Sector – Household Appliances

LG Electronics India Ltd. (LGEIL)

18th August 2026 | CMP* – ₹1,667.60 | View – **Hold**

Q1FY27 result updates:

During Q1FY27, the company reported 15% YoY revenue growth to ₹7,233crs, supported by strong premium demand across categories, continued premiumization, calibrated price increases, exports and operating leverage. Growth remained broad-based and was driven by a combination of volume and value growth, rather than being dependent on pricing or any single product category. EBITDA increased 26% YoY, while EBITDA margin expanded by 107 bps YoY to 13%, driven by a better premium product mix, calibrated pricing and increasing localization. PAT grew 27% YoY in Q1FY27, PAT margin stood at around 9.0% in Q1FY27, compared with around 8.1% in Q1FY26. Despite higher commodity costs and currency headwinds, the company successfully maintain margins through operating efficiencies and cost management.

Important Statistics

Nifty	24,288
Sensex	77,728
CMP* (₹)	1,667.60
MCAP (₹ crs)	1,12,907
52-week H/L (₹)	1,755/1,304
BSE Code	544576
NSE Code	LGEINDIA
Bloomberg Code	LGEL:IN

CMP is Close as on 17th August 2026*

Shareholding Pattern (%)	Dec-25	Mar-26	Jun-26
Promoter	85%	85%	85%
FII	3%	2.70%	3.10%
DII	7.20%	8.00%	7.80%
Public	4.90%	4.30%	4.00%

Segment performance

- **Home Appliance & Air Solution (H&A) segment** revenue/EBIT grew 14% YoY to ₹5,577crs & Rs 642crs, supported by double-digit growth across major categories. Cooling products remained strong, while washing machines, French Door/Side-by-Side refrigerators, 8kg+ washing machines and dishwashers recorded healthy growth. Premium products continued to grow faster than the overall portfolio, while the LG Essential Series gained traction in the mass market. H&A EBIT margin remained stable at around 12%, supported by better product mix, pricing and higher localization.
- **Home Entertainment (HE) segment** revenue grew 22.3% YoY to ₹1,657crs, while EBIT increased 48.5% to ₹315crs. EBIT margin improved to 19% from 15.7%, supported by premiumization, strong demand for larger-screen TVs, growth in OLED/QNED, lower promotional expenses, better cost structure in Information Display and operating leverage. Television remained the key growth driver, with consumers increasingly preferring larger screens and premium models, while government and institutional orders supported the Information Display business.

Financial Snapshot

(₹ crs)

Particulars	FY24	FY25	FY26	FY27E	FY28E
Revenues	21,352	24,367	24,605	28,140	32,013
EBITDA	2,225	3,110	2,408	2,955	3,682
EBITDA Margin (%)	10%	13%	10%	11%	12%
Net Profit	1,511	2,203	1,685	2,005	2,467
Net Profit margin %	7%	9%	7%	7%	8%
EPS (₹)	22.3	32.5	24.8	29.5	36.3
RoE (%)	40%	37%	20%	21%	21%
RoCE (%)	24%	26%	16%	18%	18%
P/E (x)	75	51	67	56	46
EV/EBITDA (x)	50	35	50	37	29

Source: Company, Way2Wealth Research

Concall Highlights

- On the H&A front, Management expects washing machines and refrigerators to remain key growth drivers, supported by new launches, large-capacity Essential models and exports. In the HE segments, Management expects strong festive demand, with early channel stocking ahead of Onam, Durga Puja and Diwali. The shift towards larger-screen TVs is expected to continue, supported by new QNED and OLED launches. The Information Display business should also benefit from the scaling up of electronic blackboards and second-generation MAGNIT Micro LED products.
- TV business grew 25% in Q1FY27, driven by strong demand for larger and premium TVs. The 55-inch+ segment grew 53% and now contributes around 50% of LG's TV business. TV market share reached 26%, while OLED market share stood at 59%. LG launched 16 new QNED models, introduced Micro RGB TV, and added Microsoft Copilot and Google Gemini features to its TVs. Premium processors were also upgraded across high-end models. Management expects the premiumization trend to continue through the festive season, supporting both revenue growth and margins.
- On the Demand front, Management remains positive with double-digit growth across all major categories. TV and washing machines are expected to be key growth drivers

Relative Performance

Return (%)	1Yr	3Yr	5Yr
LGEIL	**-4%**	**0**	**0**
Nifty 50	-2%	26%	48%
Sensex	-4%	18%	40%

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in H2, while ACs and refrigerators should benefit from premiumization and replacement demand.

- Exports grew 30% YoY in Q1, with the company now present in 65 countries. Export margins are better than domestic margins, making exports a key growth and margin driver.
  - Export strategy has 2 pillars – 1) Premium products such as large-capacity refrigerators and Side-by-Side refrigerators for global markets. 2) Essential Series refrigerators and washing machines for Asia, Middle East and Africa.
  - The management did not share exact FY27 export target however, it remains on track to achieve its annual target.
  - Sri City will materially increase export capacity and enable entry into more geographies. This will make exports more than a volume-growth opportunity; management sees a margin-accretive growth engine.
- Management sees the new compressor import policy as positive for LG, as the government has restricted imports relative to FY24-25 levels, with restrictions of up to 60% for reciprocating compressors and 70% for rotary compressors. LG is well placed due to its backward integration, with 1 million units of AC compressor capacity at Greater Noida, while Sri City will add another 2 million units. The company also has 7 million units of refrigerator compressor capacity at Greater Noida. Higher local manufacturing will reduce import dependence and currency exposure, giving LG a cost and supply-chain advantage in ACs and refrigerators and supporting potential market share gains.
- B2B growth remained strong, led by HVAC and Information Display. LED signage achieved its highest-ever quarterly sales, with 36% market share. Management remains confident of a 20% CAGR in the B2B business.
- Sri City: The ₹5,000crs Sri City investment remains on track. Compressor production is expected in Q3FY27, followed by RAC production in Q4FY27. The plant will support capacity expansion, localization and exports.

Outlook & Valuation

Management remains confident of mid-teen revenue growth in FY27, supported by premiumization, strong domestic demand, exports and B2B growth. TV and washing machines are expected to be key growth drivers in H2, while refrigerators and ACs should benefit from premiumization and replacement demand. The company expects EBITDA margin to remain in the early double-digit range, supported by better product mix, pricing, localization and operating leverage. Exports are expected to grow strongly, while the B2B business is expected to maintain its growth momentum. Sri City will further support capacity, localization and exports, with compressor production expected in Q3FY27 and RAC production in Q4FY27. Management also expects to manage raw-material cost pressures through localization, sourcing efficiencies, value engineering and calibrated price increases.

We estimate revenue, EBITDA, and PAT to grow at a CAGR of ~14%, ~24%, and ~21%, respectively, over FY26–FY28E, with margins likely to remain stable. On the valuation front, the stock trades at ~46x FY28E P/E and ~29x FY28E EV/EBITDA, compared to its historical averages of 59x P/E and 36x EV/EBITDA. This appears reasonable given the company's industry-leading margins, superior return ratios, diversified product portfolio, and strong growth visibility. **We maintain a Hold rating on the stock.**

18th August 2026 CMP* – ₹1,667.60 View – **Hold**

Quarterly Financials

(₹ crs)

Particulars	Q1FY27	Q1FY26	YoY %	Q4FY26	QoQ %
Revenue (net)	7,233	6,263	15%	8,054	-10%
Cost of goods sold	4,961	4,283	16%	5,754	-14%
Gross Profit	**2,272**	1,980	15%	2,300	-1%
% Margin	*31%*	32%		29%	
Employees exp	279	254	10%	235	19%
other expenses	1,089	1,010	8%	1,120	-3%
TOTAL OPER EXPENDITURE	**6,329**	5,547	14%	7,108	-11%
EBITDA	**904**	716	26%	945	-4%
% Margin	*13%*	11%		12%	
Depreciation	112	90	24%	102	10%
Operating Profit	**792**	626	27%	844	-6%
% Margin	*11%*	10%		10%	
Other Income	95	74	27%	101	-6%
EBIT	**887**	700	27%	945	-6%
Finance Cost	9	9	7%	14	-34%
EBT	**878**	692	27%	931	-6%
Total Tax Expense / (Credit)	**225**	179	26%	238	-5%
PAT (Reported)	**653**	513	27%	693	-6%
% Margin	*9%*	8%		9%	
PAT (Adjusted)	**653**	513	27%	693	-6%
% Margin	*9%*	8%		9%	
EPS - Reported	9.6	7.6	27%	10.2	-6%
EPS - Adjusted	9.6	7.6	27%	10.2	-6%

Segment Performance

(₹ crs)

Segment performance	Q1FY27	Q1FY26	YoY %	Q4FY26	QoQ %
Home appliances and air solution division	5577	4908	14%	6516	-14%
Home entertainment division	1657	1355	22%	1537	8%
Total	7239	6263	16%	8054	-10%
Less: Inter-segment revenue					
Total segment revenue and other income	7239	6263	16%	8054	-10%
Segment results					
Home appliances and air solution division	647	564	15%	775	-17%
EBIT margin %	12%	11%		12%	
Home entertainment division	316	212	49%	207	53%
EBIT margin %	19%	16%		13%	
total	963	777	24%	981	-2%
Add: i) Unallocable income	7	1	495%	16	-56%
ii) interest income	82	73	13%	85	-3%
Less: i) Finance cost	-9	-9	7%	-14	-34%
ii) Unallocable expenses	-165	-150	10%	-137	20%
Total PBT	878	692	27%	931	-6%

Source: Company, Way2Wealth Research

W2W Lighthouse - A Quick Perspective

Financial Summary

(₹ crs)

Particulars	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue (net)	19,865	21,352	24,367	24,605	28,140	32,013
Total Material Cost	14,028	14,930	16,580	17,167	19,135	21,769
% of Revenue	71%	70%	68%	70%	68%	68%
Gross Profit	5,837	6,422	7,787	7,438	9,005	10,244
% Margin	29%	30%	32%	30%	32%	32%
Employees exp	799	887	963	997	1,548	1,441
% of Revenue	4%	4%	4%	4%	6%	5%
other expenses	3,138	3,310	3,714	4,033	4,502	5,122
TOTAL OPER EXPENDITURE	17,965	19,127	21,257	22,197	25,185	28,332
% of Revenue	90%	90%	87%	90%	90%	89%
EBITDA	1,899	2,225	3,110	2,408	2,955	3,682
% Margin	10%	10%	13%	10%	11%	12%
Depreciation	300	364	380	396	473	566
Operating Profit	1,599	1,861	2,730	2,012	2,482	3,115
% Margin	8%	9%	11%	8%	9%	10%
Other Income	244	205	264	328	300	300
EBIT	1,843	2,066	2,994	2,340	2,782	3,415
Finance Cost	23	29	31	41	36	36
EBT	1,820	2,037	2,963	2,300	2,746	3,380
Current Tax Exp / (Credit)	481	561	790	620	742	913
Deferred Tax Exp / (Credit)	(8)	(35)	(30)	-5	0	0
Total Tax Expense / (Credit)	472	526	760	614	742	913
PAT (Reported)	1,348	1,511	2,203	1,685	2,005	2,467
% Margin	7%	7%	9%	7%	7%	8%
PAT (Adjusted)	1,348	1,511	2,203	1,685	2,005	2,467
% Margin	7%	7%	9%	7%	7%	8%
EPS - Reported	20	22	32	25	30	36
EPS - Adjusted	19.9	22.3	32.5	25	30	36

Source: Company, Way2Wealth Research

18th August 2026 CMP* – ₹1,667.60 View – **Hold**

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Disclosure of Interest Statement: LG Electronics India Ltd. (LGEIL) as on August 18, 2026

Name of the Security	LG Electronics India Ltd. (LGEIL)
Name of the analyst	Rupali Singh
Analysts' ownership of any stock related to the information contained Financial Interest Analyst : Analyst's Relative : Yes / No Analyst's Associate/Firm : Yes/No	NIL No No No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
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