

LG announces first-quarter 2021 financial results

Highest quarterly revenue and operating profit in company's history



LG Electronics Inc. (LG) announced first-quarter 2021 consolidated sales of ₩18.81trn (\$16.90bn) and operating profit of ₩1.52trn (\$1.36bn) – the highest quarterly results in the company's history with the 8.1% operating profit being a first-quarter record. Compared with the first quarter a year ago, revenues grew by 27.7% and profitability soared by 39.1%, reflecting very strong demand for LG home appliances and home entertainment products as consumers around the world continue to spend more time at home.



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The LG Home Appliance and Air Solution Company generated first-quarter sales of ₩6.71trn (\$6.03bn), an increase of 23.8% from the previous year. Operating profit of ₩919.90bn (\$826.39m) was 22.1% higher than the first quarter last year. For the second consecutive quarter, the appliance business division saw significant growth year-on-year in North America and Europe as well as in its home market of South Korea where the rental business is particularly healthy. Profitability was accompanied by stable growth led by strong sales of premium products in North America and Europe. The business unit expects to see continued growth by expanding overseas sales in new products.

The LG Home Entertainment Company recorded sales of ₩4.01trn (\$3.60bn) in the first quarter, an increase of 34.9% from the same period a year ago. Operating income grew 23.9% year-on-year to ₩403.80bn (\$362.75m), buoyed by strong sales in North America and Europe. Premium products led by OLED and NanoCell TVs continued to experience strong demand as the pandemic effect continued in most of the world. To maintain this success in 2021, LG will continue to enhance its premium product lineup, further expand online sales, optimise resources and streamline asset management.



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The LG Mobile Communications Company reported sales in the first quarter of ₩998.70bn (\$897.18m) with an operating loss of ₩280.10bn (\$251.63m). Operating loss deteriorated 28% from the same quarter a year ago due to the lack of new products in light of the public announcement earlier this month that LG will exit the smartphone business at the end of July. Profit and loss for discontinued operations – including a breakdown of continuing and discontinued operations – will be included in the second quarter results.

The LG Vehicle component Solutions Company achieved first-quarter sales of ₩1.89trn (\$1.70bn), an increase of 43.5% from the same period last year. Operating loss narrowed to ₩700m (\$629,000), which can be attributed to the recovery of the automotive sector in North America and Europe as well as increased revenues from new projects in the e-powertrain and infotainment sectors and better cost management.

The LG Business Solutions Company saw improved first-quarter revenues of ₩1.86trn (\$1.67bn), an increase of 9.1% from a year ago and 23.6% higher than the previous quarter largely on the back of strong demand for products such as monitors and PC products in the era of remote working and online learning. Operating profit of ₩134bn (\$120.38m) declined from the same quarter last year due to the increasing cost of components such as LCD panels and semiconductors.

2021 Q1 exchange rates explained

LG Electronics's unaudited quarterly earnings results are based on IFRS (International Financial Reporting Standards) for the three-month period ending March 31, 2021. Amounts in Korean won (₩) are translated into US dollars (\$) at the average rate of the three-month period of the corresponding quarter — ₩1,113.16 per \$1.

Earnings conference and conference call

LG Electronics held a Korean-English conference call on 29 April 2021. The [audio webcast](#) of the call is available for streaming. The corresponding presentation file can also be downloaded from the LG Electronics [website](#).