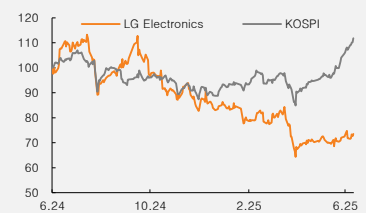


(Maintain)	Buy
Target price	▼ W100,000
Current price (6/20/25)	W74,000
Upside	35.1%

OP (25F, Wbn)	3,221
Consensus OP (25F, Wbn)	3,286
EPS growth (25F, %)	252.3
Market EPS growth (25F, %)	25.7
P/E (25F, x)	10.3
Market P/E (25F, x)	11.0
KOSPI	3,021.84

Market cap (Wbn)	12,110
Shares (mn)	164
Free float (%)	64.3
Foreign ownership (%)	29.6
Beta (12M)	0.78
52-week low (W)	64,700
52-week high (W)	113,900

(%)	1M	6M	12M
Absolute	5.0	-14.2	-31.7
Relative	-9.6	-31.7	-36.6



Mirae Asset Securities Co., Ltd.

Junseo Park
park.junseo@miraeeasset.com

LG Electronics

Earnings recovery to begin in 2H25

2Q25 preview: Tariff impact unavoidable

For 2Q25, we forecast LG Electronics (LGE) to deliver consolidated revenue of W21.12tr (-2.7% YoY) and operating profit of W735.2bn (-38.6% YoY; 21% below the consensus of W937bn). We attribute the likely sharp decline in operating profit to: 1) weaker consumer demand stemming from US tariffs on home appliances; 2) reduced profit contributions from subsidiaries amid weaker FX tailwinds; and 3) persistent sluggishness in the media entertainment solutions division (MS; formerly home entertainment). In the MS division, TV shipments are likely to decline YoY, while panel prices have edged up QoQ, likely pressuring margins.

Lower freight rates to contribute to cost savings from 3Q25

As LGE's logistics costs typically lag freight rate indices by about three months, the recent decline in freight rates will likely contribute to cost savings from 3Q25. In 2Q25, the Shanghai Containerized Freight Index (SCFI) has fallen to around 1,200p from the 1Q25 average of over 2,000p. Despite some recent volatility, the index remains well below the 2024 level. With logistics costs accounting for roughly 5% of total expenses, lower freight rates should meaningfully contribute to a lower cost ratio.

New high-margin businesses to drive margin improvement over the longer term

The heating, ventilation, and air conditioning (HVAC) business continues to deliver structural growth, supported by rising demand for eco-friendly solutions in North America and Europe and an enhanced B2B product lineup. In particular, heat pump demand is emerging as a key medium/long-term growth driver. Meanwhile, the webOS platform business is beginning to generate meaningful revenue through content and advertising, and the subscription-based home appliance business is enhancing revenue stability through repeat billing and customer lock-in effects. These new businesses are strategically significant, as they reflect a shift beyond hardware toward platform- and subscription-based models capable of generating stable cash flows.

2H25 earnings recovery to serve as an upside catalyst

We lower our target price for LGE to W100,000 (from W120,000), as we revised down our near-term earnings forecasts due to the impact of tariffs. That said, we expect earnings to recover from 2H25, supported by logistics cost savings and continued growth in high-margin businesses. The stock is currently trading at a 12-month forward P/E of 8.5x (nearly one standard deviation below the five-year average). As earnings normalize, we see ample room for a valuation recovery and potential re-rating.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	82,263	87,728	88,807	91,775	95,233
OP (Wbn)	3,653	3,420	3,221	4,536	4,892
OP margin (%)	4.4	3.9	3.6	4.9	5.1
NP (Wbn)	713	368	1,295	2,065	2,398
EPS (W)	3,942	2,032	7,160	11,418	13,263
ROE (%)	3.7	1.8	6.0	9.0	9.8
P/E (x)	25.8	41.1	10.3	6.5	5.6
P/B (x)	0.9	0.7	0.6	0.6	0.5
Dividend yield (%)	0.8	1.2	1.5	2.2	2.7

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

Table 1. 2Q25 preview

(Wbn, %, %p)

	2Q24	1Q25	2Q25F			Comparison	
			Mirae Asset	QoQ	YoY	Consensus	Diff.
Revenue	21,694.4	22,739.8	21,117.4	-7.1	-2.7	22,068.6	-4.3
OP	1,197.5	1,258.8	735.2	-41.6	-38.6	937.0	-21.5
OP margin (%)	5.5	5.5	3.5	-2.1	-2.1	5.8	-2.3
Pretax profit	896.7	1,117.8	630.7	-43.6	-29.7	1,076.5	-41.4
Net profit	559.1	798.7	231.0	-71.1	-58.7	644.1	-64.1

Source: Company data, Mirae Asset Securities Research

Table 2. Quarterly and annual earnings

(Wbn, %)

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25F	3Q25F	4Q25F	2024	2025F	2026F
Consolidated revenue	21,095.9	21,694.4	22,176.4	22,761.5	22,739.8	21,117.4	22,546.8	22,403.4	87,728.2	88,807.4	91,775.3
MS	5,061.3	5,076.6	5,138.5	5,612.6	4,950.3	4,855.5	5,139.1	5,396.6	20,889.0	20,341.5	20,765.9
HS	6,129.1	6,416.3	6,282.2	5,978.1	6,696.8	6,707.7	6,433.6	5,971.5	24,805.7	25,809.5	27,009.3
VS	2,661.9	2,691.9	2,611.3	2,655.4	2,843.2	2,772.7	2,689.6	2,682.0	10,620.5	10,987.5	11,343.6
ES	2,589.0	2,535.7	2,144.1	1,552.3	3,054.4	2,687.1	2,300.4	1,529.7	8,821.1	9,571.6	10,088.6
LG Innotek	4,333.6	4,555.2	5,685.1	6,626.9	4,982.8	3,911.0	5,773.7	6,572.4	21,200.7	21,240.0	21,680.4
Other	489.9	615.9	506.0	515.8	365.2	383.5	410.3	451.3	2,127.6	1,610.3	1,687.5
Internal	-168.9	-197.2	-190.8	-179.6	-152.9	-200.0	-200.0	-200.0	-736.4	-752.9	-800.0
Consolidated OP	1,335.1	1,197.5	751.9	135.4	1,258.8	735.2	968.7	257.6	3,419.9	3,220.3	4,536.1
MS	181.0	126.8	10.8	-50.4	4.9	-15.2	185.4	77.7	268.2	252.9	899.5
HS	586.5	429.0	354.5	-68.9	644.6	373.4	341.7	-95.9	1,301.1	1,263.8	1,575.3
VS	51.8	82.8	1.1	-19.9	125.1	55.7	92.0	-6.1	115.8	266.7	337.2
ES	335.6	248.9	156.4	-65.6	406.7	248.9	155.3	-5.2	675.3	805.7	869.0
LG Innotek	177.5	152.3	131.7	249.3	124.8	53.3	173.7	264.5	710.8	616.3	770.7
Other	2.7	157.7	97.4	90.9	-47.3	19.2	20.5	22.6	348.7	14.9	84.4
Pretax profit	978.4	896.7	555.3	-1,095.3	1,117.8	630.7	1,036.2	390.4	1,335.1	3,175.1	4,715.3
NP attr. to owners of the parent	474.8	559.1	47.7	-714.8	798.7	231.0	498.6	72.5	366.8	1,600.9	2,371.2
EPS (W)	2,625	3,092	269	-3,953	4,418	1,283	2,769	402	2,032	8,892	13,168
Consolidated OP margin	6%	6%	3%	1%	6%	3%	4%	1%	4%	4%	5%
MS	4%	2%	0%	-1%	0%	0%	4%	1%	1%	1%	4%
HS	10%	7%	6%	-1%	10%	6%	5%	-2%	5%	5%	6%
VS	2%	3%	0%	-1%	4%	2%	3%	0%	1%	2%	3%
ES	13%	10%	7%	-4%	13%	9%	7%	0%	8%	8%	9%
LG Innotek	4%	3%	2%	4%	3%	1%	3%	4%	3%	3%	4%
Other	1%	26%	19%	18%	-13%	5%	5%	5%	16%	1%	5%

Source: Company data, Mirae Asset Securities Research

Table 3. SOTP TP calculation

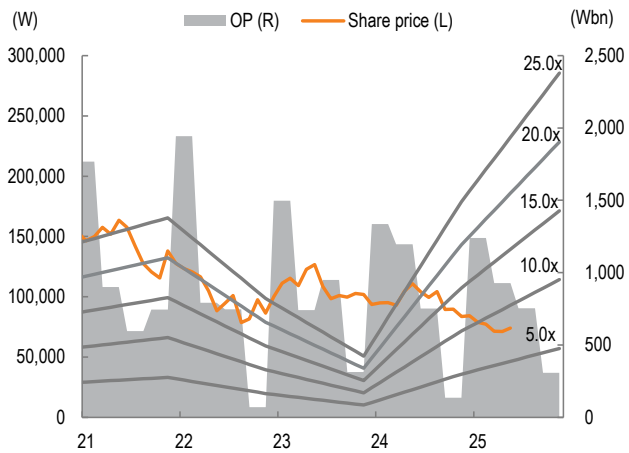
Operating value				W32.47tr
A		2025F EBITDA (Wbn)	EV/EBITDA (x)	Value (Wbn)
	Media entertainment solutions (MS)	1,538	4.8	7,381
	Home appliance & air solutions (H&A)	2,231	6.3	14,058
	Vehicle component solutions (VS)	904	5.1	4,611
	Eco solutions (ES)	957	6.7	6,415
Non-operating value				W3.22tr
B		Market cap (Wbn)	Stake (%)	Value (Wbn)
	LG Display	4,610	36.7%	1,692
	LG Innotek	3,543	40.8%	1,445
	Robostar	255	33.4%	85
C	Historical discount			20%
D = (A+B)*(1-C)	Operating value + non-operating value (discount applied)			28,550
E	Net debt (Wbn)			5,969
F	Non-controlling interest (Wbn)			4,353
G = D-E-F	Target market cap (Wbn)			18,227
H	Issued shares (mn)			180
I = G/H	Target price (W)			100,000
Current price (W)				74,000
Upside (%)				35%

Notes: The peer group for the eco solutions business is mainly composed of companies that are expanding from traditional home appliances into the B2B HVAC space rather than established B2B HVAC leaders.

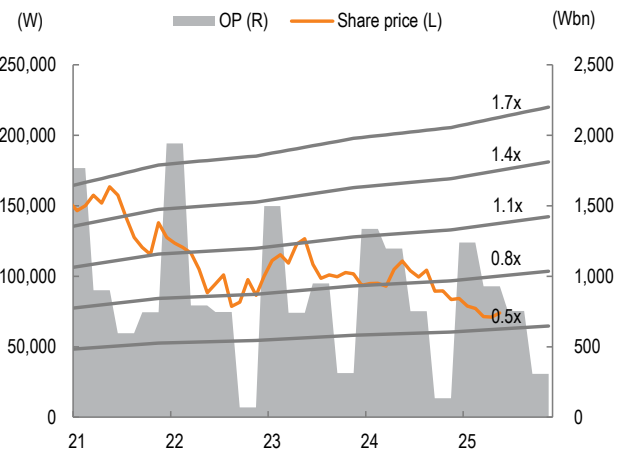
Source: Mirae Asset Securities Research

Figure 1. 12-month forward P/E and OP

Figure 2. 12-month forward P/B and OP



Notes: Based on consensus data
Source: QuantiWise, Mirae Asset Securities Research



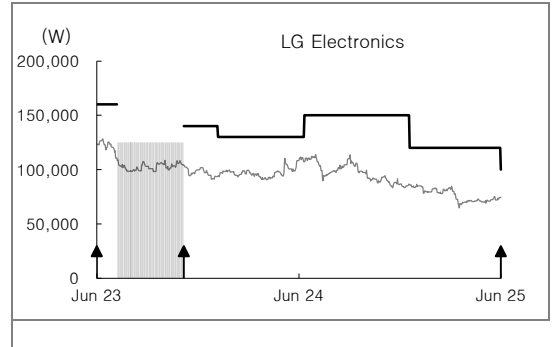
Notes: Based on consensus data
Source: QuantiWise, Mirae Asset Securities Research

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
LG Electronics (066570)	06/23/25	Buy	100,000
	01/09/25	Buy	120,000
	07/03/24	Buy	150,000
	01/29/24	Buy	130,000
	11/28/23	Buy	140,000
	07/31/23	No Coverage	
	04/28/23	Buy	160,000



Stock ratings

Buy	Expected 12-month return: +20% or greater
Hold	Expected 12-month return: Greater than -10% and less than +10%
Sell	Expected 12-month return: -10% or less

Sector ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.

Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

* Our investment rating is a guide to the expected return of the stock over the next 12 months.

* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.

* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	83.98%	6.63%	8.84%	0.55%
Investment banking services	88.24%	0%	11.76%	0%

* Based on recommendations in the last 12-months (as of March 31, 2025)

Disclosures

As of the publication date, Mirae Asset Securities Co., Ltd. has acted as a liquidity provider for equity-linked warrants backed by shares of LG Electronics as an underlying asset; other than this, Mirae Asset Securities has no other special interests in the covered companies.

Analyst certification

The research analysts who prepared this report (the "Analysts") are registered with the Korea Financial Investment Association and are subject to Korean securities regulations. They are neither registered as research analysts in any other jurisdiction nor subject to the laws or regulations thereof. Each Analyst responsible for the preparation of this report certifies that (i) all views expressed in this report accurately reflect the personal views of the Analyst about any and all of the issuers and securities named in this report and (ii) no part of the compensation of the Analyst was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report. Mirae Asset Securities Co., Ltd. ("Mirae Asset Securities") policy prohibits its Analysts and members of their households from owning securities of any company in the Analyst's area of coverage, and the Analysts do not serve as an officer, director, or advisory board member of the subject companies. Except as otherwise specified herein, the Analysts have not received any compensation or any other benefits from the subject companies in the past 12 months and have not been promised the same in connection with this report. Like all employees of Mirae Asset Securities, the Analysts receive compensation that is determined by overall firm profitability, which includes revenues from, among other business units, the institutional equities, investment banking, proprietary trading, and private client divisions. At the time of publication of this report, the Analysts do not know or have reason to know of any actual, material conflict of interest of the Analyst or Mirae Asset Securities except as otherwise stated herein.

Disclaimers

This report was prepared by Mirae Asset Securities, a broker-dealer registered in the Republic of Korea and a member of the Korea Exchange. Information and opinions contained herein have been compiled in good faith and from sources believed to be reliable, but such information has not been independently verified and Mirae Asset Securities makes no guarantee, representation or warranty, express or implied, as to the fairness, accuracy, completeness, or correctness of the information and opinions contained herein or of any translation into English from the Korean language. In case of an English translation of a report prepared in the Korean language, the original Korean language report may have been made available to investors in advance of this report.

The intended recipients of this report are sophisticated institutional investors who have substantial knowledge of the local business environment, its common practices, laws, and accounting principles, and no person whose receipt or use of this report would violate any laws or regulations or subject Mirae Asset Securities or any of its affiliates to registration or licensing requirements in any jurisdiction shall receive or make any use hereof.

This report is for general information purposes only and is not and shall not be construed as an offer or a solicitation of an offer to effect transactions in any securities or other financial instruments. The report does not constitute investment advice to any person, and such person shall not be treated as a client of Mirae Asset Securities by virtue of receiving this report. This report does not take into account the particular investment objectives, financial situations, or needs of individual clients. The report is not to be relied upon in substitution for the exercise of independent judgment. Information and opinions contained herein are as of the date hereof and are subject to change without notice. The price and value of the investments referred to in this report and the income from them may depreciate or appreciate, and investors may incur losses on investments. Past performance is not a guide to future performance. Future

returns are not guaranteed, and a loss of original capital may occur. Mirae Asset Securities, its affiliates, and their directors, officers, employees, and agents do not accept any liability for any loss arising out of the use hereof.

Mirae Asset Securities may have issued other reports that are inconsistent with, and reach different conclusions from, the opinions presented in this report. The reports may reflect different assumptions, views, and analytical methods of the analysts who prepared them. Mirae Asset Securities may make investment decisions that are inconsistent with the opinions and views expressed in this research report. Mirae Asset Securities, its affiliates, and their directors, officers, employees, and agents may have long or short positions in any of the subject securities at any time and may make a purchase or sale, or offer to make a purchase or sale, of any such securities or other financial instruments from time to time in the open market or otherwise, in each case either as principals or agents. Mirae Asset Securities and its affiliates may have had, or may be expecting to enter into, business relationships with the subject companies to provide investment banking, market-making, or other financial services as are permitted under applicable laws and regulations.

No part of this document may be copied or reproduced in any manner or form or redistributed or published, in whole or in part, without the prior written consent of Mirae Asset Securities. For further information regarding company-specific information as it pertains to the representations and disclosures in this Appendix 1, please contact compliance@miraeasset.us.com or +1 (212) 407-1000.

Distribution

United Kingdom: This report is being distributed by Mirae Asset Securities (UK) Ltd. in the United Kingdom only to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), and (ii) high net worth companies and other persons to whom it may lawfully be communicated, falling within Article 49(2)(A) to (E) of the Order (all such persons together being referred to as "Relevant Persons"). This report is directed only at Relevant Persons. Any person who is not a Relevant Person should not act or rely on this report or any of its contents.

United States: Mirae Asset Securities is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This report is distributed in the U.S. by Mirae Asset Securities (USA) Inc., a member of FINRA/SIPC, to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6(b)(4) under the U.S. Securities Exchange Act of 1934, as amended. All U.S. persons that receive this document by their acceptance hereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Mirae Asset Securities or its affiliates. Any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Mirae Asset Securities (USA) Inc. Mirae Asset Securities (USA) Inc. accepts responsibility for the contents of this report in the U.S., subject to the terms hereof, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Mirae Asset Securities. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. persons absent registration or an applicable exemption from the registration requirements.

Hong Kong SAR: This report is distributed in Hong Kong SAR by Mirae Asset Securities (HK) Limited, which is regulated by the Hong Kong Securities and Futures Commission. The contents of this report have not been reviewed by any regulatory authority in Hong Kong SAR. This report is for distribution only to professional investors within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong SAR (Cap. 571, Laws of Hong Kong SAR) and any rules made thereunder and may not be redistributed in whole or in part in Hong Kong SAR to any person.

India: This report is being distributed by Mirae Asset Capital Markets (India) Private Limited ("MACM") in India to the customers based in India and is personal information only for those authorised recipient(s). MACM is inter alia a Securities and Exchange Board of India ("SEBI") registered Research Analyst in India and is not registered outside India. MACM and Mirae Asset, Korea are group entities. MACM makes no guarantee, representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information and opinions contained herein. The user assumes the entire risk of any use made of this information. This report has been provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipient must read the entire Appendix 1 to the report carefully for Important Disclosures & Disclaimers.

All other jurisdictions: Customers in all other countries who wish to effect a transaction in any securities referenced in this report should contact Mirae Asset Securities or its affiliates only if distribution to or use by such customer of this report would not violate applicable laws and regulations and not subject Mirae Asset Securities and its affiliates to any registration or licensing requirement within such jurisdiction.

Mirae Asset Securities International Network

Mirae Asset Securities Co., Ltd. (Seoul)

One-Asia Equity Sales Team
Mirae Asset Center 1 Building
26 Eulji-ro 5-gil, Jung-gu, Seoul 04539
Korea

Tel: 82-2-3774-2124

Mirae Asset Securities (USA) Inc.

810 Seventh Avenue, 37th Floor
New York, NY 10019
USA

Tel: 1-212-407-1000

Mirae Asset Securities (Singapore) Pte. Ltd.

6 Battery Road, #11-01
Singapore 049909
Republic of Singapore

Tel: 65-6671-9845

Mirae Asset Investment Advisory (Beijing) Co., Ltd

2401B, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699

Ho Chi Minh Representative Office

7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3910-7715

Mirae Asset Securities (HK) Ltd.

Units 8501, 8507-8508, 85/F
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong SAR
Tel: 852-2845-6332

Mirae Asset Wealth Management (Brazil) CCTVM

Rua Funchal, 418, 18th Floor, E-Tower Building
Vila Olimpia
Sao Paulo - SP
04551-060
Brazil
Tel: 55-11-2789-2100

Mirae Asset Securities (Vietnam) LLC

7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3911-0633 (ext.110)

Beijing Representative Office

2401A, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699 (ext. 3300)

Mirae Asset Capital Markets (India) Pvt Ltd

1st Floor, Tower 4, Equinox Business Park,
LBS Marg, Off BKC, Kurla (West), Mumbai - 400 070
India

Tel: 91-22-62661300 / 48821300

Mirae Asset Securities (UK) Ltd.

41st Floor, Tower 42
25 Old Broad Street,
London EC2N 1HQ
United Kingdom

Tel: 44-20-7982-8000

PT. Mirae Asset Sekuritas Indonesia

District 8, Treasury Tower Building Lt. 50
Sudirman Central Business District
Jl. Jend. Sudirman, Kav. 52-54
Jakarta Selatan 12190
Indonesia
Tel: 62-21-5088-7000

Mirae Asset Securities Mongolia UTsk LLC

#406, Blue Sky Tower, Peace Avenue 17
1 Khoroo, Sukhbaatar District
Ulaanbaatar 14240
Mongolia

Tel: 976-7011-0806

Shanghai Representative Office

38T31, 38F, Shanghai World Financial Center
100 Century Avenue, Pudong New Area
Shanghai 200120
China

Tel: 86-21-5013-6392
