LG Electronics India

Operator: Ladies and gentlemen, good day and welcome to the LG Electronics India Ltd. Q2 FY27 earnings conference call. As a reminder, all participant lines will be in 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. Please note that this conference is being recorded. I now hand the conference over to Mr. Tanay Shah from DAM Capital. Thank you, and over to you, Mr. Shah.

Tanay Shah – DAM Capital: Thank you so much. On behalf of DAM Capital, I would like to welcome you all to the Q2 FY27 earnings conference call of LG Electronics India Ltd. I would like to inform you that the call is being recorded and that the audio call and transcript will be available on the company website. I would like to thank the LG Electronics India management for giving us the opportunity to host the call, and I would now like to hand over the call to Mr. Aditya Bhasin, Head of Investor Relations of LG Electronics India Ltd. Thank you, and over to you, sir.

Aditya Bhasin – Head Investor Relations: Thank you, Tanay. A very good evening to everyone. I would like to welcome you to the Q2 FY27 earnings conference call of LG Electronics India Ltd. I hope you have gone through our earnings presentation uploaded on our website and the stock exchanges. 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 the uncertainties and risks that the company faces. We have our senior management here with us today, represented by Mr. Hong Ju Jeon, Chief Executive Officer; Mr. Dong Myung So, Chief Financial Officer; Mr. Sanjay Chitkara, Co-Chief Sales and Marketing Officer; Mr. Atul Khanna, Chief Accounting Officer; Mr. Gaganjeet Singh, Chief Manufacturing Officer; Mr. Gurpinder Singh, Head of Financial Planning; Mr. Sunju So, Investor Relations Officer; and Mr. Jong Wan Byeon, our Export Head. Without further ado, I would like to invite our respected CEO, Mr. Hong Ju Jeon, to share his opening remarks and take us through LG Electronics India's performance and strategic highlights for the quarter and the full year. Thank you, and over to you, sir.

Hong Ju Jeon – CEO: Good evening, everyone. Today is a very special moment for LG Electronics India Ltd. as we celebrate one year since our successful listing. First of all, I would like to sincerely thank all our shareholders for their continued trust and support. The past year has been challenging for the entire industry. Despite these challenges, we continue to deliver strong results. In the first half of the year, we achieved double-digit growth and double-digit profitability. We also maintained our market leadership and delivered meaningful value to our shareholders. For almost 30 years, LG Electronics India Ltd. has led the Indian consumer electronics and home appliance market as a global company operating in India. Today, however, we are no longer just a global company operating in India. We are a company deeply rooted in India that understands Indian consumers and brings value to their lives. Over the past year, we have grown together with India, guided by three key visions: Make for India, Make in India, and Make India Global. Today, I would like to share our progress with you.

First, Make for India. Our greatest strength is our ability to understand the needs and lifestyles of Indian customers and offer products that best meet their needs. In India, home appliance ownership is still relatively low, while the middle class continues to grow. As a result, more first-time customers are entering the market. At the same time, demand for premium products continues to

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increase. To meet these needs, LG continues to lead the premium market. We have also launched the LG Essentials series, designed for the needs and living conditions of Indian customers. Through this series, we are reaching a wider group of customers. For example, we offer fully automatic washing machines that work well even with low water pressure. We also offer double-door refrigerators that automatically adjust their cooling temperature to changes in the outside temperature. By providing these essential features, we are getting closer to customers who are buying their first home appliances.

Second, Make in India. Construction of our third manufacturing plant in Sri City is progressing very well. In fact, preparations are moving at record speed, impressing even the state government. We plan to start compressor production by the end of this year, followed by air conditioner production. Going forward, we will work closely with LG Electronics' global headquarters to bring our combined strengths and capabilities to India. From product planning and development to manufacturing, we will provide one solution in India. Through this approach, we will continue to lead Make in India.

Finally, Make India Global. Our exports are no longer limited to neighboring countries. We are expanding our exports to major markets around the world. We understand that India has a vision to become more than just a market that buys products from the world. India [trails off]

Management: ...aims to become a global manufacturing hub that makes products for the world. LG Electronics India Ltd. will do its best to support this vision by working closely with the Indian government. Based on these three visions—Make for India, Make in India, and Make India Global—we will continue to achieve sustainable long-term growth. Now I would like to share a few more key strategies for our future growth.

First, our entry into the vehicle solutions business. Today, I am very proud to announce that we are entering the vehicle solutions business in India. Vehicle solutions is one of LG Electronics' key global B2B businesses, covering automotive infotainment and telematics products. We will bring these products to India and plan to manufacture and supply them from our third plant in Sri City. This is an important milestone in our journey beyond consumer electronics and home appliances. It will also strengthen our position in the fast-growing B2B market. We expect this business to become another growth engine for LG Electronics India Ltd. It will help us expand our business portfolio and create long-term value for our shareholders. For almost 30 years, LG has been part of everyday life in Indian homes. Now we want LG to be part of everyday life on Indian roads as well.

Second, expansion into new product segments. We plan to introduce new products, including chest freezers and built-in kitchen solutions. This will give our customers more choices. We are also actively exploring opportunities in new areas where we do not currently operate. Through these efforts, we will find new growth opportunities and further strengthen our future business portfolio.

Third, our export performance and future plans. This year, we have expanded our export market to 68 countries. We also expect significant growth in export revenue. In line with the Indian government's policies, we plan to further expand our exports. This will help us strengthen our competitiveness in the domestic market and improve profitability. It will also support our business operations in several ways, including helping us manage foreign exchange risk.

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Finally, growing together with our employees in India. LG Electronics India Ltd. has received the Great Place to Work award for the third time in a row. This is a very meaningful achievement for us. It shows that we are not only creating value for our external customers but also providing a workplace where our employees can grow. It also reflects the mutual trust we have built with our employees. Going forward, we will continue to build a healthy corporate culture and a stable, strong company. We are building LG Electronics India Ltd. not only for the India of today but also for the India of tomorrow. With our talented people, future technologies, and strong commitment to the Indian market, I firmly believe that LG's best days are still ahead of us. We will continue to build a strong company and deliver the greatest value to our customers and shareholders. Thank you very much.

Atul Khanna: Thank you, sir, for sharing your strategic message. Greetings and a very good evening once again to everyone joining us today. I am Atul Khanna, and I will take you through our financial performance for the quarter. This quarter reflects consistent execution, disciplined cost management, sustainable margin growth, and continued strength in our business fundamentals. I am pleased to share that Q2 FY27 marks our second consecutive quarter of strong double-digit growth and, in fact, our highest-growth quarter since our listing last year. This is a clear and encouraging sign of sustained momentum across our business.

Revenue from operations came in at a robust INR 73.8 billion, growing a healthy 19.5% year-on-year, with every key category growing in the high teen double digits. Our profitability kept pace with this growth, with EBITDA rising sharply by 28% to INR 7.01 billion and the margin expanding meaningfully by 63 basis points to 9.5%. Profit after tax grew an impressive 25.7% to INR 4.89 billion, reflecting the quality of our earnings.

Looking at the first half of the year, revenue from operations grew 17.5% to INR 146.13 billion. EBITDA grew a strong 27.9% to INR 16.16 billion, with the margin improving 11.1%, and PAT rose 26.5% to INR 11.42 billion, giving us a solid and confident platform as we head into the festive season.

I wanted to highlight that this margin expansion came through even as we navigated a challenging external environment marked by elevated commodity prices, foreign exchange fluctuation headwinds, and go-to-market investments made during the quarter to ensure channel readiness ahead of the festive season. Strong operating leverage from healthy volume growth, combined with a richer premium mix across both our segments, offset these measures, highlighting the strength and flexibility of our cost structure.

Moving to our balance sheet, our cash and bank balance stood at a healthy INR 50.51 billion as of September 30, 2026, compared to INR 57.07 billion at the start of the quarter. This reflects a well-planned buildup in working capital of INR 6.56 billion as we invested proactively in channel stocking ahead of the festive and wedding season. We view this as a thoughtful and efficient use of capital, one that positions us well for strong sell-through in the quarter ahead.

On capital expenditure, we invested a meaningful INR 8.7 billion during the quarter towards tangible assets, compared to INR 2.3 billion in Q2 of FY26, as work on our ambitious state-of-the-art manufacturing facility at Sri City, Andhra Pradesh, continues to progress steadily and in line with our internal targets. Backed by a committed investment of INR 50 billion over the next few years, Sri

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City will become our third and most advanced manufacturing base, which will double our existing production capacities and serve as a dedicated hub for both domestic and export markets.

We remain firmly on track to commence compressor manufacturing at the facility in Q3 of this fiscal year, a milestone that will strengthen our cost competitiveness, deepen our localization levels, and support the next phase of our growth both domestically and in global markets. With that, I will hand over to Mr. Aditya Bhasin, our Investor Relations Head, to walk you through our segment performance and outlook in greater detail. Over to you, Aditya.

Aditya Bhasin – Investor Relations Head: Thank you, Atul. Greetings and a very good evening once again to everyone. Let me take you through our segment performance and outlook for the quarter ahead. Starting with Home Appliance and Air Solution, in Q2 FY27, we registered our highest quarterly growth since listing, with revenue of INR 47.72 billion, up by a [cut off]

Rajesh Gupta – MD & CEO: ...from 20.9% year-on-year. I want to spend a moment on what is really driving this, rather than just the headline number. All our key categories—washing machines, refrigerators, and room air conditioners—grew in double digits, while dishwashers delivered a genuine breakout quarter. Along with that, growth came from both volume and value, with our premium and Essential ranges moving together as the clearest sign of the strength of our two-track strategy.

On margins, we did something a bit different this year. Rather than raising prices across the board, we went category by category, absorbing the rise in copper, aluminum, and plastic costs in more targeted ways. We also moved early, ahead of the rest of the industry, and we were careful to protect our mass segment while letting our premium range carry more of that burden. That discipline, combined with strong operating leverage from volume growth across the categories, is exactly why segment EBIT grew a healthy 28.4% to INR {? 4.16 billion ?}, with the margin improving to 8.7% from 8.2%, even in a cost environment that was challenging for the entire industry.

I also want to call out our LG Essential range specifically. It started as an affordability play, but it has become a real contributor to profit in its own right, and it is bringing in first-time LG buyers who we expect will trade up into our premium range over time. Add to that our newly launched premium French door refrigerators and chest freezers. Together, they widened our reach and strengthened our leadership across key categories.

Underlying all of this is something simple. We have built strong India-focused R&D over the years, and that has led us to move quickly on what Indian consumers actually want. The LG Essential range is a good example, conceived and designed specifically for this market, and it is now paying back handsomely in both volumes and profitability.

This segment is also where our export story is becoming most visible. The Essential range is now traveling well beyond our borders, and our large-size refrigerators and washing machines have started reaching key global markets as well. Exports are steadily becoming a second demand lever for this segment alongside our domestic growth.

Looking at the third quarter as we head into the festive quarter, we go in with lean, healthy channel inventory and strong partner confidence built on our track record of price stability. Premium

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categories such as French door and side-by-side refrigerators, 8 kg-plus washing machines, and dishwashers are expected to sustain their momentum, while the upcoming compressor facility at Sri City will power the next phase of growth for this segment.

Turning to home entertainment, revenue grew a solid 17.2% year-on-year to INR {? 26.08 billion ?} on a high base, marking our third consecutive quarter of double-digit growth. The real story here is a shift in what Indian households want in their living rooms. Indian consumers are moving towards larger screens, and we do not think this is a one-season spike. It looks like a structural change, and we believe we are still early in that curve. Our offline value market share climbing to an all-time high tells us we are capturing our fair share of this upgraded cycle.

On margins, we were managing a genuine balancing act this quarter. There were elevated memory chip and currency pressures on one side and the need to invest in go-to-market activity to win shelf space ahead of the festive season on the other. Segment EBIT still grew a healthy 19.9% to INR {? 3.37 billion ?}, with the margin improving to 12.9% from 12.6%, helped by strong volume growth that gave us real operating leverage, on top of a richer mix of larger screen sizes that lifted margins rather than relying on price increases alone.

I also want to flag our B2B Information Display business specifically. It has moved to become a second profit engine alongside television, which carries a steadier margin profile and gives the segment a cushion that is not always visible from the outside. With our television market share at a record high, the addition of Mini LED models is a deliberate move to capture consumers who want premium picture quality without moving all the way up to OLED, widening our funnel rather than cannibalizing it.

Heading into the festive quarter, our go-to-market investments position us well for strong channel readiness, and we expect our B2B business to sustain its improved profitability through the season. Looking ahead to Q3, the festive and wedding season should be the single biggest driver for this category as consumers continue trading up to larger, more advanced screens, and we expect that to support healthy value growth across the industry and not just for us. On the B2B side, our order pipeline for Information Display remains healthy, and we expect institutional demand to stay steady throughout the quarter. Taken together, we go into the festive season with a portfolio—Mini LED, QNED, and OLED—that is built to capture demand at every price point to which a consumer wants to trade up.

Stepping back from the segment performance, I want to leave you with a bigger picture. Our Make for India, Make in India, and Make India Global vision continues to come together in a way that feels increasingly real and not just aspirational. We have now entered more than 20 new export countries since our listing, and our Sri City plant remains firmly on track to commence compressor manufacturing in Q3, a milestone that strengthens our localization and gives us more firepower for both domestic and export demand.

Our entry into vehicle solutions is a good example of where this vision is heading next. It represents genuinely new growth avenues for us, well outside our traditional categories, and reflects the confidence we have in India's manufacturing ecosystem. We see this as the first of several such moves as we build out Sri City into a true multi-category hub.

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Backed by a strong first half, our guidance for full-year FY27 of mid-teen revenue growth and an early double-digit EBITDA margin remains the same. However, our endeavor is to perform better than the stated guidance and the industry. We go into the second half with real confidence built on broad-based growth across both our segments, a fast-scaling export business, and a festive season that is shaping up well on the ground. With that, I conclude our prepared remarks, and we will now open the floor for questions.

Operator: Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask questions may please press star and one on their touchtone phone. If you wish to withdraw yourself from the question queue, you may press star and two. Kindly note that management will use English-Korean translation for better communication; hence, there could be a slight delay in the responses. Please note that the management line will be in mute mode until then. In addition, we request all participants to kindly limit their questions to only two. For follow-up questions, you may rejoin the queue. We will take the first question from the line of Natasha Jain from PhillipCapital. Please go ahead.

Natasha Jain – PhillipCapital: Thank you for the opportunity. My first question is: how is demand trending across your key categories—AC, refrigerators, washing machines, and TV—as you enter the second half of FY27? Within each category, what are the sub-segments or formats driving growth? How has the festive season shaped up so far? Also, given that Q3 is typically an off-season for RAC, are you seeing any change in the seasonality pattern this year?

Operator: This question will be addressed by our Co-CSMO, Mr. Sanjay Chitkara.

Sanjay Chitkara – Co-CSMO: Thank you, Natasha, for this question. In fact, there are so many questions within these areas. The demand picture across all our categories heading towards Q3 and Q4 is actually quite encouraging. We have just come out of Q2, where every single product category delivered double-digit revenue growth. Our appliances category registered its highest-ever growth since our listing.

What we are seeing now is that the momentum has continued into the current quarter, and that gives us a lot of confidence. Now, talking about each individual category, regarding television, the festival season is playing out very well for television. Our newly introduced QNED range is helping to grow the 55-inch-and-above segment, which is now contributing more than half of our TV revenue.

Interestingly, the mass segment, which is the 32-inch segment, is also seeing a pickup. That tells us that consumers across all income levels are participating in this festive cycle, which is a very healthy sign for the industry. In washing machines, we have seen the highest growth in the last 8 quarters, mainly led by fully automatic washing machines, because the upgrade cycle from semi-automatic to fully automatic machines is helping us grow very quickly. Our fully automatic portion has now crossed 60% of our overall washing machine sales.

Regarding refrigerators, the premium multi-door formats, namely side-by-side refrigerators and French door refrigerators, are growing by more than 50%. Single-door refrigerator growth is in double digits, indicating a strong recovery from the mass market as well. It also demonstrates that LG is a formidable player across all price points.

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Lastly, RAC is perhaps the most interesting phenomenon we are seeing this year, because our Q2 sales were better than Q1 despite Q2 being the off-season. This was mainly driven by elevated temperatures across many parts of India. For LG, Q4 is our biggest RAC sales period, during which we do roughly 55% of our yearly sales, and we believe that the current momentum will continue into Q4 as well.

To meet this demand, our Sri City plant is getting ready to deliver the new range of AI air conditioners with in-house compressors. We believe that the coming 2 quarters will be better than the first half of this year. Thank you very much.

Natasha Jain – PhillipCapital: Understood. My second question is about the new vehicle solutions business. This is a new area, since LG Electronics India has primarily been a consumer electronics company. Could you explain why you decided to enter this business in India, what specific strengths LG brings, how you plan to build and grow it, and how it fits into your long-term strategy?

Operator: This question will first be translated into the Korean language.

Management: Understood. My second question is about the new vehicle solutions business. Since LG Electronics has primarily been a consumer electronics company in India, this is a new area. Could you explain why you decided to enter this business in India, what specific strengths LG brings, how you plan to build and grow it, and how it fits into your long-term strategy?

Operator: This question will be addressed by our respected CFO, Mr. Dong Myung-Seo.

Dong Myung-Seo – CFO: Thank you for the question. First, let me explain why we are pursuing this business. India is one of the largest and fastest-growing automotive markets in the world. India's automobiles are also changing. Vehicles are becoming more connected, digital, and intelligent. This is creating significant opportunities in automotive electronics, and LG Electronics India wants to be part of this growth story.

Management: Thank you for the question. Let me start with why we are entering this business. India is one of the largest and fastest-growing automotive markets in the world. Vehicles in India are also evolving, becoming more connected, digital, and intelligent. This is creating significant opportunities in automotive electronics, and LG Electronics India wants to be part of this growth story.

Dong Myung-Seo – CFO: For LG Electronics India, this is also a meaningful step in our business diversification journey. We have built a strong consumer durables business over the past 30 years, but as we look to our next phase of growth, expanding into the B2B business is a strategic priority. The VS business represents one of the most attractive B2B opportunities for us and fits naturally with our broader vision of becoming a more diversified company.

Management: For LG Electronics India, this also marks an important step in our business diversification journey. We have built a strong consumer durables business over the past 30 years, but as we look to our next phase of growth, expanding into the B2B business is a strategic priority. The VS business represents one of the most attractive B2B opportunities for us and fits naturally with our broader vision of becoming a more diversified company.

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Dong Myung-Seo – CFO: LG has built a strong vehicle solutions business globally and works with many of the world's leading automakers. We are a global leader in telematics, a key technology that connects vehicles to the digital world. Bringing these capabilities to India is therefore a natural next step for us.

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Dong Myung-Seo – CFO: In line with the Make in India strategy, we will manufacture locally at our Sri City plant. Local manufacturing will strengthen our competitiveness and help us better meet the needs of automotive customers in India. This will provide a solid platform for the long-term growth of our vehicle solutions business in India.

Management: In line with the Make in India initiative, we will manufacture locally at our Sri City plant. Local manufacturing will strengthen our competitiveness and help us better meet the needs of automakers in India. This will provide a solid platform for the long-term growth of our vehicle solutions business in India.

Dong Myung-Seo – CFO: Our plan for the VS business is phased growth. We will start with telematics and gradually expand into other vehicle solutions for the Indian market. With the support of LG's global technology, engineering, and quality capabilities, we are confident that we can build a strong foundation for this business. Our home appliance business will remain a core growth engine, while the VS business will provide an additional growth pillar and help LG Electronics India become a stronger company over the long term.

Management: Our plan is to grow the VS business in phases. We will start with telematics and gradually expand into other vehicle solutions for the Indian market. With the support of LG's global technology, engineering, and quality capabilities, we are confident that we can build a strong foundation. Our home appliance business will remain a core growth engine, while the VS business will provide an additional growth pillar, helping LG Electronics India become a stronger company over the long term.

Dong Myung-Seo – CFO: As the business progresses, we will share more details about this area. Thank you.

Management: We will share more details as the business progresses. Thank you. Next question, please.

Operator: Thank you. We will take the next question from the line of Umang Mehta from Kotak Securities. Please go ahead.

Umang Mehta – Kotak Securities: Hi, thank you for the opportunity. My first question is: your EBITDA margins have held up well despite several headwinds. Can you explain the key drivers behind this, and what gives you confidence that this margin trend can continue?

Operator: This question will first be translated into the Korean language.

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Management: Hello, thank you for the opportunity. My first question is that EBITDA margins have been maintained well despite several headwinds. Could you explain the key factors behind this and why you are confident that this margin trend can continue?

Operator: This question will be addressed by our respected CFO, Mr. Dong Myung-Seo.

Dong Myung-Seo – CFO: Thank you for the question. We do not provide specific margin guidance, but we remain confident in the long-term profitability trajectory of the business. This confidence is based not only on the traditional drivers of localization and premiumization, but also on the quality of our earnings. At the same time, demand for high-value and technology-led products [trails off]

Management: [Inaudible Korean speech]

Management: Thank you for the question. While we do not provide specific margin guidance, we remain confident in the long-term profitability of the business. That confidence is based not only on the traditional drivers of localization and premiumization, but also on the quality of our earnings. Our premiumization strategy continues to strengthen on the back of rising demand for high-value, technology-led products, which is further improving our product mix.

Management: [Inaudible Korean speech]

Management: The quality of our revenue is also improving steadily through a more profitable channel mix and the growing contribution from B2B exports and service-related businesses such as AMC. These businesses diversify our revenue and generate margins that are generally above the company average. As their share of our portfolio grows, they will further strengthen both profitability and earnings stability.

Management: [Inaudible Korean speech]

Management: Importantly, our focus is not simply on expanding margins but on building a structurally stronger business. Through the benefits of scale, a higher-quality revenue mix, operational efficiencies, and continued portfolio diversification, we believe we are building a sustainable foundation for healthy long-term profitability. This gives us confidence that margins will keep strengthening as the business grows. Thank you. Next question, please.

Natasha Jain – PhillipCapital: Thank you. My second question is: in your Sri City plant, when exactly is production expected to start for the different phases? What kind of cost benefits are you expecting once the business is fully up and running?

Management: The question will first be translated into the Korean language.

Management: [pause] This question will be addressed by our CEO, Mr. Atul Khanna.

Atul Khanna – CEO: Thank you for this question. On the timeline, I am pleased to confirm that we are well on track. Commercial production of compressors will begin in Q3 of this financial year, and air conditioner manufacturing will follow in Q4, around January 2027. So, by the end of FY27, both lines will be fully operational.

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On cost benefits, we currently source some compressors from outside LG, and that comes with supply chain risk as well as foreign exchange fluctuation headwinds. Once we start producing locally in our plant, with the additional capacity of 2 million units, those costs will reduce significantly, and the savings will flow directly into our margins. The benefit will build as volumes ramp up, so it is a permanent and growing benefit that will endure for the organization.

I would also add that Sri City is not just a cost story. It supports our export ambitions as well. As we scale our Essential series range and premium products, having strong domestic manufacturing gives us a real edge in terms of cost and supply reliability. Overall, this is one of the most important investments we have made, and we are very confident that it will improve our margins and competitiveness going forward. Thank you.

Natasha Jain – PhillipCapital: Thank you, sir.

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

Vishal Goyal – HSBC Securities: Hi, thanks for giving me the opportunity to ask questions. I have two questions. My first question is that you have mentioned exports, premiumization, and now the new business area as growth drivers, within which you have announced this vehicle solutions business as well. Looking ahead 3 years, how do you envision the overall transformation of LG Electronics India Ltd. as a company? That is my first question.

Management: This question will be translated into the Korean language.

Management: [pause] This question will be addressed by our IRO, Mr. Sun Jo-So.

Sun Jo-So – IRO: [Inaudible Korean speech]

Management: Thank you for the question. When I look at LG Electronics India Ltd. today and where we expect the business to be, the first thing that comes to mind is the sheer scale of the change. We have a clear plan, investments have already been made, and execution is already underway. The transformation is taking shape across 3 key areas.

Sun Jo-So – IRO: [Inaudible Korean speech]

Management: First, exports. India is our home market, but the world is our market. We are committed to becoming an export powerhouse. Our premium products are being exported to the world's leading markets, and the Essential series is expanding into high-growth economies such as Africa and Southeast Asia. Our new Sri City plants will give us the manufacturing scale needed to compete globally. LG Electronics India Ltd. is uniquely positioned with a robust manufacturing and export platform that supports both domestic growth and global expansion.

Sun Jo-So – IRO: [Inaudible Korean speech]

Management: Second, premiumization remains at the core of our domestic strategy. We lead in every premium category in which we operate, and we continue to gain market share. Appliance penetration in India is still relatively low, and millions of consumers are buying their first refrigerator,

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first washing machine, or first air conditioner. We have products for them as well, and as they upgrade over time, LG will be the brand that grows with them. Indian consumers' aspiration to raise their standard of living provides us with a very long growth runway, and we are well positioned to capture opportunities at both ends.

Sun Jo-So – IRO: [Inaudible Korean speech]

Management: Third, beyond our existing consumer durables business, we have a significant advantage in being able to draw on the global technology portfolio of LG's headquarters in Korea. Our VS business is a good example. LG is already a global leader in in-vehicle infotainment and EV parts, and we are now bringing these new business areas to India. The combination of global technology and Indian market expertise is powerful, and we plan to leverage it to the fullest. These are just the beginning, and we look forward to sharing more news with you.

Management: [Inaudible Korean speech]

Management: ...infotainment and EV components, and we now plan to bring these capabilities to India as a new line of business. The combination of global technology and deep Indian market expertise is very powerful, and we intend to make the most of it. This is only the beginning, and we look forward to sharing more with you.

Management: By FY30, LG Electronics India Ltd. will be a fundamentally stronger company, and we look forward to sharing that journey with all our investors. Thank you. Next question, please.

Operator: Thank you. We will take the next question from the line of Achal Lohade from Nuvama. Please go ahead.

Achal Lohade – Nuvama: Thank you for the opportunity. I have 2 questions. First, you have announced price increases across ACs, washing machines, refrigerators, and kitchen appliances. How much of this is being driven by input cost pressure versus a strategic decision to protect margins? Do you see any risk of demand moderation as these increases flow through to the consumer?

Management: [pause] You asked about the price increases. In recent months, the prices of raw materials such as steel, aluminum, copper, and resin have increased. We have also faced pressure from exchange rate movements. However, our first approach is not to pass these higher costs directly on to consumers. We first try to reduce the impact through better efficiency, higher localization, and negotiations with suppliers. When cost pressures continue for a long time and become significant, some price increases become necessary.

Management: This question will be addressed by our Planning Head, Mr. Gulbinder Jeet Singh.

Gulbinder Jeet Singh – Planning Head: Thank you for this question. Let me explain how we think about pricing. In recent months, the cost of raw materials such as steel, aluminum, copper, and resin has increased. We have also faced some pressure from exchange rate movements. However, our first approach is not to pass these higher costs directly on to consumers. We first try to reduce the impact through better efficiency, higher localization, and negotiations with suppliers. When cost pressures continue for a long time and become significant, some price increases become

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necessary.

This year, we have already taken 2 rounds of price increases. These were selective increases, not the same across all products. While making these decisions, we carefully considered 3 factors: our brand position, customer affordability, and profitability. Regarding demand, we have not seen any major slowdown after the price increases. In fact, our recent Q2 performance was strong, with all our major product categories delivering double-digit growth driven by both volume and value. An important point for us is that the premiumization trend also supports demand. Many consumers are choosing higher-end products and are willing to pay more because they see good value and benefits in our products. Going forward, we will continue to closely monitor raw material costs and market conditions. If further price adjustments are needed, we will take them carefully and responsibly, without disrupting customer demand or affecting our competitive position. Thank you.

Operator: Achal, your next question.

Achal Lohade – Nuvama: My next question is with respect to exports. What was LG Electronics India's export contribution in Q2? What levels do you expect to reach in FY27? How much impact is the geopolitical situation having?

Management: [pause] The export business has been a very important part of our growth story this year, and we are quite satisfied with its performance. We have expanded the countries in which we have a presence from 50 to 68, and our distribution network has increased from 112 to 151. In particular, the Essential series has rapidly entered 21 countries since its launch, and we plan to expand it into more countries in the future.

Management: This question will be addressed by our Export Head, Mr. Jung Won-pyun.

Jung Won-pyun – Export Head: Thank you for the question. The export business has been a very important part of our growth story this year, and we are quite satisfied with its performance. We have expanded the countries in which we have a presence from 50 to 68, and our distribution network has increased from 112 to 151. In particular, the Essential series has rapidly entered 21 countries since its launch, and we plan to expand it into more countries in the future.

Our export strategy rests on 2 pillars. The first is premiumization. Leveraging LG's brand positioning, we are bringing premium products to key global markets where consumers recognize higher value. The second is the Essential series, designed specifically for consumers who want reliable quality at a reasonable price. We believe this two-track approach allows us to address a broad range of markets and consumer segments.

Management: Thank you for the question. Exports have been a very important part of our growth story this year, and we are quite pleased with the performance. We have expanded our presence from 50 to 68 countries, and our distribution network has grown from 112 to 151 partners. In particular, the Essential series range has been entering new markets rapidly since its launch and is now available in 21 countries, with plans to expand to more.

Our export strategy rests on 2 pillars. The first is premiumization. Leveraging LG's brand positioning, we are bringing premium products to key global markets where consumers recognize

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higher value. The second is the Essential series range, designed specifically for consumers who want reliable quality at a reasonable price. We believe this two-track approach allows us to address a broad range of markets and consumer segments.

Jung Won-pyun – Export Head: Regarding the geopolitical situation, uncertainties remain in the global environment, and we are not immune to their effects. However, by strengthening our country portfolio through geographic expansion, we are not overly dependent on any single country or region. We have built our export strategy so that if a few countries or markets face difficulties, others can offset them. This year, we expect to deliver significant year-on-year growth. Thank you.

Management: As for the geopolitical environment, uncertainties remain, and we are not immune to their effects. However, by strengthening our country portfolio through geographic expansion, we are not overly dependent on any single country or region. We have built our export strategy so that if a few countries or markets face difficulties, others can offset them. This year, we expect to deliver significant year-on-year growth. Thank you, and next question, please.

Operator: Thank you. Ladies and gentlemen, in the interest of time, this will be the last question. We will take one last question for today from the line of Deepak Agarwal from Axis Capital. Please go ahead.

Deepak Agarwal – Axis Capital: Hi, thank you so much. My question particularly concerns the B2B segment.

Operator: Mr. Agarwal, your voice is not clear, sir. May I request you to kindly use your handset?

Deepak Agarwal – Axis Capital: [line issue] Is it better now?

Operator: Yes, please proceed.

Deepak Agarwal – Axis Capital: Thank you. My question is about the B2B category. Earlier, we guided for approximately 20% growth in this segment. Can you help us understand how we should look at B2B segment performance? In particular, is any sub-segment performing well? Have we gained any orders from data centers, or witnessed any specific large order wins during the quarter? Thank you very much.

Management: [pause] The B2B business continues to grow well, and we maintain our long-term growth target of more than 20%. This is a business in which we are investing significantly, and we see it becoming one of the most important growth engines for LG Electronics India Ltd. over the next several years.

Management: Deepak, I will take this question. Our B2B business has continued to grow well, and our ambition of more than 20% growth over the long term remains intact. This business is something in which we are investing, and we see it as one of the most important growth engines for LG India over the next several years. Within B2B, institutional displays are our strongest-performing segment right now, with commercial TV leading the way. We are seeing very good traction in corporate offices, retail, hospitality, and public spaces. System AC is the other segment that is growing well for us, specifically in large commercial projects. Government projects are also becoming an increasingly important part of our B2B business. Whether it is public infrastructure,

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smart city initiatives, or government buildings, we are actively participating in these opportunities. Today, B2B is approximately 10–12% of our total revenue, and over the next 3 years our goal is to meaningfully grow this share. We believe 15% plus is achievable.

Aditya Bhasin: ...is a realistic and achievable target given the pipeline of opportunities we see across the commercial, government, and infrastructure segments. You also asked about data centers. Specifically, this is a space we are watching very closely, and we have the product capability, in terms of chillers and cooling solutions, to participate in it. However, it is too early to tell you more about this. We see this as an interesting opportunity for the future, and we will have more to share as we progress further. This is definitely a long-term story. In B2B, it is clear that India's infrastructure, commercial real estate, government spending, and hospitality sectors are growing, and we see that LG is very well placed to serve this demand, given the portfolio of commercial solutions we have. I hope we have answered your question.

Operator: Thank you, sir, for answering those questions. As that was the last question, I will now hand the conference back to Mr. Aditya Bhasin for closing comments. Thank you, and over to you.

Aditya Bhasin: Thank you, Tanay, and thank you, Michelle. Of course, thank you to all the participants who attended the LG Q2 FY27 earnings call. With this, we conclude today's discussion. Should you have any pending questions or require further clarification, please do not hesitate to call us directly. Thank you once again. Have a nice day, Happy Dhanteras, and a very Happy Diwali. Thank you.

Operator: Thank you to the members of management. Ladies and gentlemen, on behalf of LG Electronics India Ltd. and DAM Capital, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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