

LG Electronics India IPO Note

AVP Research : Nikhat Koor
Tel: +9122 40969764
E-mail: nikhatk@dolatcapital.com

Research Associate: Saaranga Shetty
Tel: +91 22 40969775
E-mail: saarangas@dolatcapital.com

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About the Company

Established in 1997 as a wholly owned subsidiary of LG Electronics Inc. of the Republic of Korea, which is the leading single-brand global home appliances player in terms of market share by revenue in CY24. LG Electronics India (LGEIL) offers one of the widest product portfolios and has been the #1 player amongst leading home appliances and consumer electronics players (excluding mobile phones) since CY22. LGEIL commands market leadership across multiple product categories including washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves in value terms in the offline channel. It also operates the largest distribution network among its competitors, spanning 35,640 B2C touch points and, 777 LG Brand shops. To address the demands of B2B customers, it has tie-ups with 463 trade-partners. Domestic operations contribute ~94% of its overall revenues. The company has two manufacturing units located in Noida and Pune, which collectively constitute 85% of overall sales.

Exhibit 1: Details of the Initial Public Offering

Particulars	Details
Issue size	OFS of Rs 116bn (102mn shares)
IPO Dates	October 7 th , 2025 – October 9 th , 2025
Face Value	Rs 10 per share
IPO Price band	Rs 1,080- 1,140
Bid lot	13 shares
Implied Market Cap	Rs 778 bn
Listing date	October 14 th , 2025
BRLM	Morgan Stanley, J.P. Morgan, Axis Capital, BofA Securities, Citigroup Global Markets
QIB	50%
Non institutional	15%
Retail quota	35%

Source: Company, Dolat Capital

Exhibit 2: Shareholding Pattern

Shareholding %	Pre-Issue	Post Issue
Promoters	100	85
Public	0	15
Total	100	100

Source: Company, Dolat Capital

Object of the Issue

i) To carry out offer for sale by the promoter (LG Electronics, South Korea), hence the company itself will not receive any proceeds from the issue. ii) achieve the benefits of listing the equity Shares on the Stock Exchanges, which will enhance visibility and provide liquidity.

Nikhat Koor
AVP Research
+91 22 40969764
nikhatk@dolatcapital.com

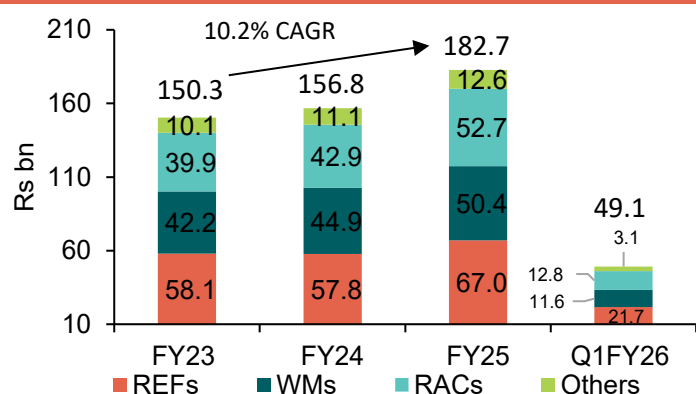
Saaranga Shetty
Research Associate
+91 22 40969775
arangas@dolatcapital.com

Segmental Overview

The company operates under two broad business segments, catering to both B2C and B2B customers across domestic and international markets:

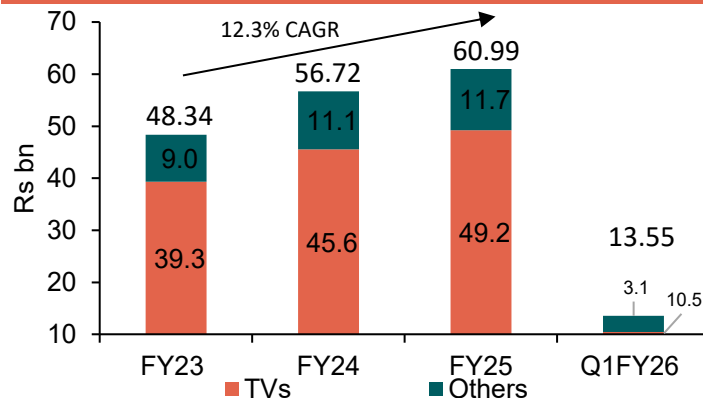
- Home Appliances & Air Solutions (75% of revenue):** Segment registered a revenue CAGR of 13.7% over FY22-25 to Rs 183bn in FY25. Ref/WM/AC/others account for 27/21/22/5% resp. of total revenue.
- Home Entertainment (25% of revenue):** Segment registered a 11.4% revenue CAGR over FY22-25 to Rs 61bn in FY25. TV/others account for 20/5% of total revenue.

Exhibit 3: Home Appliances & Air Solutions Seg



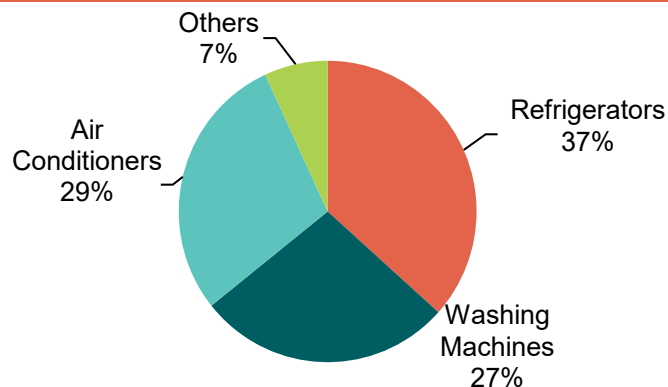
Source: Company, Dolat Capital

Exhibit 4: Home Entertainment Segment



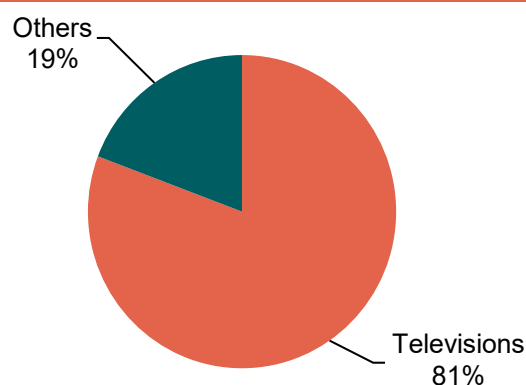
Source: Company, Dolat Capital

Exhibit 5: Break-up of HA & AS segment in FY25



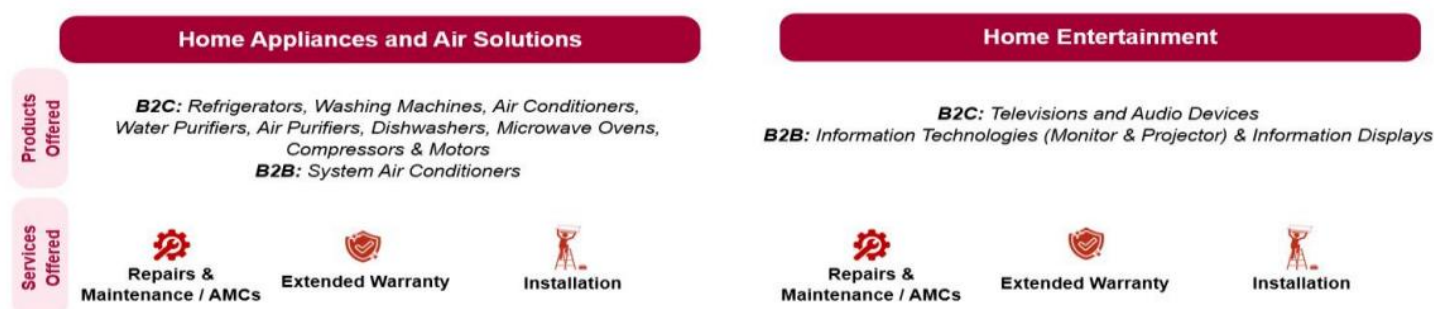
Source: Company, Dolat Capital

Exhibit 6: Break-up of Home Entertainment in FY25



Source: Company, Dolat Capital

Exhibit 7: Products & Services Offered



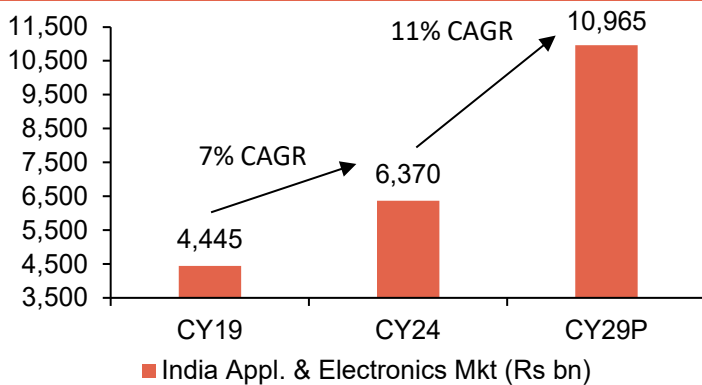
Source: Company, Dolat Capital

Industry section

India Appliances & Electronics Market

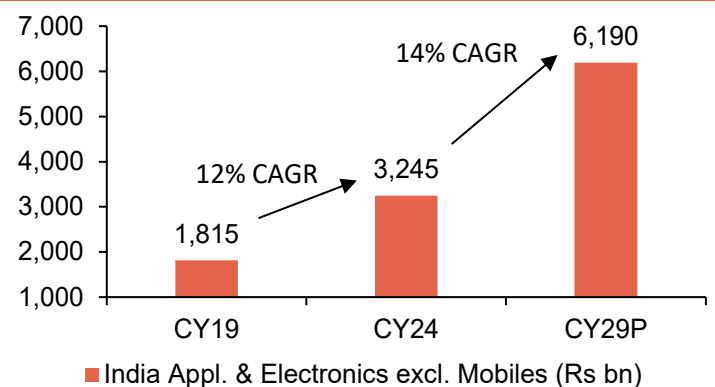
India's appliances and electronics market (incl mobile) grew at a CAGR of 7% during CY19-24 to reach Rs 6,370bn. It is projected to reach Rs 10,965 bn by CY29, growing at a CAGR of 11%. Volume sales (B2C) are expected to rise from ~495 mn units in CY24 to ~660 mn units by CY29. Total addressable market for the India appliances and electronics brands (excl mobile) stood at Rs 3,245bn in CY24, having grown at 12% CAGR in last five years. It is projected to grow at a CAGR of 14% to Rs 6,190bn by CY29E. Growth is driven by rising disposable incomes, urbanization, increased appliance penetration, government support for local manufacturing, premiumization, energy efficiency, and expanding organized retail and e-commerce.

Exhibit 8: India Appliances & Electronics Market



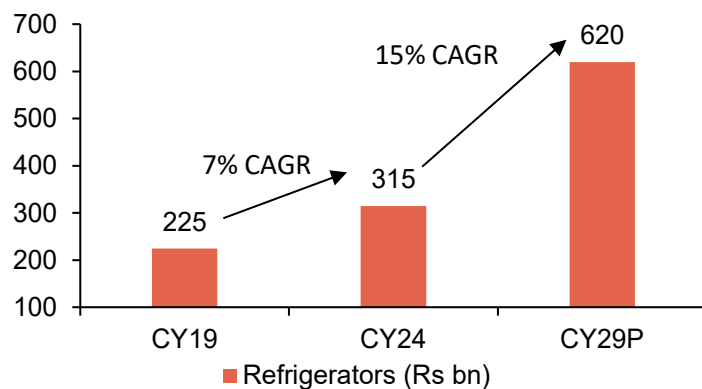
Source: Company, Dolat Capital

Exhibit 9: India Appl. & Electr. Mkt (Excl. Mobiles)



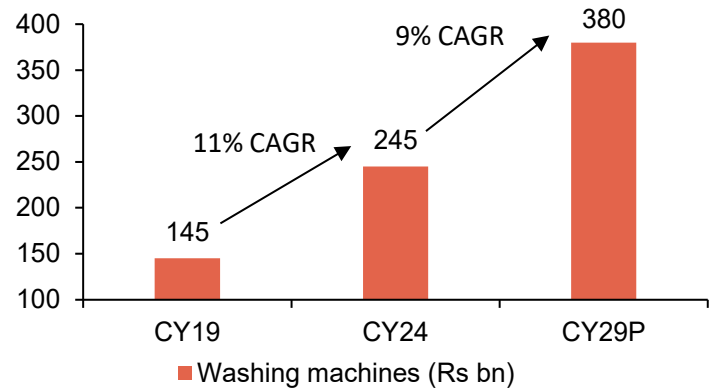
Source: Company, Dolat Capital

Exhibit 10: India Refrigerators Market



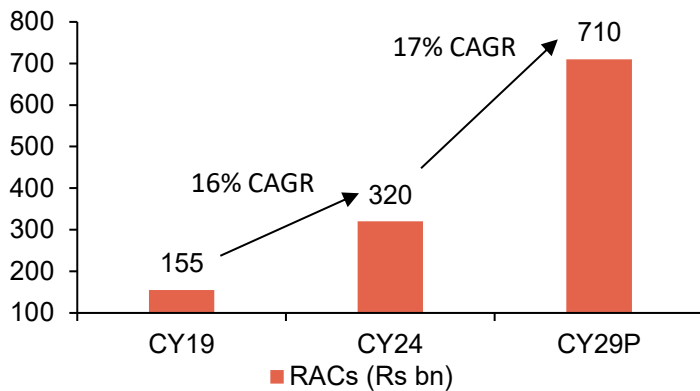
Source: Company, Dolat Capital

Exhibit 11: India Washing Machine Market



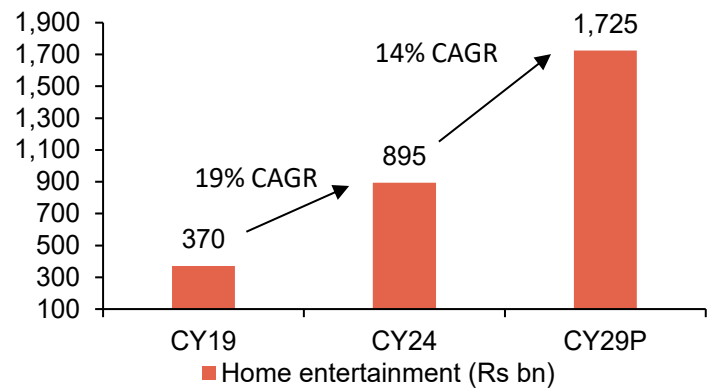
Source: Company, Dolat Capital

Exhibit 12: India Air Conditioner Market



Source: Company, Dolat Capital

Exhibit 13: Home Entertainment Market



Source: Company, Dolat Capital (includes B2C market for TV and audio systems)

Low Penetration in India leaves substantial headroom to grow

India's home appliances and consumer electronics market remains significantly underpenetrated compared to G20 peers, though penetration levels are steadily rising with macroeconomic growth, better affordability, and wider distribution. Despite recent progress, the country still lags global averages, leaving substantial headroom for expansion. As penetration deepens, supported by digital channels and flexible financing, the addressable market is set to grow rapidly, following trends seen in other emerging economies like China.

Exhibit 14: Indias Appliances & Electronics Market has Strong Growth Potential

Penetration Rates in H1CY25 (%)	India	China	US
Refrigerator	~35	99	>80
Television	~78	>85	>95
Washing Machine	~22	>70	>80
Microwave	~4	>20	>80
Room AC	~13	>110	>85

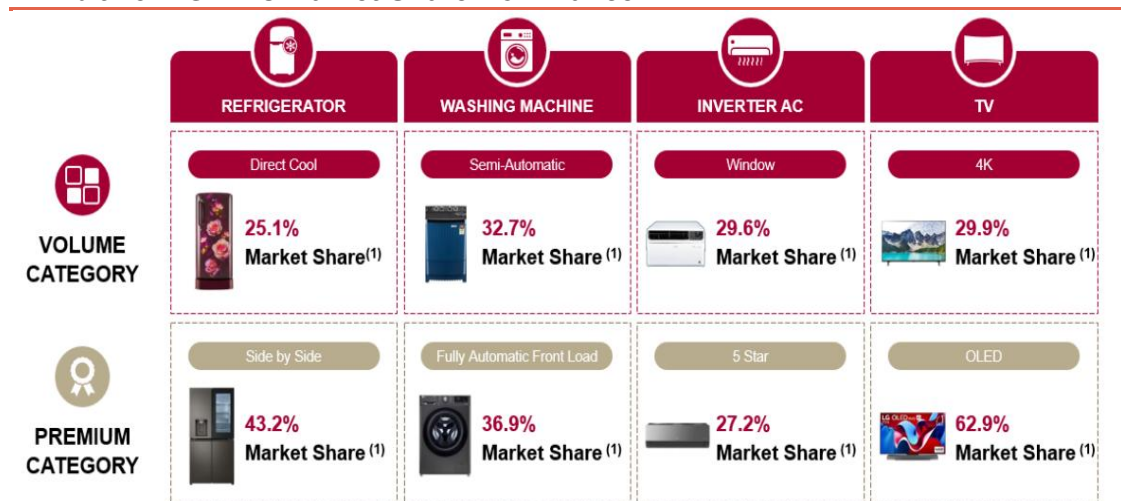
Source: Company, Dolat Capital

Investment Thesis

1. Market Leadership Across Key Product Categories

With a vast product portfolio, LGEIL has been the leading player in the Indian consumer durable industry (by value market share) in the offline channel. It is also the leader across multiple product categories including washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves, which is ~78% of the major home appliance and consumer electronics market in India by value (excl mobile). LGEILs market leadership also extends across premium segments of washing machines, panel televisions, and microwaves. It is present across varying price points spanning a broad consumer base (economy and premium), offering durability, quality, multiple features and aesthetics. Premium products contribute ~17% of Indian appliance and electronics market, which is expected to increase to 25-28% by CY29E, as per industry reports. With a higher contribution of premium products in its portfolio, LGEIL would be a major beneficiary of premiumization.

Exhibit 15: LGEIL's Market Share Dominance



Source: Company, Dolat Capital

Exhibit 16: LGEIL's Market Share vs competition

Category	LGEIL	Competitor 1	Competitor 2	Competitor 3
Refrigerators	29.9	23.5	15.6	11.5
Washing Machines	33.5	17.3	11.4	9.9
Inverter RAC	20.6	15.4	8.5	8.1
Panel television	27.5	23.2	17	6.2

Source: Company, Dolat Capital (Gfk data for 6-month ending Jun'25 in terms of value share in offline channel)

2. Focus on innovation and New product development

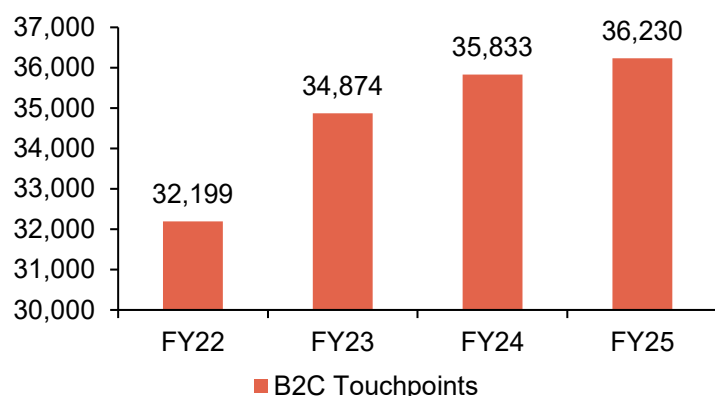
By leveraging the global leadership of LG Electronics, LGEIL caters to Indian demand through innovation and new product development. As a result, the company has introduced many industry-first technologies in the home appliances and consumer electronics industry. For instance, LGEIL was the first leading home appliances and consumer electronics player to introduce OLED televisions in India in 2015 and was amongst the first players to launch 4K televisions and Smart televisions in 2011. As of H1CY26, LGEIL was the leader with 63% market share in OLED televisions owing to first mover advantage. During the same period LGEIL had a market share of 29% and 27% in 4K televisions and Smart televisions,

respectively. Additionally, LGEIL was among the first to introduce microwaves ovens in India in 1999.

3. Pan India Distribution and After Sales Network

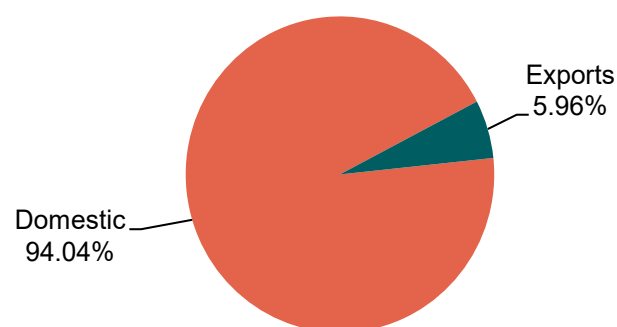
LGEIL operates the largest distribution network among leading home appliances and consumer electronics players in India as of H1CY25. The network consists of an expansive sales network of 35,640 B2C touch points - comprising LG Brand Shops, modern trade stores such as Reliance Retail, Croma and Vijay Sales, online touch points, traditional stores, distributors and sub-dealers. In addition to its strong offline network, LGEIL products are available on its website and other online e-commerce sites. LG Brand Shops are 1.4x the exclusive brand outlet network, and distributor base is 1.2x, that of the next largest leading home appliance and consumer electronics player as of H1CY25. As of Q1FY26, 49.5% of trade partners have been distributing LGEIL's products for over 10 years. The company's after-sales service network comprises 949 authorized service centers through which it offers same-day installations and repairs/maintenance services. The service centers are supported by 13,368 engineers and four consumer call centers as of Q1FY26. LGEIL also exports its products to 47 countries across Asia, Africa and Europe.

Exhibit 17: Increasing B2C Touchpoints



Source: Company, Dolat Capital

Exhibit 18: Geographic Mix (%)



Source: Company, Dolat Capital

Exhibit 19: Details of LGEILs Distribution Channels

Distribution Channel	FY22	FY23	FY24	FY25
LG Brand Shops	809	814	780	800
YoY %	-	0.6	(4.2)	2.6
Modern Trade	851	1,034	1,224	1,369
YoY %	-	21.5	18.4	11.8
Traditional channels				
Distributor and sub-dealers	28,029	30,563	31,275	31,259
Distributors	396	429	417	412
Sub-dealers	27,633	30,134	30,858	30,847
YoY %	-	9.1	2.4	0.0
Multi-brand outlets	1,638	1,341	1,272	1,221
YoY %	-	(18.1)	(5.1)	(4.0)
Regional specialty stores	869	1,119	1,279	1,578
YoY %	-	28.8	14.3	23.4
Total	32,199	34,874	35,833	36,230
YoY %	-	8.3	2.7	1.1

Source: Company, Dolat Capital

4. Robust Manufacturing Set up

The company is backed by one of the largest in-house production capacities (excl mobiles) amongst home appliance players in India. It has two advanced manufacturing units located in Noida and Pune. As of Jun'25, the combined installed manufacturing capacity stood at 14.5mn products, with aggregate capacity utilization rate of 77% as of FY25, an increase from 70% in FY23. Additionally, it also manufactures key components such as compressors and motors which gives greater control over the product development process, product quality, costs and supply and delivery time. The remaining sales volume constitute products that are manufactured by third parties based on specifications and blueprints provided by LGEIL. Production at a third facility in Sri City is scheduled to begin in 2026 (phased investment of Rs 50bn) , which will enhance LGEIL's presence in fast growing South India market, accelerate product availability pan India & overseas, and reduce logistics costs.

Exhibit 20: Manufacturing Capacity

Manufacturing Unit	FY23	FY24	FY25
Noida			
Installed capacity	7,400,000	7,400,000	7,600,000
Production volume	5,343,696	5,466,598	6,120,208
Utilization (%)	72.21	73.87	80.5
Pune			
Installed capacity	6,250,000	6,590,000	6,910,000
Production volume	4,242,212	4,474,809	5,022,841
Utilization (%)	67.88	67.90	72.7
Total			
Installed capacity	13,650,000	13,990,000	14,510,000
Production volume	9,585,908	9,941,407	11,143,049
Utilization (%)	70.23	71.06	76.8

Source: Company, Dolat Capital

5. Reliable Supplier Network & Localization

LGEIL's supplier network comprises 287 suppliers with average relationships of ~13 years. LGEIL has adopted a phased approach to localization, gradually increasing the share of locally sourced components. It has increased local sourcing of raw material from 49% in FY24 to 54% in FY25 and targets to improve localization by 200-300 bps annually This enables streamlining of costs, which in turn enables products to be competitively priced. 65% of third-party suppliers have been associated with the company for the last 13 years, which implies significant supply chain advantages through supplier stickiness.

6. Strong Global Parentage

LGEIL is a leading single-brand global home appliances player in terms of market share by revenue in CY24, that is committed to providing quality products and consumer experiences. LGEIL was recognized by Trust Research Advisory as the "Most Trusted Brand for Refrigerators, Washing Machines, Air Conditioners & Televisions" for four consecutive years from 2020 to 2023, and the "Most Attractive Brand" in 2020 by The Economic Times Brand Equity. As part of the LG Electronics ecosystem, LGEIL leverages product innovations to design and introduce new

variants in India, it also has access to global manufacturing best practices and operating insights.

7. Capital efficient business with high growth and profitability

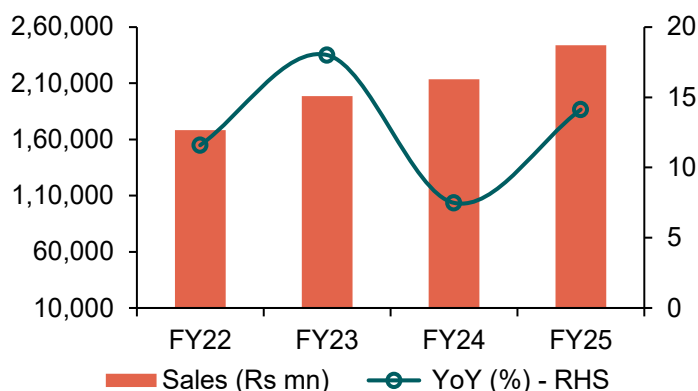
LGEIL's business is highly profitable with strong returns, outperforming peers, which underscores the effectiveness of its business model. With a ROCE of 42.91% in FY25, it leads the home appliances and consumer electronics sector, where the average is ~17%. The company also achieved a net working capital cycle of about ~21 days in FY25, compared to the industry average of ~26 days. Its free cash flow conversion ratio was 59.5%, higher than the sector average of 55.6%. The company delivered an EBITDA margin of 12.8% and a net profit margin of 8.9%, compared to averages of less than 8.5% and 6%, resp, among industry peers in FY25.

Exhibit 21: Financial Performance

Particulars (Rs mn)	FY22	FY23	FY24	FY25	Q1FY25	Q1FY26
Revenue	1,68,342	1,98,646	2,13,520	2,43,666	64,088	62,629
YoY (%)	-	18	7	14		(2)
EBITDA	17,086	18,993	22,249	31,101	9,581	7,163
YoY (%)	-	11	17	40		(25)
EBITDA Margin (%)	10.1	9.6	10.4	12.8	14.9	11.4
Gross Margin (%)	29.9	29.4	30.1	32.0	33.2	31.6
PAT	11,747	13,449	15,111	22,033	6,796	5,133
PAT Margin (%)	7.0	6.8	7.1	9.0	10.6	8.2

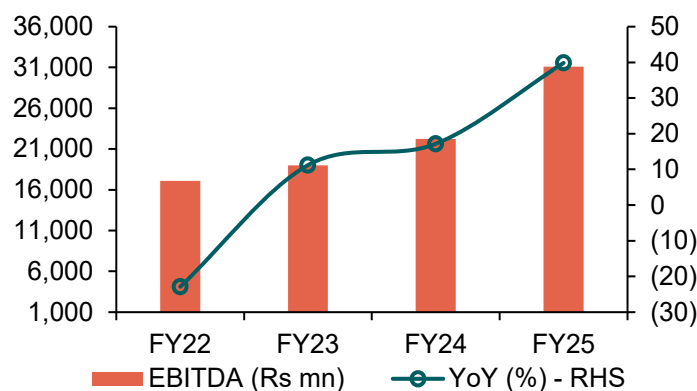
Source: Company, Dolat Capital

Exhibit 22: Revenue Trend (Rs Mn)



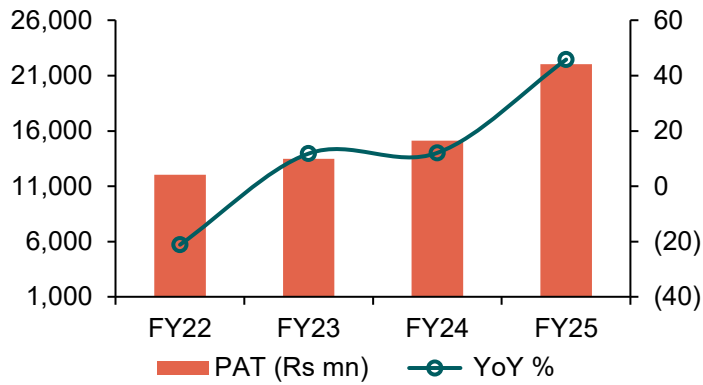
Source: Company, Dolat Capital

Exhibit 23: EBITDA Trend (Rs Mn)



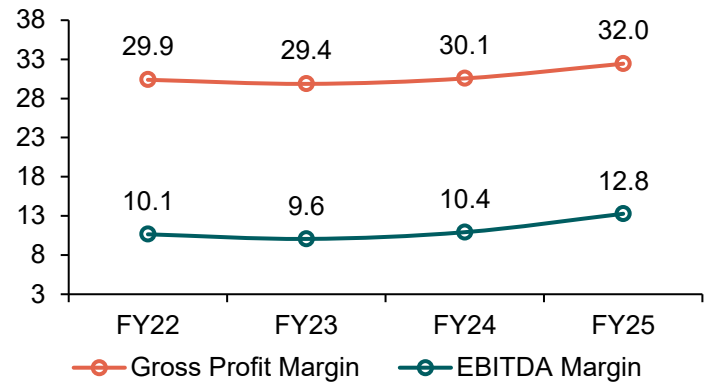
Source: Company, Dolat Capital

Exhibit 24: PAT Trend (Rs Mn)



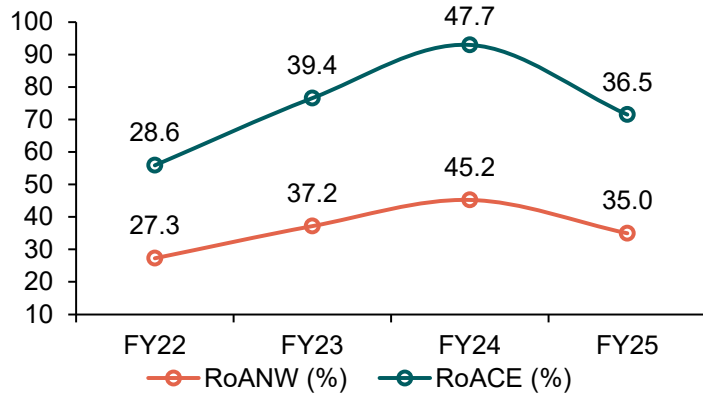
Source: Company, Dolat Capital

Exhibit 25: Margin Trend (%)



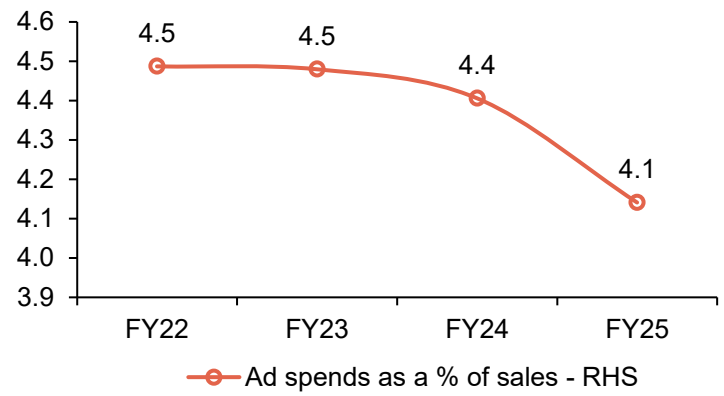
Source: Company, Dolat Capital

Exhibit 26: Return Ratios (%)



Source: Company, Dolat Capital

Exhibit 27: Ad Spends as a % of Sales



Source: Company, Dolat Capital

Management Profile

Mr Hong Ju Jeon, Managing Director - He has been associated with the company since December'2022. He is responsible for directing sales strategies, operational planning, and initiatives to support overall business objectives and strengthen the dealer network at the company. He has been associated with the LG group since October 1994.

Mr Dongmyung Seo, Whole-time Director and Chief Financial Officer - He has been associated with the company since December' 21. He is responsible for managing all financial activities and accounting operations and overseeing every aspect of the company's finances, including financial reports. He has been associated with the LG group since December 1994.

Mr Daehyun Song, Chairman and Non-executive Director - He has been associated with the company since November 18, 2024. He is responsible for leading board and ensuring effective governance practice and communication between the board, stakeholders, management, advisories and advice. He has been associated with the LG group since November 1983.

Ms Promila Bhardwaj, Independent Director - She has been associated with the Company since November 19, 2024. She joined Indian revenue services in 1979 and retired as the Directorate General of Income Tax (Systems) from Directorate of Income Tax (Systems).

Mr Ramesh Ramachandran Nair, Independent Director- He has been associated with the company since November 2024. He was previously associated with Avaada Electro Private Limited, Mundra Solar PV Limited, Bharat Aluminium Company Limited and Jindal Stainless Limited.

Mr Santosh Kumar Mohanty, Independent Director - He has been associated with the company since November 2024. He was previously associated with the Securities and Exchange Board of India, Forward Markets Commission (GoI) and Income Tax Department (GoI).

Key Risks

1. Royalty and Promoter Dependence Risk

The company is highly dependent on its promoter, LG Electronics, for brand, product innovation, design, technology, technical know-how, and export support. All products are manufactured and sold under a perpetual licensing agreement, requiring royalty payments of 2.3% of net sales (excluding LCD TVs and monitors) and 2.4% of net sales (for LCD TVs and monitors), which have historically averaged ~1.8-1.9% of revenues over FY23-25. Any termination or material change to this agreement would prevent the company from using the LG brand and associated technologies, significantly impacting operations, financial performance, and reputation. Furthermore, LG Electronics may increase royalty rates (up to 5% of turnover) without shareholder approval, and as a 100% shareholder, its decisions may prioritize group interests over minority shareholders.

2. Potential risk of contingent liabilities

The royalty arrangements have also been subject to regulatory scrutiny. The company faces a contingent liability of Rs 3,153 mn related to past royalty obligations, which is being addressed through Mutual Agreement Procedure (MAP) and Advance Pricing Agreement (APA) applications with Indian and South Korean tax authorities. While resolution of these applications is expected to nullify this liability, there is no assurance that tax authorities will not raise similar issues in the future, potentially affecting the company's results of operations, cash flows, and financial condition.

3. Highly volatile commodity prices/forex fluctuation may impact margins

Fluctuations in the cost of raw materials, supply interruptions or raw material shortages have a direct impact on the company's ability to manufacture products on time and within budget. Inability to pass on the price increases is likely to impact operating performance. As of Q1FY26, ~54% of RMs were sourced domestically and the balance are imported from Korea, China. Political instability, tariffs, or trade restrictions in these countries could disrupt supplies, raising costs and affecting production.

4. Stiff Competition Impacting Market Shares

The Indian appliances and electronics sector faces intense competition from a wide range of players, including large MNCs and specialized entities with niche offerings. To remain competitive, the company may frequently adjust promotional strategies, including discounts, cashback offers, and financing schemes for both trade partners and consumers, which can potentially impact margins. LGEIL's market share has dropped across key segments from CY22 to H1CY25 with highest market share loss of 490bps in inverter AC and least market share loss of 30bps in panel television. Continued declines may hurt profitability and competitive standing.

Exhibit 28: LGEIL's Declining Market Share Trend

Market Share (%)	CY22	CY23	CY24	H1CY25
Home Appliances and Air Solutions				
Refrigerators	31.9	30.6	29.6	29.9
Washing Machines	35.8	35.0	33.6	33.5
RAC	19.8	19.6	17.0	18.0
Inverter AC	25.5	23.4	19.6	20.6
Home Entertainment				
Panel Televisions	27.8	27.3	26.8	27.5

Source: Company, Dolat Capital (Gfk)

5. Regulatory Risks

India's regulatory environment is subject to changes. New compliance requirements, revision in existing norms like Bureau of Energy Efficiency (BEE) star labels could increase costs or adversely affect business operations.

6. Adapting to rapid technological advancements

The Indian consumer's shift toward digital and connected lifestyles is shaping demand for advanced, IoT-enabled, and user-friendly appliances. To remain competitive, companies must keep pace with innovations such as smart home compatibility, energy-efficient designs, and automation features, which require sustained R&D and agile product development cycles. Inability to do so may impact relationships with trade partners and market share.

LGEIL IPO Meet – Key Takeaways

- **Premiumization** - Premium products contributed >25% of sales in FY25, well above the industry average of ~17%. LGEIL is expanding market share in premium categories while also retaining leadership in the value segment. Margin expansion is increasingly being supported by higher premium product contribution.
- Within Indian Appliance market, premium product contribution stands at ~17%, which is expected to increase to 25-28% by CY29E, as per industry reports. LGEIL aims to make its premium products available and affordable for the masses. With a higher contribution of premium products in its portfolio, LGEIL would be a major beneficiary of premiumization.
- **AMC Introduction**- Recently launched AMC (Annual Maintenance Contract) business, now integrated at the point of sale instead of being pushed post-purchase by service engineers. Additional warranty offers are further enhancing customer stickiness and after-sales monetization.
- **Manufacturing & Localization Strategy** - Operates two plants in India, with a third plant coming up in South India (Sri City) under a phased expansion plan. This will help cater to the fast-growing South market and also bring down logistics costs. USD 600 mn (from internal accruals) earmarked for the new plant (focus: ACs, compressors, etc.). Production is expected to begin by Nov 2026 (first phase).
- **Capacity & Utilization** - Current utilization at ~85%, additionally supported by OEMs/ODMs. With the 3rd plant coming online by Oct'2026, management does not expect capacity constraints to affect sales.
- Parent aims to make India an alternative global manufacturing hub, fully aligned with the Make in India program.
- Currently, 95% of products sold are manufactured in India, including key components like compressors, motors, PCBs, controllers, and sub-assemblies.
- Localization stands at ~54%, with a plan to improve by 200-300 bps annually.
- Equity infusion of Rs 1.13bn from the parent has gone into facility upgrades, vendor ecosystem, and distribution expansion.
- **Air Conditioner Leadership** - Highly competitive RAC market in India; LGEIL introduced inverter ACs in 2014 and fully transitioned from fixed-speed models by 2017. LGEIL is the market leader with ~20.6% share in inverter Acs in H1CY25; also holds highest share in overall RACs. 5-star inverter AC share >27%.
- **New Energy labels**- LGEIL well positioned for upcoming BEE norm revisions (Jan 2026). Energy efficiency remains a key focus. New "Energy Manager" feature allows consumers to set energy consumption limits in order to bring down running costs.
- **Margins** - FY25 margins stood at 12.8% vs 11.4% in Q1FY26, impacted by a weak summer and geopolitical factors. Management remains confident of sustaining full-year double-digit margin levels and expanding further.
- LGEIL has been consistently expanding its margins since FY23 and has the highest profitability among peers. FY19 margins benefited from favorable forex and commodities; was followed by two COVID impacted years which disrupted both demand and supply, hurting margins. Recovery underway since then, aided by premiumization.

- Product-wise market share gains in FY25: Refrigerators & TVs +150 bps, Microwave +100 bps, Washing Machines stable at ~33.5% share.
- Paid Rs 300 cr dividend in FY24; no dividend since.
- **Royalties** - Royalty payout limited to brand, technology, manufacturing know-how, and product development, at 1.8-1.9% of sales.
- **Exports** - Focus remains on building the domestic brand given strong local demand. Export sales grew 45% in FY25, with presence in 47 countries. Additional production capacity will allow further export scale-up.
- **Home Entertainment** - FY24 margins were volatile due to TV panel price fluctuations; FY25 margins normalized with initiation of local panel sourcing (earlier 100% import dependent).
- GST cuts on large-size TVs have improved affordability and boosted demand.
- LGEIL contributes ~7% of parent's global revenues.

Dolat View- LGEIL focuses on 1) expansion of production capacity 2) diversifying and innovating the product portfolio 3) strengthening distribution 4) scale-up of B2B business. Penetration of home appliance in India is low, providing headroom for growth. LGEIL enjoys #1 market share across key home appliance categories, maintaining competitive edge in the premium category. The company's diversified product mix helps it to manage the impact of seasonality on sales. It has the highest margins (10%+) among leading consumer home appliance and electronics players. The company is well poised to benefit from the recent GST rate rationalization in AC, TV, Dishwashers which will increase affordability. Amidst stiff competition from other global and Indian players in this space, market share retention remains a challenge. At the upper price band, LGEIL is valued at a P/E of 35x to its FY25 earnings, which is at ~30% discount to peers. We believe that the IPO is attractively priced and recommend a 'Subscribe' rating to the IPO.

Summary Matrix

Particulars (Rs bn)	Net Sales				EBITDA				PAT				EPS (Rs)				ROCE (%)				Reco
Company	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	
LGEIL	213.5	243.7	-	-	22.2	31.1	-	-	15.1	22.0	-	-	22.3	32.5	-	-	45.3	42.9	-	-	-
Whirlpool	68.3	79.2	86.5	97.5	4.1	5.5	6.6	7.9	2.2	3.6	4.4	5.5	17.1	28.3	34.5	43.3	6.0	10.9	10.9	10.9	Not Covered
Blue Star	96.9	119.7	135.6	159.4	6.6	8.8	10.1	12.6	4.1	5.8	6.7	8.6	20.2	28.1	32.8	42.0	20.2	20.8	20.3	21.8	Accumulate
Havells	185.9	217.8	238.8	274.8	18.4	21.3	24.8	30.5	12.7	14.7	17.2	21.3	20.3	23.5	27.5	34.0	17.2	17.7	18.4	20.0	Accumulate
Voltas	124.8	154.1	161.1	187.4	4.7	11.2	10.8	14.1	2.5	8.4	8.5	11.3	7.6	25.4	25.8	34.3	10.7	19.6	17.3	19.8	Reduce

Company	Mcap	CMP	TP	Upside	P/E (x)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E
LGEIL	773	1,140	-	-	51.2	35.1	-	-	33.7	24.1	-	-	3.6	3.2	-	-
Whirlpool	150	1179	-	-	69.0	41.7	34.1	27.2	31.3	23.0	19.3	16.0	2.2	1.9	1.7	1.5
Bluestar	387	1881	1953	4%	93.2	66.8	57.4	44.8	54.4	41.3	35.9	28.8	4.0	3.2	2.9	2.4
Havells	941	1503	1767	18%	74.0	63.9	54.7	44.2	50.7	43.7	37.4	30.3	5.1	4.3	3.9	3.4
Voltas	441	1334	1320	-1%	175.2	52.5	51.6	38.9	90.4	38.7	39.8	30.5	3.5	2.9	2.7	2.4

Note: Market prices as on 3rd October 2025. Whirlpool is not under our formal coverage and has been updated using Bloomberg consensus estimates.

Financial Performance

Profit and Loss Account

(Rs Mn)	FY22	FY23	FY24	FY25
Revenue	1,68,342	1,98,646	2,13,520	2,43,666
Total Expense	1,51,256	1,79,653	1,91,271	2,12,565
COGS	1,18,006	1,40,281	1,49,302	1,65,801
Employees Cost	7,255	7,992	8,868	9,628
Other expenses	25,996	31,380	33,101	37,136
EBIDTA	17,086	18,993	22,249	31,101
Depreciation	2,584	3,004	3,644	3,804
EBIT	14,502	15,989	18,605	27,298
Interest	225	226	285	306
Other Income	2,038	2,440	2,051	2,640
Exc. / E.O. items	(308)	(31)	0	0
EBT	16,007	18,172	20,371	29,631
Tax	4,260	4,723	5,260	7,598
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
RPAT	11,747	13,449	15,111	22,033
Adjustments	308	31	0	0
APAT	12,055	13,480	15,111	22,033

Balance Sheet

(Rs Mn)	FY22	FY23	FY24	FY25
Sources of Funds				
Equity Capital	1,131	1,131	1,131	6,788
Minority Interest	53,876	42,431	36,591	52,914
Reserves & Surplus	0	0	0	0
Net Worth	55,007	43,562	37,722	59,702
Total Debt	0	0	0	0
Net Deferred Tax Liability	(1,278)	(1,365)	(1,720)	(2,040)
Total Capital Employed	53,729	42,197	36,002	57,662

Applications of Funds

Net Block	10,475	13,427	13,188	13,292
CWIP	1,030	246	244	753
Investments	0	0	0	0

Current Assets, Loans & Advances

Current Investments	0	0	0	0
Inventories	24,094	26,410	23,974	30,315
Receivables	13,811	14,995	17,970	23,612
Cash and Bank Balances	37,094	27,626	22,226	37,415
Loans and Advances	2,904	2,610	2,414	4,067
Other Current Assets	3,506	3,242	3,248	3,679

Total : Current Assets, Loans & Advances	81,409	74,883	69,832	99,087
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Less: Current Liabilities & Provisions

Payables	17,516	16,004	30,351	33,671
Other Current Liabilities	21,669	30,355	16,911	21,799

<i>sub total</i>	39,185	46,359	47,262	55,470
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Net Current Assets	42,224	28,524	22,570	43,617
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Total Assets	53,729	42,197	36,002	57,662
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Important Ratios

Particulars	FY22	FY23	FY24	FY25
(A) Margins (%)				
Gross Profit Margin	29.9	29.4	30.1	32.0
EBIDTA Margin	10.1	9.6	10.4	12.8
EBIT Margin	8.6	8.0	8.7	11.2
Tax rate	26.6	26.0	25.8	25.6
Net Profit Margin	7.0	6.8	7.1	9.0
(B) As Percentage of Net Sales (%)				
Raw Material	70.1	70.6	69.9	68.0
Employee Expenses	4.3	4.0	4.2	4.0
Power, Oil & Fuel	0.7	0.7	0.7	0.8
Selling & Administrative Expenses	11.4	12.4	12.6	12.3
(C) Measure of Financial Status				
Debt / Equity (x)	0.0	0.0	0.0	0.0
Interest Coverage (x)	85.0	94.9	85.2	110.1
Debtors Period (days)	29.9	27.6	30.7	35.4
Closing stock (days)	52.2	48.5	41.0	45.4
Inventory Turnover Ratio (x)	7.0	7.5	8.9	8.0
Fixed Assets Turnover (x)	6.8	6.6	6.5	6.6
Working Capital Turnover (x)	3.9	6.7	8.6	5.2
Non Cash Working Capital (Rs Mn)	5,645	2,016	2,491	9,009
(D) Measures of Investment				
RoANW (%)	21.5	31.13	40.45	37.13
RoACE (%)	27.84	34.38	45.31	42.91

Cash Flow

Particulars	FY22	FY23	FY24	FY25
Profit before tax	16,315	18,203	20,371	29,631
Depreciation & w.o.	2,612	3,004	3,644	3,804
Net Interest Exp	0	0	0	0
Direct taxes paid	(4,016)	(4,425)	(5,698)	(7,539)
Change in Working Capital	(6,793)	3,988	(125)	(108)
Non-Cash	(2,142)	(2,062)	(1,538)	(9,249)
(A) CF from Operating Activities	5,976	18,708	16,654	16,539
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(2,695)	(5,138)	(2,411)	(3,346)
Free Cash Flow	3,281	13,570	14,243	13,193
(Inc.)/ Dec. in Investments	1,667	2,202	1,989	2,477
Other	0	0	0	0
(B) CF from Investing Activities	(1,028)	(2,936)	(422)	(869)
Issue of Equity/ Preference	0	0	0	0
Inc./(Dec.) in Debt	(414)	(494)	(654)	(760)
Interest exp net	(225)	(225)	(269)	(305)
Dividend Paid (Incl. Tax)	(22,626)	(24,888)	(20,929)	0
Other	303	367	220	583
(C) CF from Financing	(22,962)	(25,240)	(21,632)	(482)
Net Change in Cash	(18,014)	(9,468)	(5,400)	15,189
Opening Cash balances	55,108	37,094	27,626	22,226
Closing Cash balances	37,094	27,626	22,226	37,415

Dolat Rating Matrix

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

Dolat Team

Amit Khurana, CFA	Head of Equities	amit@dolatcapital.com	+9122 4096 9745
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CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	Director - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	Director - Equity Sales & Corporate Access	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	Director - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Nikhil Thacker	Director - Equity Sales	nikhilt@dolatcapital.com	+9122 4096 9700
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Rajeev Lala	AVP - Equity Sales	rajeevl@dolatcapital.com	+9122 4096 9767
Equity Trading	Designation	E-mail	
P. Sridhar	Director and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	Director - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	Director - Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Director - Sales Trading	kartikm@dolatcapital.com	+9122 4096 9715
Nishit Sariya	VP - Derivatives Sales Trading	nishits@dolatcapital.com	+9122 4096 9765
Monali Jobanputra	Co - Head Asia Derivatives	monalij@dolatcapital.com	+9122 6176 4841
Bhavin Mehta	Director Research - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

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Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000014012

Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com
