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LGEIL/CGC/2026-27/47

Date: August 20, 2026

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001

NSE Symbol: LGEINDIA

Scrip Code: 544576

Sub: Transcript of Earnings Call in respect of Un-Audited Financial Results for the quarter ended June 30, 2026

Dear Sir/Madam,

This is in reference to the Company's intimation dated August 6, 2026 filed with the Stock Exchanges pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding the Earnings call held to discuss the Un-audited financial results of the Company for the quarter ended June 30, 2026, which was scheduled on August 14, 2026.

Further to the audio recording already submitted to the Stock Exchanges, we hereby enclose the Transcript of the said Earnings Call.

The same is also available on the Company's website at: https://www.lg.com/in/investorrelations/quarterly-reports/

You are requested to take the same on record.

Thanking You,

Yours truly,
For **LG Electronics India Limited**

Anuj Goyal

Digitally signed by Anuj Goyal
DN: c=IN, st=Delhi, 2.5.4.20=cd884a46ddb4083faaa8aa529316f5b5fa75043782a7029c66b232e76d747c0c, postalCode=110092, street=J EXT 110 LAXMI NAGAR GALI NO2 NEAR JAGAT RAM PARK Laxmi Nagar east Delhi, pseudonym=20250625144403137, title=5591, serialNumber=523087c1d87cd3a4becfec89071a399096cf9d22867419e0779cce796472add4, o=Personal, cn=Anuj Goyal
Date: 2026.08.20 18:20:26 +05'30'

(Anuj Goyal)
Company Secretary and Compliance Officer

Encl: As above

"LG Electronics India Limited
Q1 FY2027 Earnings Conference Call"
August 14, 2026

MANAGEMENT: **MR. DONG MYUNG SEO – CHIEF FINANCIAL OFFICER – LG ELECTRONICS INDIA LIMITED**
MR. SANJAY CHITKARA – CO-CHIEF SALES & MARKETING OFFICER – LG ELECTRONICS INDIA LIMITED
MR. ATUL KHANNA – CHIEF ACCOUNTING OFFICER – LG ELECTRONICS INDIA LIMITED
MR. GAGANJEET SINGH – CHIEF MANUFACTURING OFFICER – LG ELECTRONICS INDIA LIMITED
MR. GURPINDERJEET SINGH – HEAD FINANCIAL PLANNING – LG ELECTRONICS INDIA LIMITED
MR. SOONJOO SEO – INVESTOR RELATIONS OFFICER– LG ELECTRONICS INDIA LIMITED
MR. ADITYA BHASIN – HEAD, INVESTOR RELATIONS – LG ELECTRONICS INDIA LIMITED

MODERATOR: **MR. RAHUL ARORA – CHIEF EXECUTIVE OFFICER – ASHIKA INSTITUTIONAL EQUITIES**
MS. ARSHIA KHOSLA – ANALYST- ASHIKA INSTITUTIONAL EQUITIES

Moderator: Ladies and gentlemen, good day and welcome to the LG Electronics India Q1 FY2027 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. I would like to inform you that the call is being recorded and the audio call and transcript will be available on the company's website.

I would now like to hand the conference over to Mr. Rahul Arora, CEO of Ashika Institutional Equities. Thank you, and over to you, Mr. Rahul.

Rahul Arora: Thank you, Michelle. On behalf of Ashika Institutional Equities, I would like to welcome all the participants to the Q1 FY2027 Earnings Conference Call of LG Electronics India Limited. At the outset, I would like to thank the LG Electronics management for giving us the opportunity to host the call.

I would now like to hand over the call to Mr. Aditya Bhasin, Head of Investor Relations, LG Electronics India. Thanks, and over to you, Aditya.

Aditya Bhasin: Thank you, Rahul. Namaste. A very good evening to everyone. I would like to welcome you to the Q1 FY2027 Earnings Conference Call of LG Electronics India Limited. Hope you have gone through our earnings presentation uploaded on our website and Stock Exchange.

I also want to remind you of the Safe Harbor. We may be making some forward-looking statements that have to be understood in conjunction with uncertainties and the risks that the company faces.

Today, we have our senior management with us, being represented by Mr. Dongmyung Seo, our Chief Financial Officer; Mr. Sanjay Chitkara, Co-CSMO; Mr. Atul Khanna, Chief Accounting Officer; Mr. Gaganjeet Singh, Chief Manufacturing Officer; Mr. Gurpinderjeet Singh, Head Financial Planning; and Mr. Soonjoo Seo, Investor Relations Officer.

Without further delay, I would like to invite our IRO, Mr. Soonjoo Seo, to share his opening remarks and take us through the LG Electronics India's performance and strategic highlights for the quarter and the full year. Thank you and over to you, sir.

Soonjoo Seo: Namaste. Good evening, everyone and thank you for joining us for our Q1 FY2027 Earnings Conference Call. Growth, profitability, market leadership this quarter, LG delivered on all three. We grew revenue 15.5% year-on-year with EBITDA margin at 12.5%, up 1.1 percentage point year-on-year and 0.8 percentage point sequentially.

Both revenue and profitability came in ahead of market expectations. For us, this is more than a good quarter. It is evidence that our fundamentals are sound and that we deliver what we commit to this market. On growth, the quality matters more than the headline.

Every key category we operate in grew double digits. This is not a story of one category carrying the quarter. This is our entire portfolio performing together, as we continue to maintain market leadership across all key categories. This explains the strength of a diversified portfolio.

On margin, the context is what makes this significant. We expanded margins in a quarter when the entire industry was absorbing raw material cost pressure. We did it through a better product mix and calibrated price increases, not by stepping back from the market. Against 11.4% in the same quarter last year, 12.5% reflects operating discipline and pricing strength built into the business over time.

Let me now turn to our future vision, which is built on three pillars: Make for India, Make in India, and Make India Global. Make for India: Our premium strategy is not just working, it is also reshaping our business. Large screen televisions, French door refrigerators, large capacity front door washing machines, and five-star rated air conditioners have all delivered exceptional growth this quarter.

Alongside premium, our Essential series continues its rapid growth. Between January to June, LG sold over half a million of Essential series range. Essential series is not just a product line, it is our outreach to the next generation of LG customers. At the top of the market and at the entry point, we are present in both.

Make in India: Our third manufacturing plant at Sri City, Andhra Pradesh, remains firmly on track. Compressor production commenced in Q3 FY27, followed by room air conditioner production in Q4 FY27. Sri City will expand capacity, deepen our supply chain, and serve as a dedicated hub for both domestic supply and export.

Make India Global: Our export business has gained real momentum and has grown significantly this quarter. We now supply to 61 countries, including both neighboring and key global markets. We have widened our export model range and entered developed markets with premium products. The increasing contribution from B2B and non-hardware AMC businesses are building a stronger recurring revenue mix, improving earnings visibility and stable earnings. We are actively pursuing further opportunities in new business segments to build the next set of growth engines.

To close, Q1 FY27 verifies what we said we would do: drive consistent growth, expanding margins, sustained market leadership, and ensure steady progress on our future vision. We are not just delivering the result, we are building a business that creates lasting value for every stakeholder.

I will now hand over to our Chief Accounting Officer, Mr. Atul Khanna, to take you through the details. Over to you, Atul ji.

Atul Khanna: Thank you, Mr. Seo, and good evening everyone. Let me take you through our financial performance for the first quarter of fiscal year '27 in more details. Let me touch upon firstly revenue performance. Revenue from operations for Q1 FY2027 stood at INR72.33 billion, representing growth of 15.5% year-on-year over INR62.63 billion in Q1 of FY26.

This growth was portfolio-wide, with every major category growing in double digits on the back of both volume and value, which speaks to the balance of our portfolio rather than dependence on any single line of business. Domestic performance was strong, supported by a growing consumer shift towards feature-rich, higher value, and energy-efficient products, and exports added further momentum on top of this, with export revenue growing significantly during the quarter.

Now I will touch upon margin performance. EBITDA for the quarter stood at INR9.04 billion as compared to INR7.16 billion, a growth of 26.2% with an EBITDA margin of 12.5% as compared to 11.4% in Q1 FY26, an improvement of 110 bps points year-on-year. Let me explain the margin bridge.

The improvement came from three sources. First, a rich product mix with premium, feature-rich categories growing faster than the portfolio average. Second, calibrated price increase taken across selected categories, which allowed us to recover input cost inflation without impacting demand.

Thirdly, operating leverage from higher volumes across our fixed cost base with robust home entertainment demand contributing strongly. Net profit for the quarter stood at INR6.53 billion as compared to INR5.13 billion, a growth of 27.2% with PAT margin of 8.9%.

Now I will share with you on exports. We have delivered our highest ever quarterly export performance. We are expanding into additional geographies and now supplying to over 60 countries despite the ongoing West Asia conflict. I would particularly highlight exports of our premium products like side-by-side refrigerators and large capacity top freezers to global markets, along with our Essential series to neighboring countries.

And importantly, this growth is margin accretive, exports continue to earn ahead of domestic business, which makes this one of the more attractive levers we have. Now on the working capital management. Working capital as of 30th June 2026 stood at INR12.56 billion.

This reflects a strong sell-through season with optimized channel inventory and faster realization of receivables, giving our trade partners confidence as we head into the festival season. Our cash and bank balance stood at INR57.07 billion, giving us the flexibility to fund the Sri City investment through internal accruals without external borrowings.

On the capital expenditure, for the quarter, we land up at INR7.36 billion of out of which INR5.88 billion was deployed at Sri City. We expect capitalization to begin from the second half of this fiscal year as the aircon compressor and room air conditioner lines come on stream.

While these initiatives will result in some incremental costs in the near term, we expect the ramp-up of these production lines to drive greater efficiencies with the benefits of in-house manufacturing more than offsetting the initial investment.

Alongside Sri City, we continue to invest in our two existing production facilities in Pune and Greater Noida to scale up capacity, adding new family size to the Essential series and ramping up premium products manufacturing to meet demand for the coming years. To summarize, this has been a quarter of quality growth. Revenue grew, margin expanded, market leadership held, and the balance sheet remains strong.

With that, I would like to hand over to Mr. Aditya Bhasin, Head Investor Relations, who will take you through the segmental details and outlook. Over to you, Mr. Bhasin.

Aditya Bhasin: Thank you, Atul ji. Namaste and good evening once again. Let me now take you through our segmental performance for the quarter, starting with Home Appliance and Air Solution segment. I want to draw your attention to something specific about this quarter. What makes it special is not just how much we grew, but where the growth came from.

Every key category delivered. This was not a quarter carried by the season alone, it was carried by the depth of our portfolio. Cooling products set the pace, and the washing machines kept right up with them. The segment revenue for Q1 FY27 stood at INR55.77 billion, a growth of 13.6%.

Our premium range led from the front. French door refrigerators, 8 kg plus washing machines, and dishwashers all grew exceptionally well, far ahead of the rest of the portfolio. And at the other end, LG Essential crossed half a million units between January and June, bringing LG into the homes we had not reached before. Premium at the top, Essential at the entry, and the market leadership in every key appliance category. Our two-track strategy is working exactly as we planned.

On profitability, maintaining our margins despite elevated commodity costs and currency headwinds is a significant achievement. Segment EBIT grew around 13.8% year-on-year to about INR6.4 billion with margins steady at 11.5%. This came from better operating leverage on higher volumes, disciplined pricing, and the growing benefit of deeper localization.

Looking at the second quarter demand outlook, the picture stays healthy. The monsoon is lifting washing machine sales, festive stocking has already begun, and prices across the industry have held firm as higher input costs were passed on in a calibrated way. For LG, the next leg of growth is already underway. Washing machines and refrigerators continue to build momentum, helped by large capacity Essential series models and a strong pipeline of new launches.

Our premium range keeps growing faster than the industry, led by French door refrigerators, AIDD washing machines. Of course, exports will add another layer as we roll out premium products and take Essential series into the new markets. Sustainable growth with better margins is what these initiatives are built to deliver.

Moving to Home Entertainment segment, televisions were the highlight of the quarter. Consumers are moving decisively towards larger screens and premium technologies like OLED and QNED, which kept strengthening our mix. The sports season added to this, pulling forward upgrade decisions that might otherwise have taken longer. What worked in our favor was timing. Our launches were in the market early, so we were ready when the demand came.

Alongside this, Information Display business held its momentum on the back of government and institutional orders, giving Home Entertainment a strong second engine. Segment revenue for Q1 2027 stood at INR16.57 billion with a robust growth of 22.3%. Segment EBIT grew an exceptional 48.5% year-on-year with margin expanding to 19%.

Two things drove this, on the demand standpoint, premiumization and a richer product mix improved realization, on the cost side, promotional spends normalized and our Information Display business ran on a leaner cost structure. Together with operating leverage from strong revenue growth and continued cost discipline, this delivered one of our strongest quarters for margin performance.

Taking and looking ahead into Q2 outlook for Home Entertainment, channel stocking is already underway ahead of Onam, Durga Puja, and Diwali, and this shift towards the premium large screen viewing shows no signs of slowing and consumer preference for bigger screens is only getting stronger.

We are now entering the season well prepared. Our large screen and premium portfolio has expanded, and new introductions across both QNED and OLED will sharpen our category leadership further. On the ID side, the momentum we built this quarter continues, with the electronic blackboard and our second generation Micro LED and MAGNIT moving from launch to scale, driving both sales growth and margin improvement.

Let me close with what this quarter tells us about the business. We grew across the board in mid-teen double digits in every major category. Premium and Essential both did exactly what we designed them to do. One leading at the top and the other opening doors we had not opened before. Exports grew significantly and now reach over 60 countries, adding a second engine to a strong domestic performance.

We expanded margins while the industry absorbed the cost pressures, and we held our market leadership in every category. Our Q1 performance is the result of the decisions taken over several quarters, to invest in premium when it was easier to chase volume, to build Essential for the Indian home rather than wait for the market to come to us, to put manufacturing capacity in place before the demand arrived, and to build an export business with real reach today.

The festive season is ahead of us. Our launch pipeline is full. The long-term potential of the Indian consumer electronics market is far from fully realized, given the low penetration levels across the major categories we serve. We entered FY27 with conviction. One quarter in, that conviction has translated into results, and we remain firmly confident in our ability to create long-term value for all our stakeholders.

With that, on behalf of the entire management team, thank you for your continued trust and support. We now conclude our prepared remarks and request the operator to open the lines for the question. Thank you.

Moderator: The first question is from the line of Latika Chopra from J.P. Morgan. Please go ahead.

Latika Chopra: Thank you. Hi team, good to see a strong performance. My first question was on the Home Entertainment segment. Could you share how sustainable is the strength in the revenue growth that we have seen in Q1 for the rest of the year? And if you could also share how much of this growth is coming from volumes and pricing?

Management: So this question will first be translated into the Korean language. Please hold the lines. This question will be addressed by our Co-CSMO Mr. Sanjay Chitkara.

Management: Yes, thanks Latika for this question. So actually, if you see our TV business is very consistent and it is continuously growing from last quarter. So this quarter, we again delivered a 25% growth back-to-back. So growth is coming actually from volume and value together. So, if I talk about on the volume side, consumers are actually upgrading their TVs to larger size TVs and they just want to enhance their viewing experience.

To give you like example, in our product portfolio, 55-inch and above segment has grown roughly around 53% in quarter one. And now our 55-inch plus segment is contributing around 50% of our overall business. So we are very confident of improving this trend during festival time further. So this year, Latika, we have again widened our TV portfolio. We launched new range to the market considerably earlier this year.

The new TV ranges includes 16 new models of QNED TV. We also introduced Micro RGB TV, which is a very high-end display technology. And we have also enabled our TVs with Microsoft Copilot and Google Gemini to give a personalized AI experience to our viewer. Our OLED and other high-end TVs, we have upgraded advanced processor. So the result of this new range is very encouraging and that is also reflecting in our market share.

The TV market share is now touching 26% and OLED market share is touching 59%. And we are continuously increasing our gap with number two player. Our TV growth is very much sustainable and it is not at all seasonal, and it is a structural shift towards the larger premium formats, and premium mix is also supporting the margin also. So it is a very high-quality growth. Thank you very much.

Latika Chopra: Thank you, sir. And my second question was on the exports business. Could you share, what was the growth in exports and the share of business? And you talked about new geographies, but I also wanted to check what is the contribution of US and Europe geographies here? And is there any update on your latest target for full year FY27 in terms of export growth? And just wanted to reconfirm, you said exports is margin accretive, so any more color if you could share on how are the margins compared to domestic business? Thank you.

Management: This question will also be translated in Korean first. Kindly hold the lines. This question will be addressed by Mr. Sanjay Chitkara, who is our Co-CSMO.

Management: So thanks for this question. See, despite of tough global scenario, our export business delivered a 30% growth in quarter one. And we are very happy with this performance and it is in line with our targets. So our export strategy is very clear.

So there are two pillars and we are working simultaneously on both the pillar. First, we are exporting premium products including our large size capacity frost-free refrigerator, side-by-side refrigerator to key global market. And second, our Essential series, which we introduced last year at the time of our IPO, that includes refrigerator and washing machine, is being exported to multiple countries like Asia, Middle East, Africa, and the response has been very good.

So we are actively planning to expand both the numbers of countries and volume going forward. Let me tell you one more thing. At the time of IPO, we were exporting to 45 or 47 country. Today, our global footprint has expanded to 65 countries, which is reflecting the growing acceptance of our products and the strength of our export capabilities. So our margins are relatively better in export as compared to our domestic sale.

So we can say that export is not just only a volume play for us, it is also adding significantly to our margins and strengthening our overall profitability. As far as the full year target is concerned, our ambition is to significantly increase our export. So I cannot give you the exact numbers because it's just the beginning and three quarters are ahead of us. There could be a marginal fluctuation quarter to quarter, but we will definitely hit our yearly target this year and we are very well on track to achieve this.

And lastly, our Sri City plant, which is a central to this ambition for the export, we are starting compressor production in the beginning of this calendar year and followed by RAC production. Post commencement of this plant, we will meaningfully expand our export capacity and we will open newer geographies and turning our export from an opportunity into a scale. So thank you very much.

Latika Chopra: Thank you so much and all the best.

Moderator: Thank you. We will take the next question from the line of Bhavani K from Axis. Please go ahead.

Bhavani K: Yeah, good evening everyone and congratulations for a great set of numbers. I have two questions. Firstly, on sir, if you can help me out with what are the key growth drivers for the company which will help you to achieve the FY27 targets and which are all do you see that in long term we foresee a potential for a long-term sustainable growth? That's the first question.

Management: So this question will translated in Korean language. Kindly hold the lines. So this question will address by our IRO, Mr. Soonjoo Seo. Over to you, sir.

Soonjoo Seo: Our confidence doesn't rely on any single factor. It comes from clear differentiation and multiple drivers working at the same time, and Q1 showed all of them contributing. First, our exports business is scaling significantly. We are entering both key global markets and neighboring countries through our premium and Essential lines.

India is integral to LG's global south strategy and serves as a key growth engine for the company's long-term vision. Second, premiumization, across every category, consumers are scaling up in every category like bigger screens in TVs, French door and side-by-side in refrigerators, 8 kilogram and above in washing machines, 5-star inverter models in air conditioners. We lead in each of these premium segments, so as the market moves upward, it will move toward LG.

Bhavani K: Got it, sir. Thank you so much for this. Second question was particularly on, sir, if you have gone through, recently the government has changed import policy. If you can help us understand what is this change exactly and what is the impact on LG, given we are coming up with the compressor facility in Q3 of this financial year?

Management: So, this question will also be addressed in Korean language. Kindly hold the line. This question will be address by our CMO, Mr. Gaganjeet Singh. Over to you sir.

Gaganjeet Singh: So thank you for this question. In this year, 8th of May, the Government of India, they introduced quantitative restriction on the import of compressors. So import of compressors are restricted against the financial year 2024-2025 up to 60% for the reciprocating compressors which we use for refrigerators and around 70% for the rotary compressor which we use for air conditioners.

For LG, the impact is very positive and will help to increase our business revenue and margins by leveraging our local compressor production capabilities. For air conditioners, we already operate 1 million capacity unit at our Greater Noida factory, and we are furthermore adding 2 million capacity at our Sri City plant.

As far as refrigerators are concerned, we are already having a 7 million capacity at our Greater Noida factory, which is comfortably above our internal requirements, which gives us a strong supply security. So our backward integration and the high localization means that we can maintain a cost supply continuity without disruption and without the sourcing cost pressure that many import-dependent manufacturers may face.

Our cost position should be relatively advantaged under this policy, which strengthen our price competitiveness and creates an opportunity to build our market share, particularly in refrigerators and air conditioners. Overall, LG is well positioned to maintain supply continuity, profit margins, and strengthen its competitive position under the revised compressor import policy. Thank you very much.

Moderator: Mr. Bhavani, does that answers your questions.

Bhavani K: Yeah. Thank you so much. I'll call back in the queue. Thanks

Moderator: Thank you. We'll move to the next question from the line of Mr. Achal Lohade from Nuvama Institutional Equities. Please go ahead.

Achal Lohade: Yeah, good afternoon team. Thank you for the opportunity. Congratulations on excellent show given the environment. Sir, 2 questions. First, if you could help us with an update on the performance of the B2B segment in Q1 FY2027, particularly in terms of the revenue growth, demand trends, and key end-user industries? Also, how are you seeing the demand environment evolve going forward and what is your outlook for the B2B segment for the full year FY27? That's my first question.

Management: This question will be address in Korean language. Kindly hold the lines. So this question will be address by Mr. Sanjay Chitkara, our Co-CSMO. Over to you, sir.

Management: So thank you for this question. Regarding our B2B business, we are happy to inform you that it has delivered a very strong growth in Q1 financial year 2027 and we are very pleased with the momentum which we are seeing. Our B2B business is constructed mainly for 2 product line. The first one is HVAC and second is the information display panels.

In information display panels, our LED signages recorded its highest ever quarterly sale in the Q1. And with continuous inflow of government and corporate orders, we have also achieved 36% market share in this business and now we have created roughly around 5% gap with the number 2 player.

So this demand momentum remains encouraging across both in the government and corporate sector, with interactive panels continuing to lead the orders from smart classroom projects while the corporate sector is driving healthy across demand across the large size panel and commercial display solution.

Regarding our commercial AC business, so we were traditionally doing, focusing more on enterprise business, but now we have also started expanding the distribution network specializing the single CAC cassette unit and enhanced our product portfolio to 2-ton 4-star ACs also.

So which is expected to provide further growth momentum and we have recently done air conditioning of a very prestigious site of Prime Minister 'Seva Teerth'. Backed by these multiple growth catalyst, we are very confident of delivering 20% CAGR growth trajectory which we have already delivered from financial year 2022 to 2025. Thank you very much.

Achal Lohade: Second question is there has been continuous increase in the raw material cost or component cost during the quarter. So if you could help us understand how are you protecting your margins and any margin outlook you could provide for second quarter? Thank you.

Management: So this question will also be translated. Kindly hold the lines. This question will be address by our CMO, Mr.Gaganjeet Singh. Over to you, sir.

Gaganjeet Singh: So thank you for this question. This is a very important question. Let me assure you that LG is leaving no stone unturned to minimize the impact of raw material prices. We are monitoring the prices of our raw material and components on daily and weekly basis and we review our strategy accordingly. We have a multi-level approach to maintain our costs.

First to start with is localization. For instance, in this first quarter of 2027, we localized a major import resin for our plastic molding components which have directly reduced our exposure to the rising import prices. Second is the strategic sourcing. We move flexibility between sourcing from local and import sources, whichever offers a better cost at that given point.

Third is multiple sourcing. We have developed multiple suppliers for key raw materials and components which strengthen our position at negotiations. We are also carrying out value engineering activities, continuously optimizing the product design and material usage. This reduces cost per unit without compromising on quality.

On the price side, we have already taken a calibrated increase, and which has absorbed well in the market, and further action would only follow if input costs require, but however the cost and the sourcing efficiency will always be the first preference. Thank you.

Achal Lohade: Thanks for answering those questions, sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Siddharth Bora from Nomura. Please go ahead.

Siddharth Bora: Yeah, hi sir. Thanks for the opportunity and congrats on a good set of numbers. First question is sir on the demand outlook. Can you share for each of the categories like ACs, TV, washing machine, and ref, how do you see the growth outlook for the year? Is Q1 a representative number or do you think the year's growth can vary and which segment are you the most bullish in terms of outlook?

Management: So this question will also be translated in Korean language. Kindly hold the lines. This question will be addressed by Mr. Sanjay Chitkara, our Co-CSMO. Over to you, sir.

Sanjay Chitkara: Thank you for this question. Actually, if you see during this quarter 1, there was a very tough external environment. We took price increase also, still we delivered 15.5% growth. And the best part of this growth was that we delivered a very diversified growth. All products delivered double-digit growth in quarter one. And we have products for all quarters, so this growth is very much sustainable.

We see demand remaining very healthy across both Home Appliances and Home Entertainment in this financial year. What gives us the confidence that Q1 has already demonstrated that we can deliver a very strong growth even challenging external environment just like I've just mentioned and also improved our margin.

So in this scenario, it's very importantly that Indian consumers are evolving now and the consumer is increasingly looking beyond historical price of a product and focusing more on value, technology, experience, and convenience. The improvement in affordability including due to GST cut last year has further supported this demand.

So within portfolio, we believe that television and washing machine, because the season for calendar year H2 is more driven by television and washing machine. So the growth will be significantly contributed by these 2 product category, while air conditioners and refrigerator should also be benefited from this premiumization and replacement demand. So overall, I see that this financial year demand as a broad-based rather than dependent on any specific category. So thank you very much.

Siddharth Bora: Thank you, sir. Sir, the second question is on the Essential Series which we have been ramping up. Can you give some more color on how the performance has been of this category? How has been the volume growth or the contribution of this category to our revenues currently? And going ahead, do you think more similar SKUs or variations are being planned? And will the margins -- how will be the margins compared to the company average for this category?

Management: This question will also be addressed in Korean language. Kindly hold the lines. Essential Series question will be addressed by Mr. Gurpinderjeet Singh, who's our Financial Planning Head. Over to you, sir.

Gurpinderjeet Singh: Thank you for this question, Siddharth. So Essential Series has already exceeded our plans and it's become one of the clearest proof-point of our 2-track strategy. So we have sold more than 5 lakh unit in first 6 month of this calendar year with a strong response from both consumer and channel partner. It confirms that we built the range for a large underserved market of the first-time buyer in tier 2 and tier 3 cities.

On margin, and this is important part. Essential margin are in line with the rest of our B2C portfolio and it is not margin dilutive. So we achieved that through value engineering and smart design rather than by cutting costs out of the product, which means, we deliver LG quality at a competitive price while protecting profitability.

Under Essential Series, we have expanded the refrigerator range across 225, 251, and 276 liters capacities. And we are bringing more innovative design to range to further elevate its look, look and feel while keeping pricing accessible. In washing machine, we are planning to launch higher capacity top loader as well. On export, as mentioned earlier, on export Essential is receiving a very good response internationally and is currently exported to 22 countries across Asia, Middle East, and Africa.

We are actively expanding both the country footprint volumes, which makes Essential a key pillar of our Make India Global strategy. So Essential is delivering on all 3 dimension, Siddharth, volume, margin, and export potential. Thank you.

Siddharth Bora: Thank you, sir.

Moderator: Thank you. The next question is from the line of Vishal Goel from HSBC Securities and Capital Markets India Private Limited. Please go ahead.

Vishal Goel: Yeah, thank you for opportunity and congratulations for delivering good set of results. So my first question is that you have mentioned during the last call, you have set a target to increase local sourcing by 1% to 2% annually from current 55%. So any color and like what specific components represent a primary bottlenecks to achieve this 70% localization? That is my first question.

Management: So this question will also be translated into Korean language. Kindly hold the lines. This question will be addressed by our CAO, Mr. Atul Khanna. Over to you, sir.

Atul Khanna: Thank you, Vishal, for this question. Our localization journey continues to progress well and our localization rates for the last full year was at 55.2%. And we are continuing focus on further improving this in current year as well. Over the past years, we have consistently improved our localization rate by 2% to 3% every year and we expect this to maintain trajectory going forward.

Our target to reach the localization rate to 65% over the next 3 to 4 years. Our localization efforts are focused across multiple areas like component, sub-assemblies, and raw materials. Key achievements, I'll just give an example, to include in-house compressor production for room air conditioners which we have started, which was one of our biggest localization initiative. Local manufacturing of side-by-side refrigerator at our Pune plant, local sourcing of panel modules, and other sub-assemblies across categories are the few examples.

On how it will support our margin front, localization is one of our most powerful and structural margin levers. Every percentage point improvement in localization reduces the import dependency and currency exposure, directly improving our cost structure. In an environment where the rupee has faced depreciation pressure, our localization rate acts as a natural hedge, protecting our margins from the currency headwinds.

As you know that, our Sri City plant comes online with aircon compressor and room air conditioners will provide a significant new platform to accelerate our localization journey further and strengthen our operational efficiencies. Thank you.

Vishal Goyal: Thank you, sir. Sir my second question is, is there any current readiness for data center opportunity for the company in terms of the cooling products? And if I may just also add another, like, given you have a very strong cash reserve which you have reported this quarter, what is the long-term capital return strategy or any dividend payout initial thoughts which you have given? That will be my last two questions. Thank you.

Management: Both this questions will be translated into Korean language. Kindly hold the lines. So the first part of your question will be address by myself. And the second part will be address by our CAO, Mr. Atul Khanna. Yeah, so you're talking about the data centers and there is a lot of interest from all the shareholders regarding this topic.

So we all know that there is very strong growth outlook for India's data center industry. And LG India, we see this data center cooling as a meaningful long-term opportunity and this is for our B2B business. While we look at this opportunity in 2 parts, you know, and we are at different stages in each. On the mid-scale side, this is already a live business for us.

We've executed several renowned data center sites using our Multi VRF systems, chiller range, and we continue to win that segment. The technology is proven, the references exist, and we are generating revenue today. But when we talk about hyper-scale segment, which represents a significantly larger addressable market, we are at a preliminary stage. The scale and the specification requirements are materially very different and we are working through the right route to market rather than just rushing into it.

One approach we are evaluating is partnering with established data center distributors and integrators who already have reach and installed multiple projects. This would allow us to participate at a far greater capacity with our Multi V and chiller portfolio than we could achieve alone. Underpinning both is our parent's global technology base, and LG Electronics, as you know, is separately in discussions with several global corporates that may benefit our India business in future.

From a materiality standpoint, this is not a key driver for us in FY27 outlook, but yes, it aligns well with our long-term B2B growth strategy. We believe our proven capabilities, strong customer references, and established market presence would all provide a competitive advantage as the opportunity evolves. And with this, I just want to tell you that, we will continue to evaluate opportunities prudently and we'll share the update as the business progresses. Thank you and over to you, sir.

Atul Khanna: So Vishal, I will just share with you, that you asked about the dividend payout strategy, and it is a very reasonable question on behalf of investors. We fully appreciate and acknowledge the question as it reflects the trust and expectations of our all long-term shareholders. Our cash balance remains healthy and we are very conscious of our responsibility towards shareholder value creation. This year's dividend decision was made after careful consideration of our capital expenditure and long-term growth priorities.

You all know that we are currently at a very crucial and exciting phase of our growth journey. We are coming up with an outlay investment of INR5,000 crores in Sri City plant, which is underway and will be deployed in a phased manner over the next few years. This is a transformational investment that will almost double our manufacturing capacity, significantly strengthen our export capabilities, and position LG India as a future global export hub.

Preserving our internal accruals to fund this investment entirely without any external debt is a conscious and deliberate decision that we believe is in the best long-term interest of our shareholders. Additionally, the current macroeconomic environment with currency depreciation, elevated raw material prices, and geopolitical uncertainties require a certain level of financial prudence. This approach helps us prepare for short-term challenges while continuing to support our growth plans.

We would like to assure our shareholders that this is not a permanent position. As our Sri City investment progresses in a phased manner and our cash generation strengthens further through revenue growth and margin improvement, we definitely plan to review our dividend plans. Our commitment to delivering sustainable shareholder value remains unchanged and our capital allocation decisions will continue to reflect this commitment. Thank you.

Vishal Goyal: Thank you, sir, for detailed answer. Thank you.

Moderator: Thank you. Ladies and gentlemen, we'll take that as the last question for today. I would now hand the conference over to Ms. Arshia Khosla for closing remarks. Thank you, and over to you, ma'am.

Arshia Khosla: Thank you. On behalf of Ashika Institutional Equities, I would like to thank all the participants for joining the Q1 FY27 earnings conference call of LG Electronics India Limited. I would also like to thank the management team for giving us the opportunity to host the call. Over to you, Aditya.

Management: Thank you, Arshia. Thank you, Rahul, and thank you, Michelle. And of course, thank you to all the participants who attended the LG Q1 FY27 earnings call. With this, we conclude today's discussion and should you have any pending questions or require further clarifications, please don't hesitate to call me directly. Thank you and have a nice day.

Moderator: Thank you members of the management. On behalf of LG Electronics India and Ashika Institutional Equities, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.