

LG Electronics India

Leading with Grit, Growing with Grace

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November 17, 2025

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Consumer Durable | Initiating Coverage

CMP: Rs.1,618 | TP: Rs 1,855 | Upside 15%

Leading with Grit, Growing with Grace

We initiate coverage on LG Electronics India with an 'Accumulate' rating and TP of Rs 1,855, valuing the stock at 42x FY28E EPS. LGEL stands as one of India's most trusted consumer durable brands, offering a wide product portfolio and commanding market leadership across key categories such as washing machines, refrigerators, panel TVs, and inverter ACs. We believe that the company is well-positioned for growth, supported by 1) its large distribution network, 2) advanced manufacturing & product innovation capabilities and 3) strong parentage. The company aims to further strengthen its presence through capacity expansion, scale-up of B2B and export businesses, and continued premiumization. The company exhibited revenue CAGR of 13% over FY22-25, with industry-leading EBITDA margins and superior return ratios. Moreover, LGEL maintains a debt-free status, which reflects its prudent capital allocation and operational efficiency. We bake in Revenue/EBITDA/PAT CAGR of 11%/10%/11% over FY25-28E. With better revenue mix and operational efficiencies, we expect EBITDA margins to expand to 12.6% by FY28E. Initiate with 'Accumulate' rating.

Industry Tailwinds Offer Significant Growth Potential

India's appliances and electronics market (excl mobile) valued at Rs 3.25tn in CY24, is set to double to Rs 6.2tn by CY29E, mainly driven by rising disposable incomes, urbanization, an expanding female workforce, and premiumization. Low appliance penetration offers significant headroom for growth. Policy support through GST cuts, PLI incentives, and Make in India initiatives will accelerate local manufacturing and affordability, sustaining a multi-year double-digit growth cycle for market leaders like LGEL. Favourable tariff agreements are expected to support export growth.

Powered by Global Legacy; Future-Ready in India

LGEL benefits from strong parentage of LG Electronics Inc., South Korea, a leading consumer electronics & home appliances company globally. This association gives access to world-class R&D, innovation, design expertise & supply chain synergies, strengthening its competitive edge in India.

Dominant Leadership with Premium Edge

LGEL commands a leading market share across major categories, in both value & premium segments (washing machines: 33.5%, refrigerators: 29.9%, Panel TV: 27.5%, Inverter AC: 20.6% as of H1CY25). It has consistently pioneered industry-first innovations in India (such as OLED TV, Microwaves, and Smart inverter technology). Premium products contributed >25% of sales in FY25 (exceeding the industry average of ~17%) and are expected to increase further with technological advancement. Through new LG Essential series, the company is expanding the premium product coverage to its mass customers.

Key Data

Nifty	25,910
Equity / FV	Rs 6,788mn / Rs 10
Market Cap	Rs 1,098bn
	USD 12.4bn
52-Week High/Low	Rs 1,749/ 1,581
Avg. Volume (no)	5,254,420
Bloom Code	LGEL IN

Stock Performance (%)

Particulars	1M	3M	12M
Absolute (%)	(3)	-	-
Rel to NIFTY (%)	(4)	-	-

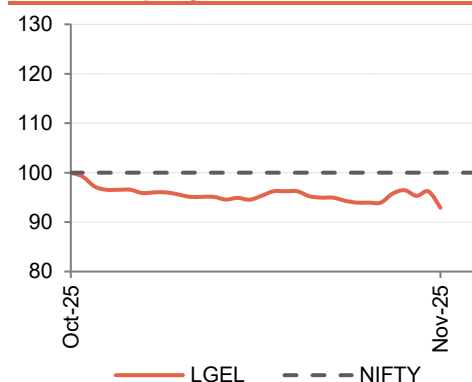
Shareholding Pattern

Particulars	Oct'25
Promoters	85.0
MF/Banks/FIs	4.4
FIIIs	2.9
Public / Others	7.7

Financials (Rs bn)

Particulars	FY25A	FY26E	FY27E	FY28E
Revenue	244	258	292	329
Growth (%)	14.1	5.8	13.3	12.7
EBITDA	31	29	35	41
OPM (%)	12.8	11.4	12.0	12.6
PAT	22	21	25	30
Growth (%)	45.8	(4.1)	19.7	17.9
EPS (Rs.)	32.5	31.1	37.3	43.9
Growth (%)	45.8	(4.1)	19.7	17.9
PER (x)	49.8	52.0	43.4	36.8
ROANW (%)	45.2	31.0	29.6	28.7
ROACE (%)	47.7	32.5	30.9	29.8

Company relative to NIFTY



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Diversified product mix; Broader Horizons

LGEL has a well-diversified portfolio of Refrigerators/WMs/ACs/ TVs, contributing 27%/21%/22%/20% to overall sales. It also participates in niche segments such as dishwashers, air purifiers, water purifiers, microwave ovens & vacuum cleaners, reducing dependence on any single category and mitigating seasonal volatility. To strengthen its B2B business, LGEL is expanding into HVAC, commercial information displays, commercial washing machines, LED displays, and electronic blackboards.

Strong Manufacturing Footprint; Capacity Expansion Underway

LGEL operates two advanced manufacturing units (14.5mn) located in Noida and Pune with an aggregate capacity utilization rate of ~77%, accounting for 86% of overall sales. In addition to products, the company also manufactures key components such as compressors and motors, which give greater control over the costs and supply chain. Local sourcing is expected to increase by ~200-300bps annually, from 54%. Production at a third facility in Sri City is scheduled to begin in 2026 (phased investment of Rs 50bn), which will enhance LGEL's presence in the fast-growing South India market, accelerate product availability pan India & overseas, and reduce logistics costs.

Healthy financial profile

LGEL's Revenue/PAT grew at a healthy 13%/22% CAGR during FY22-25. EBITDA margins expanded 260bps to 12.8% during the same period. Despite deferred purchases due to GST rate cut (AC, TV, dishwashers) and unfavourable weather conditions, LGEL delivered stable financial performance, in H1FY26, outperforming its peers. We expect double-digit margin trajectory to continue, driven by premiumization and localization efforts. The company maintains a debt-free balance sheet and has registered ROCE/ROE of 45%+ in FY25, which is highest among other players. During FY23-25, it generated healthy cumulative FCF of Rs 41bn with avg. FCF/EBITDA of 59%. Despite higher capex for capacity expansion, we expect healthy FCF generation going ahead.

LGEL: Market Leader in Smart Living Solutions

Company Overview

Established in 1997, as a wholly owned subsidiary of LG Electronics Inc., Republic of Korea, the world's leading single-brand home appliances player (by global market share in CY24), LG Electronics India (LGEL) is the market leader across multiple product categories like washing machines, refrigerators, panel televisions, inverter air conditioners, and microwaves. The company operates the largest distribution network among its competitors, spanning 35,640 B2C touch points, and has a robust pan-India supply chain network of 25 product warehouses. To address B2B customers' demands, LGEL has tie-ups with 463 trade partners. Domestic operations contribute ~94% of its overall revenues. LGEL operates two manufacturing units located in Noida and Pune, which collectively contribute 85% of overall sales.

Segment Overview

LGEL operates across two broad business segments, catering to both B2C and B2B customers in domestic and international markets:

1. Home Appliances & Air Solutions Segment (HA & AS) and
2. Home Entertainment Segment (HE)

1. Home Appliances & Air Solutions (75% of revenue)

The 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. Operating margins have improved to 12.8% in FY25 from 9.5% in FY22, with premiumization and better operating leverage.

Under this segment, LGEL offers a comprehensive portfolio comprising

- **Home appliances** includes refrigerators, washing machines, water purifiers, dishwashers, microwave ovens, washing machines, and
- **Air solutions** such as air conditioners, air purifiers, and compressors. The company also provides installation and after-sales services to ensure a complete consumer experience.

Refrigerators

LGEL introduced its first refrigerator in 1997, beginning with a single-door model. Over the years, the company has significantly diversified its portfolio to include French door, side-by-side, double-door, and single-door refrigerators, each available in multiple designs and variants tailored to consumer preferences. LGEL's refrigerators are certified by the BIS, BEE, and WPC in India, in addition to relevant international certifications. The company also exports its India-manufactured refrigerators to diverse markets across the Middle East, Asia, Africa, and South America.

Washing Machines

LGEL introduced its first washing machine in 1997, beginning with top-load washing machines. Over the years, the company has significantly diversified its portfolio to include wash tower, dryer, washer-dryers, front and top load machines, semi-automatic machines. LGEL's washing machines are certified by the BIS, BEE, and WPC in India, in addition to relevant international certifications. The company also exports its India-manufactured refrigerators to the Middle East and Africa.

Air Conditioners

Since its first launch in 1998, LGEL has built a strong AC portfolio covering split and window ACs across multiple variants, as well as a range of commercial air-conditioning systems (CAC), including Multi V Cassette, Ductable, Multi I-Home, and Chillers for B2B customers. LGEL's ACs are certified by the BIS, BEE, and WPC in India, in addition to relevant international certifications. It also exports ACs manufactured in India to Sri Lanka and Nepal.

Other Products

Under its Home Appliances and Air Solutions division, LGEL also markets products such as water purifiers, dishwashers, microwave ovens, air purifiers, and compressors. Each product category includes multiple variants, incorporating advanced technology to enhance consumer convenience and comfort.

2. Home Entertainment (25% of Revenue)

Segment registered an 11.4% revenue CAGR over FY22-25 to Rs 61bn in FY25. TV/others account for 20/5% of total revenue. After falling to 12.1% in FY24 (down 460bps YoY) due to higher TV panel prices, operating margins rebounded to 15.3% in FY25. LGEL manufactures a variety of media display and audiovisual products, including televisions, monitors, interactive displays, and information systems. Additionally, the company imports products such as soundbars, audio systems, projectors, wireless speakers, and earbuds for sale in the domestic market.

Televisions

LGEL introduced its first television in 1997 and currently offers a broad range of products, from compact to large-screen models. Its premium televisions feature advanced technologies such as OLED, QNED, NanoCell, UHD, and LED. In addition to conventional models, LGEL provides lifestyle television products for residential users, equipped with mobile integration and touch capabilities that allow customization for diverse viewing environments. LG TVs are certified by BEE, BIS & WPC.

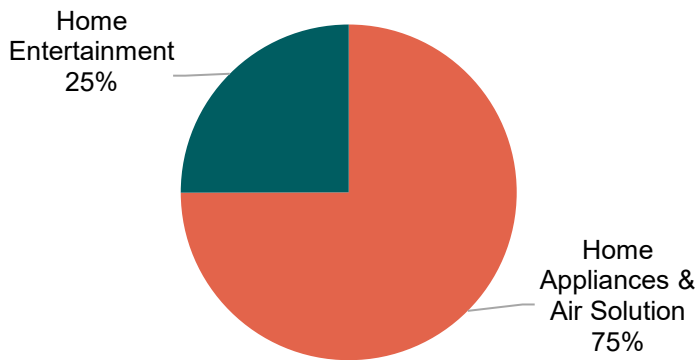
Other Products

The segment also offers a range of home audio products, including soundbars, wireless and party speakers, and wireless earbuds. For its B2B clients, the company provides IT systems such as monitors, which find applications in hospitals for surgical procedures, as well as in hotels, museums, airports, and gaming centers. LGEL further supplies commercial display solutions, including TVs for hotels, monitor signage for banks, airports, railway stations, and hotels, interactive display boards for educational institutions, shopping malls, and government offices, and LED screens for offices, indoor and outdoor signage, and home theatre systems.

Components

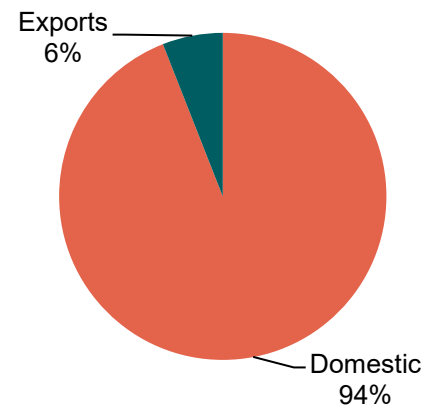
LGEL manufactures several critical components at its Noida and Pune manufacturing units. In-house production includes motors and compressors for refrigerators and air conditioners, heat exchangers, printed circuit board assemblies, and extruder sheets. These components are utilized in the company's own manufacturing operations, while compressors are also sold to third-party customers. LGEL's components, particularly compressors, are designed for stable performance across a wide range of voltages, high energy efficiency, and low noise levels.

Exhibit 1: HA&AS command the highest share



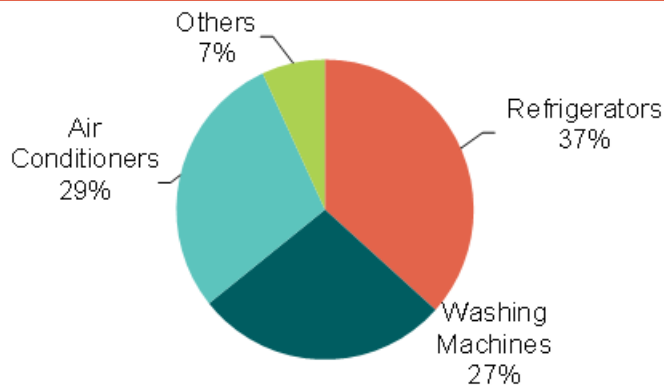
Source: Company, Dolat Capital (*FY25)

Exhibit 2: Geographic Mix in FY25 (%)



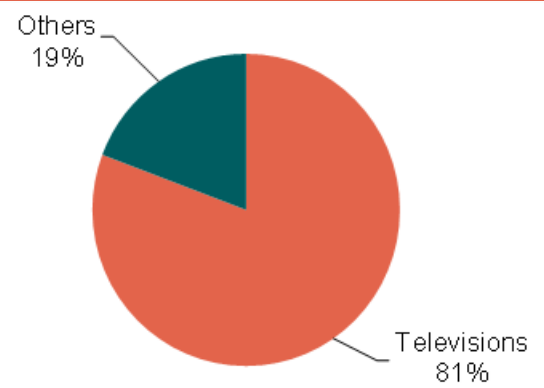
Source: Company, Dolat Capital (*FY25)

Exhibit 3: Refrigerators lead HA&AS with 37% share



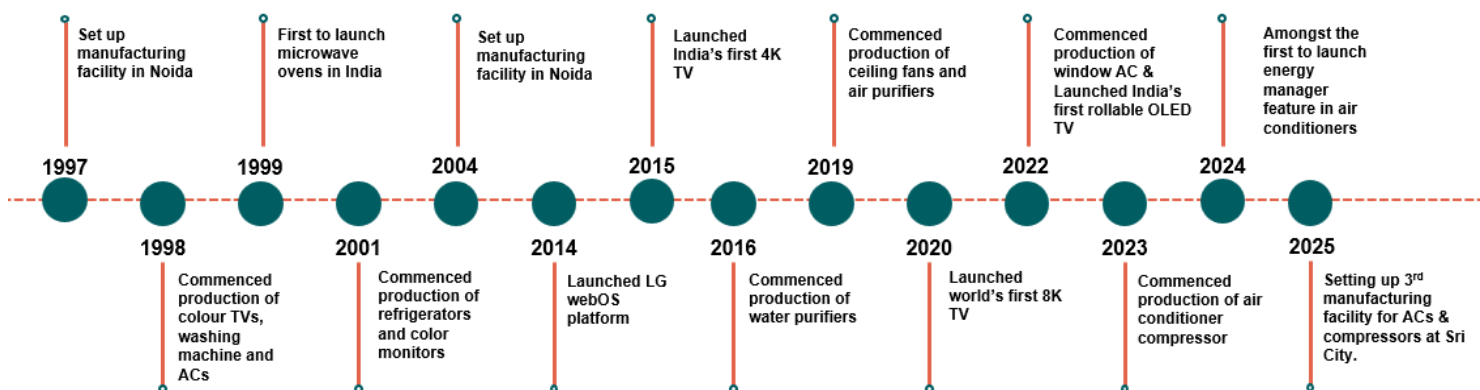
Source: Company, Dolat Capital (*FY25)

Exhibit 4: TV holds a Lion's share in Home Entmt.



Source: Company, Dolat Capital (*FY25)

Exhibit 5: A timeline of LG India's History



Source: Company, Dolat Capital

Manufacturing Units

LGEL operates two manufacturing facilities in India: the Noida Manufacturing Unit and the Pune Manufacturing Unit.

Noida Manufacturing Unit

The Noida facility operates 10 production lines, manufacturing refrigerators, washing machines, room air conditioners, microwave ovens, compressors, water purifiers, and ceiling fans.

Pune Manufacturing Unit

The Pune facility operates nine production lines, producing refrigerators, washing machines, room air conditioners, commercial air conditioning systems, and televisions.

Upcoming Sri City Unit

Production at a third facility in Sri City, with a planned outlay of Rs 50bn, is expected to double capacity by FY29. The first phase includes RAC production, to be operational by Q3FY27, followed by AC compressors in Q4FY27, and WM and Refrigerator lines thereafter.

Exhibit 6: Manufacturing Locations



Source: Company, Dolat Capital

Industry Overview

India Appliances & Electronics Market

Total addressable market for the Indian appliances and electronics brands (excl mobile) stood at Rs 3,245bn in CY24, having grown at a 12% CAGR in the last five years. This segment is expected to expand at a faster 14% CAGR to Rs 6,190bn by CY29E. Growth will be underpinned by 1) rising disposable incomes & urbanization, 2) increased appliance penetration, 3) government support for local manufacturing, 4) Premiumization & growing preference for energy-efficient products, and 5) expanding organized retail & e-commerce.

Category wise landscape

Key growth drivers

Refrigerator Market

- **Market Size:** Rs 315 bn as of CY24 and Rs 325 as of H1CY25; expected CAGR of ~15% to Rs 620 bn by CY29. Organised share 65%
- **Channel Mix:** Online 19%, LFR ~40%.
- **Price Segmentation:** Volume 46%, Mid 33%, Premium 21%
- **Sales Volume:** ~15 mn units in CY24, expected to grow at a CAGR of 6% to ~20mn units in CY29.
- **Penetration** is expected to rise from ~35% in H1CY25 to ~43% by CY29P.
- **Channel Evolution:** LFR is projected to reach ~44-46% by CY29, while e-commerce is expected to reach 24-26% of sales by CY29P.
- **Premiumization:** Demand spans volume, mid-tier, and premium segments. While direct cool and frost-free models drive penetration in the mass market, rising incomes and aspirational buying fuel demand for premium models like side-by-side and French-door refrigerators.

Washing Machines Market

- **Market Size:** Rs 245 bn as of CY24 and Rs 265bn as of H1CY25; expected CAGR of ~9% to Rs 380 bn by CY29. Organized share 65%
- **Channel Mix** Online 23%, LFR 37%.
- **Price Segmentation:** Volume 39%, Mid 31%, Premium 30%
- **Sales Volume:** ~12 mn units on CY24, expected to grow at a CAGR of 5% to ~16 mn units in CY29.
- **Penetration** rising from ~22% in H1CY25 to ~25-26% by CY29, driven by expanded distribution, improved affordability, and increased demand in semi-urban and rural areas.
- **Channel Evolution:** Organized retail and e-commerce are reshaping the market.
- **Premiumization:** Demand for semi-automatic WMs is declining, and there is growing interest in premium models, including larger-capacity (> 8 kg) front-load and top-load machines, as well as washer-dryers.

Air Conditioners Market

- **Market Size:** Rs 320bn as of CY24 and Rs 360bn in H1CY25; expected CAGR of ~17% to Rs 710 bn by CY29. Organized share 64%.
- **Channel Mix:** Online 20%, LFR 38%.
- **Product Mix:** Inverter ACs ~75%, fixed speed ~25%; Window ACs ~10%.
- **Price Segmentation:** Volume 48%, Mid 35%, Premium 17%.
- **Sales Volume:** ~11 mn units in CY24 expected to grow at a 13% CAGR to ~19mn units in CY29.
- **Penetration** projected to grow from ~13% in H1CY25 to ~19% by CY29, driven by rising affluence, urbanization, improved electricity infrastructure, and changing climate patterns. **Affordable models** and **financing options** are further accelerating adoption.
- **Premiumization:** Consumer preference is shifting toward inverter ACs due to superior cooling, quieter operation, and long-term cost savings.
- **Energy Efficiency:** Awareness of energy consumption, environmental concerns are driving demand for 5-star-rated, energy-efficient air conditioners.
- **Reduction of Seasonality:** Increased demand for year-round multifunctional solutions that provide cooling and heating, catering to diverse climate zones.

Source: LGEL RHP, Dolat Capital

Category wise landscape

Key growth drivers

Consumer Electronics Market (Segment comprises home entertainment, computers & peripherals, personal care gadgets, other personal devices and mobile phones).

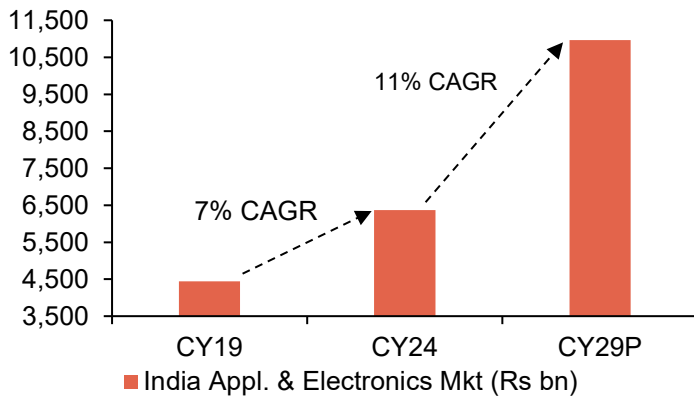
- **Market Size:** Rs 4.4 tn as of CY24 and Rs 4.8 tn in H1CY25; expected CAGR of ~10% to Rs 7.2 tn by CY29.
Organised share 61%
- **Channel Mix:** Online & LFR drive sales as they gain share.
- **Wider Availability:** Increased affordability, awareness, and improved distribution are expanding penetration, especially in rural and semi-urban areas.
- **Technological Innovation:** The demand for faster, feature-rich models is driving repeat purchases, fueling market growth.
- **Premiumization:** Rising disposable incomes, urbanization and a tech-savvy population are driving demand for multifunctional, compact, and connected devices.
- **Gaming Demand:** The rise in eSports and competitive gaming is driving growth in high-performance gaming PCs, accessories, and entertainment devices.

Home Entertainment Market (Segment comprises televisions and audio devices).

- **Market Size:** Rs 895bn as of CY24 and Rs 960bn in H1CY25; expected CAGR of ~14% to Rs 1,725bn by CY29.
- **Price Segmentation:** Volume 53%, Mid 30%, Premium 17%.
- **Sales Volume:** ~78mn units in CY24 expected to grow at a 10% CAGR to 125mn units in CY29.
- **TV Market Size:** Rs 415bn as of CY24 and Rs 435bn in H1CY25; expected CAGR of ~13% to Rs 760bn by CY29.
- **TV Channel Mix:** LFR ~38%, online ~28%.
- **TV Product Mix:** Large screen (>55") ~27%; OLED/QLED ~22%; smart/UHD ~59%.
- **Increasing Penetration** into underserved rural markets, driven by improved connectivity and access to affordable technology. This trend is increasing market penetration, in mid-range models.
- **Premiumization & Smart features:** Rising demand for larger screens (>55") and advanced technologies like OLED and QLED are fueling the premium segment. Increasing preference for smart TVs that integrate with streaming services and home automation systems, offering enhanced performance and versatility.
- **E-Commerce Surge:** By CY29, e-commerce is expected to capture ~30-33% of TV sales and ~70-73% of audio device sales, driven by convenience, competitive pricing, and extensive product variety.

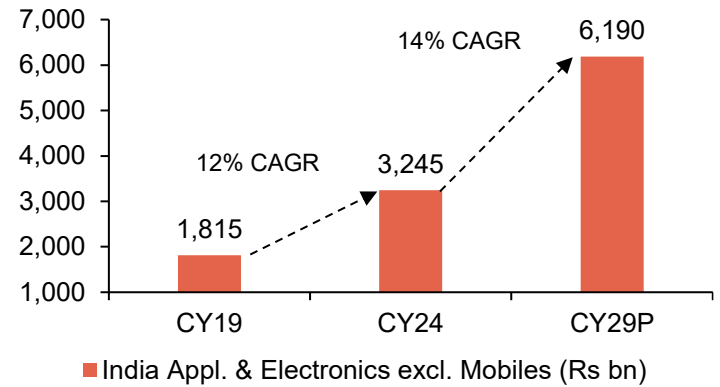
Source: LGEL RHP, Dolat Capital

Exhibit 7: Indian A&E Mkt: ~11% CAGR (FY24-29P)



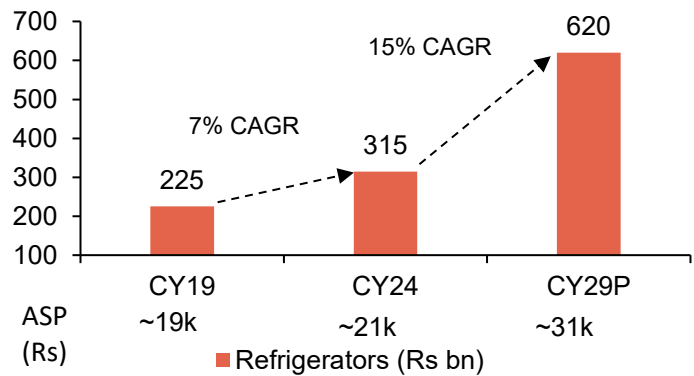
Source: LGEL RHP, Dolat Capital

Exhibit 8: A&E ex-Mobile: ~14% CAGR (CY24-29P)



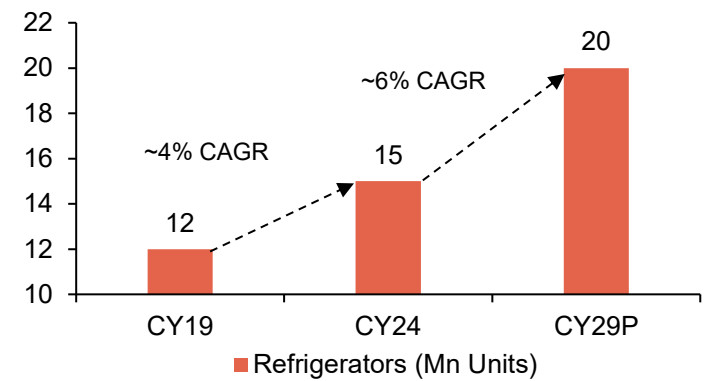
Source: LGEL RHP, Dolat Capital

Exhibit 9: Refrigerators: ~15% CAGR (CY24-29P)



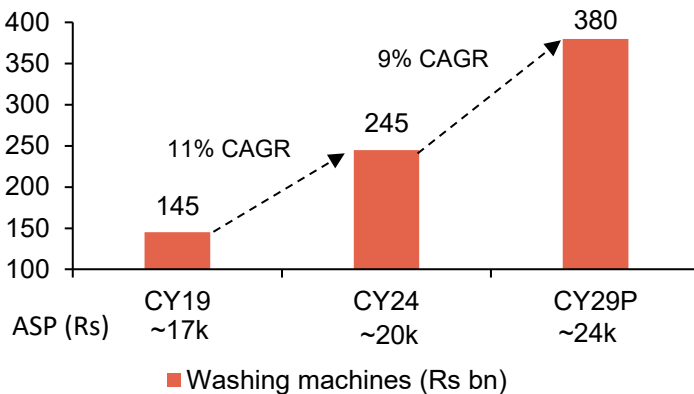
Source: LGEL RHP, Dolat Capital

Exhibit 10: Refrigerator Vol: ~6% CAGR (CY24-29P)



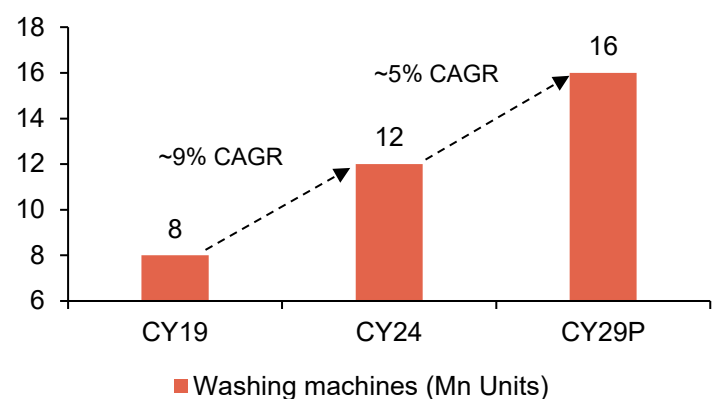
Source: LGEL RHP, Dolat Capital

Exhibit 11: WM Market: ~9% CAGR over CY24-29P



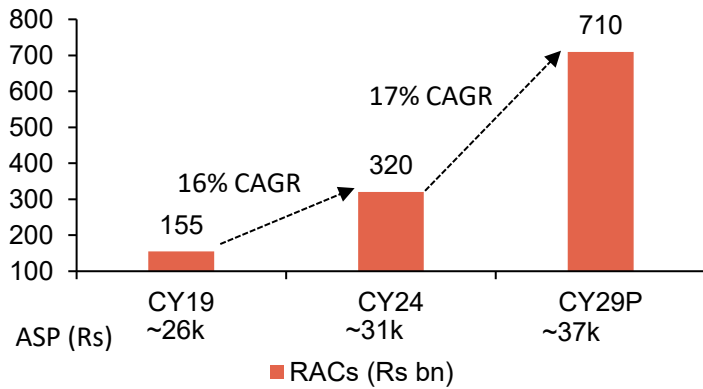
Source: LGEL RHP, Dolat Capital

Exhibit 12: WM Vol.: ~5% CAGR (CY24-29P)



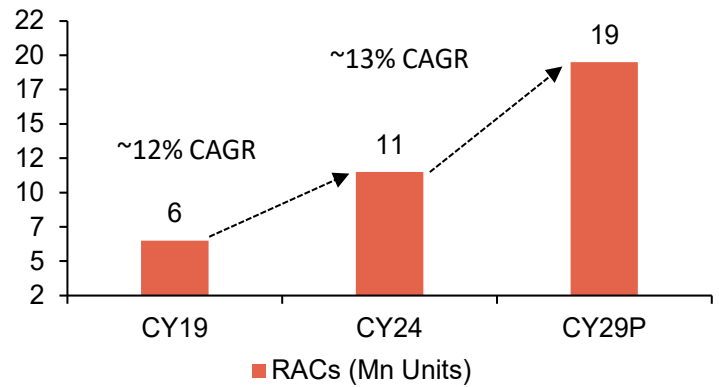
Source: LGEL RHP, Dolat Capital

Exhibit 13: AC Market: ~17% CAGR over CY24-29P



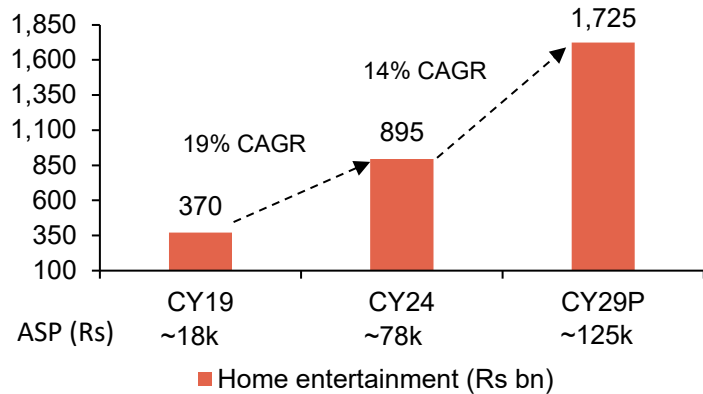
Source: LGEL RHP, Dolat Capital

Exhibit 14: AC Vol.: ~13% CAGR (CY24-29P)



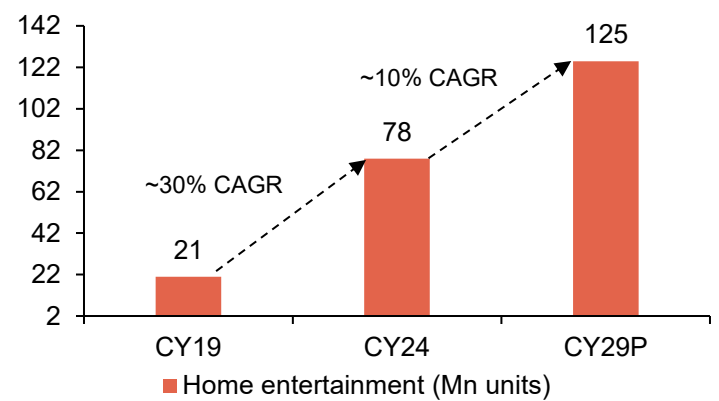
Source: LGEL RHP, Dolat Capital

Exhibit 15: Home Ent.: ~14% CAGR (CY24-29P)



Source: LGEL RHP, Dolat Capital (Home entertainment (HE) includes B2C market for TV and audio systems)

Exhibit 16: Home Ent. Vol.: ~10% CAGR (CY24-29P)

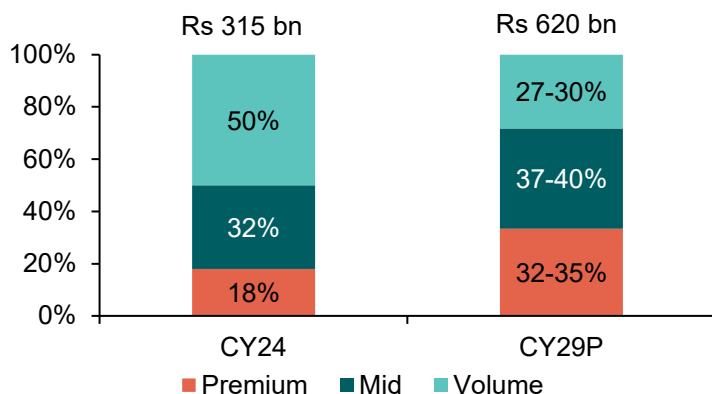


Source: LGEL RHP, Dolat Capital (includes B2C market for TV and audio systems)

Category-wise Price Segmentation

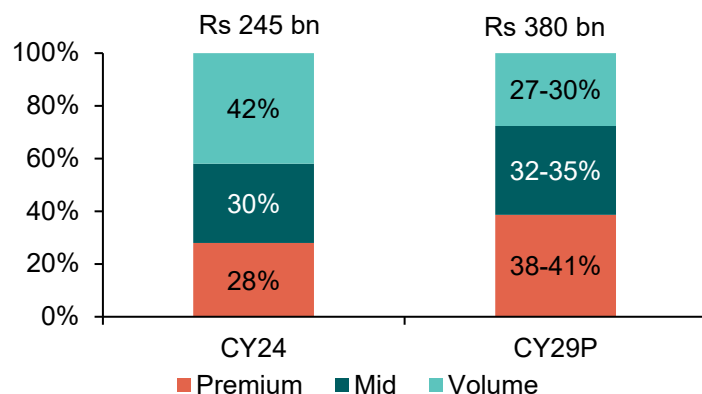
Between **CY24-29P**, the **premium** and **mid-range segments** are expected to **increase across categories**, while the **economy/volume segments** is expected to **decline**.

Exhibit 17: Refrigerators Market



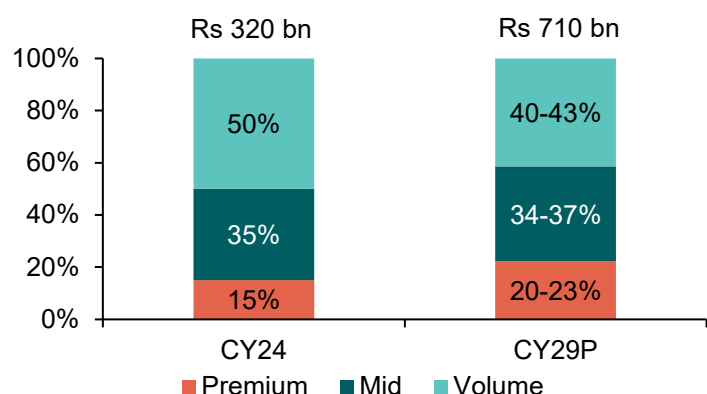
Source: LGEL RHP, Dolat Capital

Exhibit 18: Washing Machines Market



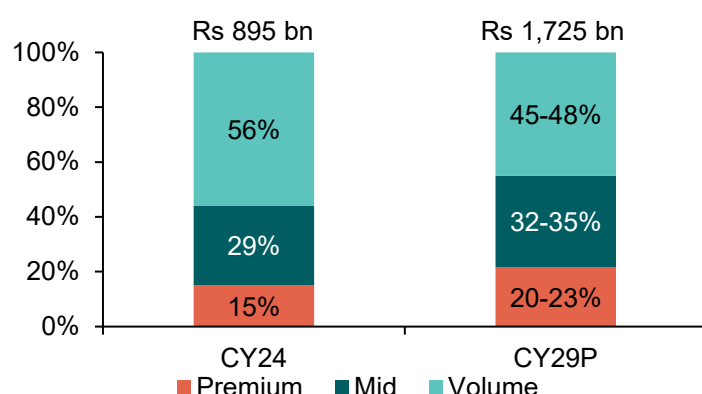
Source: LGEL RHP, Dolat Capital

Exhibit 19: Air Conditioner Market



Source: LGEL RHP, Dolat Capital

Exhibit 20: Home Entertainment Market



Source: LGEL RHP, Dolat Capital

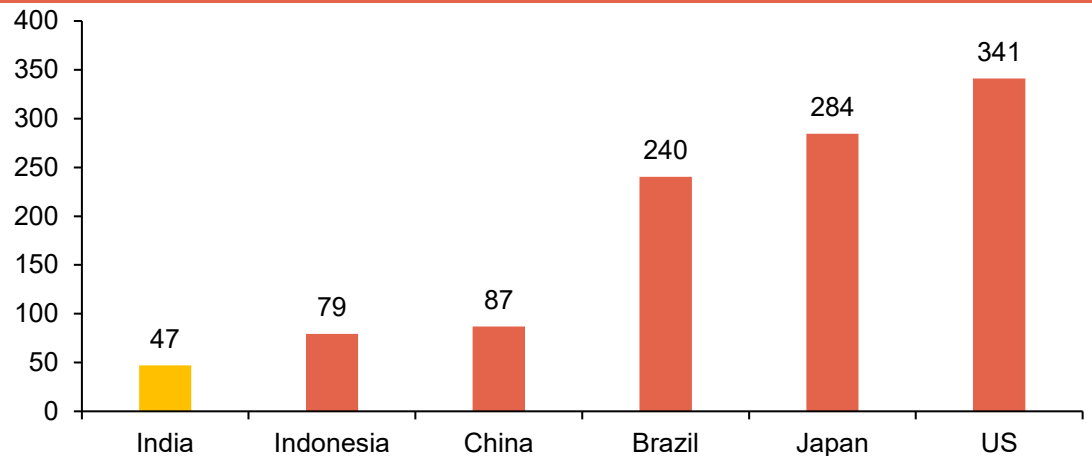
Low Penetration in India Offers Significant Growth Headroom

India's Home appliances and consumer electronics market remains significantly underpenetrated compared to G20 peers. 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. Moreover, the recent GST rate rationalization (28% to 18%) announced for TVs, ACs, and Dishwashers will increase affordability & improve penetration even in smaller towns.

Exhibit 21: India's Appliances & Electronics Mkt 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

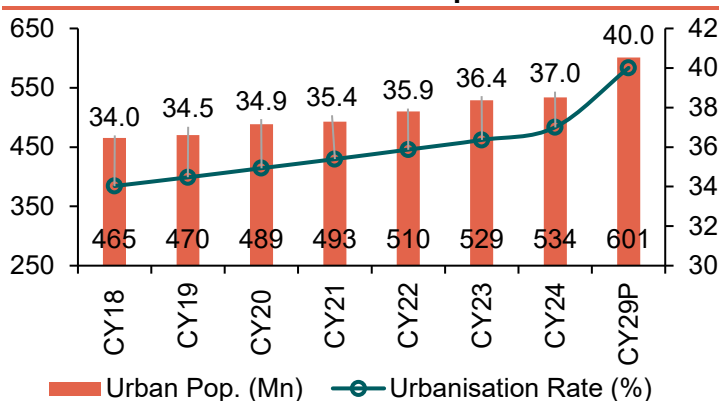
Exhibit 22: Lower penetration level of Consumer Appliances in India


Source: TechSci, Dolat Capital | The chart shows market size of consumer appliances per household basis in USD terms as of FY23 | Consumer appliances consist of Durables & Kitchen Appliances.

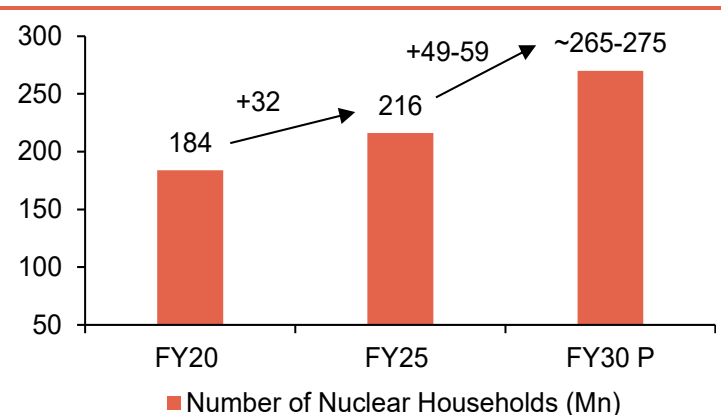
Rising Incomes and Expanding Middle Class Fuel Consumption Growth

India's growing economic prosperity is reflected in the rapid expansion of its middle-income population, driven by urbanization, formalization of employment, and the structural shift from agriculture to services. The share of middle-income households is expected to rise from ~51% in CY24 to ~58% by CY29P, underscoring a marked improvement in living standards and a surge in discretionary spending. A growing base of young, working-age population is expanding the labor force, propelling economic growth, and boosting disposable incomes.

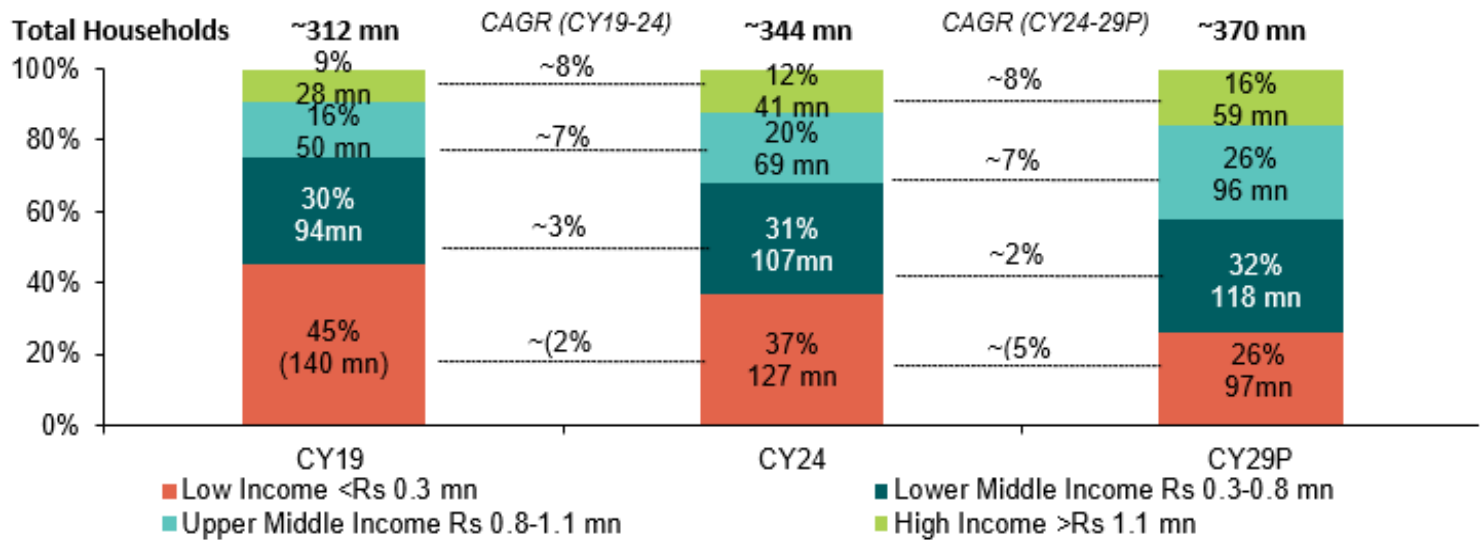
This rising income base, increase in nuclear households, coupled with a strong aspiration for improved lifestyles, is translating into higher demand for technology products, home appliances, and other consumer goods-firmly positioning India as a high-potential consumption market.

Exhibit 23: Urbanization on an Uptrend


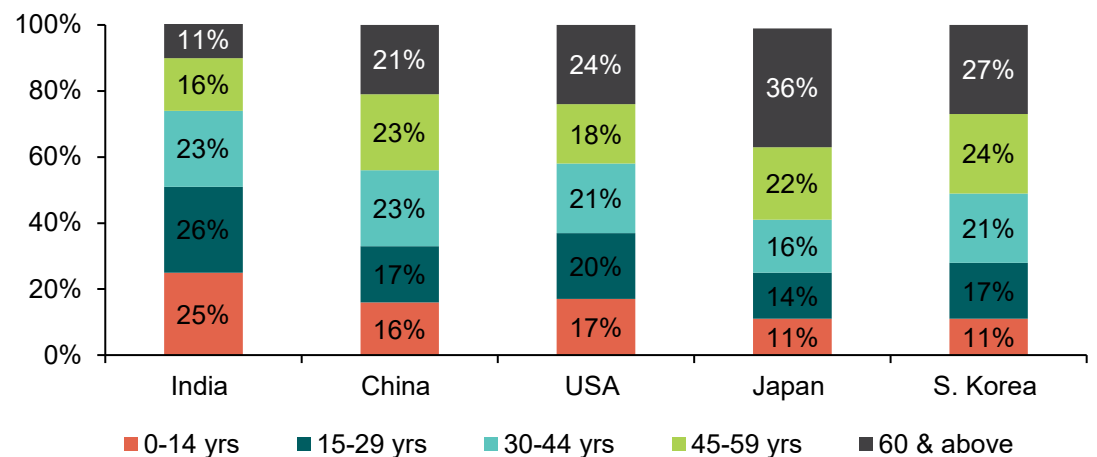
Source: World Bank, Dolat Capital

Exhibit 24: Increase in nuclear households


Source: Imagine Marketing UDRHP, Dolat Capital

Exhibit 25: Indian Households by Income: Declining low-income group


Source: LGEL RHP, Dolat Capital

Exhibit 26: Indian Population is Younger vs Other Countries


Source: LGEL RHP, Dolat Capital

Increasing Participation of Women in the Workforce

The steady rise in female labour force participation is emerging as an important structural driver for consumer durables adoption in India. As more women join the workforce, dual-income households are becoming increasingly common, leading to higher disposable incomes and greater purchasing power. This shift improves overall household consumption, driving demand for convenience-oriented products such as air conditioners, washing machines, and other home appliances. With women's economic participation rising from 31.4% in 2020-21 to 40.3% in 2023-24, this trend reflects deeper socio-economic changes, including higher urbanization, increased education levels, and growing formal employment opportunities, which are expanding the consumer base for aspirational and time-saving durables.

Exhibit 27: Women's Employment Rate has been rising (%)

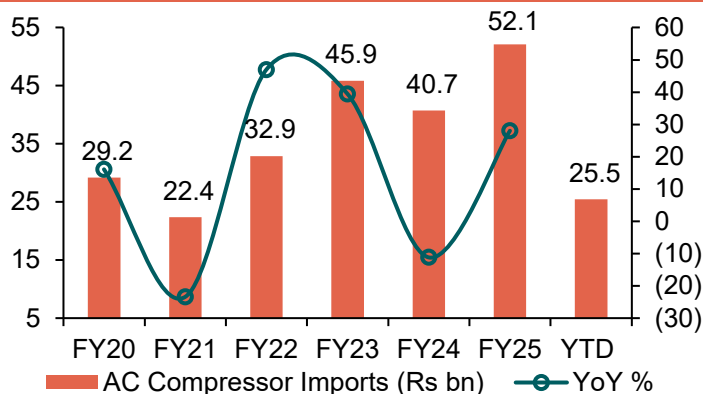

Source: PIB, Dolat Capital

AC Compressors Market to Scale New Heights

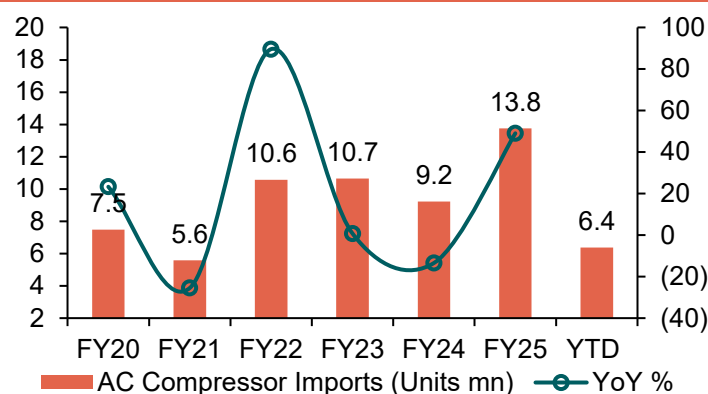
The AC compressor market in India is witnessing robust growth, driven by surging demand for cooling solutions amid rising temperatures, urbanization, and increasing disposable incomes. As AC adoption spreads beyond urban cities into semi-urban and rural areas, market penetration, which is currently ~9-10%, is expected **to reach ~40% by 2050**. Among the top players in this landscape, GMCC and Shanghai Highly are the dominant players. As India's AC market continues to expand rapidly, these players are investing in localized manufacturing and innovation to meet the growing demand and regulatory expectations for energy efficiency.

The extension of BIS permissions on Chinese compressor imports provides short-term relief to the industry by granting local OEMs sufficient time to prepare for the upcoming season. However, it also serves as a signal for domestic manufacturers to establish a localized component ecosystem, given the Gol's increasingly restrictive stance on Chinese imports.

LGEL manufactures several key components, such as compressors and motors, at its Noida and Pune factories, giving it greater control over the product quality, costs, and supply chain. It also sells compressors to third parties. The upcoming facility at Sri City will also focus on RAC compressor manufacturing by Q4FY27, thereby giving LGEL a competitive edge over peers who are majorly dependent on imports.

Exhibit 28: AC Compressor Imports (Rs bn)


Source: Niryat.gov.in, Dolat Capital. Note: YTD is as of August 31, 2025.

Exhibit 29: AC Compressor Imports (Units in mn)


Source: Niryat.gov.in, Dolat Capital. Note: YTD is as of August 31, 2025.

Imports of AC compressors rose to Rs 52.1bn in FY25 from Rs 22.4bn in FY21, registering a CAGR of 23.5%. In volume terms, imports grew to 13.8 million units from 5.6 million units over the same period, implying a CAGR of 25.3%. Imports grew sharply in FY25, up 49% / 28% YoY by volume/value, respectively. This increase was driven by pre-emptive stocking ahead of the expiry of BIS licenses held by Chinese compressor manufacturers, amid industry expectations of ~20-25% growth in the AC market in FY25.

The RAC market in India witnessed a volume increase of ~14 million units in FY25. India's compressor production surged from 1 million to ~6.7 million units in the last few years, yet 65-70% of demand is still met through imports.

Exhibit 30: Compressor Manufacturing Capacity in India

Companies	Annual capacity
GMCC	2mn units
Highly	2mn units
Daikin	1.5-2mn units
LG India	1 mn units

Source: Company, Dolat Capital

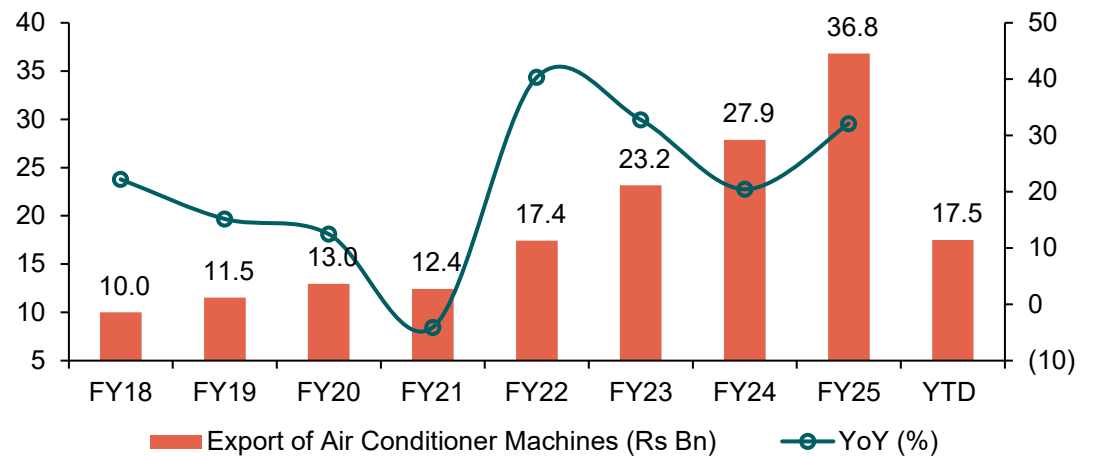
Thrust on AC Exports

India's air-conditioner exports remain modest despite support from the Production Linked Incentive (PLI) scheme for white goods. In FY25, exports stood at ~2 mn units worth Rs 36.8bn (\$435 mn), a 32% YoY increase, but are still far behind China's 85 mn units (\$26 bn) and Thailand's 19 mn units (\$7 bn). The government is now pushing AC manufacturers to scale exports to 15-16 mn units over the next four years, positioning ACs as a key growth segment after smartphones (which saw \$24.1 bn in exports in FY25).

Industry bodies like ICEA and the Refrigeration and Air-conditioning Manufacturers Association are forming a task force to chart an AC export roadmap, underlining the government's intent to turn India into a serious player in global AC manufacturing. RAC exports from India face initial hiccups like obtaining international quality certification, limited scale, and price competitiveness with China/Thailand.

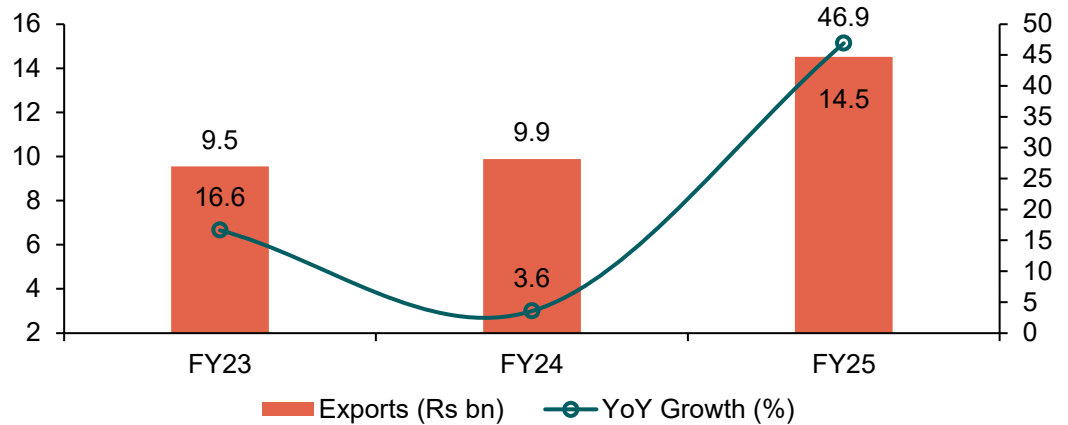
LGEL exports its products to +50 countries across Asia, Africa and Middle East, and is targeting new markets such as Europe. Exports grew at a CAGR of 23% during FY23-25 to Rs 14.5bn (6-7% of revenue) and is expected to contribute ~10% in next 2-3 years. As part of its **Global South** strategy, LG Korea (parent) is positioning LG India as a large manufacturing hub. Additional production capacity and focus on premiumization should further solidify long-term growth prospects of the company and reduce seasonality risk in domestic markets.

Exhibit 31: Rising Air Conditioner Exports from India



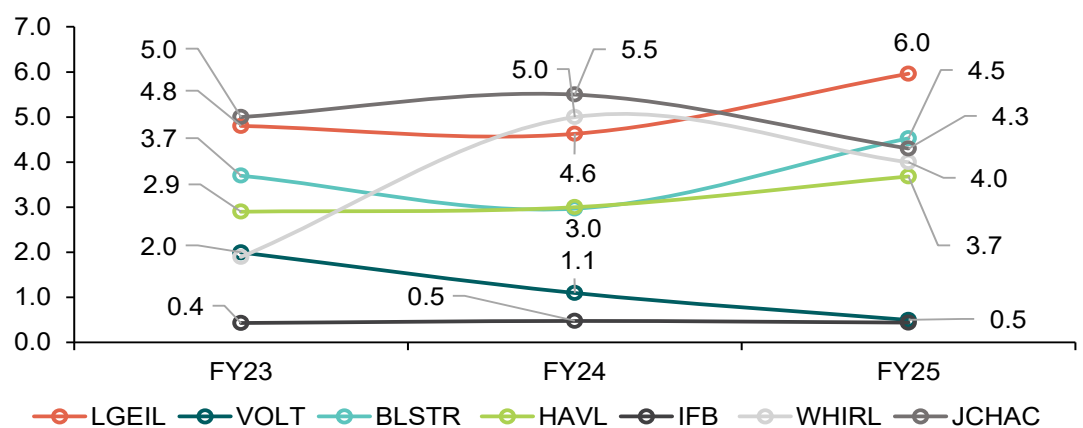
Source: Ministry of Commerce & Industry, Dolat Capital. Note: YTD is as of August 31, 2025.

Exhibit 32: Steady YoY Growth in LGEL's Exports from India



Source: Company, Dolat Capital

Exhibit 33: Rising Export Contribution for LGEL



Source: Company, Dolat Capital

Peer Comparison

Particulars	LGEL	Havells	Whirlpool	Blue Star	Voltas	IFB
Revenue CAGR (FY22-25)	LGEL- 13.2% Home Appl. & Air: 13.7% Home Ent: 11.4%	Havells - 16% Switchgears - 10.1% Cables- 15.6% Lighting- 6.3% ECD - 9.3% Lloyd - 31%	8.5%	Blue Star - 25.4% EMP- 23.2% Cooling - 29.1% PE& IS - 12.1%	Voltas - 25% EMP - 18.9% EPC - 5.2% UCP - 29.5%	IFB - 14.2% Home Appl - 14.2% Engineering - 13.4% Motor - 10% Steel - 14.7%
Revenue Composition (%)	1). Home Appl & Air: 75% (Refs- 27% , WM - 21%, AC – 22%, Others - 5%) 2). Home Ent: 25% (TVs - 20%, Others - 5%)	Cables: 33% ECD: 18% Switchgears: 11% Lloyd: 24% Lighting: 8% Others: 6%	Refrigerator - 55% Washing Machine - 31% AC & Others - 14%	EMP: 50% Cooling: 47% PE & IS: 3%	UCP: 73% EMP: 14% EPC: 13%	Home Appl: 80% (WM- 43%, AC- 23%, Microwave-6%, Refs- ~4%, DW-2%) Engineering: 17% Steel/motor: 3%
EBITDA Margin (%)	12.80%	9.8%	6.9%	7.3%	7.2%	5.9%
Segment EBIT Margin (%)	Home Appl & Air Solutions: 12.8%	Lloyd: 2.3%	6.9%	Unitary Products: 8.4%	Unitary Cooling Products: 8.4%	Home Appl: 1.2%
Ad Spends (% of sales)	4.1%	2.9%	1.1%	1.5%	0.6%	5.6%
Gross Margin (%)	32.0%	32.9%	34.0%	24.2%	22.4%	39.1%
PAT CAGR (FY22-25)	23.3%	7.2%	-13.9%	52.2%	18.1%	(FY23-25: 181% *Net Loss in FY22
ROCE (%)	43.0%	20.0%	8.0%	22.0%	12.0%	21.9%
Market Share	As of H1CY25- Refrigerators - 29.9% WM - 33.5% RAC - 18% Inverter AC - 20.6%	Lloyd - ~13-14%	Refrigerators - ~17-18% Washing Machines - ~17-18%	RAC - 14.2%	RAC - 18%	RAC - ~3-3.5% Refrigerators - 4% Front load WM: 35%
Distribution touchpoints	36,230	13,000	30,000	10,000	30,000	4,172
Manufacturing Locations	Noida, Uttar Pradesh Pune, Maharashtra	Alwar, Rajasthan Neemrana, Rajasthan, Ghilothe, Rajasthan, Baddi Himachal Pradesh, Faridabad, Haryana Haridwar, Uttarakhand Sahibabad, Uttar Pradesh, Sri City, Andhra Pradesh Tumakuru, Karnataka	Faridabad, Uttar Pradesh Pune, Maharashtra Puducherry	Dadra and Nagar Haveli, Baddi, Himachal Pradesh, Wada, Maharashtra Sri City, Andhra Pradesh	Pantnagar, Uttarakhand, Waghodia, Gujarat, Sanand, Gujarat, Chennai, Tamil Nadu	Home Appliance Manufacturing at – Verna, Goa, Bangalore, Karnataka, & Pune, Maharashtra

Source: Company, Dolat Capital

Investment Thesis

Powered by Global Legacy; Poised for the Future

LGEL's strong parentage with LG Electronics Inc., South Korea, a global leader in consumer electronics and home appliances, provides an unmatched access to world-class R&D, innovation, design expertise, and supply chain synergies. This association, for which LGEL pays a modest royalty of ~2.3-2.4% of revenues for authorized products (blended royalty rate: ~1.8-1.9%), ensures consistent technological superiority and brand credibility in the Indian market.

LGEL was recognized as "Most Trusted Brand -Electronics segment" for 2025 by Brand Empower Private. Ltd., "India's No.1 Inverter Air Conditioner Brand" by Market Excel in FY25, "India's No.1 Refrigerator Brand" and "India's Most Trusted Home Appliances Brand" by Intage India in Feb'25, and the "Most Trusted Brand in Refrigerator, Microwave & Dishwasher" for 2025 by Trust Research Advisory.

We believe that the company's emphasis on innovation, quality, and premium design **positions it well to lead India's shift toward smart, energy-efficient, & connected homes**, a key growth frontier over the next decade.

Focus on Innovation and New Product Development

Leveraging the technological strength of its parent, LGEL has consistently pioneered industry-first innovations in India's home appliances and consumer electronics space. For instance, LGEL 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 H1CY25, LGEL was the leader with 63% market share (offline channel) in OLED televisions, owing to its first-mover advantage. During the same period, LGEL had a market share of 29% and 27% in 4K televisions and Smart televisions, respectively. Additionally, LGEL was among the first to introduce microwave ovens in India in 1999.

LGEL has launched the **LG Essential Series** in Nov'25, which includes a wide range of products, targeting mass and aspirational consumers. It was introduced at competitive price points of ~Rs.18,000 across LG stores, MBO, and e-com platforms to attract first-time buyers and reinforce a value-for-money positioning, and has received encouraging response from the dealer network.

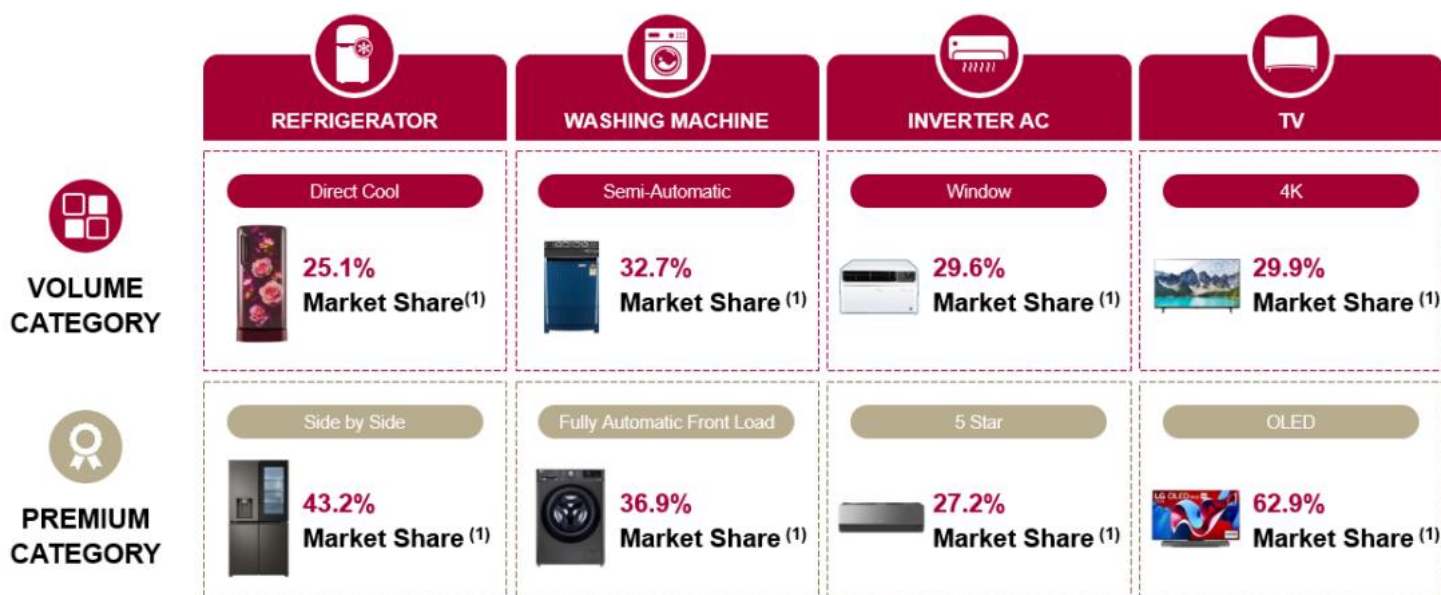
We expect LGEL's continued focus on **localized innovation and premiumization** to help sustain its leadership across categories and expand its share in high-growth, value-accretive segments.

Market Leadership with A Premium Edge

LGEL is the leading player in India's consumer durables industry (by value share, offline channel in H1CY25) with dominant positions across categories including washing machines (33.5%), refrigerators (29.9%), panel televisions (27.5%), inverter air conditioners (20.6%), and convection microwaves (51.4%), covering ~78% of the major home appliance and consumer electronics market in India by value (excl mobile). Its market leadership also extends across premium segments of washing machines, panel televisions, and microwaves, supported by varying price points spanning a broad consumer base (economy and premium), offering durability, quality, multiple features, and aesthetics.

Premium segment of Indian Appliance & Electronics market is **expected to rise from ~17% currently to 25-28% by CY29E**, as per industry reports. We believe LGEL's strong brand equity and rich premium mix (~25% contribution) to be a key beneficiary of market premiumization.

Exhibit 34: LGEL's Market Share Dominance across categories



Source: Company, Dolat Capital

Exhibit 35: Market Share gap between LG and second player is high

Category	LGEL	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)

Diversified product mix; Broader Horizons

LGEL has a well-diversified portfolio with Refrigerator/WM/AC/TV contributing 27%/21%/22%/20% of overall sales. It also offers smaller categories such as dishwashers, air purifiers, water purifiers, microwave ovens, vacuum cleaners, etc., preventing overdependence on a single category and cushioning seasonal variations. The company operates across a wide range of price points spanning mass, mid, and premium categories, catering to diverse consumer segments and maintaining strong brand recall across income groups. To scale up its B2B business, LGEL plans to expand into HVAC, commercial information displays, commercial washing machines, LED displays, and electronic blackboards.

This balanced portfolio across product segments & price points enhances revenue stability, broadens growth levers, & supports long-term earnings visibility, in our view.

Exhibit 36: Products & Services Offered

Product Portfolio	Home Appliances & Air Solutions	Home Entertainment
B2C Products	Refrigerators, washing machines, air conditioners, water purifiers, dishwashers, microwave ovens, compressors, and motors.	Televisions and audio devices
B2B Products	System air conditioners	IT devices (Monitors and Projectors) and information displays.
Services	Repair and maintenance, extended warranties, and installation.	Repair and maintenance, extended warranties, and installation

Source: Company, Dolat Capital

Exhibit 37: Price Comparison of LG Electronics vs Peers

Air Conditioner	LG	Daikin	Panasonic	Voltas	Lloyd	Hitachi	Carrier	Blue Star	Samsung	Haier	Godrej	
1.5 Ton, 3 Star, Inverter Split AC	32,490	35,900	34,480	30,490	31,990	34,499	32,990	32,990	36,490	31,790	27,990	
1.5 Ton, 5 Star, Inverter Split AC	41,490	42,490	41,390	38,690	37,990	44,900	39,490	40,980	36,490	43,310	33,490	
1.5 Ton, 3 Star Window AC	35,990	NA	31,330	28,990	30,998	31,890	33,300	31,467	NA	NA	26,180	
1.5 Ton, 5 Star Window AC	38,990	NA	25,990	33,980	36,449	37,990	34,440	34,980	NA	32,900	30,990	
Television	LG	Samsung	Xiaomi	TCL	Haier	Sony	Panasonic	Toshiba	BPL	Hisense	Sansui	
4K ultra HD, 43 inches	28,990	25,990	21,999	20,490	30,990	36,860	28,550	21,990	26,990	22,100	19,990	
4K ultra HD, 55 inches	58,899	54,390	39,999	29,990	41,990	48,399	41,490	30,990	35,889	29,990	29,990	
4K ultra HD, 65 inches	59,990	57,990	61,999	46,990	58,990	76,990	69,099	47,990	54,990	44,220	43,290	
Refrigerator	LG	Samsung	Voltas	Beko	Lloyd	Haier	Godrej	Whirlpool	IFB	BPL	Kelvinator	Sharp
Single Door, 190L, 2/3 Star	14,990	14,690	14,590	14,700	14,990	14,590	16,890	15,990	14,690	13,880	13,290	
Single Door, 190L, 5 Star	17,490	17,725	14,990	11,490	15,990	16,490	18,900	15,990	NA	NA		
Double Door, 3 Star , 250-300L	29,990	29,990	28,699	27,499	26,000	24,190	27,990	24,990	28,190	16,165		
Washing Machine	LG	Samsung	Voltas	Beko	Lloyd	Haier	Godrej	Whirlpool	IFB	BPL		
Fully Automatic , TL, 7-8kg, 5 Star	21,990	23,990	17,990	21,000	24,490	16,990	17,190	17,990	15,990			
Semi Automatic, TL, 7-8kg, 5 Star	15,790	13,000	11,859	13,490	15,500	15,290	12,490	NA	13,290			
Diswasher	LG	IFB	Bosch	Beko	Samsung	Faber	Kelvinator	Electrolux	Crompton	Siemens	Moda	
14 Place Setting	44,690	42,499	47,490	22,990	NA	43,190	26,590	58,990	53,490	41,747	52,343	

Source: Prices are the best prices across e-commerce players, as on 10th Nov 2025.

LG Products Across Price Points



Source: Company

B2B Segment poses a lucrative business opportunity

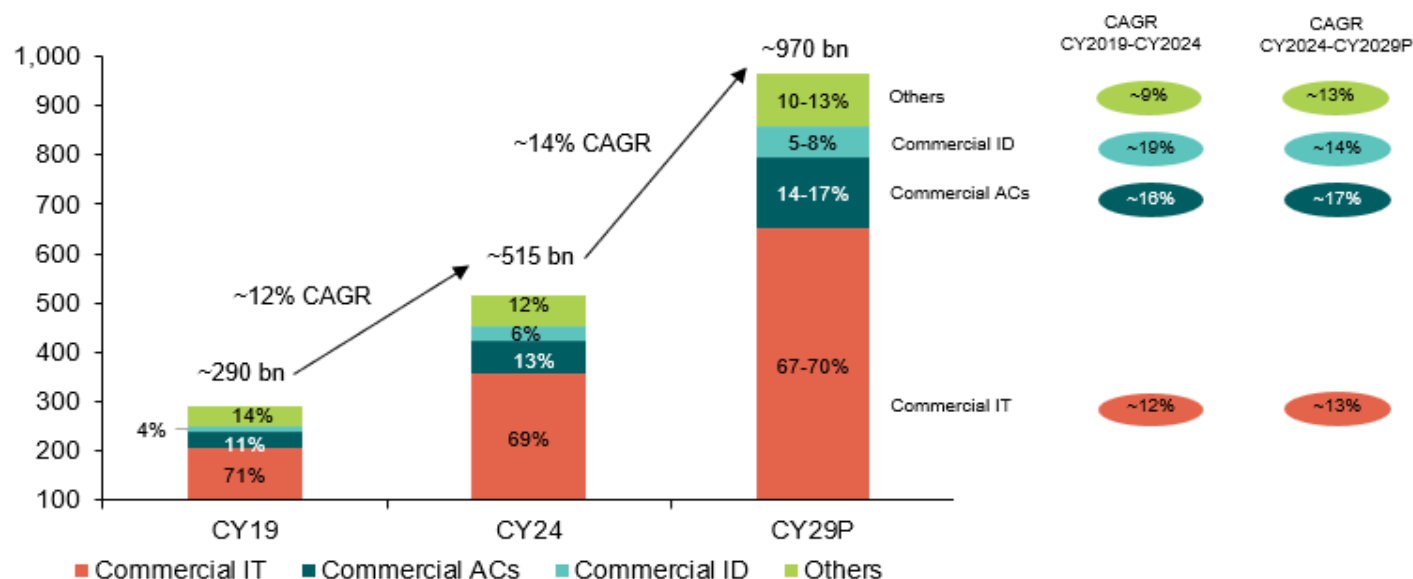
LGEL is strategically expanding into the B2B space, leveraging the strength of the LG brand and technical expertise to tap into high-value B2B segments (~8% of revenue) like HVAC, commercial information displays, commercial washing machines, LED displays, and electronic blackboards. Despite US tariff related pressure in FY26, LGEL continues to maintain a healthy pipeline in this segment.

India's B2B electronics and appliance market, valued at Rs 515 bn in CY24, is expected to grow at a 5-year CAGR of ~14% to Rs 970 bn by CY29, led by rising demand for advanced HVAC and related solutions, driven by expansion across healthcare, education, and government infrastructure; the proliferation of IoT and smart building initiatives; increasing development of commercial real estate; and a heightened focus on energy efficiency.

LGEL will continue to strengthen its AMC offerings for both B2B & B2C consumers, especially HVAC servicing. The AMC market in India is currently valued at Rs 55 bn as of CY24 and is projected to nearly double to Rs 105 bn by CY29, growing at a CAGR of ~14%.

We believe LGEL's **balanced product mix across categories and price points**, combined with its **foray into scalable B2B verticals**, will enhance revenue visibility, reduce seasonality, and boost the margin profile.

Exhibit 38: B2B Electronics & Appliance Market to grow at 14% CAGR over CY24-29P



Source: Company, Dolat Capital

Strong Manufacturing Footprint; Capacity Expansion Underway

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. The combined installed manufacturing capacity stood at 14.5mn products, with an aggregate capacity utilization rate of 77% as of FY25, an increase from 70% in FY23. It also manufactures key components such as compressors and motors, which gives greater control over the product development process, product quality, costs, and supply chain. The remaining sales volume consists of products that are manufactured by third parties based on specifications and blueprints provided by LGEL.

Production at a third facility in Sri City is scheduled to begin in 2026 (phased investment of Rs 50bn over 4-5 years), and is expected to double production capacity by FY29. The first phase includes RAC and compressor production by Q3/Q4FY27. This will enhance LGEL's presence in the fast-growing South India market, accelerate product availability pan India & overseas, and reduce logistics costs.

With increasing localization & backward integration, we believe **LGEL is well-positioned to achieve sustained margin expansion & faster scale-up in the coming years.**

Exhibit 39: Manufacturing Capacities (in Rs.mn)

Manufacturing Units	FY23	FY24	FY25
Noida			
Installed capacity	7.4	7.4	7.6
Production volume	5.3	5.5	6.1
Utilization (%)	72.21	73.87	80.5
Pune			
Installed capacity	6.2	6.6	6.9
Production volume	4.2	4.5	5.0
Utilization (%)	67.88	67.90	72.7
Total			
Installed capacity	13.6	14.0	14.5
Production volume	9.6	10.0	11.1
Utilization (%)	70.23	71.06	76.8

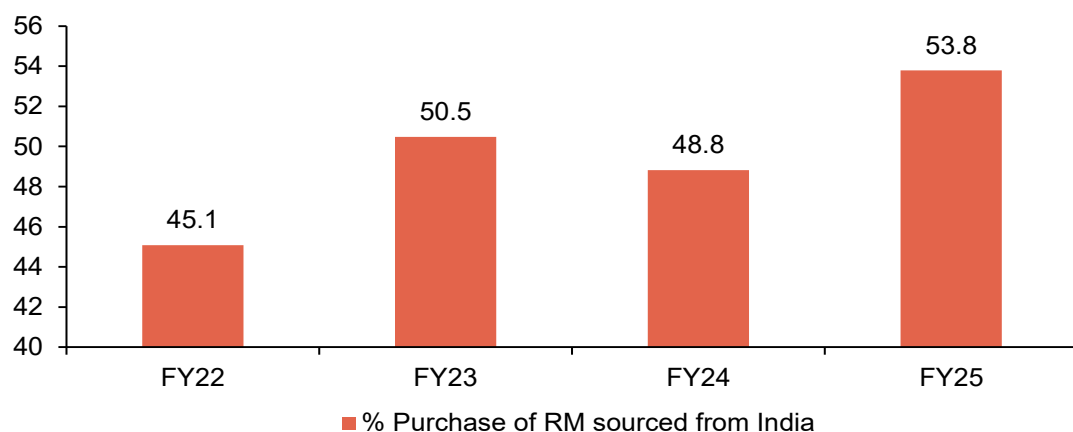
Source: Company, Dolat Capital

Reliable Supplier Network & Localization

LGEL's supplier network comprises 287 suppliers with average relationships of ~13 years. LGEL 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 **aims to improve localization by 200-300 bps annually** to reach 70% in next few years.

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.

Exhibit 40: Locally Sourced Raw Material Increased by 500bps YoY in FY25



Source: Company, Dolat Capital

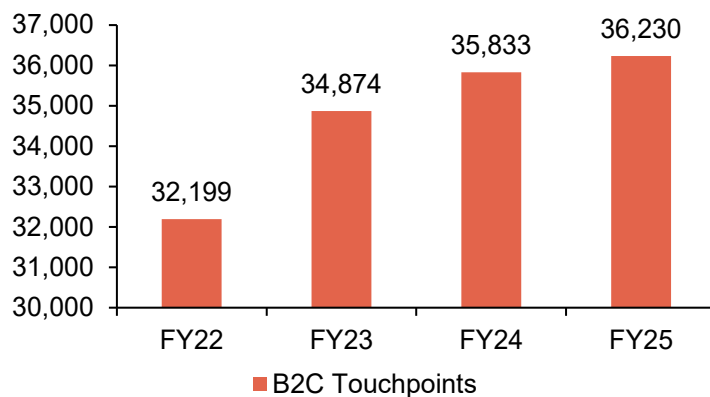
Extensive Pan-India Distribution and After-Sales Network

LGEL operates the **largest distribution network** among leading home appliances and consumer electronics players in India, with 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, LGEL 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 LGEL's trade partners have been distributing the company's products for over 10 years.

The company's **after-sales service network** comprises 1,006 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. LGEL also exports its products to 47 countries across Asia, Africa, and Europe.

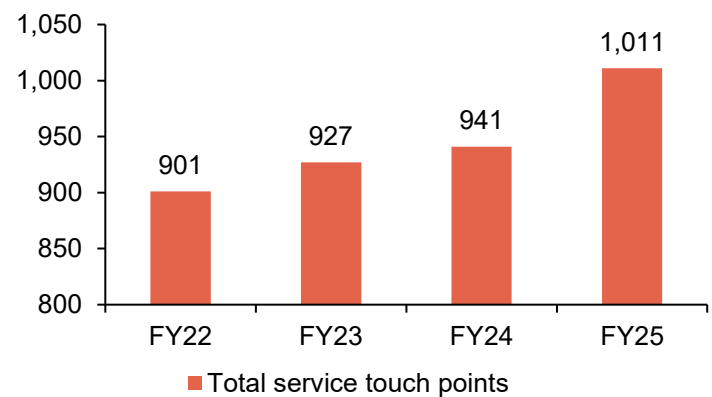
We believe LGEL enjoys a **formidable competitive edge**, ensuring consistent brand recall and customer loyalty across India's fast-evolving consumer landscape, driven by its superior last-mile connect, deep trade relationships, and strong service infrastructure.

Exhibit 41: Increasing B2C Touchpoints



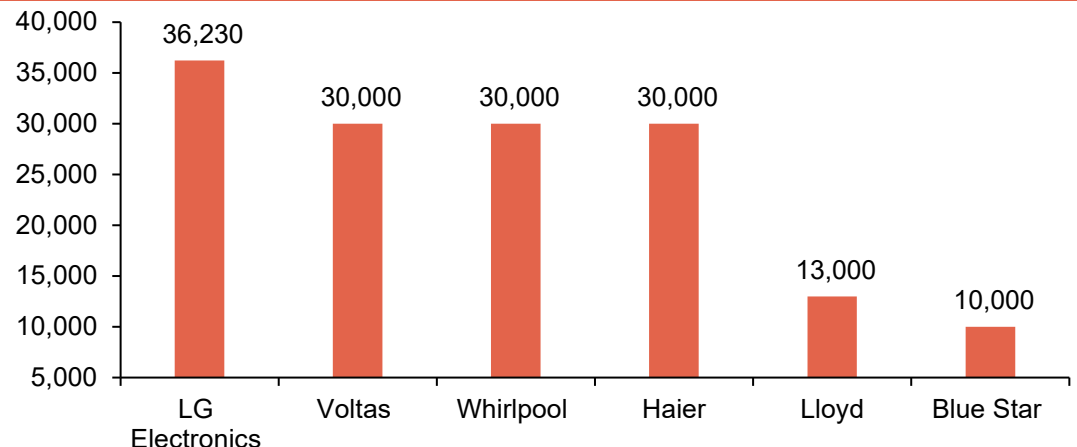
Source: Company, Dolat Capital

Exhibit 42: LGEL's Service Touchpoints



Source: Company, Dolat Capital

Exhibit 43: LGEL has the highest distribution touch points among peers



Source: Company, Dolat Capital

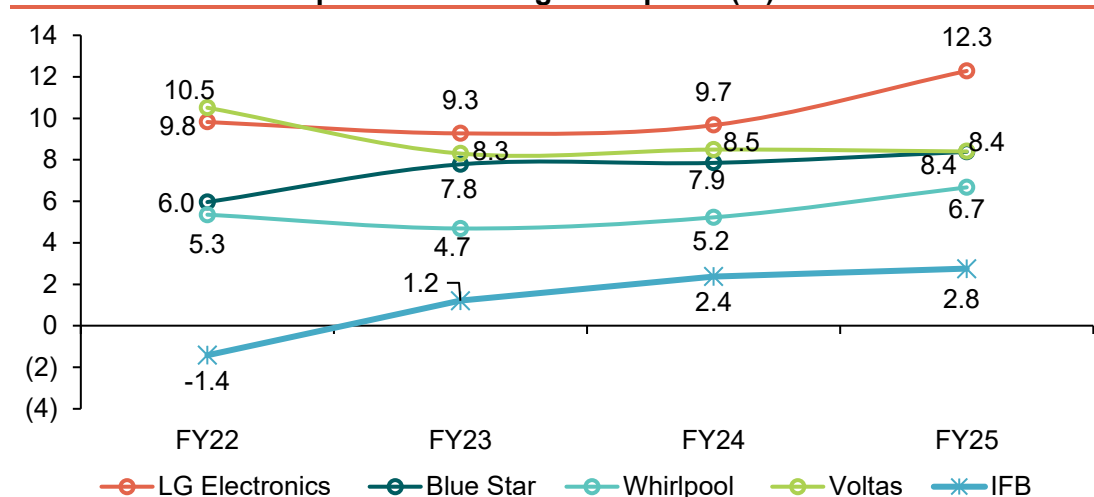
Exhibit 44: Overview of LGEL's Distribution Channel Structure

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

Operational excellence compared to peers

LGEL's business model demonstrates sound financial health, supported by a debt-free balance sheet, strong cash flows, and consistent profitability across product categories. Revenue/PAT grew at a healthy 13%/22% CAGR during FY22-25. The company delivered an EBITDA margin of 12.8% and a net profit margin of 9.0% in FY25, compared to averages of less than 8.5% and 6%, resp, among home appliance peers. We expect double-digit margin trajectory to continue going ahead driven by premiumization and localization efforts. It has registered strong ROCE/ROE of 45%+ in FY25, which is highest among other players. During FY23-25, it generated healthy cumulative FCF of Rs 41bn with avg. FCF/EBITDA of 59%. Despite higher capex for capacity expansion, we expect healthy FCF/EBITDA of ~48% during FY25-28E.

Exhibit 45: LGEL's Superior EBIT Margins vs peers (%)


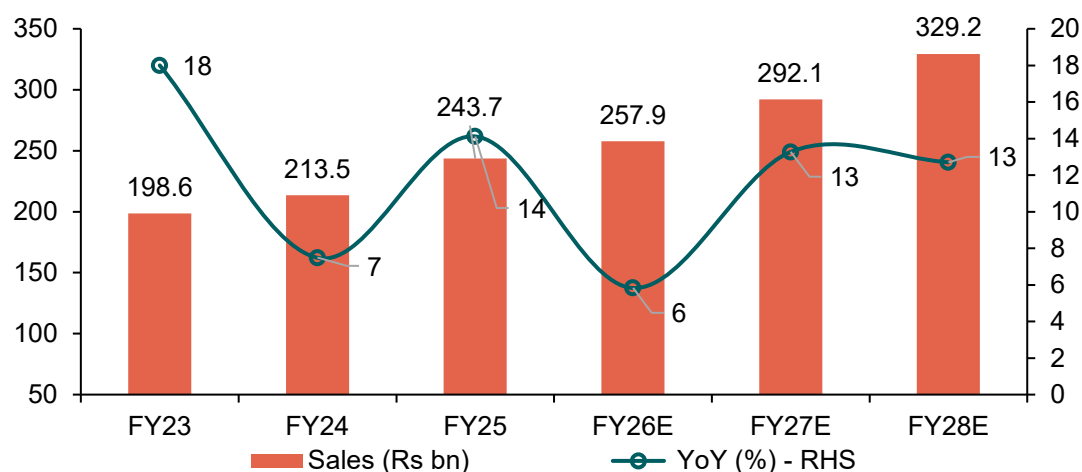
Source: Company, Dolat Capital (Blue Star, Voltas, IFB are Home appliance/Cooling segment margins)

Financial Analysis

Steady Revenue CAGR of ~11% over FY25-28E, led by AC Segment

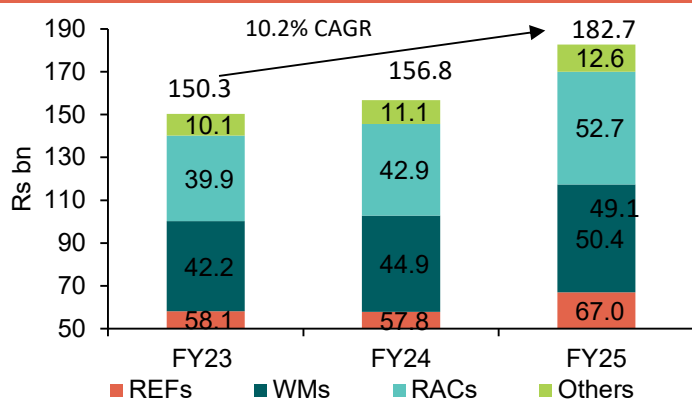
During FY22-25, LGEL registered a healthy Revenue CAGR of 13% to Rs 243 bn, with the Home Appliances & Air Solutions (HA&IS) and Home Entertainment segments growing at 13.7% and 11.4%, respectively. Within the Home appliance division, AC grew at a faster pace of 22.6%, followed by washing machines/ refrigerators, which grew at 11.7/10.6% during FY22-25. Domestic business (94% of revenue) grew at 12.4%, while exports rose 21% on a low base, during same period. We expect topline to grow at a CAGR of ~11% CAGR over FY25-28E, mainly driven by rising AC sales, scale up of high growth B2B business and capacity expansion at Sri City. Growth in FY26E is likely to moderate to ~6% amid weak summer demand, currency volatility and broader slowdown in consumer durables in H1FY26.

Exhibit 46: Steady Revenue CAGR of ~11% over FY25-28E



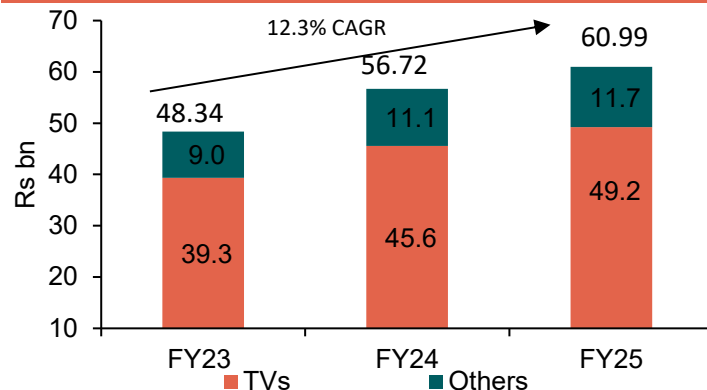
Source: Company, Dolat Capital

Exhibit 47: Rev CAGR of 10% in HA&IS over FY23-25



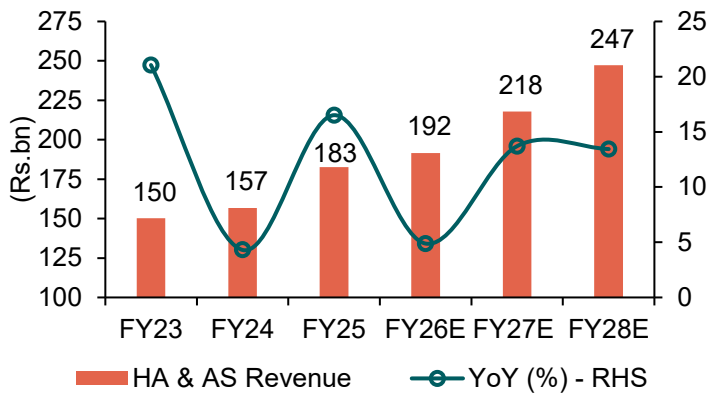
Source: Company, Dolat Capital

Exhibit 48: Rev CAGR of 12% in Home Ent over FY23-25



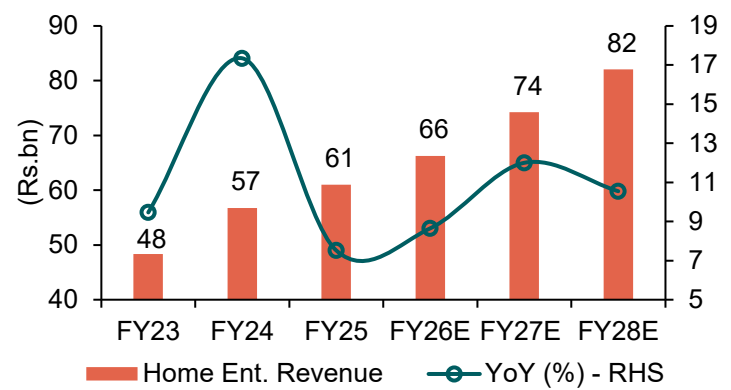
Source: Company, Dolat Capital

Exhibit 49: HA&IS Rev.: ~11% CAGR (FY25-28E)



Source: Company, Dolat Capital

Exhibit 50: Home Ent. Rev.: ~10% CAGR (FY25-28E)

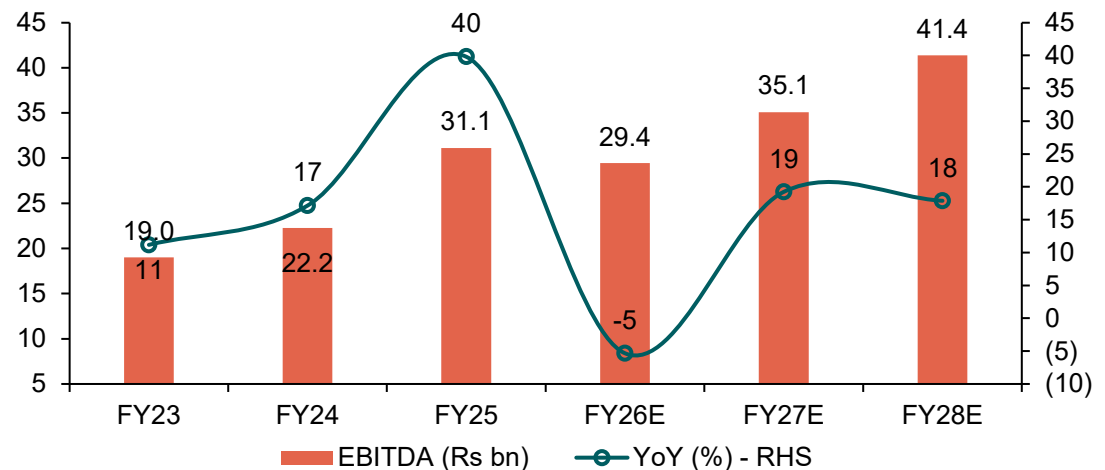


Source: Company, Dolat Capital

EBITDA Margins to Decline ~140 bps in FY26E

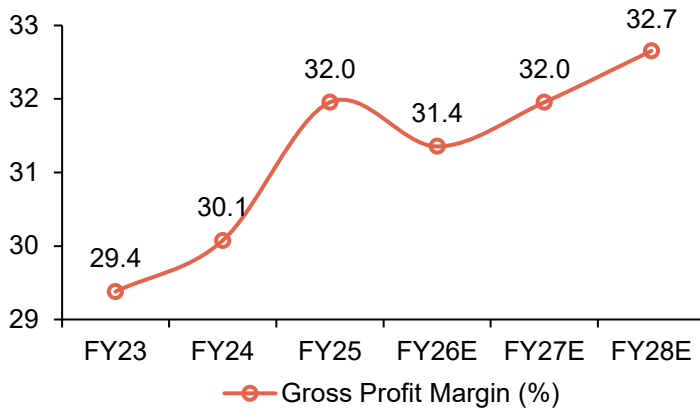
During FY22-25, EBITDA grew at a CAGR of 22.1% to Rs 31 bn in FY25. EBITDA margins expanded consistently from 9.6% in FY23 to 12.8% in FY25, mainly led by gross margin expansion of 260bps during the same period. Going ahead, the management is confident of maintaining double-digit margins led by calibrated price increases, premiumization, localization, and better operating leverage. We expect EBITDA margins to moderate by 140 bps to 11.4% in FY26, owing to a weaker summer season affecting AC, elevated commodity costs and GTM investments. Margins are projected to recover gradually to 12.6% by FY28E. We believe that higher discounting to defend market share in a competitive market and increased operating costs from the new Sri City plant may limit margin expansion.

Exhibit 51: EBITDA to grow at a CAGR of ~10% over FY25-28E

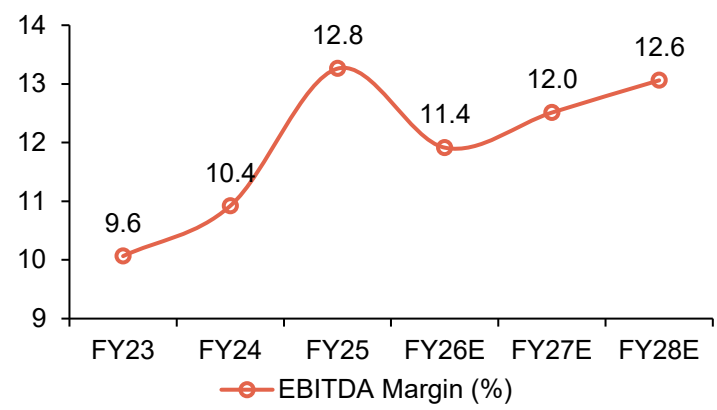


Source: Company, Dolat Capital

Exhibit 52: Margins are likely to dip in FY26E... and gradually recover thereafter



Source: Company, Dolat Capital

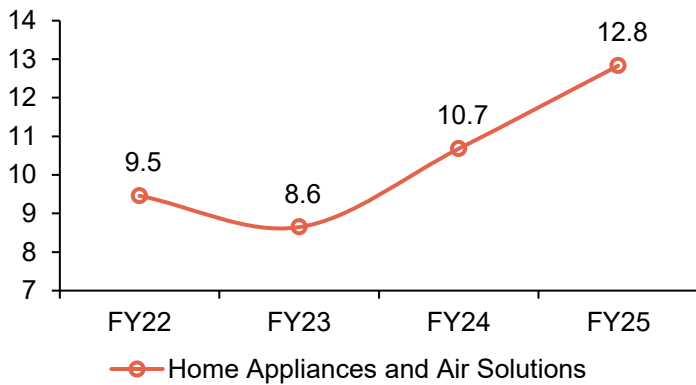


Source: Company, Dolat Capital

HA&AS: Operating margins have improved to 12.8% in FY25 from 9.5% in FY22, with premiumization and better operating leverage.

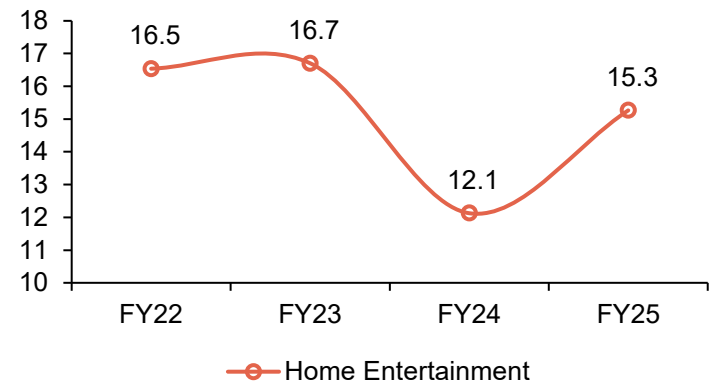
Home entertainment: After falling to 12.1% in FY24 (down 460bps YoY) due to higher TV panel prices, operating margins rebounded to 15.3% in FY25.

Exhibit 53: HA&AS EBIT Margins inching upwards



Source: Company

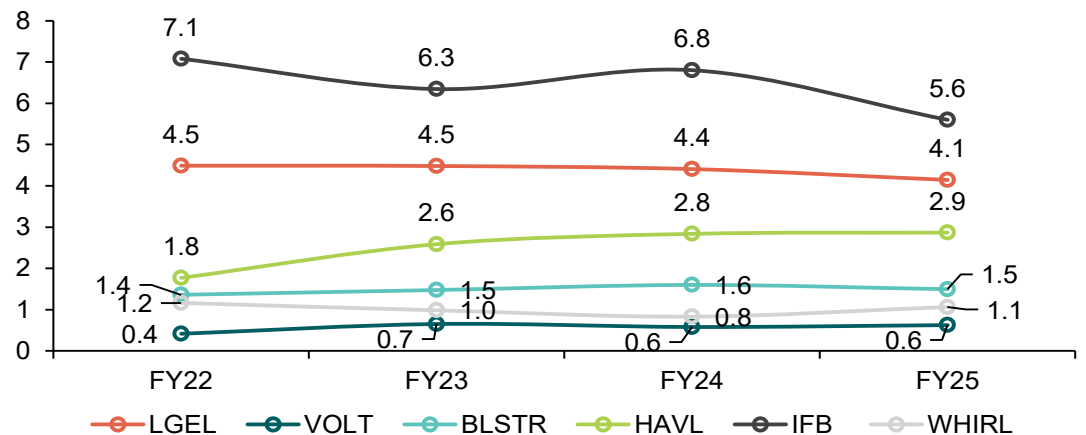
Exhibit 54: Home ent. EBIT Margins rebound in FY25



Source: Company

LGEL spends 4.1% of net sales on Ad.& Promotions, which is higher compared to most peers. We expect this to increase ~20bps due to refreshed brand communication for new product launches and company's intent to defend its market share in competitive space.

Exhibit 55: LGEL's A&P Spends as a % of Sales higher vs most peers

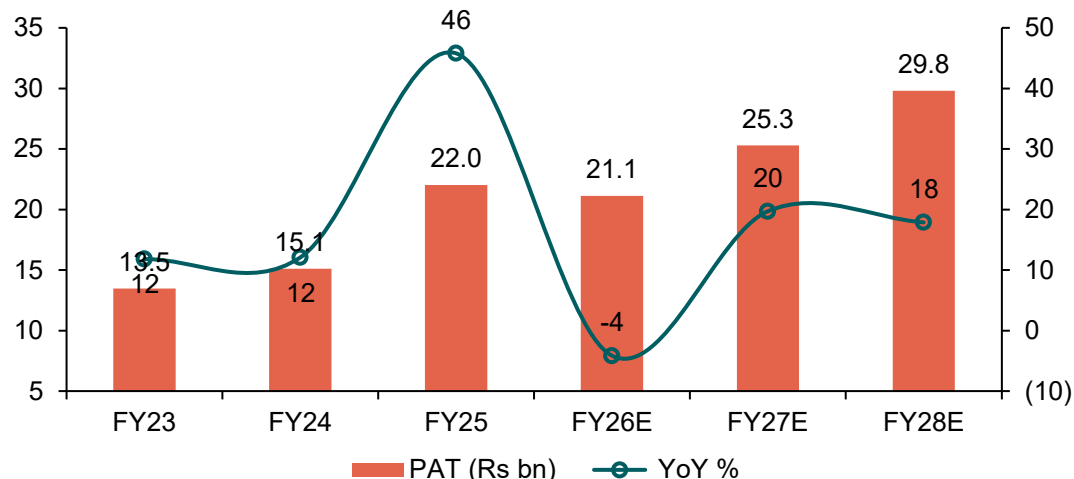


Source: Company, Dolat Capital

Moderate PAT CAGR of ~11% over FY25-28E

PAT grew at a robust CAGR of 23% over FY22-25 to Rs 22bn. PAT margins expanded from 6.8% in FY23 to 9.0% in FY25. We build-in PAT CAGR of 11% over FY25-28E, restricted due to higher depreciation charges. In line with EBITDA margins, PAT margins are expected to moderate to 8.2% in FY26E, and expand FY27E onwards.

Exhibit 56: PAT Trend (Rs bn)

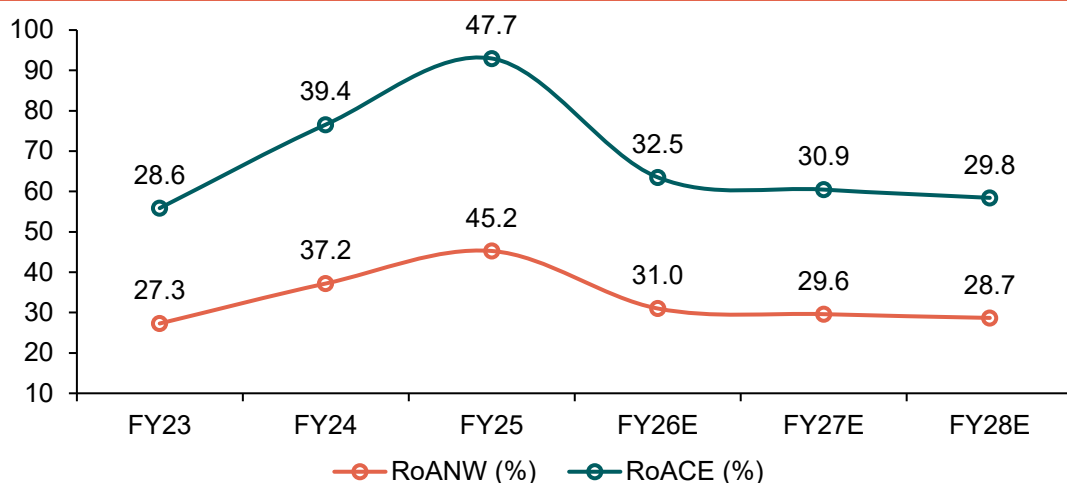


Source: Company, Dolat Capital

Strong Balance Sheet; Returns to Normalize with Higher Capex

The company maintains a strong balance sheet, remaining virtually debt-free with cash reserves of Rs 37bn and an industry-leading ROE/ROCE of ~45-47%. It plans to incur capex of Rs 50bn (USD 600mn) over the next 4-5 years, which will be funded through internal accruals. Due to robust capex plans and lower dividend payout, we expect return ratios to moderate to ~30-32% in the next three years.

Exhibit 57: Return Ratios expected to moderate

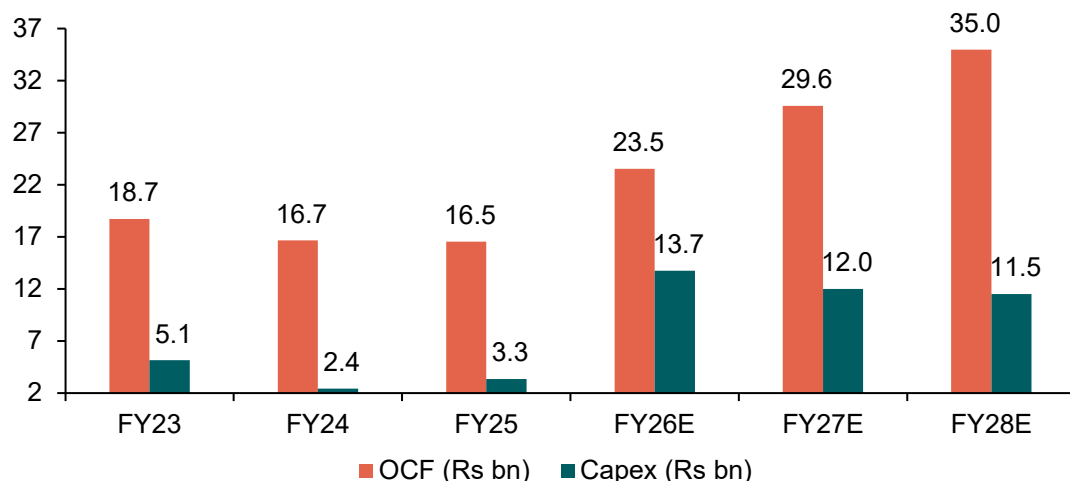


Source: Company, Dolat Capital

Gross block turnover stood at 6.6x in FY25 but is expected to average ~5x over next few years due to higher capex allocation.

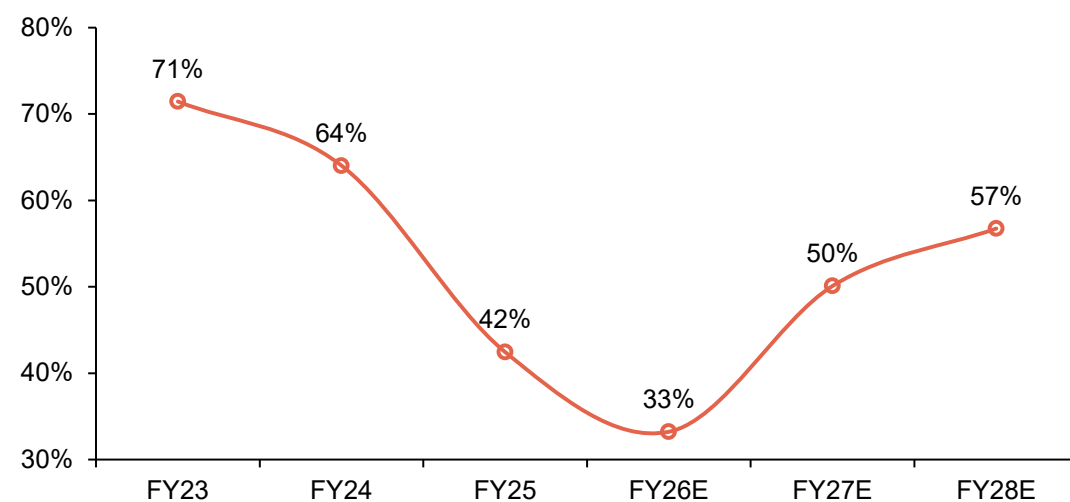
OCF stood at Rs 16.5bn in FY25, LGEL is expected to generate OCF of ~Rs 85 bn over the next three years, which should be sufficient to fund the company's capex and working capital requirements. During FY23-25, the company generated healthy cumulative FCF of Rs 41bn with avg. FCF/EBITDA of 59%. Despite higher capex for capacity expansion, we expect healthy FCF/EBITDA of ~47% during FY25-28E.

Exhibit 58: Healthy OCF generation to fund capex



Source: Company, Dolat Capital

Exhibit 59: Healthy FCF/EBITDA avg ~47% during FY25-28E



Source: Company, Dolat Capital

Financial Highlights: H1FY26 vs H1FY25

Revenue Stable but margins impacted in H1FY26

- **Revenue:** In H1FY26, LGEL 's revenue was stable at Rs 124.4 bn, outperforming peers in challenging conditions. Growth was restricted due to 1.8% YoY decline in the **Home Appliances and Air Solutions category** (~71% of revenues in H1FY26) owing to elevated channel inventory, and deferred purchases related to GST rate cut. **Home Entertainment** revenue increased 2.1% YoY driven by TV sales during festive season, which supported overall revenue performance.

In H2FY26, the company anticipates demand revival driven by the recent GST rate cut, festive and wedding season tailwinds.

- **EBITDA** declined 26.3% YoY from Rs 17.2bn in H1FY25 to Rs 12.6bn in H1FY26. A 200/20/130bps increase in commodity costs /employee costs/ other expenses resp., resulted in a 350bps YoY decline in **EBITDA Margins** to 10.2% in H1FY26.
- **PAT** declined 25.7% YoY from Rs 12.2 bn in H1FY25 to Rs 9.0bn in H1FY26.

Exhibit 60: Financial Performance in Q2 & H1FY26

Particulars (Rs.mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Net Revenue	61,740	61,139	1.0	62,629	(1.4)	1,24,370	1,25,227	(0.7)
Total Expenditure	56,265	53,569	5.0	55,467	1.4	1,11,731	1,08,076	3.4
RM Cost	43,561	41,721	4.4	42,831	1.7	86,393	84,545	2.2
Employee Exp	2,480	2,345	5.8	2,536	(2.2)	5,016	4,753	5.5
Other Exp	10,224	9,503	7.6	10,099	1.2	17,897	16,347	9.5
PBIDT (Excl OI)	5,476	7,570	(27.7)	7,163	(23.6)	12,638	17,151	(26.3)
Other Income	798	668	19.5	744	7.2	1,542	1,248	23.6
Depreciation	935	973	(3.9)	902	3.6	1,837	1,941	(5.3)
EBIT	5,338	7,264	(26.5)	7,005	(23.8)	12,343	16,458	(25.0)
Interest	90	65	37.4	85	5.8	175	135	29.8
PBT	5,249	7,199	(27.1)	6,920	(24.1)	12,168	16,323	(25.5)
Tax	1,354	1,842	(26.5)	1,787	(24.2)	3,141	4,169	(24.7)
RPAT	3,894	5,357	(27.3)	5,133	(24.1)	9,027	12,153	(25.7)
APAT	3,894	5,357	(27.3)	5,133	(24.1)	9,027	12,153	(25.7)
EPS (Rs)	22.0	30.3	(27.3)	29.0	(24.1)	13.3	17.9	(25.7)
			bps		bps			bps
Gross Profit (%)	29.4	31.8	(230)	31.6	(220)	30.5	32.5	(200)
Employee Exp (%)	4.0	3.8	20	4.0	-	4.0	3.8	20
Other Exp (%)	16.6	15.5	100	16.1	40	14.4	13.1	130
EBITDA (%)	8.9	12.4	(350)	11.4	(260)	10.2	13.7	(350)
EBIT (%)	8.6	11.9	(320)	11.2	(250)	9.9	13.1	(320)
PAT (%)	6.3	8.8	(250)	8.2	(190)	7.3	9.7	(240)
PAT (%) Adj	6.3	8.8	(250)	8.2	(190)	7.3	9.7	(240)

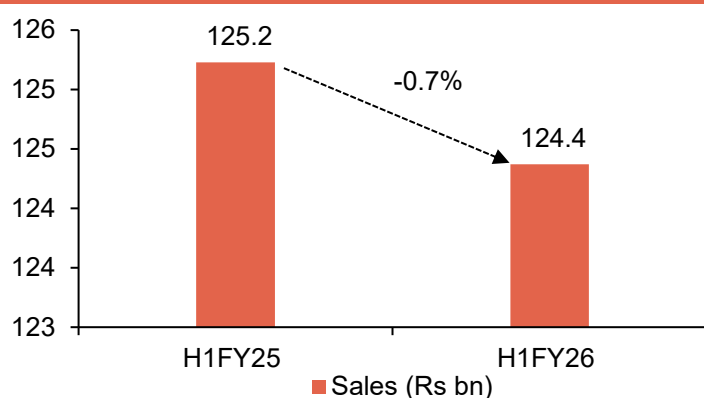
Source: Company, Dolat Capital

Exhibit 61: Segmental performance in Q2 & H1FY26

Revenue (Rs mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Home Appliances and Air Solutions	39,481	39,537	(0.1)	49,086	(19.6)	88,566	90,147	(1.8)
Home Entertainment	22,262	21,607	3.0	13,547	64.3	35,809	35,085	2.1
Total	61,743	61,144	1.0	62,633	(1.4)	1,24,376	1,25,232	(0.7)
EBIT (Rs mn)								
Home Appliances and Air Solutions	3,245	4,807	(32.5)	5,643	(42.5)	8,888	12,378	(28.2)
Home Entertainment	2,810	3,121	(10.0)	2,125	32.2	4,935	5,458	(9.6)
Total	6,055	7,928	(23.6)	7,767	(22.0)	13,822	17,836	(22.5)
EBIT Margin (%)			bps		bps			bps
Home Appliances and Air Solutions	8.2	12.2	(390)	11.5	(330)	10.0	13.7	(370)
Home Entertainment	12.6	14.4	(180)	15.7	(310)	13.8	15.6	(180)

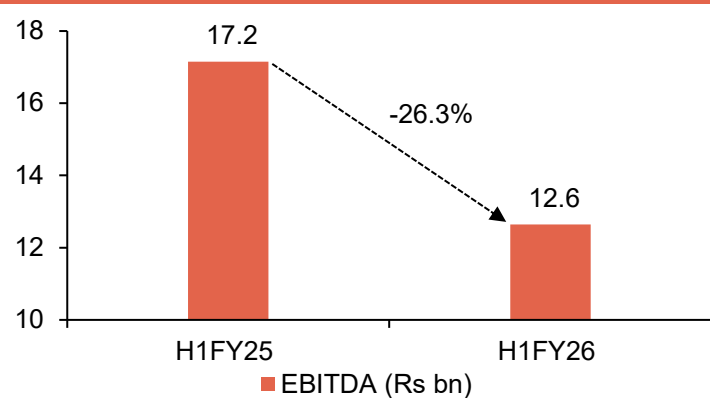
Source: Company, Dolat Capital

Exhibit 62: Sales and YoY (%)



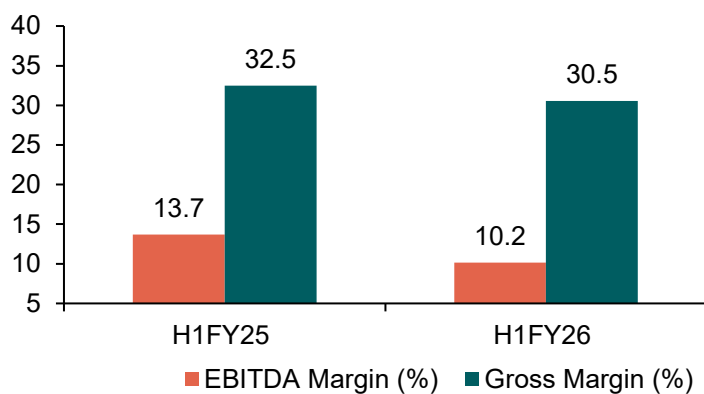
Source: Company, Dolat Capital

Exhibit 63: EBITDA and YoY (%)



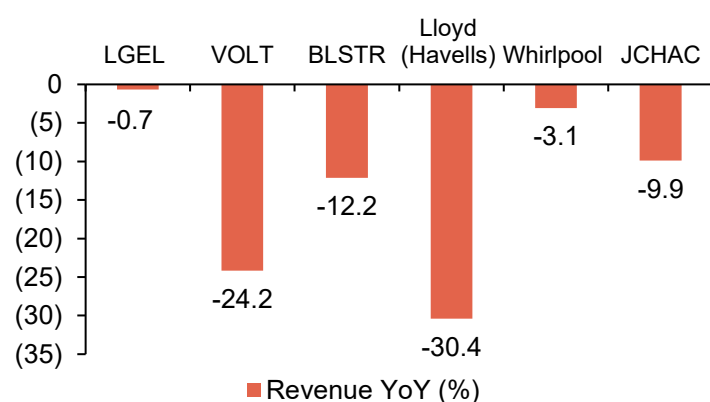
Source: Company, Dolat Capital

Exhibit 64: GM & EBITDA Margin (%)



Source: Company, Dolat Capital

Exhibit 65: LGEL outperformed peers in H1FY26



Source: Company, Dolat Capital

Q2FY26 Earnings Call KTAs

- **Demand-** LGEL's management believes that the toughest phase of GST transition is now behind, and demand pipelines are healthy. Inventories are getting normalized. In H2FY26, the company anticipates sustained demand driven by the recent GST rate cut, festive and wedding season tailwinds; unlocking momentum across categories with premium appliances leading the recovery.
- **Margins:** In Q2FY26, margins were impacted due to elevated commodity prices, higher recycling/compliance costs, and incremental festive season GTM investments related to consumer engagement and retail activation. The company continues to prioritise sustainable margin improvement over short-term gains.
- **Pricing actions:** A price increase of ~1.5-2% was implemented in washing machines and refrigerators in Oct'25. Promotional intensity has now been rationalised, and with localisation initiatives, especially in compressors, heat exchangers, and PCBs will further support margin improvement.
- **Exports:** LGEL exports to +50 countries and constitutes ~6-7% of revenue. Favourable tariff agreements from the GoI are expected to support export growth. With its strong manufacturing capabilities and operational excellence, LGEL has emerged as a global production hub for LG under the Global South initiative to expand business in the emerging market. LGEL aims to identify new export destinations for wider distribution of premium products from its Sri City manufacturing facility.
- **Sri City Plant:** With a planned outlay of Rs 50bn, the Sri City plant will be developed in phases over 4-5 years. South India market, which contributes ~38-40% of sales, will benefit from shorter lead times and logistical efficiencies from this plant. The first AC line is expected to begin operations by Oct'26, followed by AC compressors in Q4FY27 and washing machines and refrigerators thereafter. The facility will be funded through internal accruals and is expected to double overall capacity by FY29E. Annual capex remains at 2-2.5% of revenues.
- **LG Essential series-** Since its recent launch, the LG Essentials range has received an encouraging initial response from the channel. The series was introduced at competitive price points of <Rs 20,000 to attract first-time buyers and reinforce a value-for-money positioning.
- **Market share** (As of YTD Sep' 25)- In washing machine category, LGEL's market share was maintained at 33.4%. In refrigerator, MS increased 100bps YoY to 29.9%. In RAC category, MS share was 17.4%, an increase of 50bps compared to YTD Sep'24. In TV, market share improved 140bps YoY to 27.5% as of YTD Sep'25.
- **Localisation:** Localisation improved to 55.8% in Q2FY26, supported by in-house production of compressors, resins, and glass components. OLED TVs and side by side refrigerators are also now produced in-house, helping mitigate global volatility and forex exposure. Localisation has improved by ~200-300bps annually over the last three years, and expected to increase with same momentum with a target of ~70%.

Valuation

We remain optimistic about LGEL's growth prospects, supported by 1) its market leadership in key consumer durable categories, 2) a robust distribution network, 3) focus on scale up of B2B/exports business, and 4) in-house manufacturing capabilities. India's large appliance market remains largely underpenetrated, and LGEL, with its portfolio spanning mass and premium categories, is well positioned to capitalize on this opportunity. Favorable demographics, rapid urbanization and government policies (like GST rationalization, income tax reduction) is expected to boost consumption of large appliances, going ahead.

LGEL is expanding its manufacturing capacity (Sri City) to cater to both, domestic and export markets. Moreover, it maintains a debt-free balance sheet, superior EBITDA margins (+11%) and return ratios (+30%) compared to peers. Despite deferred purchases due to GST rate cut (AC, TV, dishwashers) and unfavourable weather conditions, LGEL delivered stable financial performance, in H1FY26, outperforming its peers. Demand recovery is expected in H2FY26.

We build in Revenue/EBITDA/PAT CAGR of 11/10/11% respectively over FY25-28E. We expect EBITDA margins to rebound to 12.6% by FY28 driven by premiumization, higher localization, and operating leverage gains. We initiate coverage on the stock with an '**Accumulate**' rating and TP of Rs 1,855, valuing at 42x FY28E EPS.

Bull Case

- Stronger volume offtake, price increases and higher utilization levels driving 14% revenue CAGR for FY25-FY28E.
- EBITDA Margins avg 12.5% over FY25-28E; implying FY28E EPS of Rs 49.
- Ascribing 45x P/E on FY28E EPS multiple yields a Bull Case TP of Rs 2200.

Base Case

- Revenue CAGR of ~11% for FY25-FY28E led by steady volume offtake and scale up of exports.
- EBITDA Margins avg of 12.0% over FY25-28E, implying EPS of Rs 44 in FY28E.
- Valuing at 42x FY28E EPS, we arrive at a Target Price of Rs.1,855.

Bear Case

- Weak season, increased competition and delayed expansion restrict growth, revenue CAGR lower at 8% for FY25-FY28E.
- EBITDA margins expected to contract to ~11.5%; implying FY28E EPS of Rs 39.
- Ascribing 38x P/E on FY28E EPS, we arrive at a Bear Case TP of Rs.1,494.

While we present bull and bear case scenarios to capture upside/downside risks, and for polarity, our target price is based on the base case assumptions. **Accordingly, we arrive at a TP of Rs 1,855.**

Summary Matrix

Company (Rs bn)	Net Sales				EBITDA				EBITDA Margin (%)				PAT				EPS			
	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
LG Electronics	243.7	257.9	292.1	329.2	31.1	29.4	35.1	41.4	12.8	11.4	12.0	12.6	22.0	21.1	25.3	29.8	32.5	31.1	37.3	43.9
Whirlpool	79.2	84.6	96.0	106.3	5.5	5.9	7.7	9.0	6.9	6.9	8.1	8.5	3.6	4.1	5.4	6.5	28.3	32.5	42.4	51.5
IFB Industries	49.4	57.2	66.0	76.8	2.9	3.8	4.6	5.6	5.9	6.6	7.0	7.3	1.2	1.8	2.4	3.3	30.2	43.2	60.3	80.3
Bluestar	119.7	124.4	151.4	182.9	8.8	9.0	11.6	14.5	7.3	7.2	7.7	7.9	5.8	5.6	7.5	9.6	28.1	27.0	36.5	46.8
Havells	217.8	231.8	266.6	304.4	21.3	23.4	28.5	33.2	9.8	10.1	10.7	10.9	14.7	16.1	19.7	23.1	23.5	25.8	31.5	36.9
Voltas	154.1	149.6	174.4	202.3	11.2	9.1	12.9	15.2	7.2	6.1	7.4	7.5	8.4	6.7	10.0	12.0	25.4	20.3	30.3	36.4

Source: Company, Dolat Capital

Company (Rs bn)	Mcap	CMP	TP	Upside	Reco	P/E (x)				ROE (%)				EV/ EBITDA (x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)		FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
LG Electronics	1,097	1,618	1,855	15	Accumulate	49.8	52.0	43.4	36.8	45.2	31.0	29.6	28.7	34.6	36.5	30.6	26.0	4.5	4.3	3.8	3.3
Whirlpool	148	1,308	-	-	Not Rated	46.2	40.3	30.8	25.4	9.4	9.7	11.4	12.4	27.7	26.0	19.7	16.8	1.9	1.7	1.5	1.4
IFB Industries	68	1,888	-	-	Not Rated	62.4	43.7	31.3	23.50	16.3	19.9	22.0	22.5	24.0	18.8	15.6	14.4	1.4	1.2	1.0	0.9
Bluestar	364	1,768	1,980	12	Accumulate	62.8	65.4	48.5	37.8	20.8	17.1	20.2	21.9	41.3	41.0	31.3	25.0	3.0	2.9	2.4	2.0
Havells	920	1,469	1,670	14	Accumulate	62.5	57.0	39.8	39.8	18.7	18.3	19.8	20.2	43.7	40.1	32.7	27.7	4.4	4.1	3.6	3.2
Voltas	446	1,351	1,390	3	Reduce	53.1	66.6	44.6	37.1	13.6	10.0	13.8	14.8	40.2	49.4	34.7	29.4	2.9	3.0	2.6	2.2

Note: Whirlpool & IFB are not part of our formal coverage, estimates are as per Bloomberg consensus. Prices are as on 15th November 2025.

Key Risks

- **High Dependence on Parent for Technology and Brand:** The company remains highly dependent on LG Electronics for brand, product design, technology, and exports. It pays royalties of ~1.8–1.9% of revenues (blended) under a perpetual licensing agreement (capped at 5%) . Any change or termination of this agreement could significantly impact operations and profitability.
- **Royalty-Related Tax Contingency:** A royalty-related contingent liability of Rs 3,153mn as of Jun'25, is under review through MAP and APA processes with Indian and South Korean tax authorities. While resolution may nullify the liability, similar disputes could arise, impacting future results and cash flows.
- **Raw material price swings and forex fluctuations:** About 54% of raw materials are sourced domestically, with the remaining 46% imported from Korea, China, Singapore making the supply vulnerable to trade or geopolitical disruptions.
- **Intense competition:** LGEL is already the market leader across major categories. Increasing competition from MNCs and local players could pressurize margins as the company adjusts promotions and pricing to defend market share.
- **Regulatory and Compliance Risks:** Changes in India's regulatory environment, including revisions to BEE star rating norms, could increase compliance costs and operational challenges.
- **Technology and Innovation Risk:** Failure to keep pace with innovations such as smart-home integration and energy-efficient technologies could weaken market competitiveness and trade relationships.

Management Profile

Hong Ju Jeon, Managing Director: He has been associated with the company since December 22, overseeing sales strategies, operational planning, and initiatives to support overall business objectives and strengthen the dealer network. He has been associated with the LG group since October 1994.

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.

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

Sanjay Chitkara, Chief Sales Officer: He has over three decades of experience in the consumer durables industry and has been associated with the company for ~26 years. He has held leadership roles at LGEL, such as Head of Marketing, and served as Joint Secretary of the Consumer Electronics and Appliances Manufacturers Association (2019-2020).

Atul Khanna, Chief Accounting Officer: He has been associated with the company for over ~25 years, and is responsible for treasury and insurance management, customer and credit risk management, direct and indirect taxation, and financial reporting in the company.

Ashish Agrawal, Chief Operating Officer: He has been associated with the company for ~26 years and is responsible for the go-to-market division, which includes business strategy, market sensing, brand shop management, in-store, and sell-out management in the company.

Gagan Jeet Singh, Chief Manufacturing Officer: He has been associated with the company for ~28 years and is responsible for the smooth operations of the Noida facility.

Annexure 1: Third Round of the White Goods PLI

24 companies were selected with a committed investment of Rs 35bn in the third round. For the AC PLI, 10 new companies committed investments of Rs 20.6bn and 5 existing PLI beneficiaries, including Voltas, Blue Star and LGEL, committed cumulative additional investment of Rs 12bn. The scheme extends an incentive of 6% to 4% on reducing basis on incremental sales for a period of 5 years; domestic value addition through this scheme is expected to grow from current 15-20% to 75-80%.

Exhibit 66: Applicants provisionally selected in the 3rd round of White Goods PLI - Air Conditioners

Company / Applicant	Committed Investment (Rs. Bn)	Aluminum Stock	Copper Tube	Compressor	Plastic Molding Components	Display Panels	Motors	Heat Exchangers	Sheet Metal Components	Control Assemblies	CFF	Valves & Brass Components
Jupiter Aluminium Ind.	6.2	✓										
Ram Ratna Wires	2.5	✓	✓									
SMEL Steel Structural	5.4	✓										
Voltas Components	2.6			✓								
Next Generation Manufacturers	1.2				✓	✓	✓	✓	✓	✓	✓	
Neemrana Steel	0.7								✓			
Clad Metal India	0.5							✓	✓	✓		✓
Malhotra Electronics	0.5				✓	✓		✓	✓	✓	✓	
MIRC Electronics	0.5				✓	✓	✓	✓	✓	✓	✓	✓
Smile Electronics	0.5				✓	✓	✓	✓	✓	✓	✓	✓
Total	20.6											

Source: pib.gov.in, Dolat Capital

Exhibit 67: Existing PLI Applicants Scaling Up in 3rd Round with Rs 12bn Additional Investment

Company/ Applicant	Committed Investment (Rs. bn)	Revised Investment	Aluminium Stock	Copper Tube	Compressor	Plastic Moulding Components	Display Panels	Motors	Heat Exchangers	Sheet Metal Components	Control Assemblies	CFF
Hindalco Industries	5.4	9.0	✓	✓								
LG Electronics	3.0	7.3			✓	✓	✓	✓	✓		✓	
Mettube Copper India	3.0	3.3		✓								
Blue Star Climatech	1.6	3.4							✓	✓	✓	
Voltas	1.0	3.0				✓	✓		✓	✓	✓	✓
Total Investment	14.0	26.0										

Source: pib.gov.in, Dolat Capital

Financial Performance

Profit and Loss Account

(Rs Mn)	FY25A	FY26E	FY27E	FY28E
Revenue	243,666	257,886	292,112	329,227
Total Expense	212,565	228,451	257,018	287,863
COGS	165,801	177,024	198,765	221,715
Employees Cost	9,628	10,112	11,308	12,317
Other expenses	37,136	41,315	46,944	53,831
EBIDTA	31,101	29,435	35,094	41,364
Depreciation	3,804	3,971	4,424	5,028
EBIT	27,298	25,463	30,670	36,336
Interest	306	357	455	518
Other Income	2,640	3,133	3,595	4,041
Exc. / E.O. items	0	0	0	0
EBT	29,631	28,240	33,810	39,859
Tax	7,598	7,116	8,520	10,044
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
RPAT	22,033	21,123	25,290	29,814
Adjustments	0	0	0	0
APAT	22,033	21,123	25,290	29,814

Balance Sheet

(Rs Mn)	FY25A	FY26E	FY27E	FY28E
Sources of Funds				
Equity Capital	6,788	6,788	6,788	6,788
Minority Interest	0	0	0	0
Reserves & Surplus	52,914	69,813	87,516	106,895
Net Worth	59,702	76,600	94,303	113,683
Total Debt	0	0	0	0
Net Deferred Tax Liability	(2,040)	(2,040)	(2,040)	(2,040)
Total Capital Employed	57,662	74,560	92,263	111,643

Applications of Funds

Net Block	13,292	22,320	29,896	36,369
CWIP	753	1,500	1,500	1,500
Investments	0	0	0	0
Current Assets, Loans & Advances	99,087	106,287	123,223	143,524
Current Investments	0	0	0	0
Inventories	30,315	31,088	34,413	37,884
Receivables	23,612	24,729	27,210	29,766
Cash and Bank Balances	37,415	42,877	53,583	67,401
Loans and Advances	4,067	3,179	3,601	4,059
Other Current Assets	3,679	4,415	4,415	4,415
Less: Current Liabilities & Provisions	55,470	55,547	62,355	69,749
Payables	33,671	34,444	39,015	43,972
Other Current Liabilities	21,799	21,103	23,340	25,777
<i>sub total</i>				
Net Current Assets	43,617	50,741	60,868	73,774
Total Assets	57,662	74,561	92,264	111,643

E – Estimates

Important Ratios

Particulars	FY25A	FY26E	FY27E	FY28E
(A) Margins (%)				
Gross Profit Margin	32.0	31.4	32.0	32.7
EBIDTA Margin	12.8	11.4	12.0	12.6
EBIT Margin	11.2	9.9	10.5	11.0
Tax rate	25.6	25.2	25.2	25.2
Net Profit Margin	9.0	8.2	8.7	9.1
(B) As Percentage of Net Sales (%)				
COGS	68.0	68.6	68.0	67.3
Employee	4.0	3.9	3.9	3.7
Other	15.2	16.0	16.1	16.4
(C) Measure of Financial Status				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Inventory days	45	44	43	42
Debtors days	35	35	34	33
Payable days	50	49	49	49
Working Capital days	30	30	28	26
FA T/O	18.3	11.6	9.8	9.1
(D) Measures of Investment				
AEPS (Rs)	32.5	31.1	37.3	43.9
CEPS (Rs)	38.1	37.0	43.8	51.3
DPS (Rs)	0.0	6.2	11.2	15.4
Dividend Payout (%)	0.0	20.0	30.0	35.0
BVPS (Rs)	88.0	112.9	138.9	167.5
RoANW (%)	45.2	31.0	29.6	28.7
RoACE (%)	47.7	32.5	30.9	29.8
RoAIC (%)	160.5	98.1	87.2	87.6
(E) Valuation Ratios				
CMP (Rs)	1618	1618	1618	1618
Mcap (Rs Mn)	1,098,117	1,098,117	1,098,117	1,098,117
EV	1,060,703	1,055,241	1,044,534	1,030,717
MCap/ Sales	4.5	4.3	3.8	3.3
EV/Sales	4.4	4.1	3.6	3.1
P/E	49.8	52.0	43.4	36.8
EV/EBITDA	34.1	35.9	29.8	24.9
P/BV	18.4	14.3	11.6	9.7
Dividend Yield (%)	0.0	0.4	0.7	1.0
(F) Growth Rate (%)				
Revenue	14.1	5.8	13.3	12.7
EBITDA	39.8	(5.4)	19.2	17.9
EBIT	46.7	(6.7)	20.4	18.5
PBT	45.5	(4.7)	19.7	17.9
APAT	45.8	(4.1)	19.7	17.9
EPS	45.8	(4.1)	19.7	17.9
E – Estimates				

Cash Flow

Particulars	FY25A	FY26E	FY27E	FY28E
Profit before tax	29,631	28,240	33,810	39,859
Depreciation & w.o.	3,804	3,971	4,424	5,028
Net Interest Exp	0	0	0	0
Direct taxes paid	(7,539)	(7,116)	(8,520)	(10,044)
Change in Working Capital	(108)	(1,574)	(134)	126
Non Cash	(9,249)	0	0	0
(A) CF from Operating Activities	16,539	23,521	29,580	34,968
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(3,346)	(13,747)	(12,000)	(11,500)
Free Cash Flow	13,193	9,774	17,580	23,468
(Inc.)/ Dec. in Investments	2,477	0	0	0
Other	0	0	0	0
(B) CF from Investing Activities	(869)	(13,747)	(12,000)	(11,500)
Issue of Equity/ Preference	0	0	0	0
Inc./(Dec.) in Debt	(760)	0	0	0
Interest exp net	(305)	0	0	0
Dividend Paid (Incl. Tax)	0	(4,225)	(7,587)	(10,435)
Other	583	(87)	713	785
(C) CF from Financing	(482)	(4,312)	(6,874)	(9,650)
Net Change in Cash	15,189	5,462	10,706	13,818
Opening Cash balances	22,226	37,415	42,877	53,583
Closing Cash balances	37,415	42,877	53,583	67,401

E – Estimates

Notes

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Dolat Rating Matrix

Total Return Expectation (12 Months)

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

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