28th November 2025

LG Electronics India Ltd.

BSE: 544576 | NSE: LGEINDIA

Recommendation	Time Period	Current Price	Target Price	Potential Upside
BUY	**12 months**	**1,640/-**	**1,886/-**	**15.0%**

LG Electronics India Ltd (LGEIL) is a leading home appliance and consumer electronics player in India and operates the largest distribution and after-sales services network domestically. The company focuses on various consumer electronics and B2B businesses, spanning from home appliances & media entertainment to HVAC & commercial displays. The company is a subsidiary of LG Electronics Inc, a leading single-brand global home appliance player; and leverages reputation and brand recall of the 'LG' brand to maintain its market leadership in India.

Key Investment Rationale:

- **Market leader across categories:** LGEIL has been the number 1 player in major home appliance and consumer electronics in India (excluding mobile phones) for CY22, CY23, CY24 and 1HCY25 as per the market share by value in offline channels. As of 1HCY25, it was the domestic market leader across multiple product categories, including washing machines (~33.5% market share by value), refrigerators (~29.9%), panel televisions (~27.5%), inverter air conditioners (~20.6%) and microwaves (~51.4%).
- **Robust manufacturing capabilities:** LGEIL operates one of the largest in-house home appliance and consumer electronics production capacities in India (excluding mobile phones). The company's manufacturing capacities are located in Pune and Noida and house a total installed capacity of 1.45 cr products. These units are flexible and employ automation technologies enabling the company to efficiently produce a wide range of products at scale.
- **Sri City expansion:** The company plans a total investment outlay of ~Rs 5,000 cr for the Sri City facility, deployed in a phased manner over the next four to five years, funded through internal accruals. This plant (located in South India) shall allow the company to optimize logistics costs and reduce supply chain lead time, as ~40% of the company's business comes from South India. The first product line (Room Air Conditioners) is scheduled to be operational by Oct'26, followed by the AC Compressor line in 4QFY27, and subsequently, washing machine and refrigerator lines. Going ahead, the facility is expected to double its capacity as it becomes fully operational by FY29.
- **Outlook for 3QFY26:** The GST rate realignment along with festive demand, is expected to lift consumer sentiment and drive recovery following a muted demand scenario which was witnessed in 1HFY26. Further, the new introduction of LG Essential lineup (priced aggressively to attract first-time buyers), is gaining early traction, allowing the company to enter the underpenetrated regional markets.
- **Attractive valuation:** At the CMP of Rs 1,640, the stock trades at FY26E/FY27E Bloomberg consensus P/E multiple of 53.4x/43.1x respectively.

Key risks: Slowdown in consumer demand, Change in consumer preferences, Competitive intensity

Financial Summary

Particulars (Rs cr)	FY24A	FY25A	FY26E	FY27E
Net Sales	21,352	24,367	25,667	29,179
EBITDA	2,229	3,115	2,958	3,665
Net Profit	1,510	2,201	2,074	2,573
EBITDA Margin (%)	10.4	12.8	11.5	12.6
EPS (Rs)	22.2	32.5	30.6	37.9
RoE (%)	40.0	36.9	31.5	32.9
P/E (x)	73.3	50.2	53.4	43.1
P/BV (x)	29.3	18.5	15.5	12.8

Source: Bloomberg Estimates

Recommendation History

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Disclaimer

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