Electronics India has cemented its leadership across key categories, with TVs/washing machines/refrigerators sustaining double-digit market shares of ~34%/30%/18%, respectively, in Q1FY26.
- Moreover, LG has long embraced an innovation-first philosophy, introducing several industry-defining products ahead of peers. For instance, LG pioneered direct-drive washing machines in 1999, OLED TVs in 2015, transparent OLED displays in 2020, and OLED gaming monitors in 2022. This steady cadence of launches showcases the company's ability to translate global R&D into locally relevant innovation.
- Also, the ongoing shift toward premium products across consumer durables plays directly into LG's strengths (~25% of its product mix now comes from premium SKUs versus roughly 15% for the industry).
- As part of the 'Global South' strategy, India remains crucial and is likely to contribute 1/3rd of growth for LG Korea over the next five years.

A] Market leadership in major discretionary categories

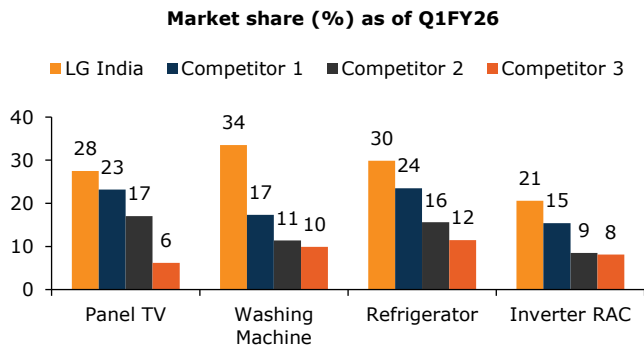
- LG operates via two primary segments – Home Appliances and Air Solution (HAAS) and Home Entertainment (HE). The HAAS segment (~78% of revenue) involves refrigerators, washing machines, and air conditioners, while the HE segment (22%) comprises televisions and related products. Across both segments, LG has remained the No 1 brand in India's offline channel (~77% of overall mix).
- Within HAAS, LG retains its leadership across refrigerators, washing machines, and inverter ACs, each contributing healthy double-digit shares. These categories have exhibited consistent growth, supported by differentiated technology, strong dealer economics, and expanding local manufacturing. Notably, LG's early transition to 100% inverter technology in ACs (2017) positioned it at the forefront of the energy-efficient segment, while successive launches in frost-free and smart-diagnostic refrigerators reinforced its mid-premium positioning.
- While LG's market share in refrigerators, washing machines, and televisions has softened in recent years (FY21-24), the decline was largely strategic than structural. The company optimized its product portfolio to exit basic entry-price segments, prioritizing profitability over scale. Similarly, in panel televisions, LG focused on premium OLED and 4K offerings instead of aggressively competing in the low-end LED category. Within RACs, the share rationalization reflected intensifying competition (~60+brands) in inverter RACs and LG's absence in the entry-level on/off segment.
- However, LG still holds leadership position across washing machines/refrigerators/RACs, with market shares of 34/30/18%, respectively, in Q1FY26. Based on the revenue pool share, LG's revenue share has consistently increased over the years vs peers like Blue Star, Voltas, and Havells.

Exhibit 23: LG has sustained a healthy market share across major consumer durable product categories...



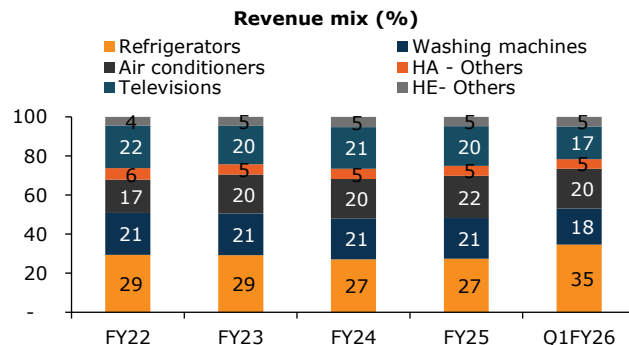
Source: Company, Emkay Research

Exhibit 24: ...and has a considerable gap vs the second largest peer



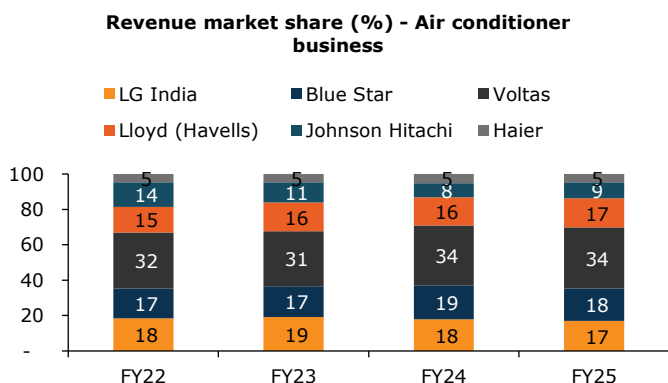
Source: Company, Emkay Research

Exhibit 25: LG's major revenue contribution (~35%) came from refrigerators in Q1FY26 on weak RAC demand



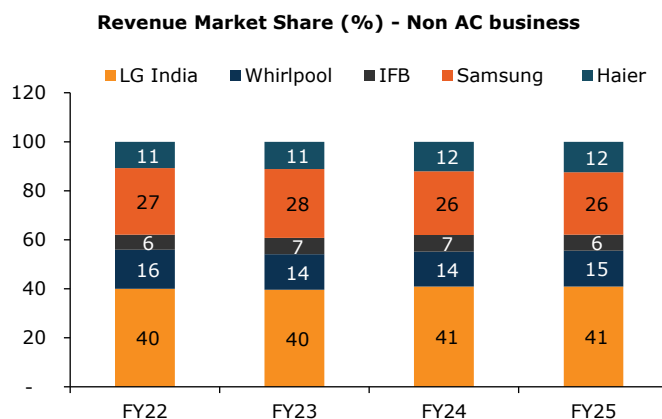
Source: Company, Emkay Research; Note: HA – Home Appliance, HE- Home Entertainment

Exhibit 26: LG lost some revenue market share in the air conditioner business, owing to rising competition from Indian/Chinese brands...



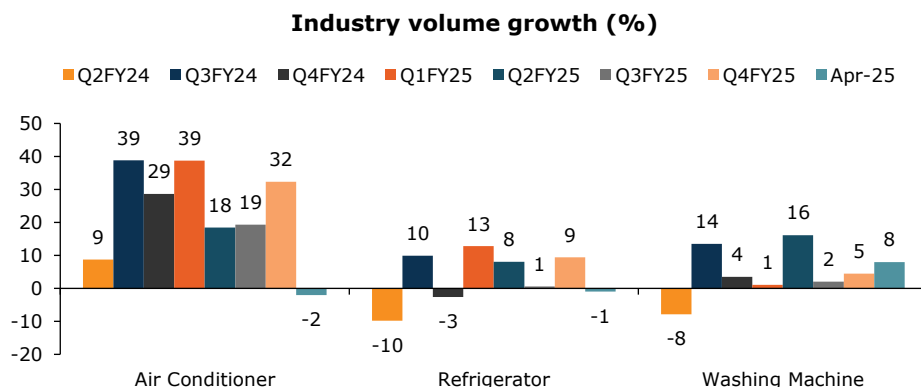
Source: Company, Emkay Research; Note: For Voltas and Blue Star, we have taken UCP revenues; for Haier, we have assumed ~16-20% of the revenue mix from air conditioners over FY22-25, based on media articles

Exhibit 27: ...while it continued to be resilient in the non-AC revenue market with a dominant market share of ~41% in FY25



Source: Company, Emkay Research; Note: For Haier, we have assumed ~16-20% of its overall revenue mix over FY22-25; for Samsung, we have assumed 5% revenue mix from air conditioners over FY22-25

Exhibit 28: Industry growth (ex-ACs) has been relatively steady over the past decade, with Apr-25 seeing a decline in RAC volume growth as well, owing to unseasonal rains

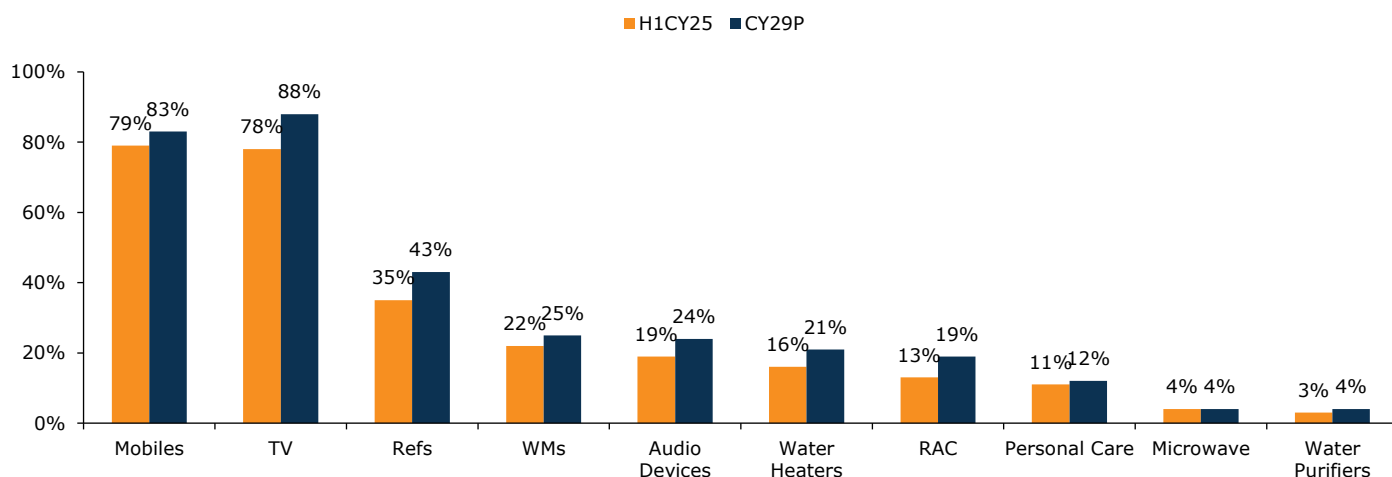


Source: Industry, Emkay Research

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Exhibit 29: Mobile and TVs have the highest penetration across categories

Penetration across consumer durable categories

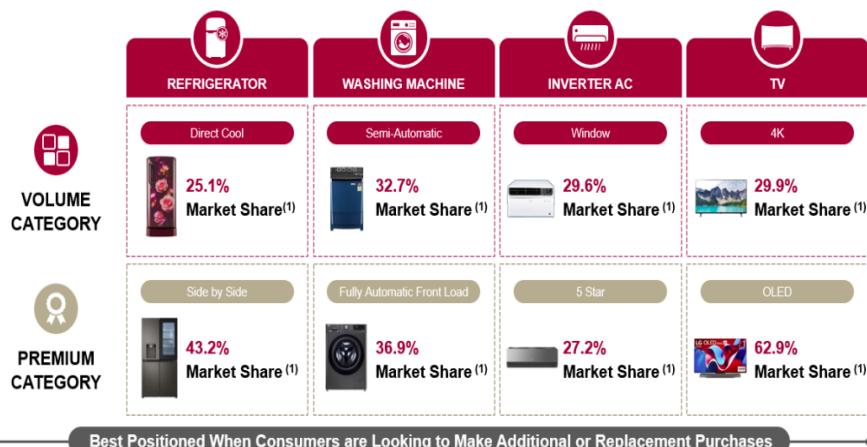


Source: Company, Emkay Research

[B] Premiumization is the way forward

- The Indian appliance market is undergoing a clear premiumization shift, with consumers moving toward energy-efficient and feature-rich products; for instance, inverter RACs now form ~75% of the RAC market.
- LG India leads across premium segments, holding dominant value shares in OLED TVs (~63%), side-by-side refrigerators (~43%), fully automatic front-load washers (~37%), inverter 5-star ACs (~27%), and convection microwaves (~51%) as of H1CY25.
- Its strategic withdrawal from entry-level price tiers has compressed the volume share, but improved profitability, aligning with a 'premium over presence' philosophy that supports long-term margin resilience.
- While Indian (Voltas, Blue Star, Havells)/Chinese (Haier) brands continue to dominate the value segment via affordability/localized offerings, we believe LG's differentiated moat lies in its dual strength: 1) global innovation DNA and sublime brand recall and 2) adapting per local requirements, which allowed sustained pricing power/higher ASPs across product categories.
- With ~25% of LG's mix already premium (vs ~15% for the industry), the company remains well positioned to monetize on India's structural move toward higher-quality, technology-integrated appliances and targets improving this mix to 40% over 5Y (vs 27% for the industry).

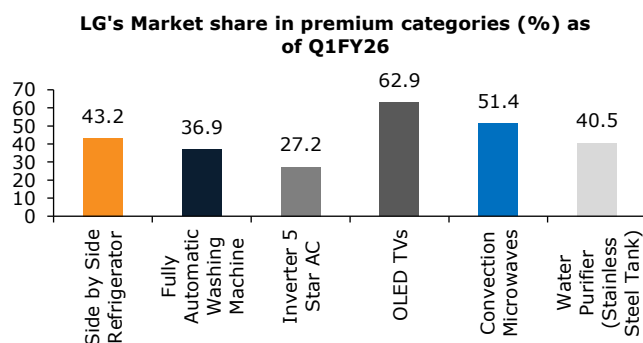
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Exhibit 30: LG holds the dominant market share (+25%) across volume and premium categories in multiple products

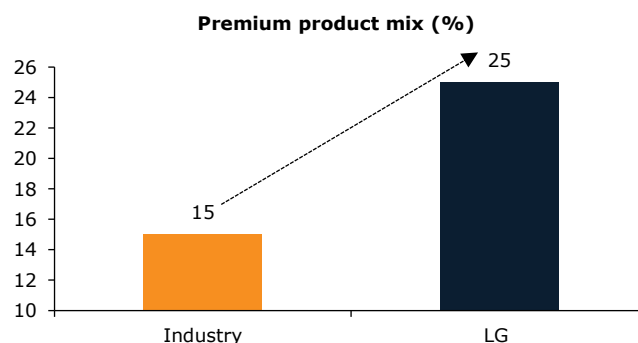
(Source: As reported in the Redseer Report); Data for the six-month period ended June 30, 2025

Note: (1) Refers to market share (in terms of value) in the offline channel in the six-month period ended June 30, 2025; During the twelve months ended December 31, 2024 and the six months ended June 30, 2025 approximately eight out of ten air conditioners sold in India were based on the inverter technology, according to the Redseer Report

Source: Company, Emkay Research

Exhibit 31: LG holds the dominant market share across premium product categories across its portfolio...

Source: Company, Emkay Research

Exhibit 32: ...and per the management, it derives ~25% of the topline from its premium offerings vs ~15% for the industry

Source: Company, Emkay Research

C] India – A pivotal market for the Global Parent

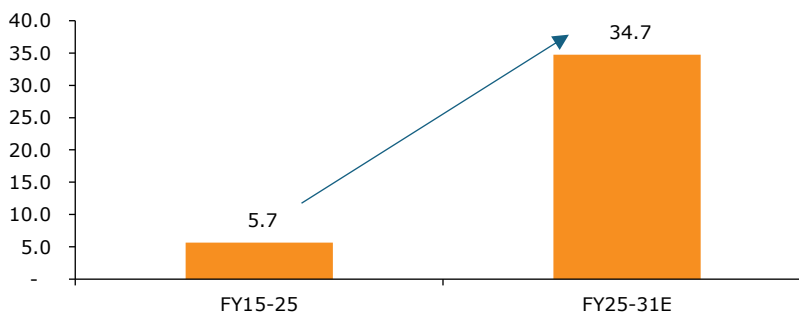
- Amid a strategic reset at LG Korea (announced in Jan-25; refer to [link](#)), the global parent has outlined a focus on 'Global South' markets such as India/Brazil, to drive growth (LG Korea's 10Y revenue CAGR has been muted at 4%), enhance cost competitiveness vs the Chinese, expand into mass-premium categories, and scale up its B2B portfolio.
- This transformation occupies a uniquely strategic position in LG's roadmap as well. As developed markets approach a saturation point and competitive intensity rises in entry-level appliances, India offers both volume growth and margin resilience in the global CE landscape.
- For the parent LG Korea, India has evolved from a volume market into a profit and innovation hub. India now contributes meaningfully (~5% of FY25/CY24 revenues) to overall revenues and serves as a manufacturing base for RAC, compressor, and TV lines.

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Exhibit 33: Global leadership—LG CEO William Cho—repeatedly highlighted India as a ‘golden-time opportunity’ and a cornerstone for LG’s next 30 years of growth

Designation	About	Comments	Source	When
LG Korea CEO William Cho	Importance of India	"We would need to build more factories and tap into local talent"	Link	Jan-25
	India Growing Market	"India is not just a key market for LG but also a land of immense opportunity for global companies"	Link	Mar-25
	Importance of India	"India is not just a key market for LG but also a land of immense opportunity for global companies. Leveraging our deep understanding of customers and our strong market position, we will seek to collaborate with the people of India to become the nation's most trusted brand and drive our growth for the next era"	Link	Mar-25
	Importance of India	"The next few years are crucial in determining what differentiated strategy LG will take in India to have a leading edge over our competitors."	Link	Mar-25
	India Manufacturing Hub	"We are building India's largest electronics plant to cater not just to Indian demand but also to nearby emerging markets"		
	Global South	"The Global South is no longer emerging, it is leading and India stands at the forefront of this change"	Link	May-25
	Localizing Operations	"To maintain agility and competitiveness, we are localizing operations in major markets including India, Southeast Asia and the Middle East"	Link	May-25
	India Growth Market	"India is not only a growth market but also a benchmark for scalable, affordable product design"		
Sanjay Chitkara LG India, Chief Sales Officer	India Manufacturing Hub	"LG Electronics India will double manufacturing capacity in five years as it seeks to make the country a global manufacturing hub"	Link	Oct-25
	Exports from India	"We will add some newer geographies and some newer product categories for our exports. Exports will not only be in the underdeveloped economies like southeast Asia, we would be adding more to Europe as well as other developed markets too"	Link	Oct-25
Atul Khanna, LG India Chief Accounting Officer	Global South	"We want to position India in a global production pool. We are integral part of our parent's Global South strategy, through which it wants to establish India as a global production hub"	Link	Oct-25

Source: Company, Emkay Research

Exhibit 34: LG's incremental revenue is projected to rise 6x, from ~6% during FY15-25 to ~35% over FY25-31E, as the global parent pursues its KRW100trn revenue target by CY30P (FY31P)**LG's incremental revenue as a % of LG Electronics Inc's incremental revenue**

Source: Company, Emkay Research; Note: Incremental revenue represents change in total revenue over the respective periods. For LG Electronics, calendar year (CY) has been used instead of fiscal year (FY); eg CY24 ≈ FY25. Global revenues in KRW were converted to rupees using average FX rate for the respective periods

An innovation-first approach

- Innovation has been the cornerstone of LG's growth narrative for over two decades. The company has consistently pioneered category-defining technologies, localizing global R&D to address Indian consumers' needs, while staying ahead of industry trends.
- LG introduced direct-drive technology in washing machines as early as 1999. That same year, it became the first brand to launch microwave ovens in India, signaling its long-term focus on convenience-led kitchen solutions.
- Through the 2000s, LG deepened its local manufacturing footprint, commencing production of refrigerators and monitors in 2001 and establishing a large facility in Ranjangaon, Pune (2004), which became its innovation base for appliances and electronics.
- The following decade saw LG build an unmatched streak of 'industry firsts' that re-shaped multiple product categories:
 - **2013–14:** Introduced charcoal lighting-heater microwaves, power-cut-ever-cool refrigerators, smart diagnosis technology, and the webOS smart-TV platform.
 - **2015:** Launched India's first 4K OLED television, catalyzing the transition to premium TVs.
 - **2016–17:** Began domestic production of water purifiers and rolled out smart-inverter washing machines, improving energy efficiency across the portfolio.
 - **2019–20:** Expanded into air purifiers and ceiling fans, launched 401 Auto Cook microwaves, ThinQ-connected air-conditioners, and the world's first 8K OLED TV.
 - **2022–24:** Continued to push frontiers with India's first rollable OLED TV, wash-tower laundry systems, scan-to-cook Wi-Fi microwaves, and most recently, the Energy Manager feature in air-conditioners (2024).

Exhibit 35: LG has been ahead of the curve in the Indian consumer durable space, introducing new-age tech showcasing a consumer-first approach...

Calendar Year	Events & Milestones
1997	Set-up of manufacturing facility at Noida
1998	Commenced production of colour television, washing machine and air conditioners First to introduce direct drive technology for washing machines
1999	Commenced production of microwave ovens First to launch microwave ovens in India
2001	Commenced production of refrigerators and colour monitors
2004	Set-up of manufacturing facility at Pune
2013	Launched India's first charcoal lighting heater microwaves Launched power cut ever cool technology for refrigerators
2014	Enabled smart diagnosis technology for refrigerators Launched LG webOS platform
2015	Launched India's first 4k OLED television
2016	Commenced production of water purifiers
2017	Introduced smart inverter technology in washing machines
2019	Commenced production of ceiling fans and air purifiers Launched 401 auto cook menu for microwaves Amongst the first to launch smart connectivity AC integrated with LG ThinQ app
2020	Launched world's first 8k OLED television
2022	Commenced production of window air conditioner Launched India's first rollable OLED television
2023	Commenced production of air conditioner compressor First to introduce wash tower range of washing machines in India Launched India's first scan-to-cook Wi-Fi enabled microwave
2024	Amongst the first two launch Energy Manager feature in air conditioners

Source: Company, Emkay Research

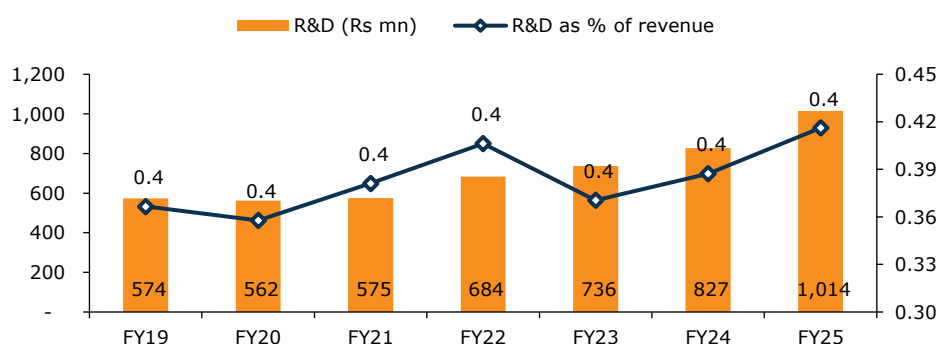
Exhibit 36: ...with path-breaking products like 4k OLED TV (2015), 8k OLED TV (2020), wash tower washing machine (2023), and many more

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



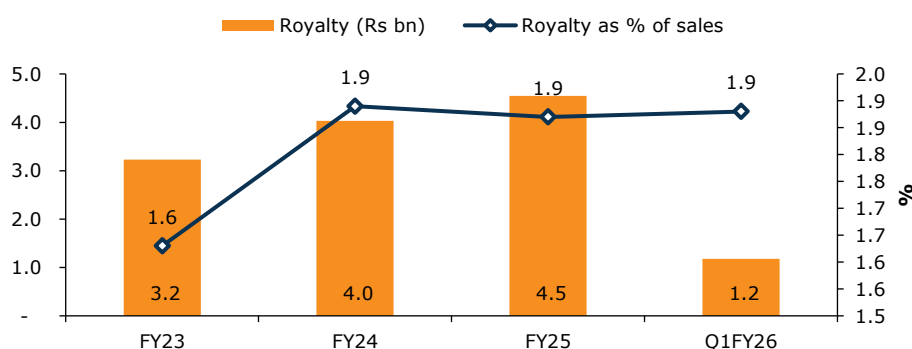
Source: Company, Emkay Research

Exhibit 37: LG's R&D spends grew consistently at a 10% CAGR over FY19-25



Source: Company, Emkay Research

Exhibit 38: LG's royalty spends have consistently increased over the years



Source: Company, Emkay Research

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Parent's 'Global South' strategy to accelerate growth for India operations

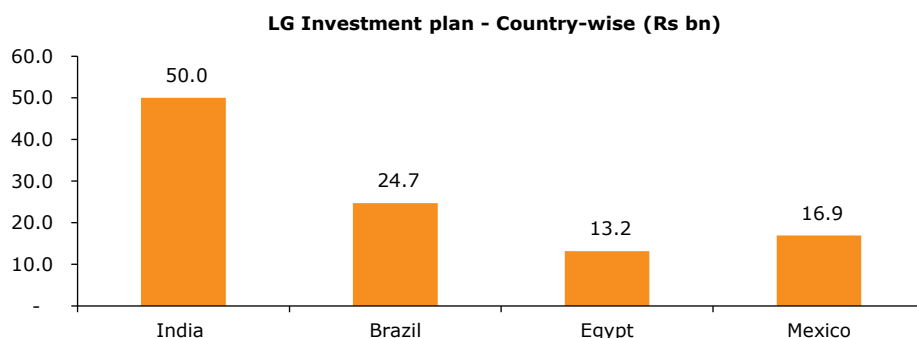
- LG Electronics (Korea)'s Future Vision 2030 marks a shift from a cyclical consumer-electronics maker to a Smart Life Solution Company, targeting >50% of revenue from B2B, services, and platform-led verticals by 2030 (vs ~30% currently). This transformation is anchored on the 'Triple 7' goal: 7% revenue CAGR, 7% margin, and 7x EV/EBITDA multiple with the Global South (India, Brazil, Vietnam) as key growth pillars.
- India serves as LG's third-largest market globally (after USA and Korea) and is expected to contribute 1/3rd of LG's incremental global growth over the next 5 years. It acts as a dual growth engine driven by B2C and B2B.
- LG is investing Rs50bn (FY25 Gross Block at Rs35bn) in a greenfield plant at Sri City, Andhra Pradesh (third facility; post Noida & Pune), adding to its 14.5 mn-unit capacity. The new plant operational by Q2FY27E gives logistics advantages in South India (33% of RAC demand), improves cost efficiencies, and anchors export scalability.
- India is being positioned as a cost-competitive export base, with export share targeted to double from ~6% to ~10-15% by FY30P. The addition of premium product lines (OLED TVs, side-by-side refrigerators) opens up developed-market access, enabling higher realizations and economies of scale.
- Localization has risen from ~49% in FY24 to 54% in Q1FY26, with a plan to improve 2-3% annually. Supported by 'Make in India' and PLI incentives (4-6%), LG is structurally reducing import dependence, boosting cost competitiveness, and aligning with India's self-reliance agenda.
- LG is expanding into high-margin B2B solutions (HVAC, commercial displays), leveraging global R&D and technology.

A] From Global to India – LG's next growth engine

- LG Korea pivot from a traditional consumer-electronics maker to a Smart Life Solution Company marks one key inflection in decades. The shift articulated under Future Vision 2030 aims to rebalance growth from cyclical, hardware-led B2C categories toward platform-based services, B2B expansion, and emerging adjacencies like EV charging. These verticals are expected to contribute >50% of LG's global sales and profits by 2030, up from ~30% currently, under its 'Triple 7' target (7% revenue CAGR, 7% margin, 7x EV/EBITDA multiple).
- **India serves as a dual growth engine**
 - **B2C penetration opportunity:** Sustained category leadership in TVs, washing machines, refrigerators, and RACs positions LG to monetize India's structural consumption growth and premiumization cycle.
 - **B2B expansion platform:** India's commercial and industrial appliance market (~Rs515 bn in CY24, seeing 14% CAGR) is emerging as the next frontier for LG's HVAC, CAC, and display solutions. Leveraging global know-how in data-center cooling and commercial HVAC, LG India is set to expand into institutional and infrastructure-driven verticals such as hospitality, healthcare, and data centers.
- The parent's planned KRW 50trn investment (R&D, facilities, and strategic M&A) provides LG with technology access, localization support, and product diversification, helping it evolve from a pure consumer-electronics arm into a multi-vertical solutions franchise.
- This ensures that LG's transformation mirrors the parent's global pivot—from cyclical consumer demand to durable, technology-led solutions, positioning it as both growth/margin driver within the global portfolio.

This research report is for informational purposes only and should not be used as a basis for investment decisions. For more information, please contact your broker or the research team at team.emkay@whitemarquesolutions.com.

Exhibit 39: India is LG's largest, multi-year appliance investment (~Rs50bn over ~5Y), with export integration; Brazil (~Rs25bn) is a regional plant due in 2026; Egypt (~Rs13bn) involves a line expansion; Mexico involves ~Rs17bn investment



Source: Company, Media portals, Emkay Research (Links: [India](#), [Brazil](#), [Egypt](#), [Mexico](#)); Note: the investment amounts have been converted to the Indian Rupee for better clarity

B] Sri City capex to drive topline growth/margins

- LG is investing ~Rs50bn over the next 4–5Y to set up its third greenfield plant at Sri City, Andhra Pradesh; this would expand its total manufacturing footprint beyond the current total manufacturing capacity at ~14.5mn units (Noida at 7.6mn; Pune at 6.9mn; aggregate capacity utilization of ~76.8% in FY25).
- The new plant is expected to commence operations during Diwali 2026 (Q3FY27), with LG initially targeting to manufacture RAC compressors and then washing machines and refrigerators.
- Also, localization levels steadily improved to 54.1% in Q1FY26 (from 48.8% in FY24), supported by 'Make in India' and PLI schemes. With ~2-3% annual localization improvement, LG India is structurally reducing import dependency and enhancing cost competitiveness.

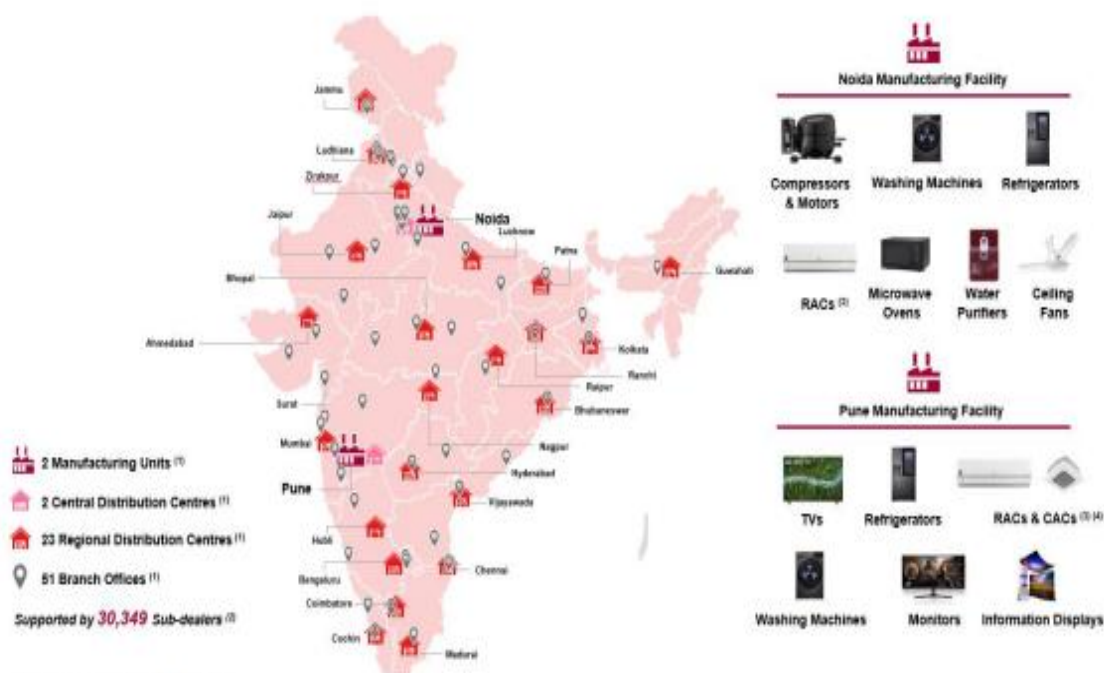
Exhibit 40: LG Electronics India has 2 manufacturing facilities...



Source: Company, Emkay Research

Exhibit 41: ...with plans to construct a third manufacturing unit at Sri City, Andhra Pradesh

Manufacturing and Pan-India Distribution Presence



1. Data as of June 30, 2025.
2. The count of sub-dealers varies period-on-period based on the sales made by distributors to sub-dealers in a given period. As a result, and to facilitate comparability, the count of sub-dealers has been provided for the period from July 1, 2024 to June 30, 2025.
3. RACs refer to room air conditioners.
4. CACs refer to commercial air conditioning systems.

Source: Company, Emkay Research

Exhibit 42: The total manufacturing capacity currently stands at ~14.5mn units (Noida at 7.6mn; Pune at 6.9mn)

Particulars	FY23	FY24	FY25
Production (mn units)	9.6	9.9	11.1
Noida	5.3	5.5	6.1
Pune	4.2	4.5	5.0
Capacity (mn units)	13.7	14.0	14.5
Noida	7.4	7.4	7.6
Pune	6.3	6.6	6.9
Utilization (%)	70.2	71.1	76.8
Noida	72.2	73.9	80.5
Pune	67.9	67.9	72.7

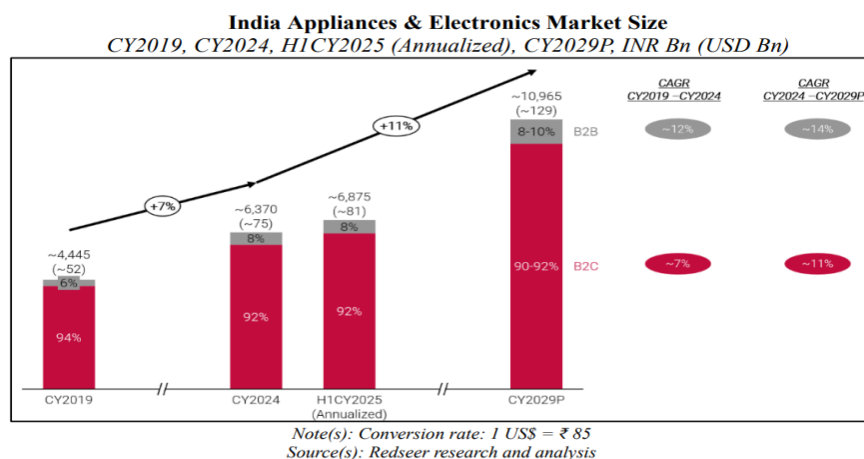
Source: Company, Emkay Research

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LG now scaling beyond B2C

- The B2B segment accounts for ~8% of the Indian appliance and electronics market in H1CY25 (annualized). The B2B segment caters to commercial and institutional users, providing products such as CAC, computers and peripherals, and specialized displays for offices, hospitals, commercial and retail spaces, and government facilities.
- LG plans to leverage the global tech of its parent LG Group, to expand its 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.
- Moreover, to deepen its B2B stickiness, especially in HVAC, LG is scaling up its 'Careship' subscription. AMCs are bundled at the time of purchase with flexible terms, covering repair costs during the contract period; this drives recurring service revenue.

Exhibit 43: The B2B segment accounts for ~8% of the Indian appliance and electronics market in H1CY25 (annualized)



Source: Company, Emkay Research

A formidable distribution network in place

- LG operates one of the most extensive and standardized retail networks in the Indian consumer durables industry, encompassing +35,600 B2C touchpoints as of Q1FY26.
- The company's LG brand shops, run by third-party franchise, serve as exclusive experience centres showcasing the full product range.
- LG's modern-trade presence is equally robust, anchored by strategic partnerships with large-format retailers such as Reliance Retail, Croma (Infiniti Retail), and Vijay Sales.
- LG's traditional channel network is also robust, forming the backbone of its mass-market distribution. This includes 377 distributors and 30,000+ sub-dealers, supported by 1,100+ multi-brand outlets and 1,600+ regional specialty stores (RSS).
- Per the management, LG derives ~75% of its revenue from its traditional trade channels (of which 50% would be from its brand shops); the balance would be from modern retail and ecommerce.
- In addition, LG has strengthened its online presence through its own direct-to-consumer (D2C) website and partnerships with leading e-commerce marketplaces, ensuring omnichannel access for consumers.

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Exhibit 44: LG's traditional channel network (~30k+) is robust, forming the backbone of its mass-market distribution...

Particulars	FY23	FY24	FY25	Jun-25
LG BrandShops	814	780	800	777
Modern Trade	1,034	1,224	1,369	1,385
Online Business				
LG Website	1	1	1	1
E-commerce	2	2	2	2
Traditional Channels				
Distributors and sub-dealers	30,563	31,275	31,259	30,726
Distributors	429	417	412	377
Sub-dealers	30,134	30,858	30,847	30,349
Multi-brand outlets	1,341	1,272	1,221	1,134
Regional specialty stores	1,119	1,279	1,578	1,615
Total	34,874	35,833	36,230	35,640

Source: Company, Emkay Research

Exhibit 45: ...along with 777 exclusive brand shops and 1,385 modern trade channels

Distribution Footprint with Balanced Mix of Physical and Digital Channels

	LG Brand Shops	Modern Trade Outlets	Multi-Brand Outlets	Regional Specialty Stores	Distributors & Sub-dealers	B2B	Online
Overview							
	Offline stores which sell LG products exclusively	Organized stores including supermarkets, hypermarkets & large-format stores	Traditional outlet stores that offer products from various brands	Traditional offline stores that focus on a narrow product line	Wholesale distributors who purchase products in bulk and resell in smaller quantities	Dedicated distributors and dealers	LG Website and 2 e-commerce marketplaces
Number of B2C Touch Points / B2B Trade Partners ⁽¹⁾	777	1,385	1,134	1,615	377 Distributors 30,349 Sub-dealers ⁽²⁾	463 B2B Trade Partners	3

Notes:

1. During the three months ended June 30, 2025.
2. The count of sub-dealers varies period-on-period based on the sales made by distributors to sub-dealers in a given period. As a result, and to facilitate comparability, the count of sub-dealers has been provided for the period from July 1, 2024 to June 30, 2025.

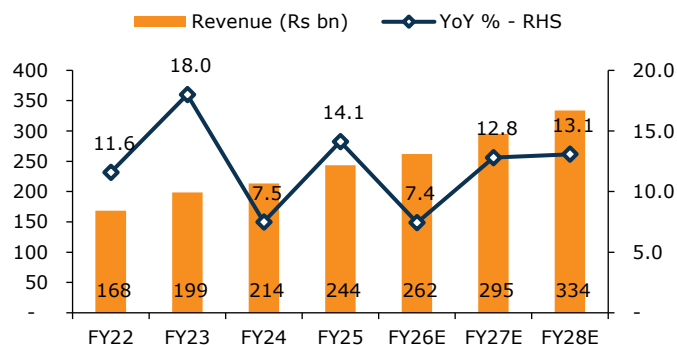
Source: Company, Emkay Research

Financials: We model revenue/EBITDA/EPS CAGR ~13/16/14% over FY26E-28E

- Over FY22–25, LG India's revenue saw a healthy ~13% CAGR, driven by broad-based momentum across segments. RACs led with ~23% CAGR, followed by Washing Machines (~12%), Refrigerators (~11%), and Televisions (~10%), showcasing LG's strong competitive positioning and execution across categories.
- **Segment-wise outlook:**
 - **Refrigerators:** We assume steady market share, with category growth led by mid-premium and side-by-side models. Industry expansion will be supported by the urban replacement cycle, rising penetration in Tier-2/3 markets, and higher energy-efficiency adoption. We build in ~12% CAGR over FY26E–28E (vs ~11% over FY22–25).
 - **Washing machines:** LG is expected to maintain its ~30% share, with growth tracking gains from industry recovery and a premium mix. Category tailwinds include rising household penetration and a greater adoption of front-load/inverter models. We forecast a ~12% CAGR over FY26E–28E (vs ~12% over FY22–25).
 - **Air conditioners:** We model stable market share in RACs which mirrors the industry's multi-year growth trajectory. Penetration gains (urban + rural) and the transition toward inverter RACs (~75% of the market) will drive category growth. We build in ~21% CAGR over FY26–28E, factoring in a low FY26 base (unseasonal rains) and a recovery in FY27E–28E on the back of the GST cut (28% to 18%) and pent-up demand, with CAC providing an incremental lever.
 - **Televisions:** Within the Home Entertainment division, we forecast TVs to grow at a ~8% CAGR over FY26E–28E, reflecting a normalized demand environment, stable market share, and stable ASPs amid rising competition from brands like Xiaomi, Samsung, TCL, etc. Industry growth will be driven by the shift to large screen, 4K, and OLED TVs, and the benefit of GST rationalization.
- We expect overall ~13% revenue CAGR over FY26–28E (vs muted ~7% over FY15–25), led by re-entry into mass-premium categories, increasing B2B focus (HVAC, information displays), continued premiumization, and rising exports as India becomes a key export hub with the commissioning of its third plant (2QFY27E onwards). Superior growth, coupled with localization benefits and a rising share of high-margin B2B/exports, should drive ~14% FY26E–28E EPS CAGR.
- Key margin drivers include 1) Focus on high-margin products with advanced features (OLED, side-by-side refrigerator, inverter RACs); 2) Increasing localization content (targets 2-3% improvement each year; 54% currently vs 50% in FY24 vs 44% 5Y ago) via domestic sourcing/manufacturing from its new Sri City plant helping reduce its input/logistics costs; 3) Expanding export share, from 6% currently to ~10-15% by FY30P.
- At the upper-end of the IPO price band (Rs1,140), LG offers an attractive entry point, at 26x FY28E PER, compared to consumer-durable peers such as Blue Star (~43x FY28E PER) and Havells (~45x FY28E PER). The valuation discount, despite LG's superior franchise, diversified portfolio, and consistent cash generation, offer a compelling risk-reward opportunity.
- We believe LG deserves a premium multiple (~50x) given its unique combination of diversified premium-category leadership and a structural turnaround in growth visibility. With leadership across multiple high-growth, premium discretionary categories, LG offers earnings durability, and growth visibility comparable to peers like Havells — justifying a re-rating towards a ~50x multiple.

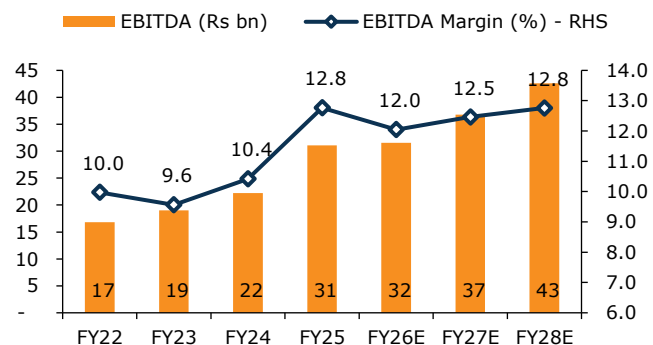
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Exhibit 46: We build in ~13% revenue CAGR over FY26E-28E



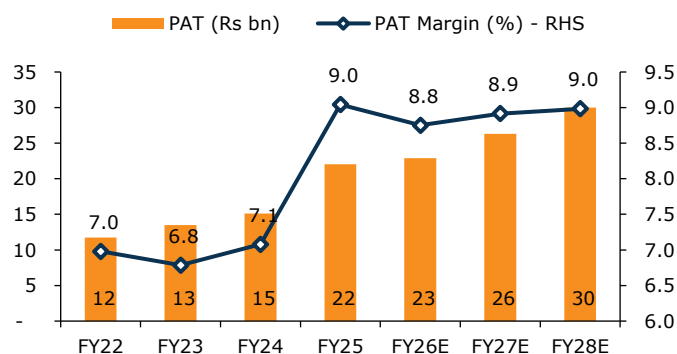
Source: Company, Emkay Research

Exhibit 47: ...with EBITDA margin improvement of ~80bps from FY26E on operating leverage and exports kicking in from FY27E...



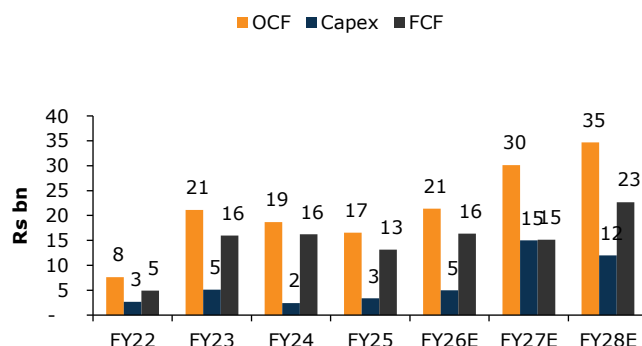
Source: Company, Emkay Research

Exhibit 48: ...with PAT growing steadily (~14% CAGR) over FY26E-28E, partly offset by slightly higher depreciation toward capex allocation for the new Sri City facility



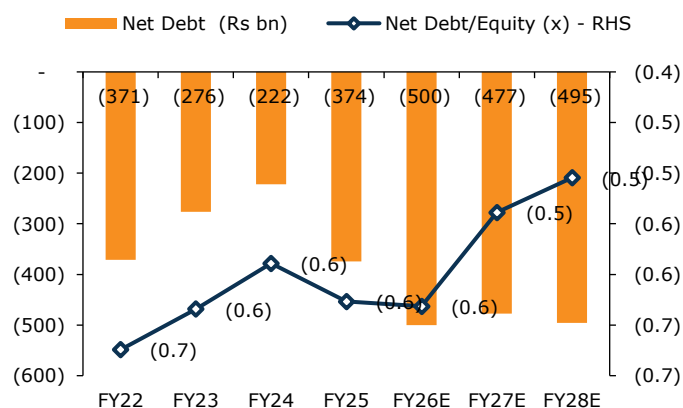
Source: Company, Emkay Research

Exhibit 49: LG will continue to report positive FCF despite higher cumulative capex spends of ~Rs32bn over FY26E-28E



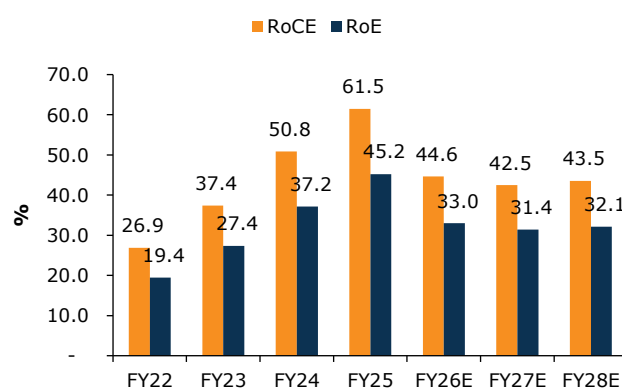
Source: Company, Emkay Research

Exhibit 50: LG saw a robust net cash position over the years...



Source: Company, Emkay Research

Exhibit 51: ...with strong RoCE/RoEs of ~42-44%/31-33% over FY26E-28E



Source: Company, Emkay Research

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Exhibit 52: LG deserves a premium multiple (~50x) given its unique combination of diversified premium-category leadership and a structural turnaround in growth visibility

Parameter	LG Electronics India	Havells	Blue Star	Voltas	Comment / Implication for Valuation
Revenue Mix Share (%) - FY25	Refrigerator - 27% , Washing Machine - 21%, Air Conditioner - 22%, Television - 20% ; Others - 10%	Switchgears - 11%, Cable - 33%, Lighting and Fixtures - 8%, ECD - 18%, Lloyd - 24%, Others - 6%	EMP & CAC - 50%, UCP - 47%, PIES - 3%	UCP- 69%, EMPS - 27%, EPS - 4%	LG is the most diversified across premium discretionary durables
Product Diversification	5+ major categories: RAC, Refrigerator, Washing Machine, TV, Microwave, etc	5+ categories (FMEG: Wires, Switchgear, Lighting, Fans, Lloyd AC)	Primarily cooling (RAC, CAC, air coolers, water coolers)	Cooling-heavy (RAC, CAC, air coolers)	
Category Growth Profile (Over CY24-29P)	~15% (Ref), ~9% (WM), ~17% (RAC), 14% (TV)	~10% (FMEG), ~17% (RAC via Lloyd)	17% (RAC and CAC)	17% (RAC and CAC)	LG's mix skewed toward faster-growing discretionary categories
Business Quality/Cyclicity	Low cyclicality due to multi-category presence	Low – electrical consumption steady	Moderate/High – cooling seasonal	High – RAC dependence	LG's balanced mix de-risks seasonality and enhances earnings stability
Growth Levers FY25–30P	Export ramp-up, premiumization, Sri City capacity, Tier-2 penetration	Consumer expansion via Lloyd + rural push, high demand in wires and cables	CAC expansion, water coolers, RAC premiumization	RAC rebound, B2B cooling, Domestic projects will start seeing pickup	LG's growth levers are more structural and less cyclical
Market Leadership	#1 in TVs, WM; Top-2 in RAC, Refrigerator	Top-3 in Fans, Switchgear, Cables; #5 in RAC via Lloyd	Top-2 in CAC; #3-4 in RAC	#1 in RAC (with market share under pressure)	LG has multi-category leadership vs. single-category dominance for peers
Pricing Power/Brand Premium	High – perceived aspirational Korean MNC	Medium/High – strong brand in electricals; Lloyd improving	Moderate/High – B2B + B2C mix dilutes premium	Medium/Low – strong distribution, mid-premium	LG commands pricing power similar to Havells due to premium positioning
Distribution Reach	30k+ outlets, 777+ brand shops, strong offline + digital	2k+ distributors, 200k retailers	10k+ outlets	30k touchpoints	LG's hybrid retail + brand shop strategy ensures higher control and visibility
Export Potential/Global Integration	High – Sri City plant (Rs50bn capex) to boost exports from 6% to ~10-15% of revenue by FY30	Low – domestic-centric (~3.7% of FY25 revenue)	Moderate – exports in cooling (exports ~4.5% of FY25 revenue)	Low – domestic heavy (exports only 0.5% of FY25 revenue)	Export focus adds operating leverage and margin expansion optionality for LG
R&D as % of revenue (FY25)	0.4% for LG (3% for LG Korea)	1.2%	1.2%	0.2%	R&D intensity remains modest at ~0.4% of revenue for LG (vs. ~3% for LG Korea). The strong R&D backbone of the global parent provides LG access to cutting-edge innovation/tech.
Gross Margin (%) - FY25	32%	33%	24%	22%	LG and Havells enjoy superior gross margins owing to premium product mix
EBITDA Margin (%) - FY25	13%	10%	7%	6%	LG's margins already comparable to Havells; ahead of peers
ROE(%) – FY26–28E	~31-33%	~14-20%	~18-21%	~10-15%	LG's high returns justify Havells-like valuation multiples
EPS CAGR - FY26E-28E	14.4	15.7	25.3	29.2	LG's EPS CAGR is relatively low owing to high base effect and rise in depreciation owing to new Sri-City Capex plans
PER (x)					
- FY27E	29.4	45.9	50.5	42.5	
- FY28E	25.8	42.3	41.8	35.7	
Valuation Rationale	LG deserves a premium multiple (~50x) given its unique combination of diversified premium-category leadership and a structural turnaround in growth visibility. Historically viewed as a mature player, LG India is now entering a new growth phase driven by multiple engines — 1) mass-premium category expansion that broadens its addressable market, 2) export scale-up via the new Rs50bn (FY25 Gross Block at Rs35bn) Sri City facility, 3) B2B and institutional channel build-out in CAC and commercial appliances. With leadership across multiple high-growth, premium discretionary categories, LG offers earnings durability, and growth visibility comparable to peers like Havells — justifying a structural re-rating toward a ~50x multiple (vs 26x FY28E multiple based on upper end of IPO price band of Rs1,140).				

Source: Company, LG RHP (refer to [Link](#)), Havells PPT (Refer Link), Emkay Research

Exhibit 53: Peer comparison: LG trades at relatively attractive valuations versus peers in the consumer durables space

Particulars	Revenue (Rs bn)			Revenue CAGR (%)	EBITDA (Rs bn)			EPS (Rs)			EPS CAGR (%)	PER (x)			RoE (%)		
	FY26E	FY27E	FY28E	FY26E-28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E-28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
LG Electronics India	262	295	334	13	32	37	43	34	39	44	14	34	29	26	31	30	31
ODM/EMS players																	
Amber Enterprises	122	150	186	23	10	13	17	114	167	236	44	73	50	35	14	18	20
Epack Durable	26	35	45	32	2	3	4	7	12	16	52	50	30	22	7	10	14
PG Electroplast	57	74	95	29	5	7	9	11	16	22	46	55	36	26	10	14	16
Dixon Tech	534	754	831	25	21	32	43	165	283	395	55	104	61	43	29	36	35
Air Conditioner/Air cooler																	
Blue Star	131	156	186	19	9	12	14	28	37	45	25	67	52	43	18	21	21
Voltas	149	173	198	15	10	13	15	23	32	39	29	59	42	36	11	14	15
Johnson Controls Hitachi	31	37	41	15	2	2	3	32	49	58	34	53	35	30	13	18	18
Symphony	14	16	18	14	2	3	4	29	38	44	22	30	23	20	24	28	28
Wires and Cables																	
Polycab India	270	319	370	17	37	43	50	168	199	227	16	46	39	34	23	23	21
KEI Industries	117	140	167	20	12	15	18	92	111	131	20	47	39	33	14	15	15
RR Kabel	88	103	118	15	7	8	10	37	46	57	24	34	27	22	18	19	19
Havells	236	272	311	15	24	30	32	26	33	35	16	56	45	42	19	21	21
Finolex Cables	59	66	75	12	7	8	NA	47	52	60	12	17	15	13	13	14	14
FMEG																	
Bajaj Electricals	51	56	62	10	4	5	6	15	25	31	43	36	22	18	8	11	14
Crompton	84	94	105	12	9	11	13	9	11	13	18	30	25	22	16	18	18
Orient Electric	34	38	42	11	3	3	7	5	7	9	29	39	28	23	16	19	21
V-Guard Industries	62	71	80	13	6	7	8	8	10	12	24	44	34	29	17	18	19
Other White Goods																	
Eureka Forbes	27	31	36	14	3	4	5	10	13	18	34	54	41	30	4	5	7
Ifb Industries	57	64	72	13	4	4	5	41	55	69	30	42	31	25	19	21	20
Whirlpool Of India	86	97	108	12	6	8	9	35	44	53	23	33	27	22	11	12	14

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Key risks

- **Intensifying competition:** Players in this sector see competition from existing and new competitors, ranging from large multinational companies to highly specialized entities that focus on a limited number of products and services. In particular, the sector is experiencing heightened competition from Chinese brands, which have been gaining ground in high-growth categories. The rise of emerging business models and private labels introduced by consumer electronics retail chains is further exerting pressure on margins and challenging established players.
- **High dependence on parent:** LG is dependent on the promoter (LG Electronics, South Korea) for many aspects of the business, including the management, R&D, design, product planning, manufacturing, supply chain development, quality control, marketing, distribution, brand, human resources, and financing. Any adverse change in the relationship with LG Electronics and the companies in the LG Group could have an adverse effect on the India company's business financials and operations.
- **Royalty/TP scrutiny (related party):** Royalty payments to the promoter may attract regulatory scrutiny; contingent liability of Rs3,153mn as of Jun-25, in respect of such payments, has been disclosed. There is no assurance that such observations will not be made by tax authorities with regard to future periods; this could have an impact on the results of LG.
- **Conflict of interest:** LG Electronics (promoter) may engage in the same line of activity or business as LG; this could result in a conflict of interest. Hi-M Solutek India Private, an indirect wholly-owned subsidiary of the promoter, provides services only to LG. However, the company does not have an exclusive contractual arrangement with Hi-M Solutek.
- **High o/s tax claims:** Outstanding tax claims of Rs47,171mn (~73% of net worth), as of Jun-25, may have a material impact, if not resolved in the company's favor.

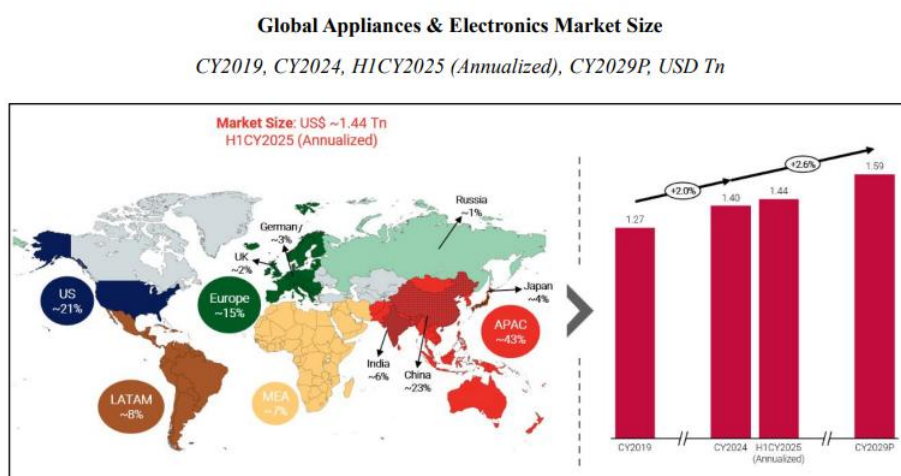
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Annexure 1: Industry

An overview of global appliance and electronics market

- **Steady global growth:** The global appliance and electronics market saw a modest ~2% CAGR over CY19–24, reaching ~Rs122trn (USD1.44trn) by H1CY25 (annualized), aided by rising disposable incomes, smart-home adoption, and energy-efficient product demand.
- **Asia-Pacific dominance:** The APAC region leads with ~43% of global market share, underpinned by strong manufacturing bases and expanding middle-class consumption. Within APAC, China (~23%) remains the largest contributor, driven by production scale and robust domestic demand, while India (~6%) is among the fastest-growing markets, expected to reach ~8% share by CY29P.
- **Developed market resilience:** The US (~21%) remains the second-largest market globally, benefiting from high per-capita spending and early adoption of smart appliances. Europe (~15%) follows, led by Germany (~3%) and the UK (~2%), both supported by premiumization and sustainability-focused product demand.
- **Emerging region's momentum:** The Middle East and Africa (~7%) are gaining traction from infrastructure-led demand, while Latin America (~8%) continues to benefit from urbanization and an expanding middle class.
- **Smaller, but stable contributors:** Australia and Russia each account for ~1% of global market value, representing niche yet stable demand environments with selective growth opportunities.

Exhibit 54: The global appliance and electronics market saw a modest ~2% CAGR during CY19–24, reaching ~Rs122trn (USD1.44trn) by H1CY25 (annualized)



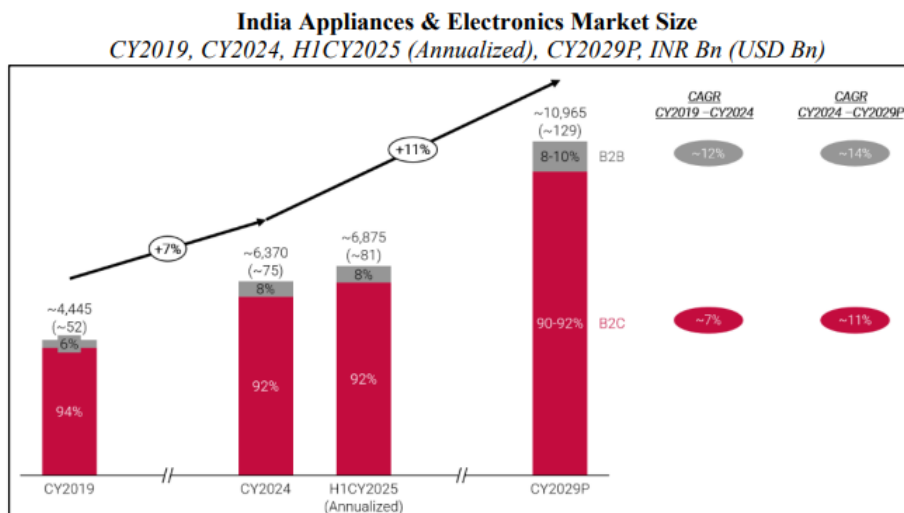
Source: Company, Emkay Research

An overview of India's appliance and electronics market

- **Large and fast-growing market:** India's appliance and electronics industry is projected to reach ~Rs11trn (USD129bn) by CY29P, supported by structural demand tailwinds and rising consumer affluence.
- **Acceleration in growth:** The market expanded at a ~7% CAGR during CY19–24 and is expected to accelerate to ~11% CAGR over CY24–29P, led by higher disposable incomes, rapid urbanization, and rising appliance penetration across urban and rural households.
- **Evolving B2C landscape:** The B2C segment—the largest component—is undergoing a sharp transformation as consumers upgrade from utility-driven to premium, technology-led products across categories such as major kitchen appliances, home entertainment, and personal electronics, aided by expanding retail and e-commerce reach.

- **Emerging B2B opportunity:** The B2B segment is gaining traction with strong institutional demand from hospitality, healthcare, retail, and commercial infrastructure, positioning India as a key market for integrated solutions like HVAC, information displays, and smart systems.
- **Macro tailwinds remain strong:** The growing middle class, expanding credit access, government support for domestic manufacturing and energy efficiency, and a favorable demographic mix continue to underpin the sector's medium-term growth trajectory.

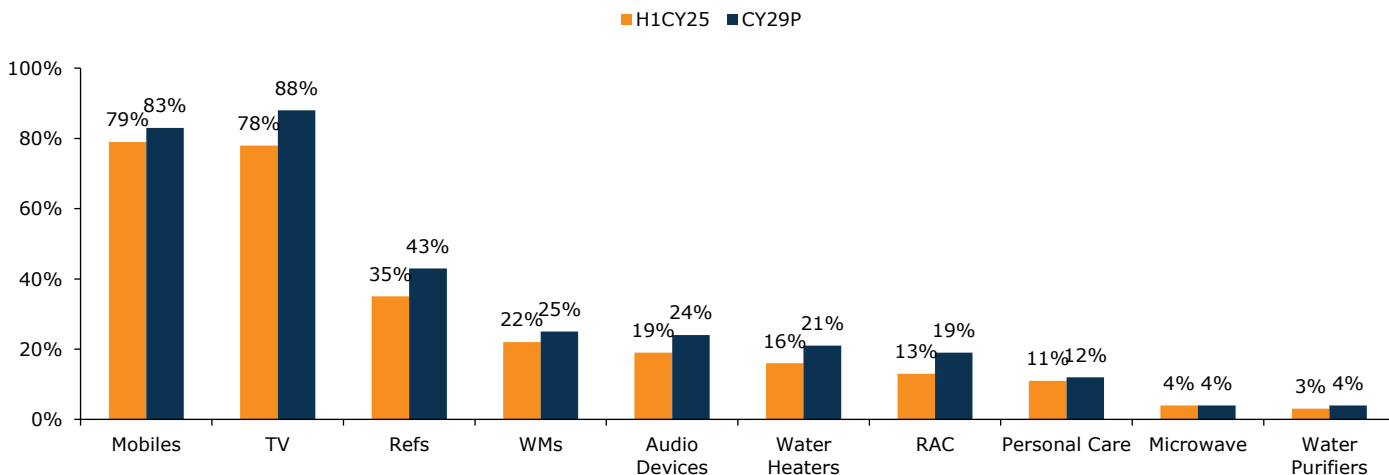
Exhibit 55: India's appliance and electronics industry is projected to reach ~Rs11trn (USD129bn) by CY29P



Source: Company, Emkay Research

Exhibit 56: Mobile and TVs have the highest penetration across categories

Penetration across consumer durable categories

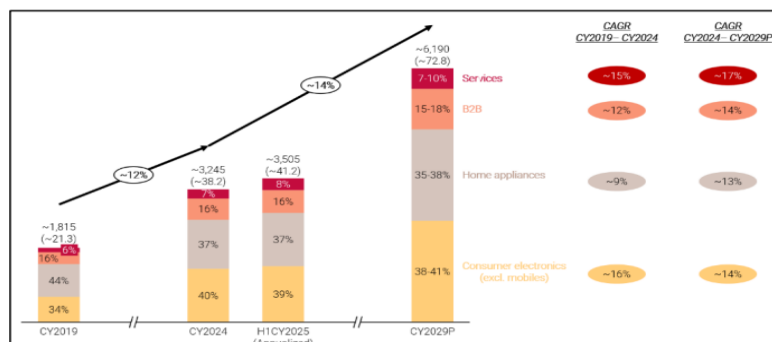


Source: Company, Emkay Research

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Exhibit 57: India's total addressable market is expected to see 14% CAGR over CY24-29P

India Total Addressable Market
CY2019, CY2024, H1CY2025 (Annualized), CY2029P, INR Bn (USD Bn)



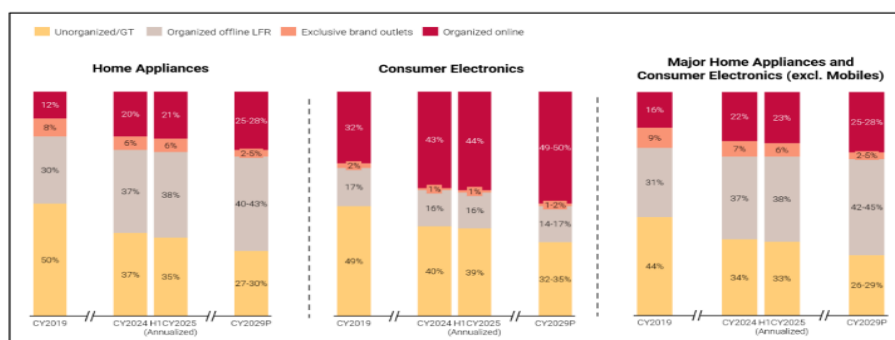
Source: Company, Emkay Research

Channel mix and distribution dynamics

- **Balanced channel ecosystem:** India's appliance and electronics market continues to exhibit a diverse channel mix, with general trade, modern retail, e-commerce, and brand-exclusive formats coexisting to address demand from varied consumer segments and regional dynamics.
- **Unorganized trade (~38% share):** The general trade (GT) channel—including independent retailers, local dealers, and regional specialty stores—remains dominant in semi-urban and rural markets due to accessibility and price sensitivity. Despite the formalization trend, GT is expected to retain a sizeable share, given its deep reach and personalized service.
- **Organized offline (~21% share):** Modern trade and large-format retail (LFR) outlets are expanding rapidly in urban centers, offering greater assortment, touch-and-feel experience, and after-sales support. Product comparison, expert guidance, and curated in-store experiences continue to drive preference and incremental share gains.
- **Online channel (~39% share):** E-commerce has become a key growth engine, supported by wider internet access, competitive pricing, and exclusive online launches. Festive sales, cashback offers, and convenient delivery models are reshaping consumer behavior, particularly in electronics and small appliances.
- **Exclusive brand stores (~2%) and omnichannel integration:** Brand shops and EBOs remain critical for **premium positioning and service consistency**, while **omnichannel strategies**—click-and-collect, unified loyalty programs, and seamless online-offline transitions—are strengthening consumer engagement and retention.

Exhibit 58: India's appliance and electronics market is seeing a steady shift to organized channels

India Appliances & Electronics Market (B2C) – Key Channels
%, CY2019, CY2024, H1CY2025 (Annualized), CY2029P



Source: Company, Emkay Research

Category outlook: Home appliances and consumer electronics

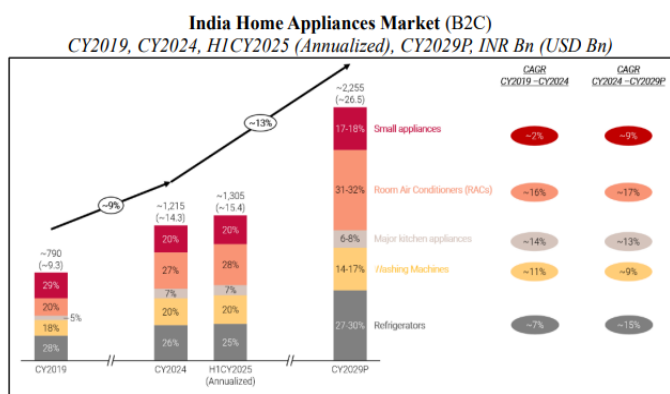
Home appliances (HA) – Steady, premium-led growth

- The home appliance market formed ~21% of the overall B2C appliance and electronics market in H1CY25 (annualized) and is projected to reach ~Rs2.3trn (USD26.5bn) by CY29P, implying a robust ~13% CAGR over CY24–29. Growth is supported by macro tailwinds, rising disposable incomes, and a consumer shift toward energy-efficient, premium, and connected products.
- **Broad product coverage driving demand:** Key HA categories—refrigerators, washing machines, major kitchen appliances (dishwashers, microwaves, chimneys, hobs, and built-ins), air conditioners, and small appliances (water heaters, vacuum cleaners, air purifiers, and personal care devices)—are witnessing strong replacement and upgradation demand, particularly in urban households.
- **Shift toward organized formats:** With the organized sector accounting for ~65% of HA sales as of H1CY25, the ongoing shift toward large-format retail (LFR) and online platforms continues to accelerate, driven by greater product visibility, financing options, and aftersales assurance.

Consumer electronics (CE) – Broad-based and scale-driven

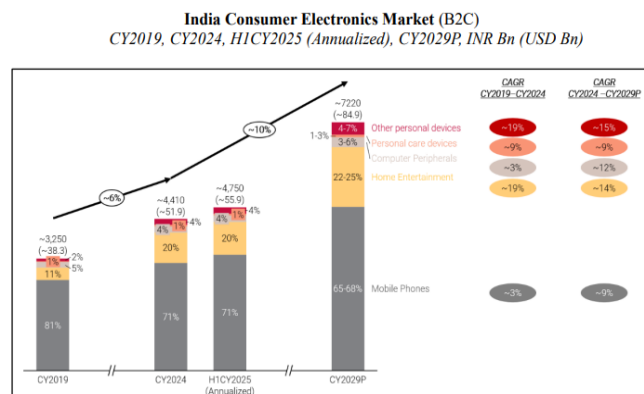
- The consumer electronics segment constitutes the bulk of the market, accounting for ~75% of total B2C value, and is projected to grow to ~Rs7.2trn (USD84.9bn) by CY29P, reflecting a ~10% CAGR over CY24–29. Key CE categories include home entertainment (TVs, audio systems), computers and peripherals (monitors), personal care gadgets, wearables, and mobile devices, with sustained demand from both urban and semi-urban consumers.
- **E-commerce and LFR driving growth:** The organized CE sector (~61% of sales) continues to expand rapidly as e-commerce and modern retail gain share. Competitive pricing, product launches, and immersive shopping experiences are reshaping consumer engagement and accelerating premium category's adoption.

Exhibit 59: The home appliance market formed ~21% of the B2C appliance and electronics market in H1CY25 (annualized) and is projected to reach ~Rs2.3trn (USD26.5bn) by CY29P



Source: Company, Emkay Research

Exhibit 60: The consumer electronics segment constitutes the bulk of the market, accounting for ~75% of total B2C value, and is projected to grow to ~Rs7.2trn (USD84.9bn) by CY29P

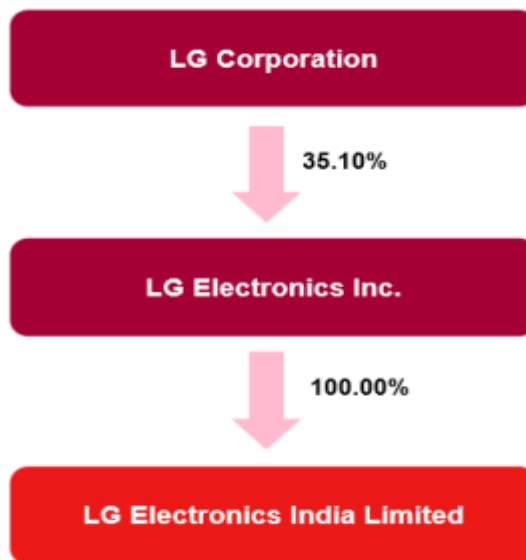


Source: Company, Emkay Research

Annexure 2: Company Overview

LG Electronics India was incorporated in 1997 as a wholly owned subsidiary of LG Electronics, South Korea. The IPO is a pure OFS by the promoter, with no primary capital raise; this IPO would reduce the promoter's (LG Electronics Inc) holding from 100% to ~85%, and the company will not receive any proceeds. The parent is a global consumer-technology leader and a supplier of high-technology components to industrial customers. In India, LG operates one of the most diversified consumer-durables portfolios – covering refrigerators, washing machines, room air-conditioners, televisions, and an 'others' basket (microwaves, dishwashers, audio, monitors, commercial displays). India serves as both, a large domestic market and an emerging export base.

Exhibit 61: The IPO is a pure OFS by the promoter, with no primary capital raise; ~15% of the company changes hands, reducing promoter's holding from 100% to ~85%



Source: Company, Emkay Research

Exhibit 62: LG Electronics India has a broad spectrum of products across price points

Our B2C Product Range Across Price Points



Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions.com)

Exhibit 63: Key managerial personnel – LG Electronics India

Name	Designation	Refined brief profile
Hong Ju Jeon	Managing Director	Hong Ju Jeon has been within the LG Group since 1994. He is the MD at LG Electronics India since Dec-22. He holds an MBA (Global Management) from Thunderbird School (USA). He leads sales strategy, operational planning, and initiatives to strengthen the dealer network and deliver the overall business objectives.
Dongmyung Seo	Whole-time Director and Chief Financial Officer	Dongmyung Seo has been within the LG Group since 1994. He is the CFO at LG Electronics India since Dec-21. He holds an MBA from Seoul School of Integrated Sciences & Technologies. He oversees finance, accounting operations, and company-wide financial reporting and controls.
Daehyun Song	Chairman and Non-Executive Director	Daehyun Song has been within the LG Group since 1983. He has been on LG Electronics India's Board since Nov-24. He holds a BSc (Mechanical Design) from Pusan National University. He chairs the Board and steers governance, ensuring effective engagement between the Board, the management, and the stakeholders.
Ashish Agrawal	Chief Operating Officer	Ashish Agrawal has been at LG Electronics India since Jul-99. Prior to this, he worked at SR Batliboi & Co. He holds a BCom (Hons) from University of Delhi and is a Chartered Accountant. He runs the go-to-market engine – strategy, market sensing, brand-shop management, in-store execution, and sell-out.
Sanjay Chitkara	Chief Sales Officer	Sanjay Chitkara has been at LG Electronics India since Mar-99. He holds a BTech (Electrical) from Kurukshetra University and a PGDBM from IMT Ghaziabad. Prior to this, he worked at Videocon. He heads the Home Appliance Solution business and national sales execution.
Gagan Jeet Singh	Chief Manufacturing Officer	Gagan Jeet Singh has been at LG Electronics India since Oct-97. He holds a BE (Electronics) from the University of Pune. He leads manufacturing operations at the Noida facility, with a focus on quality, productivity, and cost efficiency.
Atul Khanna	Chief Accounting Officer	Atul Khanna joined via the merger of Escorts Communications (1997). He has been at LG Electronics India since Dec-02. He holds a BCom from Kurukshetra University and is a Chartered Accountant. He oversees treasury and insurance, customer/credit risk, direct and indirect taxation, and statutory financial reporting.

Source: Company, Emkay Research

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LG Electronics India: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	213,520	243,666	261,785	295,303	333,945
Revenue growth (%)	7.5	14.1	7.4	12.8	13.1
EBITDA	22,249	31,101	31,533	36,797	42,612
EBITDA growth (%)	17.1	39.8	1.4	16.7	15.8
Depreciation & Amortization	3,644	3,804	4,039	4,502	5,468
EBIT	18,605	27,298	27,494	32,295	37,144
EBIT growth (%)	16.4	46.7	0.7	17.5	15.0
Other operating income	-	-	-	-	-
Other income	2,051	2,640	3,502	3,341	3,468
Financial expense	285	306	368	441	507
PBT	20,371	29,631	30,628	35,195	40,105
Extraordinary items	0	0	0	0	0
Taxes	5,260	7,598	7,718	8,869	10,107
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	15,111	22,033	22,910	26,326	29,999
PAT growth (%)	12.1	45.8	4.0	14.9	14.0
Adjusted PAT	15,111	22,033	22,910	26,326	29,999
Diluted EPS (Rs)	22.3	32.5	33.8	38.8	44.2
Diluted EPS growth (%)	12.1	45.8	4.0	14.9	14.0
DPS (Rs)	30.8	0	5.0	25.0	30.0
Dividend payout (%)	138.5	0	14.8	64.5	67.9
EBITDA margin (%)	10.4	12.8	12.0	12.5	12.8
EBIT margin (%)	8.7	11.2	10.5	10.9	11.1
Effective tax rate (%)	25.8	25.6	25.2	25.2	25.2
NOPLAT (pre-IndAS)	13,801	20,298	20,566	24,156	27,784
Shares outstanding (mn)	679	679	679	679	679

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	20,371	29,631	30,628	35,195	40,105
Others (non-cash items)	199	(2,636)	0	0	0
Taxes paid	(5,698)	(7,539)	(7,718)	(8,869)	(10,107)
Change in NWC	(125)	(7,025)	(5,947)	(1,151)	(1,283)
Operating cash flow	18,660	16,539	21,369	30,118	34,691
Capital expenditure	(2,411)	(3,393)	(5,000)	(15,000)	(12,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	1,989	2,477	0	0	0
Investing cash flow	(211)	(275)	(5,000)	(15,000)	(12,000)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(654)	(1,065)	0	0	0
Payment of lease liabilities	-	-	-	-	-
Interest paid	(269)	0	(368)	(441)	(507)
Dividend paid (incl tax)	(20,929)	0	(3,394)	(16,970)	(20,363)
Others	-	-	-	-	-
Financing cash flow	(21,852)	(1,065)	(3,762)	(17,411)	(20,871)
Net chg in Cash	(3,403)	15,199	12,608	(2,293)	1,820
OCF	18,660	16,539	21,369	30,118	34,691
Adj. OCF (w/o NWC chg.)	18,785	23,564	27,317	31,269	35,974
FCFF	16,249	13,146	16,369	15,118	22,691
FCFE	17,953	15,317	16,002	14,676	22,184
OCF/EBITDA (%)	83.9	53.2	67.8	81.8	81.4
FCFE/PAT (%)	118.8	69.5	69.8	55.7	73.9
FCFF/NOPLAT (%)	117.7	64.8	79.6	62.6	81.7

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	1,131	6,788	6,788	6,788	6,788
Reserves & Surplus	36,591	52,914	72,430	81,786	91,421
Net worth	37,722	59,702	79,218	88,574	98,209
Minority interests	-	-	-	-	-
Non-current liab. & prov.	(1,720)	(2,040)	(2,040)	(2,040)	(2,040)
Total debt	0	0	0	0	0
Total liabilities & equity	40,522	63,208	83,136	93,255	103,770
Net tangible fixed assets	9,836	9,450	9,659	14,248	20,003
Net intangible assets	83	94	94	94	94
Net ROU assets	3,268	3,746	4,046	7,546	9,046
Capital WIP	244	753	1,204	3,613	2,891
Goodwill	-	-	-	-	-
Investments [JV/Associates]	0	0	0	0	0
Cash & equivalents	22,226	37,415	50,023	47,730	49,550
Current assets (ex-cash)	45,554	59,314	66,593	73,502	81,290
Current Liab. & Prov.	42,742	49,921	51,016	56,335	62,334
NWC (ex-cash)	2,812	9,393	15,577	17,167	18,956
Total assets	40,522	63,208	83,136	93,255	103,770
Net debt	(22,226)	(37,415)	(50,023)	(47,730)	(49,550)
Capital employed	40,522	63,208	83,136	93,255	103,770
Invested capital	13,776	20,247	27,155	38,804	46,619
BVPS (Rs)	55.6	88.0	116.7	130.5	144.7
Net Debt/Equity (x)	(0.6)	(0.6)	(0.6)	(0.5)	(0.5)
Net Debt/EBITDA (x)	(1.0)	(1.2)	(1.6)	(1.3)	(1.2)
Interest coverage (x)	72.5	97.7	84.3	80.8	80.0
RoCE (%)	50.8	61.5	44.6	42.5	43.5

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	51.2	35.1	33.8	29.4	25.8
EV/CE(x)	19.9	12.3	9.1	8.2	7.4
P/B (x)	20.5	13.0	9.8	8.7	7.9
EV/Sales (x)	3.5	3.0	2.8	2.5	2.2
EV/EBITDA (x)	33.8	23.7	23.0	19.7	17.0
EV/EBIT(x)	40.4	27.0	26.3	22.5	19.5
EV/IC (x)	54.6	36.4	26.7	18.7	15.5
FCFF yield (%)	2.2	1.8	2.3	2.1	3.1
FCFE yield (%)	2.3	2.0	2.1	1.9	2.9
Dividend yield (%)	2.7	0	0.4	2.2	2.6
DuPont-RoE split					
Net profit margin (%)	7.1	9.0	8.8	8.9	9.0
Total asset turnover (x)	5.3	5.0	3.8	3.6	3.7
Assets/Equity (x)	1.0	1.0	1.0	1.0	1.0
RoE (%)	37.2	45.2	33.0	31.4	32.1
DuPont-RoIC					
NOPLAT margin (%)	6.5	8.3	7.9	8.2	8.3
IC turnover (x)	15.1	14.3	11.0	9.0	7.8
RoIC (%)	97.4	119.3	86.8	73.2	65.1
Operating metrics					
Core NWC days	4.8	14.1	21.7	21.2	20.7
Total NWC days	4.8	14.1	21.7	21.2	20.7
Fixed asset turnover	6.8	7.1	6.9	6.4	5.7
Opex-to-revenue (%)	19.7	19.2	20.2	19.9	19.7

Source: Company, Emkay Research

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REDUCE	5% upside to 15% downside
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Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

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