

LG's Q1 Profit Surpasses W1 Trillion

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LG Electronics said Tuesday that preliminary operating profit surged 21.1 percent on-year to W1.09 trillion in the first quarter of this year (US\$1=W1,218).

It was the first time in two years that quarterly operating profit surpassed W1 trillion. The strong performance was made possible by the home appliance business d coronavirus pandemic.

Sales declined 1.2 percent on-year to W14.7 trillion.



Growing interest in health amid the coronavirus outbreak led to increasing sales of air purifiers, vacuum cleaners a sanitation-related home appliances.

"LG's performance has been helped by new sophisticated products such as clothing-care gadgets, and a growing h rental market," an industry insider said.

LG's TV division also achieved strong sales driven by OLED and other premium products, while its Chinese rivals too due to the outbreak as the country was the disease epicenter.

But the mobile division continued to fare poorly with the 20th quarter of losses in a row.

Second-quarter outlook is bleaker. As the coronavirus epidemic spreads in the key markets of the U.S. and Europe, could deteriorate.

One analyst said, "LG makes less than five percent of its sales in China, which resulted in only a marginal impact on the first quarter, but there's a clear decline in global home appliance demand in other markets, so the company will likely suffer a severe blow in the second quarter

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