

# LG Electronics' profit jumps on strong appliance sales

April 28 2016, by By Youkyung Lee

---



People pass by a poster advertising LG Electronics' G5 smartphone at Seoul Railway Station in Seoul, South Korea, Thursday, April 28, 2016. LG Electronics Inc. reported a stunning jump in its first-quarter earnings as its high-end home appliance sales offset a loss for its smartphone business. (AP Photo/Ahn Young-joon)

LG Electronics Inc. reported a stunning jump in its first-quarter earnings as its high-end home appliance sales offset a loss for its smartphone

business.

The South Korean company said Thursday it earned 191 billion won (\$168 million) in the January-March period, compared with 2 billion won a year earlier. The results were its best since mid-2014.

Operating profit jumped 66 percent to 505 billion won (\$443 million) even while sales declined 5 percent to 13.4 trillion won (\$11.8 billion).

The big jump shows that LG's efforts to burnish its reputation as a premium home appliance maker are paying off.

LG's high-end refrigerators, washing machines and other home appliances contributed most to its bottom line while premium TVs made of advanced displays called OLED also improved its margin.

Mobile business however lost money due to marketing expenses to promote the new G5 smartphone. The launch of the G5 smartphone weighed on sales of the older flagship phones, it said. The G5 received huge attention with its modular design. The bottom of the phone pops out to let users swap in new hardware such as a camera grip with physical shutter buttons.

LG forecast improved sales and profitability for the second quarter as it continues to focus on its premium home appliance brand, called LG Signature, and expand global sales of the G5 smartphone.

© 2016 The Associated Press. All rights reserved.

Citation: LG Electronics' profit jumps on strong appliance sales (2016, April 28) retrieved 12 May 2024 from <https://phys.org/news/2016-04-lg-electronics-profit-strong-appliance.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.