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LG Electronics India

26 Aug 2026

LG Electronics India – Fundamental View

Premiumisation, Localisation and Exports Strengthen Growth Outlook

Last Day Close	3-Month TP	Rating
Rs. 1,690	Rs. 2,027	BUY

LG Electronics India Ltd (LGEIL) is a leading consumer durables company operating across Home Appliances & Air Solution (H&A) and Home Entertainment (HE), with a portfolio spanning air conditioners, refrigerators, washing machines, televisions, audio-visual products and Information Display. The company is leveraging its established brand, broad product portfolio and manufacturing footprint to drive growth through premiumisation.

Key Investment Rationale:

- **Diversified Portfolio with Premiumisation:** Revenue is diversified across Home Appliances & Air Solution (H&A) and Home Entertainment (HE), with H&A contributing ~77% and HE ~23% of Q1 FY27 revenue. H&A revenue grew 13.6% YoY, while HE revenue grew 22.3% YoY. Premiumisation remains a key growth driver, with French Door and Side-by-Side refrigerators, 8kg+ washing machines and Dishwashers recording strong growth in H&A, while larger-screen TVs and premium OLED and QNED technologies are driving HE. The 55-inch+ TV segment grew ~53% in Q1 FY27 and now contributes ~50% of LG's TV business, supporting a favourable product mix and margin expansion.
- **Premiumisation + essential series to Drive Domestic Growth:** LGEIL is pursuing a two-track strategy of premiumisation and mass-market penetration through its essential series. The essential series is aimed at first-time buyers across underpenetrated Tier 2 and Tier 3 markets. Importantly, management indicated that essential series margins are in line with the rest of its B2C portfolio, allowing the company to expand volumes without materially diluting profitability. The premium portfolio continues to outpace industry trends, while the essential series provides incremental volume growth and deeper market penetration.
- **Exports and Localisation to Strengthen Growth:** Exports grew 30% YoY in Q1 FY27 and reached the company's highest-ever quarterly level, with the export footprint expanding to 65 countries. LGEIL is positioning India as a preferred export hub by leveraging cost competitiveness, scale and increasing localisation. The company is also investing Rs. 5,000 crore in its Sri City facility, which is expected to commence compressor production in Q3 FY27 and room air-conditioner production in Q4 FY27, supporting both domestic and export demand. Localisation currently stands at 55.2%, with the company targeting 65% over the next three to four years, which should support sourcing efficiency, supply-chain resilience and margin protection.
- **Home Entertainment and B2B Emerging as Incremental Growth Engines:** HE is becoming an important earnings driver, with Q1 FY27 EBIT increasing 48.5% YoY and EBIT margin expanding to 19.0% from 15.7% in Q1 FY26. The improvement was driven by premiumisation, a richer product mix, normalisation of promotional spending and an improved cost structure in the Information Display business. Within B2B, commercial HVAC (Heating, Ventilation and Air Conditioning) and Information Display are gaining traction, with LED signage recording its highest-ever quarterly sales and government and institutional orders supporting growth. The company is also scaling its non-hardware AMC business as a higher-margin service revenue stream.
- **Financial Performance**: LG Electronics India reported a strong Q1 FY27 performance, with revenue growing 15.5% YoY, while EBITDA and PAT increased 26.3% YoY and 27.2% YoY, respectively. EBITDA margin expanded by ~110 bps YoY to 12.5%. Consensus estimates project a 14% revenue CAGR and a 27% EPS CAGR over FY26–FY28E.

Rs Cr	FY24	FY25	FY26	FY27E	FY28E
Revenue	21,230	24,157	24,459	28,153	31,691
Growth y/y	7.4%	13.8%	1.3%	15.1%	12.6%
EBITDA Margin %	10.6%	13.1%	10.5%	11.4%	12.3%
Net Income Margin %	7.1%	9.1%	6.9%	8.1%	8.6%
EPS (Rs)	-	-	24.8	33.6	40.1
Growth y/y	-	-	-	35.2%	19.5%
EV/EBITDA	-	-	-	34.5	28.5
PE	-	-	-	50.4	42.1

26 Aug 2026

Industry	Consumer Durables

Key Stock Data

Bloomberg	LGEL IN
Shares o/s Nos. (In Cr)	67.9
Market Cap (Rs. Cr)	1,14,984
52 wk High-Low	1,756/1,300
3m ADV (Rs. Cr)	128.5
Index	NIFTY 500
F&O	N

Latest Shareholding (%)

	Jun 26	Mar 26	Dec 25
Promoters	85.0	85.0	85.0
Institutions	11.0	10.8	10.2
Public	4.0	4.3	4.9
Others	0.0	0.0	0.0

Stock Performance (%)

	1M	6M	12M
LGEL IN	11.3	9.0	-
Nifty 500	2.1	0.8	3.8

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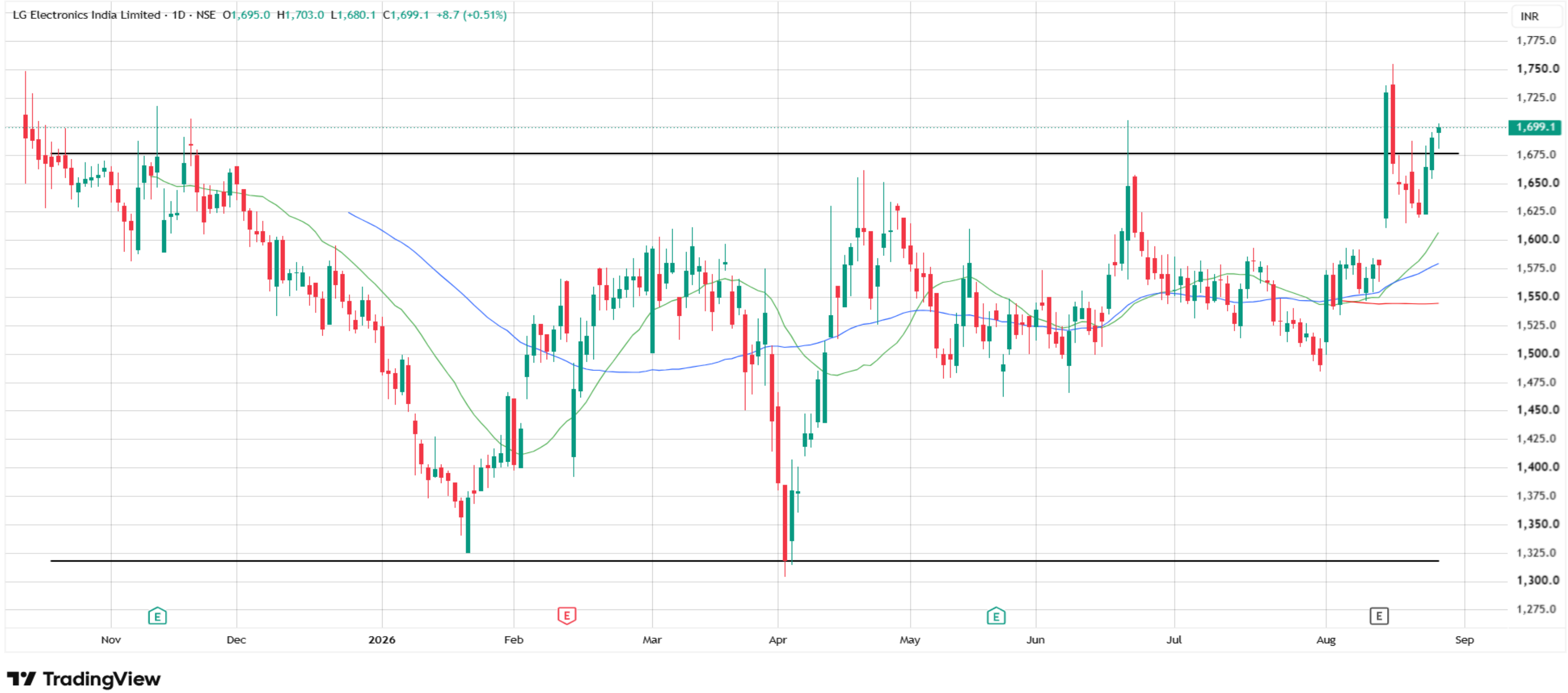
Source: Company reports, Bloomberg, Spark PWM Pvt Ltd
3-Month TP: 3-Month Target Price
** - EPS from Continuing Operations*

LG Electronics India – Technical View

The stock is breaking out of its flat base.

Consumer Durables	Reco/View	Last Day Close	Buy Range	3-Month TP	Potential Upside	Stop loss on a closing basis
	Buy	**Rs. 1,690**	**Rs. 1,650 – 1,730**	**Rs. 2,027**	**19%**	**Rs. 1,500**

Technical View (Daily)



Technical View

- The stock is breaking out of its flat base post its Q1 print.
- It has retaken all its key moving averages (20/50/100-DMA) in the last few trading sessions.
- **Entry:** Initiate positions here (Rs. 1,650 – 1,730) as the stock is breaking out.
- **Support:** The 20-DMA (Rs. 1,607) is expected to act as support.

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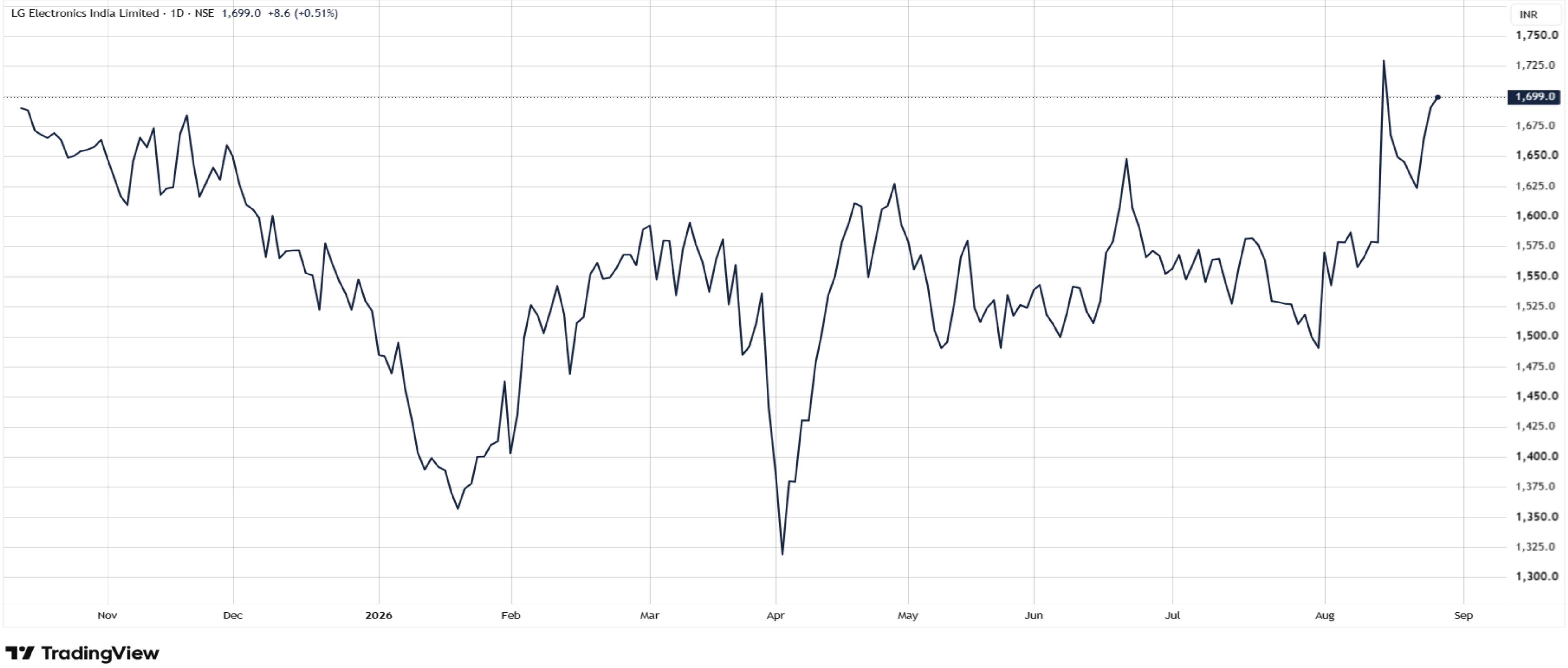
Source: Trading View, Spark PWM
3-Month TP: 3-Month Target Price

LG Electronics India – Technical View

3-Year Price Chart



Source: TradingView

Abbreviation

Bn	Billion
CAGR	Compounded Annual Growth Rate
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
EV/EBITDA	Enterprise Value/ Earnings Before Interest, Tax, and Depreciation
Mn	Million
O/S	Outstanding Shares
P/E	Price/Earnings
Tn	Trillion

Disclaimer (1/2)

Absolute Rating Interpretation

BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	**REDUCE**	Stock expected to provide returns of <5% – -10% over a 1-year horizon
ACCUMULATE	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon	**SELL**	Stock expected to fall >10% over a 1-year horizon
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