


Localisation & Export to Drive Growth
Est. Vs. Actual for Q4FY26: Revenue - INLINE; EBITDA (Adj.) - Marginal BEAT; PAT - INLINE
Changes in Estimates Post Q4FY26
FY27E/FY28E: Revenue:-1%/0%; EBITDA (Adj.): -1%/0%; PAT: 1%/0%
Recommendation Rationale

- Leadership Position:** LG Electronics India continues to strengthen its leadership position across key consumer durable categories, including air conditioners, refrigerators, washing machines and televisions. The company delivered its highest-ever quarterly revenue of Rs 8,054 Cr in Q4FY26 with broad-based growth across premium and mass-premium segments. Strong traction in premium products such as French-door refrigerators, OLED TVs, and higher-star-rated ACs is improving product mix and supporting long-term profitability. LG's robust brand equity, wide distribution network and growing acceptance in Tier-2 and Tier-3 cities position it well to outperform industry growth over the medium term.
- Improving Localisation and Profitability:** The company's aggressive localisation and manufacturing expansion strategy provides strong earnings visibility. LG has committed nearly Rs 5,000 Cr towards the Sri City manufacturing plant, which will significantly enhance RAC and compressor capacity while strengthening exports. Localisation levels have already improved to 55.2%, helping reduce import dependence and mitigate currency volatility. Management expects exports to become a key profitability driver going ahead, supported by increasing shipments of premium refrigerators, washing machines, and Essential Series products to global markets. This export-led growth strategy can meaningfully improve operating leverage and margins over time.
- Diversified Revenue:** LG is also building multiple high-growth verticals that can diversify revenue streams. Businesses, such as AMC services, B2B solutions, commercial air conditioning, dishwashers, and information display solutions, are witnessing healthy momentum. The company highlighted strong recurring revenues from AMC operations along with rising contributions from institutional and infrastructure orders. Additionally, new categories such as chest freezers and fixed-speed ACs expand LG's addressable market opportunity.

Sector Outlook: Positive

Company Outlook & Guidance: Management remains optimistic on FY27 and has guided for mid-teen revenue growth along with early double-digit EBITDA margins. Demand momentum in ACs and premium appliances remains strong, aided by heatwave conditions, low appliance penetration and improving consumer preference for larger and energy-efficient products. While commodity prices and currency fluctuations remain near-term risks, LG's strong balance sheet, Rs 4,476 Cr cash position and expanding manufacturing footprint provide healthy long-term growth visibility.

Current Valuation: 44x FY28E EPS (Earlier Valuation: 44x FY28E EPS)
Current TP: Rs 1,815/share (Earlier TP: Rs 1,815/share)
Recommendation: We maintain our BUY rating on the stock, with a target price of Rs 1,815/share, implying an upside of 22% from the CMP.
Financial Performance

LGEIL reported quarterly revenue of Rs 8,054 Cr, up 8% YoY, in line with estimates. Reported EBITDA stood at Rs 945 Cr, down 10% YoY, with an EBITDA margin of 11.7%, a 242 bps YoY decline. The company reported PAT of Rs 693 Cr, down 8% YoY. During the quarter, the HA/HE segment saw 6%/20% revenue growth. Growth in the HA segment was driven by demand recovery and premiumisation, whereas HE saw event-led demand. For the year, HA/HE segments witnessed -1%/6% revenue growth. FY26 revenues stood at Rs 24,605 Cr, flat growth with EBITDA at Rs 2,408 Cr and margins at 10%. PAT came at Rs 1,685 Cr.

Key Financials (Consolidated)

(Rs Cr)	Q4FY26	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	8,054	95.7	8.1	8204	-1.8
Adj. EBITDA	945	382.1	-10.4	902	4.8
EBITDA Margin	11.7%	697bps	-242bps	11.0%	-
Net Profit	693	672	-8	665	4.2
EPS (Rs)	10.2	672	-8	9.8	4.2

Source: Company, Axis Securities Research

 (CMP as of 22nd May, 2026)

CMP (Rs)	1,490
Upside /Downside (%)	22%
High/Low (Rs)	1,749/1,300
Market cap (Cr)	1,01,171
Avg. daily vol. (1m) Shrs.	7,44,305
No. of shares (Cr)	67.87

Shareholding (%)

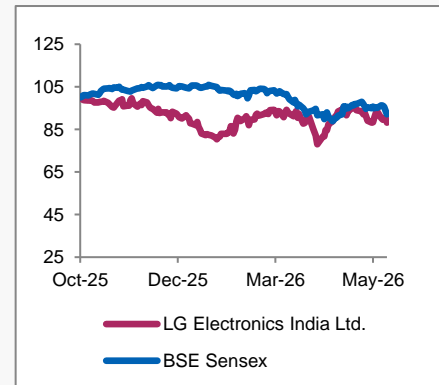
	Sep-25	Dec-25	Mar-26
Promoter	85.0	85.0	85.0
FIIs	2.9	3.0	2.7
MFs / UTI	2.7	5.4	6.0
Others	8.5	6.6	6.3

Financial & Valuations

Y/E Mar (Rs Cr)	FY26	FY27E	FY28E
Net Sales	24,605	27,739	30,513
EBITDA	2,408	3,467	3,967
Net Profit	1,685	2,586	2,791
EPS, Rs	25	38	41
PER, x	63	41	38
EV/EBITDA, x	45	31	27
ROE, %	22	29	27
Debt/Equity (%)	0.8	0.7	0.7

Change in Estimates (%)

Y/E Mar	FY27E	FY28E
Revenue	-1%	0%
EBITDA	-1%	0%
PAT	1%	0%

Relative Performance


Source: Ace Equity, Axis Securities Research

Eesha Shah

Research Analyst

eesha.shah@axissecurities.in

Key Highlights from Concall

- LG crossed the milestone of 1 Mn RAC unit sales in Q4FY26, aided by strong summer demand and low AC penetration in India.
- The company announced its FY27 strategic framework, "XCEL", focused on exports, manufacturing capability expansion, market leadership, and localisation.
- LG plans to invest Rs 5,000 Cr in the new Sri City plant, which will become a major manufacturing and export hub.
- Compressor production at Sri City is expected to start in Q3FY27, while RAC production will commence in Q4FY27.
- Localisation levels improved to 55.2% in FY26, and management aims to improve localisation by 1–2 percentage points annually.
- Export business remains a key growth driver, with exports of premium refrigerators, front-load washing machines, and Essential Series products expanding to 22 countries.
- Premium categories continued to outperform, with French-door refrigerator market share increasing from 5% to 14% by Mar'26.
- Essential Series products saw strong traction in Tier-2/3 markets, with Q4 sales of nearly 1 Lc washing machines and 80,000 refrigerators.
- New product categories, including dishwashers, chest freezers, fixed-speed ACs, and large-capacity refrigerators, are expected to drive incremental growth and premiumization.

Key Risks to Our Estimates and TP

- **Increasing Market Competition:** Heightened competition is faced by sector players, especially from Chinese brands, which are known for competitive pricing, innovative market strategies, and rapid product cycles.
- **Dependency on Parent:** The company is supported by LG Electronics as its promoter and pays royalties to LG Electronics. Any adverse change in this relationship could negatively impact the company's business, reputation, financial condition, and results of operations.
- **Raw Material Pricing:** Raw materials are sourced from a mix of domestic and international suppliers. These suppliers may themselves rely on third parties for inputs, and any disruption in this supply chain could adversely impact the company's operations.
- **Revenue Concentration:** Most of the revenue from continuing operations is derived from the Home Appliances and Air Solutions (HA) division. Any factor that adversely affects this division, particularly HA, could negatively impact revenue from operations.

Change in Estimates

(Rs Cr)	Revised		Old		% Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	27,739	30,513	28,112	30,642	-1%	0%
EBITDA (Adj.)	3,467	3,967	3514	3983	-1%	0%
PAT	2,586	2,791	2567	2797	1%	0%

Source: Company, Axis Securities Research

Q4FY26 Results Review

(Rs Cr)

Particulars	Q4FY25	Q3FY26	Axis Sec Est (Rs Cr)	Q4FY26	% Change (YoY)	% Change (QoQ)	Variance (%)
Revenue	7449	4,114	8,204	8,054	8.1	95.7	-1.83
Other							
Net Revenue	7449	4,114	8,204	8,054	8.1	95.7	-1.83
YoY Revenue Growth (%)		-6%	10%	8%		-226.9	-19.9
Total Expense		3,918	7,302	7,108			
EBITDA	1,055	196	902	945	-10.4	382.1	4.75
EBITDA Margin	14%	5%	11%	12%	-242bps	697bps	74bps
Depreciation & Amortisation Expense		111	94	102			
EBIT		85	808	844			
Finance cost		9	9	14			
Other Income		76	76	101			
EBT		152	875	931			
Exceptional Items		-	-	-			
Profit Before Tax (PBT)	1,010	152	875	931			
Tax Expense		62	210	238			
ETR (%)	25%	41%	24%	26%			
Profit After Tax	755	90	665	693	-8.2	672.5	4.15
PAT Margin	10%	2%	8%	9%	-15.1	294.6	6.10
No of shares Outstanding in Cr	68	68	68	68			
Earnings Per Share	11	1	10	10	-8.2	672.5	4.15

Source: Company, Axis Securities Research

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E Mar	FY25	FY26	FY27E	FY28E
Total operating revenues	24,367	24,605	27,739	30,513
Growth (%)	14	1	13	10
EBITDA	3,110	2,408	3,467	3,967
EBITDA margin (%)	13	10	13	13
<i>Growth (%)</i>	40	-23	44	14
Depreciation & amortization	380	396	471	596
EBIT	2,730	2,012	3,165	3,482
EBIT margin (%)	11	8	11	11
Interest	31	41	41	45
Other income	264	328	370	336
Profit before tax	2,963	2,300	3,494	3,772
Total Tax	760	614	909	981
Profit After Tax	2,203	1,685	2,586	2,791
net margin (%)	9.0	6.8	9.3	9.1
EPS (Rs)	32	25	38	41

Source: company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E Mar	FY25	FY26	FY27E	FY28E
Equity share capital	679	679	679	679
Other equity	5,291	6,987	8,273	9,764
Total Equity	5,970	7,666	8,951	10,442
Non-Current Liabilities				
Financial Liabilities	331	344	344	344
Other Non-current liabilities	318	456	456	456
<i>Total Non-Current Liabilities</i>	649	801	801	801
Current Liabilities				
Financial Liabilities	97	115	115	115
Other Current Liabilities	4,801	5,055	5,493	5,889
<i>Total Current Liabilities</i>	4,898	5,170	5,608	6,003
Total Equity & Liabilities	11,517	13,636	15,360	17,247
Non-Current Assets				
Net Fixed Assets	1,404	2,018	2,548	3,452
Financial Assets	572	860	860	860
<i>Total Non-Current Assets</i>	1,976	2,878	3,407	4,311
Current Assets				
Inventories	3,031	2,962	3,116	3,427
Financial Assets	6,266	7,550	8,591	9,261
Other Current Assets	243	247	247	247
<i>Total Current Assets</i>	9,541	10,758	11,953	12,935
Total Assets	11,517	13,636	15,360	17,247

Source: company, Axis Securities Research

Cash Flow
(Rs Cr)

Y/E Mar	FY25	FY26	FY27E	FY28E
PBT	2,963	2,300	3,494	3,772
Depreciation	380	396	471	596
Others	-233	-178	0	0
Tax Paid	-754	-621	-909	-981
Changes in Working Capital	-703	-175	753	-152
Net Cash from Operations	1,654	1,721	3,810	3,235
Capex	-335	-1,172	-1,000	-1,500
Change in Investment	248	268	0	0
Others	59	48	0	0
Net Cash from Investing	-28	-856	-1,000	-1,500
Others	-76	-91	0	0
Net Cash from Financing	0	0	0	0
Net Change in Cash	-30	-36	0	0
Cash and cash equivalents at the beginning of the year (less bank overdrafts) (refer note 14)	-106	-127	0	0
Cash at the End of Year	1,520	737	2,810	1,735

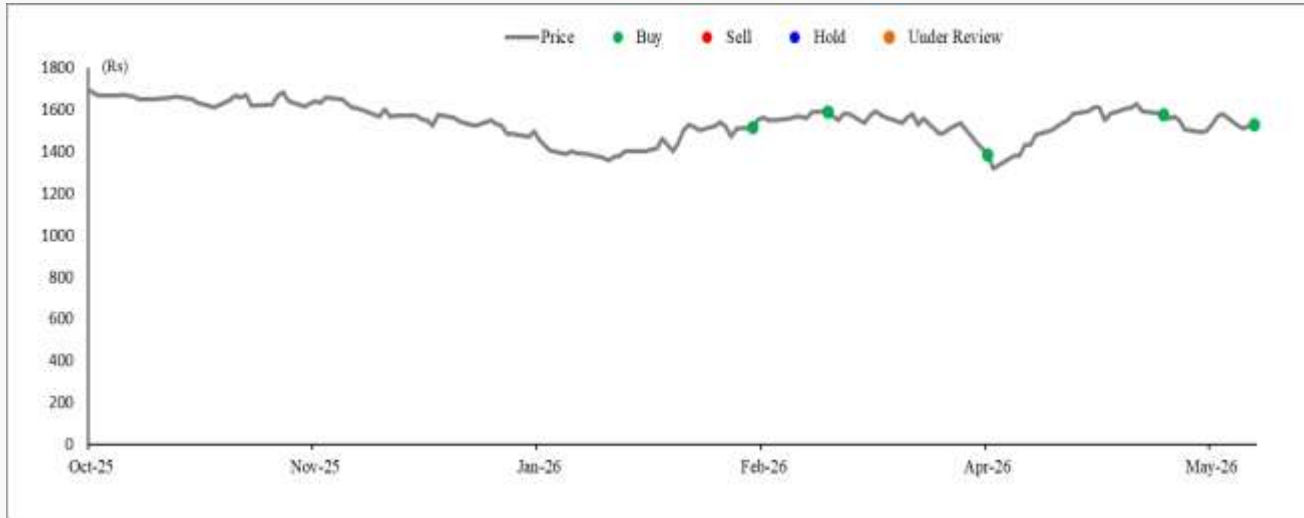
Source: company, Axis Securities Research

Ratio Analysis
(x) / (%)

Y/E Mar	FY25	FY26	FY27E	FY28E
PROFITABILITY RATIOS				
EBITDA Margin (%)	13%	10%	13%	13%
net margin (%)	9.04	6.85	9.32	9.15
Return on invested capital (%)	41	24	32	31
Return on equity (%)	37	22	29	27
EFFICIENCY RATIOS				
Fixed Asset Turnover	17.35	12.19	10.89	8.84
Debt to equity	31	38	34	30
Interest coverage	60	64	59	58
Debtor days	70	73	72	73
Inventory days				
Payable days	32.46	24.83	38.10	41.13
PER SHARE DATA	87.96	112.94	131.89	153.86
EPS (Rs)				
Book value per share (Rs)				
DPS (Rs)	48.52	63.44	41.34	38.30
VALUATION RATIOS	17.91	13.95	11.94	10.24
P/E	34.95	45.01	30.95	27.05
P/BV	13%	10%	13%	13%
EV/EBITDA	9.04	6.85	9.32	9.15

Source: company, Axis Securities Research

LG Electronics India Price Chart and Recommendation History



Date	Reco	TP	Research
17-Feb-26	BUY	1,770	Initiating Coverage
02-Mar-26	BUY	1,815	Top Picks
01-Apr-26	BUY	1,815	Top Picks
04-May-26	BUY	1,815	Top Picks
25-May-26	BUY	1,815	Result Update

Source: Axis Securities Research

Axis Direct is the brand under Axis Securities Limited, which is a 100% subsidiary of Axis Bank Limited. Axis Bank Ltd. is a listed public company and one of India's largest private sector banks, and has its various subsidiaries engaged in businesses of Asset management, NBFC, Merchant Banking, Trusteeship, Venture Capital, Stock Broking, the details in respect of which are available on www.axisbank.com.

Axis Securities Limited is registered as a

- Stock Broker, Depository Participant, Portfolio Manager, Investment Adviser and Research Analyst with the Securities and Exchange Board of India
- Corporate Agent with Insurance Regulatory and Development Authority of India
- Point of Presence with Pension Fund Regulatory and Development Authority
- Distributor for Mutual Funds with AMFI

Registration Details:

SEBI Single Reg. No.- NSE, BSE, MSEI, MCX & NCDEX – INZ000161633 | SEBI Depository Participant Reg. No. IN-DP-403-2019 | Portfolio Manager Reg. No.- INP000000654 | Investment Advisor Reg No. INA000000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073| PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

Compliance Officer Details: Name – Mr Rajiv Kejriwal, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parc, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

In case of any grievances, please call us at 022-40508080 or write to us at helpdesk@axisdirect.in.

We hereby declare that our activities have neither been suspended nor have we defaulted with any stock exchange authority with whom we are registered in the last five years. However, SEBI, Exchanges, Clearing Corporations and Depositories, etc. have conducted the routine inspection and based on their observations have issued advice/warning/show cause notices/deficiency letters/ or levied penalty or imposed charges for certain deviations observed in inspections or in the normal course of business, as a Stock Broker/Depository Participant/Portfolio Manager. We have not been debarred from doing business by any Stock Exchange/SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point in time.

Investments in the securities market are subject to market risks. Read all the related documents carefully before investing.

By referring to any particular sector, Axis Securities does not provide any promise or assurance of a favourable view for a particular industry or sector or business group in any manner.

Registration granted by SEBI, membership of RAASB (in case of RA's) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors. Our research should not be considered as an advertisement or advice, professional or otherwise. This research report and its respective content by Axis Securities made available on this page or otherwise do not constitute an offer to sell or purchase or subscribe for any securities or solicitation of any investments or investment services for the residents of Canada and/or the USA or any jurisdiction where such an offer or solicitation would be illegal.

Subject company(ies) may have been clients during the twelve months preceding the date of distribution of the research report. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by ASL and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

The information and opinions in this report have been prepared by Axis Securities and are subject to change without notice. The report and information contained herein are strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Axis Securities. The report must not be used as a singular basis for any investment decision. The views herein are of a general nature and do not consider the risk appetite, investment objective or the particular circumstances of an individual investor. The investor is requested to take into consideration all the risk factors, including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

While we would endeavour to update the information herein on a reasonable basis, Axis Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Axis Securities from doing so. Non-rated securities indicate that the rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Axis Securities policies, in circumstances where Axis Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained in good faith from public sources and sources believed to be reliable, but no independent verification has been made, nor is its accuracy or completeness guaranteed. This report and information herein are solely for informational purposes and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Axis Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and/or tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and the needs of the specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Axis Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see the Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set

forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Axis Securities or its associates might have managed or co-managed a public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Axis Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. Axis Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking, or brokerage services from the companies mentioned in the report in the past twelve months. Axis Securities encourages independence in research report preparation and strives to minimise conflict in the preparation of research reports. Axis Securities or its associates, or its analysts, did not receive any compensation or other benefits from the companies mentioned in the report or a third party in connection with the preparation of the research report. Accordingly, neither Axis Securities nor Research Analysts and/or their relatives have any material conflict of interest at the time of publication of this report. Please note that Axis Securities has a proprietary trading desk. This desk maintains an arm's length distance from the Research team, and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Research Analyst may have served as an officer, director or employee of the subject company(ies). Axis Securities or Research Analysts, or their relatives, do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report. Since associates of Axis Securities and Axis Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one per cent or more or other material conflicts of interest in various companies, including the subject company/companies mentioned in this report. Axis Securities may have issued other reports that are inconsistent with and reach different conclusions from the information presented in this report. Certain transactions-including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centre on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed herein or act as advisor or lender/borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Axis Securities may have proprietary long/short positions in the above-mentioned scrip(s) and therefore may be considered as interested. This should not be construed as an invitation or solicitation to do business with Axis Securities. Axis Securities is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independently of the PCG research, and accordingly, PMS may have positions contrary to the PCG research recommendation.

This research report is issued in India by Axis Securities Limited in accordance with the Securities and Exchange Board of India (Research Analysts) Regulations, 2014. It is intended solely for persons residing in India. The report is not directed at or intended for distribution to, or use by, any person or entity resident in the United States of America, Canada, or in any jurisdiction where such distribution, publication, availability, or use would be contrary to applicable securities laws, including the U.S. Securities Exchange Act of 1934, regulations of the U.S. Securities and Exchange Commission (SEC), and regulations of the Canadian Securities Administrators (CSA).

RATING SCALE: Definitions of ratings

Ratings	Expected absolute returns over 12 – 18 months
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward-looking estimates for the stock, but we refrain from assigning a valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events.
NO STANCE	We do not have any forward-looking estimates, valuations or recommendations for the stock.

Note: Returns stated in the rating scale are our internal benchmark.