

Q4FY26 result updates

During Q4FY26, the company reported a strong recovery in revenue of 8% YoY/96% QoQ to ₹8,054crs, driven by robust demand in room air conditioners, premium refrigerators, washing machines and televisions. Sequentially, revenue almost doubled due to seasonally strong summer demand and successful transition to new BEE rated AC models. However, despite healthy topline growth, profitability remained under pressure due to higher commodity prices, rupee depreciation, increased channel promotional investments and higher e-waste compliance costs. EBITDA declined 10% YoY to ₹945crs, while EBITDA margin contracted by around 250bps to 11.7%. PAT declined 8% YoY to ₹693crs with PAT margin at 8.6%.

During FY26, revenue grew marginally by 1% YoY to ₹24,606crs, while EBITDA declined 23% to ₹2,408crs and PAT fell 24% to ₹1,685crs. The weak profitability was largely due to a soft first half impacted by delayed summer season, GST transition, geopolitical disruptions and persistent raw material inflation. Despite this, LG maintained leadership across key product categories and continued gaining traction in premium appliances and B2B businesses.

Important Statistics

Nifty	23,914
Sensex	76,009
CMP* (₹)	1,517
MCAP (₹ crs)	~1,03,546
52-week H/L (₹)	1,749/1,304
BSE Code	544576
NSE Code	LGEINDIA
Bloomberg Code	LGEL:IN

CMP is Close as on 26th May 2026*

Shareholding Pattern (%)	Dec-25	Mar-26
Promoters	85.00	85.00
FII	3.00	2.70
DII	7.15	8.00
Public	4.85	4.30

Segment performance

- The Home Appliances & Air Solutions (H&A) division remained the key growth driver, with revenue increased by 6% YoY/134% QoQ to ₹6,516crs in Q4FY26, supported by strong sales of RACs, French-door refrigerators, dishwashers and premium washing machines. However, EBIT margin for H&A segment declined from 14% to 12% due to higher promotional expenses, commodity inflation and currency related cost pressures.
- The Home Entertainment division delivered revenue growth of 20% yoy/16% qoq to ₹1,537crs, supported by large-screen TV demand, Cricket World Cup-led sales momentum and strong growth in commercial display solutions. However, margins moderated because of elevated marketing expenses and forex headwinds.
- During FY26, the Home Appliances & Air Solutions division reported flattish revenue growth of ₹18,162crs, as strong growth in room air conditioners, premium refrigerators, washing machines and dishwashers was offset by weak demand conditions during the first half of the year due to delayed summer and macro uncertainties. Segment EBIT declined 24% YoY to ₹1,774crs, while EBIT margin contracted from 13% to 10%, impacted by higher raw material costs, rupee depreciation, increased channel investments and costs associated with BEE transition and promotional activities. Despite margin pressure, the segment continued to benefit from premiumization trends and strong growth in RACs and premium appliances.
- The Home Entertainment division delivered flattish performance during FY26, with revenue increased by 6% YoY to ₹6,445crs, supported by strong demand for large screen televisions, premium OLED TVs and commercial display products. Growth was further supported by Cricket World Cup-led demand and healthy traction in the B2B information display business across government and corporate segments. However, segment EBIT declined 11% YoY to ₹827crs, while EBIT margin moderated from 15% to 13%, primarily due to higher marketing spends, currency depreciation and elevated operating costs. Overall, both segments witnessed healthy revenue momentum in premium products, while profitability remained under pressure because of external cost headwinds and strategic growth investments.

Financial Snapshot

Particulars	₹ crs				
	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)	69	47	62	52	42
EV/EBITDA (x)	43	30	43	32	25

Source: Company, Way2Wealth Research
Relative Performance

Return (%)	1Yr	3Yr	5Yr
LGEIL	-9.52	-	-
Nifty 50	-3.62	29.49%	55%
Sensex	-6.79	21.76%	48.05%

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Concall Highlights

- Management highlighted that Q4FY26 was the highest-ever quarterly revenue quarter for LG Electronics India, reflecting strong execution despite external headwinds. The company crossed the milestone of 1 million+ room air conditioner sales during Q4FY26, marking the highest RAC sales ever achieved by LG India.
- LG introduced its long-term strategic roadmap called "EXCEL", focused on Export expansion, Capability enhancement through new manufacturing capacity, Expansion of market leadership and new businesses and Localization improvement.
- Export business is becoming a major strategic focus. Management reiterated plans to transform India into a global manufacturing and export hub under the "Make India Global" initiative.
 - Exports of Side-by-side refrigerators, Large-capacity top freezers, Front-load washing machines, Essential series products have already planned for multiple global markets.
 - Essential series products are now being exported to 22 countries, targeting emerging markets.
 - Management indicated exports provide better margins, natural hedge against rupee depreciation and improved asset utilization. Management reiterated confidence in doubling exports despite geopolitical volatility.
- Localization level improved to 55.2% during FY26, and management targets annual improvement of 1-2 percentage points going forward to reduce import dependence and FX exposure.
- **New Sri City Plant Update:** The company has planned an investment of ₹5,000crs for the Sri City manufacturing facility project, which remains on track. Of this, ₹657crs has already been deployed in FY26. Going forward, the company has substantial capex plans for the facility over the next two years.
 - Compressor production to begin in Q3FY27.
 - RAC production to commence in Q4FY27.
 - Refrigerator and washing machine lines to be added later.
 - Sri City plant is strategically important as South India contributes nearly 38–40% of LG India’s revenues.
 - Management stated that the entire Sri City capex will be funded through internal accruals, supported by healthy cash balance and strong free cash flow generation.
- B2B business witnessed strong momentum driven by commercial air conditioners, Government infrastructure projects, corporate and hospitality demand and information display solutions.
- AMC (Annual Maintenance Contract) business is emerging as a high-margin recurring revenue stream and management expects its contribution to increase steadily.
- Dishwashers continued to be one of the fastest growing categories for LG. Management stated that LG has already become the No.2 player in India and aims to become market leader.
- French-door refrigerators witnessed very strong traction, with market share increasing from 5% to 14% within a few months of launch.
- The company also entered the chest freezer category, where management estimates the Indian market opportunity at around ₹3,000crs.


 27th May 2026

CMP* – ₹1,517

 View – **Buy**

- Large-screen televisions remained a strong growth area:
 - 55-inch+ TV segment grew 47%.
 - Contribution of 55-inch+ TVs increased to nearly 49% of TV sales.
- Management remained optimistic on FY27 and guided for mid-teen revenue growth along with early double digit EBITDA margins. Growth is expected to be driven by strong summer demand, increasing premiumization, expansion of the Essential series, export growth, higher localization and contribution from high-margin AMC and B2B businesses. The company also highlighted strong progress in its ₹5,000crs Sri City plant project, which will enhance manufacturing capacity, improve logistics efficiency and strengthen exports over the coming years.

Outlook & Valuation

Management remains optimistic on FY27 outlook and is targeting mid-teen revenue growth along with early double-digit EBITDA margins, supported by strong summer demand, premiumization trends, export expansion and higher contribution from B2B and AMC businesses. The company expects growth across all major product categories, including RACs, refrigerators, washing machines and televisions, supported by low penetration levels in India and improving consumer demand. LG also plans to strengthen its market leadership through new product launches, expansion of the Essential series and entry into new categories such as chest freezers.

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 ~42x FY28E P/E and ~25x FY28E EV/EBITDA, compared to its historical averages of 51x P/E and 32x 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 BUY rating on the stock.**

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View – Buy

Quarterly Financials

(₹ crs)

Particulars	Q4FY26	Q4FY25	YoY %	Q3FY26	QoQ %	FY26	FY25	YoY %
Revenue (net)	8,054	7,448	8%	4,114	96%	24,605	24,367	1%
Cost of Materials Consumed	4,224	4,326	-2%	2,989	41%	15,017	14,741	2%
Purchase of Base Depot / Spares	540	508	6%	416	30%	2,088	1,973	6%
Stock Adj. (Inc) / Dec.	989	348	184%	(630)	-257%	62	(133)	-146%
Total Material Cost	5,754	5,182	11%	2,774	107%	17,167	16,580	4%
Gross Profit	2,300	2,266	1%	1,340	72%	7,438	7,787	-4%
<i>% Margin</i>	29%	30%		33%		30%	32%	
Employees exp	235	250	-6%	261	-10%	997	963	4%
other expenses	1,120	963	16%	884	27%	4,033	3,714	9%
TOTAL OPER EXPENDITURE	7,108	6,395	11%	3,918	81%	22,197	21,257	4%
EBITDA	945	1,053	-10%	196	382%	2,408	3,110	-23%
<i>% Margin</i>	12%	14%		5%		10%	13%	
Depreciation	102	97	5%	111	-8%	396	380	4%
Operating Profit	844	957	-12%	85	889%	2,012	2,730	-26%
<i>% Margin</i>	10%	13%		2%		8%	11%	
Other Income	101	62	62%	76	34%	328	264	24%
EBIT	945	1,019	-7%	161	487%	2,340	2,994	-22%
Finance Cost	14	9	59%	9	48%	41	31	32%
EBT	931	1,010	-8%	152	514%	2,300	2,963	-22%
Total Tax Expense / (Credit)	238	256	-7%	62	284%	614	760	-19%
PAT (Reported)	693	755	-8%	90	672%	1,685	2,203	-24%
<i>% Margin</i>	9%	10%		2%		7%	9%	
PAT (Adjusted)	693	755	-8%	90	672%	1,685	2,203	-24%
<i>% Margin</i>	9%	10%		2%		7%	9%	
EPS - Reported	10.2	11	-8%	1.3	672%	24.8	32.5	-24%
EPS - Adjusted	10.2	11	-8%	1.3	672%	24.8	32.5	-24%

Source: Company, Way2Wealth Research

27th May 2026

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 View – **Buy**
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
<i>% of Revenue</i>	71%	70%	68%	70%	68%	68%
Gross Profit	5,837	6,422	7,787	7,438	9,005	10,244
<i>% Margin</i>	29%	30%	32%	30%	32%	32%
Employees exp	799	887	963	997	1,548	1,441
<i>% of Revenue</i>	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
<i>% of Revenue</i>	90%	90%	87%	90%	90%	89%
EBITDA	1,899	2,225	3,110	2,408	2,955	3,682
<i>% Margin</i>	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
<i>% Margin</i>	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
<i>% Margin</i>	7%	7%	9%	7%	7%	8%
PAT (Adjusted)	1,348	1,511	2,203	1,685	2,005	2,467
<i>% Margin</i>	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



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Disclosure of Interest Statement: LG Electronics India Ltd. (LGEIL) as on May 27, 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	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
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