



# **INVESTOR RELATIONS**

**MAR. 2020**

## DISCLAIMER

---

This presentation was made as the dates shown and reflected management views as of these dates. All financial information regarding CJ corp. business results and forward looking statements and beliefs about future events are subject to known risks and uncertainties that may cause actual results to differ from those stated or implied.

The financial information in this document are consolidated earnings results based on K-IFRS. These statements involve risks and uncertainties, and actual results may differ.

CJ corp. is under no obligation or responsibility to update the information provided in the presentation in correspondence to their respective dates.

# CONTENTS

1. **COMPANY OVERVIEW**
2. **HIGHLIGHTS**
3. **4Q19 EARNINGS REVIEW**
4. **APPENDIX**

# **COMPANY OVERVIEW**

## VISION & MISSION

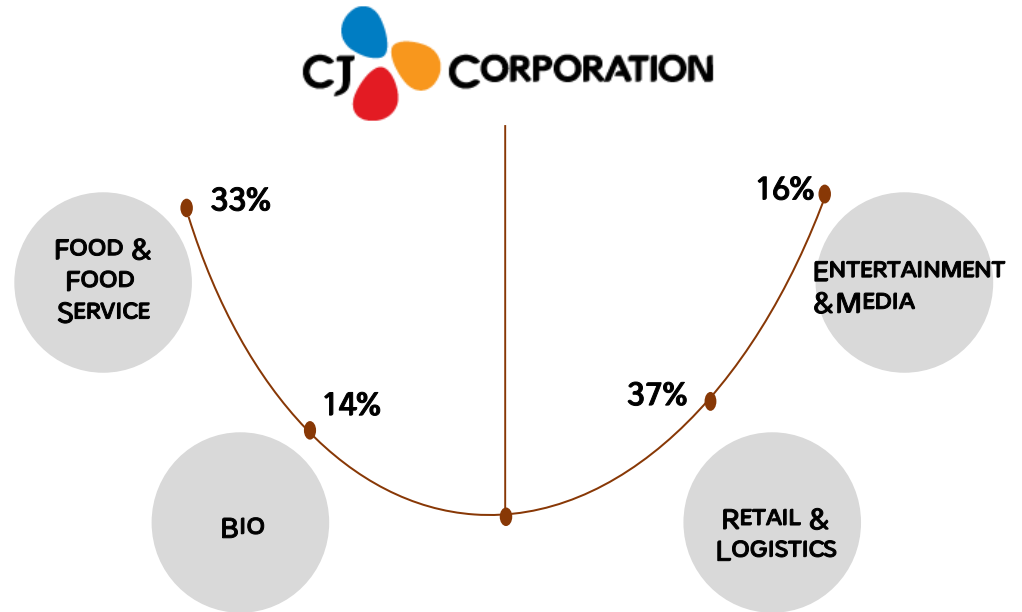
### VISION

Create a New Culture  
For Healthy, Happy and  
Convenient Lifestyles

### MISSION

Contribute to the global community  
by providing the best value  
to our customers  
with ONLYONE products and services

## CORE BUSINESS AREAS



\* 2019 K-IFRS Consolidated, Revenue Breakdown

# COMPANY OVERVIEW

## BUSINESS OVERVIEW

- **Strengthen competitiveness and maximize synergies between four core business areas in the group**

❑ **Food & Food Services** : Actively pursue global expansion based on the experience as the country's leading producer and service provider

❑ **Bio** : Secure global No. 1 position in green bio with outstanding R&D and advanced technologies

❑ **Retail & Logistics** : Provide the largest total logistics services and operate the country's top selling home shopping channel and Korea's leading health & beauty (H&B) store brand

❑ **Entertainment & Media**: Create and produce contents unlimited to movies, music, drama and performance and operate the country's largest movie theater complex

[Unit: W Bn, %]

B/S	2018	2019	P/L	2018	2019
Asset	31,729.5	40,381.4	Revenue	29,523.4	33,779.7
Liability	19,207.7	25,766.3	Operating Profit	1,332.5	1,509.2
Equity	12,521.8	14,615.1	Net Income	880.0	323.8
Liability to Equity Ratio	153%	176%	OP Margin	4.5%	4.5%

Note: K-IFRS Consolidated

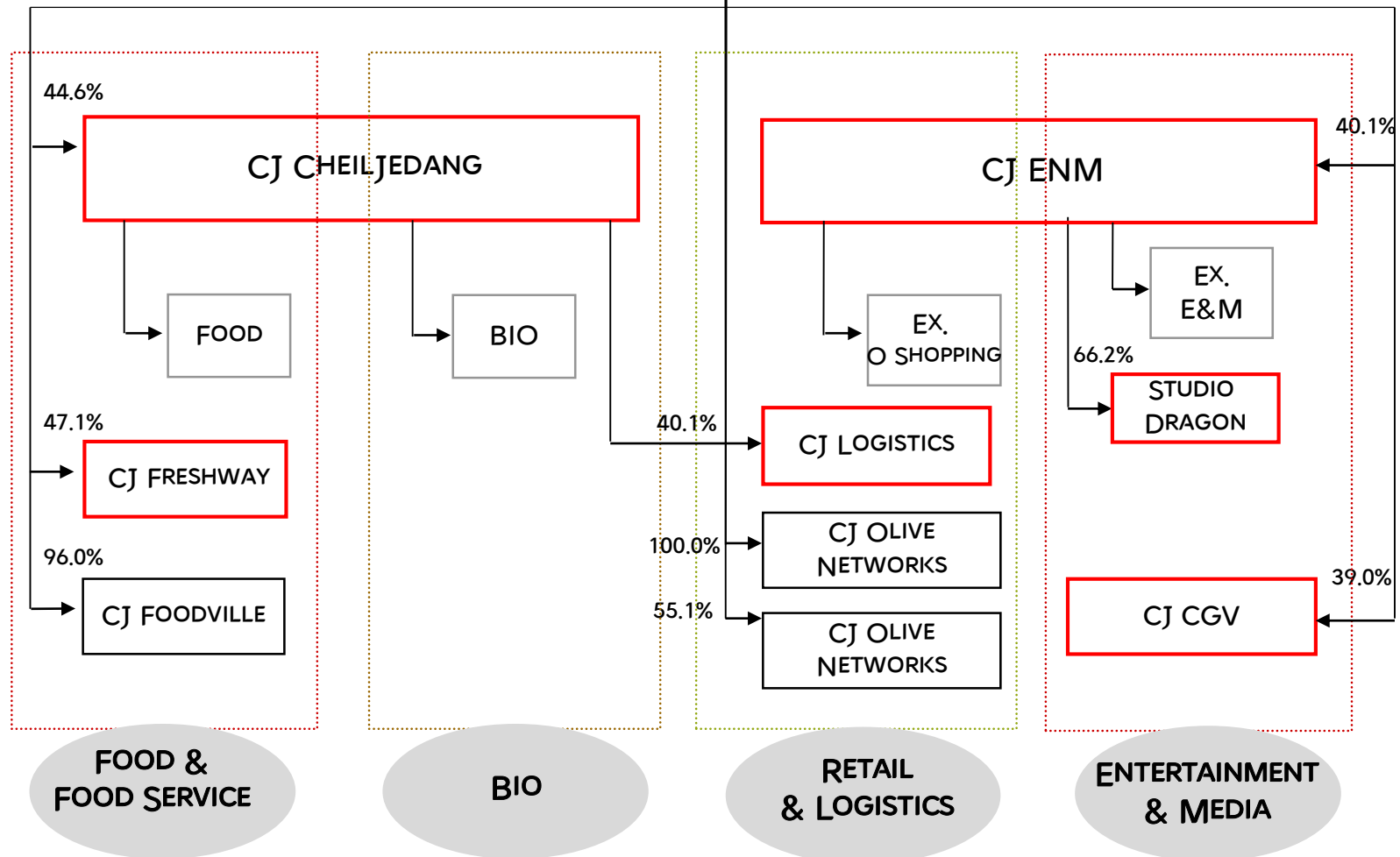
As of End of 2019	Type	No. of Shares	Stake	Note
Shares	Common	29,176,998		
Outstanding	Preferred 1	2,260,223		
	Preferred 4 (Convertible)	4,226,512		
Treasury	Common	2,118,538	7%	
	Preferred 1	1,120		
Shares	Preferred 4 (Convertible)	13,132		
Major Shareholder	Common	12,275,574	42%	

# COMPANY OVERVIEW



[AS OF END OF DEC, 2019]

LISTED



\*Note: Common Stock Basis

# HIGHLIGHTS



# CJ GROUP 4Q19 MANAGEMENT PERFORMANCE HIGHLIGHTS

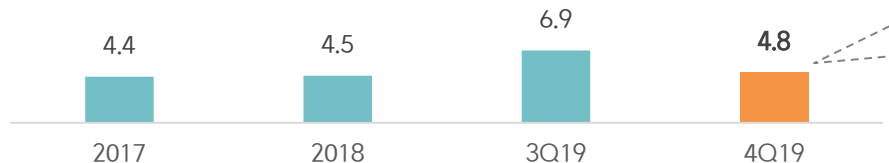
In Q4, CJ Group implemented measures to improve the financial structure of major affiliates and improved profitability through streamlining business operation

## Company

## Key issues in improving financial structure

· Completed the sale of non-core assets(Gayang-dong site 85bil won), liquidating idle assets(Yeongdeungpo plant 23bil won), etc.

· CJ CJ Net debt (Trillion won)



· Net settlement cash(about 200bil won) will flow from the sale of the site in Gayang-dong in 2020  
 · The goal is to maintain net debt within 4.8 trillion won in 2020 and within 4 trillion won in the mid-to long-term

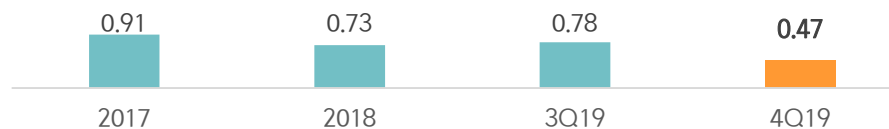


· Completed the sale of non-core assets(Seongsu-dong warehouses 46bil won and other real estate 26bil won) and continued to push for improved financial structure through sale of real estate, ships and others in 2020

· Succeeded in attracting an external capital using stakes in foreign subsidiary(28.6% stake in a subsidiary that incorporates China/Vietnam/Indonesia subsidiaries, 33bil won) and plan to improve financial structure to be implemented in 2020



· CGV Net debt (Trillion won)



※ CJ CJ excluding CJ Logistics

## Key issues in improving profitability

CONSOLIDATED	(bil won)	4Q18	4Q19	YoY
	Revenue	7,800.6	8,851.3	14%
	OP	283.2	373.9	32%
	OPM	3.6%	4.2%	+0.6%p



(bil won)	4Q18	4Q19	YoY
Revenue	2,650.5	3,323.6	25%
OP	104.2	172.1	65%
OPM	3.9%	5.2%	+1.3%p



(bil won)	4Q18	4Q19	YoY
Revenue	2,515.2	2,825.7	12%
OP	87.4	101.3	16%
OPM	3.5%	3.6%	+0.1%p



(bil won)	4Q18	4Q19	YoY
Revenue	450.4	498.3	11%
OP	25.6	45.2	77%
OPM	5.7%	9.1%	+3.4%p

# CJ GROUP 2020 MANAGEMENT STRATEGY HIGHLIGHTS

To cope with the deterioration of the business environment, CJ Group has shifted its management strategy paradigm from 'Quantitative Growth' to 'Qualitative Growth' and focused on improving profitability and financial structure

## ✓ Maximize Existing Business Profitability

- Achieve global enterprise-level profitability of major businesses/items through selection, concentration and the business structure improvement

## ✓ Selective M&A to secure Outstanding Competency

- Avoid large-scale investments and M&As, invest selectively to secure outstanding competency

## ✓ Focus on Maintaining the soundness of Financial Structure

- Improve mid-to long-term financial structure and reduce financial costs by increasing business profitability



- (Food) Improve business structure to strengthen profitability, Secure outstanding competency and enhance strategy execution on trend prediction/R&D/ manufacturing techniques
  - Profitability innovation through strategy revision of domestic product portfolio, Creating synergy from integration of U.S business and maintaining qualitative growth in core countries(U.S/China/Vietnam)
  - Strengthen ability to analyze overall dietary aspects, acquiring outstanding competency in R&D and applying it globally
  - Searching for future growth engines based upon self-generated cash flow



- (Bio) Broaden cost competitiveness gap with competitors and Strengthen market dominance by regional blockage
- (Media) Fortify content hit-ratio and expand convergence digital distribution, Secure profitability by cost reduction & production efficiency
- (Commerce) Fortify high-profit portfolio, maximize operation synergy of multi-channel
- (Pictures) Enforce in-house production and project profit, strategical penetration into U.S



- (Parcel) Enhance operation leverage through network optimization and penetrate into the fulfillment biz utilizing the Megahub
- Continuing to improve the financial structure through the sale of non-core assets(Real estate, Ship, etc.)



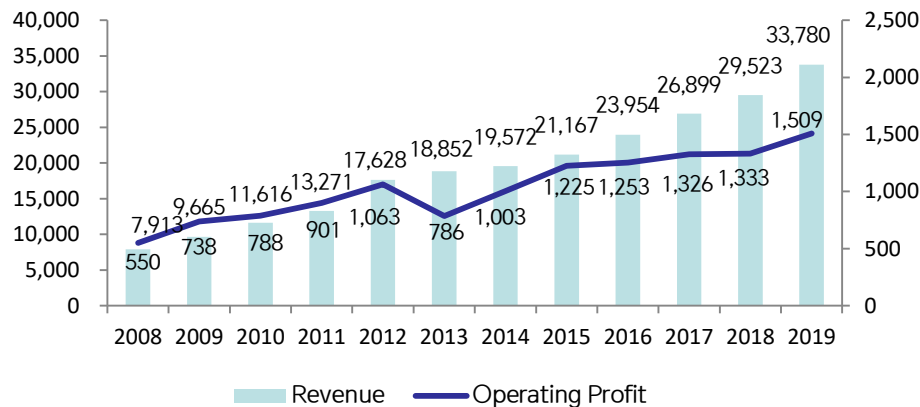
- Improve customer convenience, Maximize concession/ad sales and Secure profitability by intensive cost reduction
- Continuing to improve the financial structure through further planning of financial structure improvement

# **4Q19 EARNINGS REVIEW**

# CJ CORP. 4Q19 EARNINGS REVIEW

## FINANCIAL SUMMARY

[Unit: W Bn]



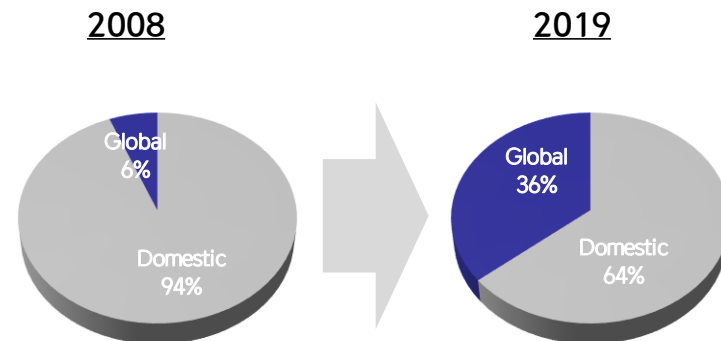
NOTE: K-IFRS CONSOLIDATED

- Since the transition to a holdings company in September 2007, CJ Corp has achieved Sales CAGR of 14.1% and operating profit CAGR of 9.6% through adopting “choose and focus” strategy on 4 core business areas.
- By the end of 2019, Company’s total assets and revenue recorded KRW 40.3 trillion and KRW 33.8 trillion , which is 314% and 326% increase within past 11 years, respectively.

### CJ'S GLOBALIZATION

- Expand global presence of businesses which are already indisputably a domestic leader under the operations of CJ CJ, CJ Logistics, CJ CGV and more
- Continue to increase global sales proportion which has seen a remarkable growth from 6% in 2008 up to 36% in 2019
- Increase market share already at unwavering global No. 1 of major Bio products, namely lysine, nucleotides and tryptophan
- No.1 theater operator in Vietnam and Turkey

### Consolidated Revenue

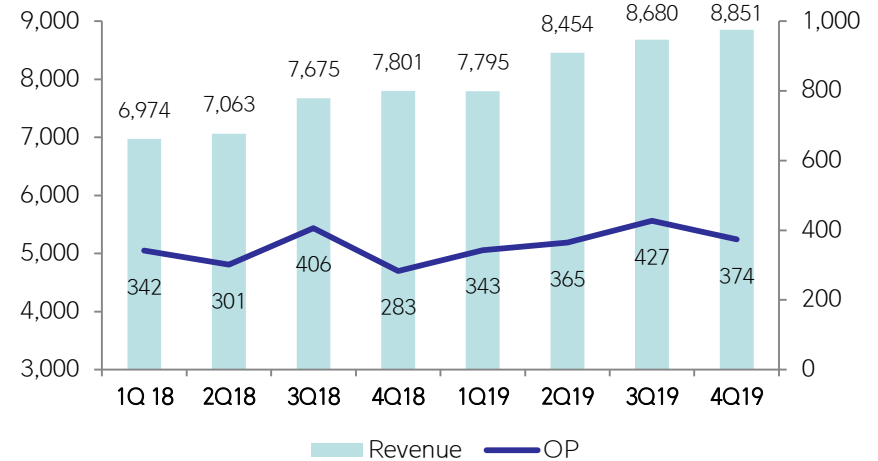


## FINANCIAL HIGHLIGHTS

[UNIT : W BN]

	1Q 18	2Q18	3Q18	4Q18	1Q 19	2Q 19	3Q 19	4Q 19
Revenue	6,974	7,063	7,675	7,801	7,795	8,454	8,680	8,851
Operating Profit	342	301	406	283	343	365	427	374
(%)	4.9%	4.3%	5.3%	3.6%	4.4%	4.3%	4.9%	4.2%

[UNIT : W BN]



- **4Q19: Revenue KRW 8,851.4bn (YoY +13.5%), OP KRW 373.9bn (YoY +32.0%)**

- : Growth led by CJCJ, CJ Logistics' Parcel/Global and CJ ENM's Commerce, OliveYoung business

- : OP increased with the best-ever performance record of CJ Logistics and improved profitabilities of CJCJ/CGV

- **Enhanced market competitiveness in all four main business areas, which has achieved more stability in diversified portfolio**

- : Driving future growth through globalization – continuous endeavors in diversifying product portfolio within the Food business, setting the cornerstone by acquisition of local company at CJ Logistics and enhancing content producing capability at CJ ENM

- : Inter-sub synergies – business portfolio includes Food, Entertainment, Retail and Logistics, all of which are synergistic to one another, promoting further

# CJ CORP. 4Q19 EARNINGS REVIEW



Company		4Q19 W bn	YoY	Highlights
CJCJ	Revenue	3,324	+25.4%	· Up with effects of Schwan's company acquisition and high growth of global processed food
	OP	172	+65.2%	· Improved across all divisions from resilient global livestock prices and timing difference in Lunar New Year
CJ Logistics	Revenue	2,826	+12.3%	· Up with on the back of parcel's ASP/sales volume growth and synergies from global M&A effect
	OP	101	+15.9%	· Recorded a historic high thanks to profit-oriented management (Parcel's ASP hike and cost-control)
ENM	Revenue	1,014	+5.7%	· Despite contraction of media revenue due to market slump, Up with Commerce/Picture/Music growth
	OP	43	-14.9%	· Stable profit growth from commerce, decreased profitability of Media and loss from both Pictures/Music
CGV	Revenue	498	+10.6%	· Up with high growth of the number of theaters and box offices in across all divisions (Korea/China, etc.)
	OP	45	+76.6%	· Increased dramatically with profitability-enhancing policy effects across all divisions
FreshWay	Revenue	781	+8.6%	· Up with growth of food material distribution and food catering service through selective new orders centered on profitability
	OP	15	-17.4%	· Decreased due to one-off cost effect (inventory loss related to livestock, etc.)

※ CJCJ excluding CJ Logistics

## 2019 OPERATING RESULTS BY BUSINESS

### Revenue

[UNIT : W BN]

	2018	2019	YoY
Food & Food Service	8,594.5	11,096.3	29.1%
Bio	4,999.3	4,717.3	-5.6%
Retail & Logistics	11,017.3	12,529.5	13.7%
Entertainment & Media	4,898.9	5,347.3	9.2%
Others	13.4	89.3	566.4%
Total	29,523.4	33,779.7	14.4%

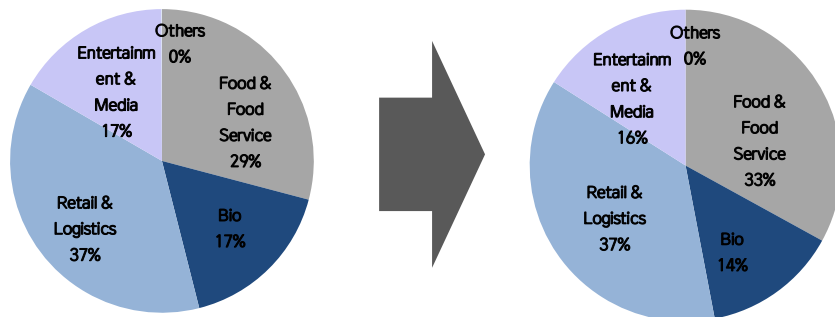
### Operating Profit

[UNIT : W BN]

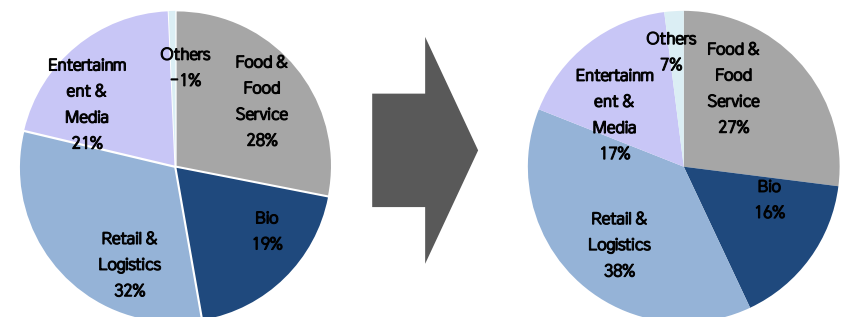
	2018	2019	YoY
Food & Food Service	379.4	409.8	8.0%
Bio	258.9	245.3	-5.3%
Retail & Logistics	425.3	564.4	32.7%
Entertainment & Media	278.3	255.2	-8.3%
Others	-9.4	34.5	-
Total	1,332.5	1,509.2	13.3%

## STABILITY OF THE BUSINESS PORTFOLIO

### REVENUE



### OPERATING PROFIT



## [UNLISTED] 2019 EARNINGS REVIEW: CJ OLIVENETWORKS(IT)

- CJ Olivenetworks(100% owned by CJ Corp.) has signed a comprehensive management service contract for information system operations, such as CJ Group, to provide the services related to computerization, and to public institutions and private companies to develop software and Internet solutions.

**[Mid-to Long-term Strategy] Fortify capability of Data Analytics such as Big Data/AI/Cloud/etc. and Leading the Digital Transformation of CJ's major business**

- ✓ Improve Operation Excellence and Customer Experience in key business such as Food/Logistics/E&M/etc.(Customer Data-based Marketing, Logistics/Store Operating Automation, etc.)
- ✓ Combine AI with differentiated data(CJ One Data, Operation Data by business, etc.) from CJ Group that can identify consumption trends of Contents/Parcel/Food/Restaurant/etc.

[UNIT : W BN, %]

B/S	2018	2019
Asset	1,164,9	473,4
Liability	649,4	305,0
Equity	515,5	168,4
Liability to Equity ratio	126%	181%

※ FY2018 B/S is based on a pre-division

### [ 2019 P/L Summary ]

(Unit: W Bn)	2018	2019	YoY	
			(%,%p)	(W Bn)
Revenue	454.3	465.0	2.4%	10.7
Operating Profit	34.0	45.2	32.9%	11.2
OPM(%)	7.5%	9.7%	2.2%p	-
EBIT	31.1	42.4	36.3%	11.3
Net Income	22.7	39.3	73.1%	16.6

\* Based on K-IFRS Separate

- [Revenue] Up 2.4%yoy with expansion of SM(System operation and Maintenance) service area and increased IDC(Building/Operating infrastructure such as server, network, and security)/messaging services
  - Increased the scope of SM service area by expanding groups' business
  - Increased IDC(Internet Data Center)/Payment Solution/Messaging service usages
- [OP] Increased 32.9%yoy with revenue growth and cost effectiveness(streamlined the operation of staff by project)



## [UNLISTED] 2019 EARNINGS REVIEW: CJ OLIVEYOUNG

- CJ OliveYoung (55% owned by CJ Corp.) is a newly established company on Nov. 1st, 2019. It provides trendy products such as beauty-, health-, personal-care, supplement, accessories, etc. through online/offline services.

OY	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19	4Q 19
<b>Store (Domestic)</b>	1,104	1,144	1,178	1,198	1,214	1,233	1,238	1,246
<b>Direct</b>	891	925	952	966	980	992	995	1,005
<b>Franchise</b>	213	219	226	232	234	241	243	241

B/S	[UNIT : W BN, %]	
	2018	2019
Asset	-	1,346,3
Liability	-	1,034,6
Equity	-	311,7
Liability to Equity ratio	-	332%

### [ 2019 P/L Summary ]

(Unit: W Bn)	2018	2019	YoY	
			(%,%p)	(W Bn)
Revenue	1,659,5	1,960.0	18.1%	300.5
* Online (%)	7.7%	10.6%	2.9%p	-
Operating Profit	48.6	87.9	80.9%	39.3
OPM(%)	2.9%	4.5%	1.6%p	-
EBIT	40.9	69.4	69.7%	28.5
Net Income	32.0	50.9	59.1%	18.9

\* Based on K-IFRS Separate

- [Revenue] Up 18.1%yoy thanks to growth in SSSG, the number of stores and online business
  - 1,198 Stores (end of 2018)⇒1,246 Stores(end of 2019)
  - Strengthened skin-care product lineup and strategic expansion of premium cosmetic brands
  - Executed discount sales with newly launched events such as marketing using SNS, etc.
- [OP] Increased 80.9%yoy with improving cannibalization among stores by changing store-opening strategies based on profitability, Expanding high-efficiency beauty MD and Streamlining costs, such as rent

## [UNLISTED] 2019 EARNINGS REVIEW: CJ FOODVILLE

- CJ Foodville (96% owned by CJ Corp.) has dining brands such as <VIPS>, <Season's Table>, <The Place>, <Cheil Jemyunso>, etc. and franchise brand <Tous Les Jours>

Foodville	1Q 18	2Q 18	3Q 18	4Q18	1Q 19	2Q 19	3Q 19	4Q 19
<b>Store (Domestic)</b>	2,509	2,550	2,557	2,566	2,558	2,954	1,628	1,591
<b>Direct</b>	279	279	274	252	230	237	141	124
<b>Franchise</b>	2,230	2,271	2,283	2,314	2,328	2,359	1,293	1,274
<b>Store (Overseas)</b>	426	421	418	380	372	358	194	193

[UNIT : W BN, %]

B/S	2018	2019
Asset	6,188	6,188
Liability	7,211	5,390
Equity	110	798
Liability to Equity ratio	6,555%	675%

### [ 2019 P/L Summary ]

(Unit: W Bn)	2018	2019	YoY	
			(%,%p)	(W Bn)
Revenue	983.1	814.1	-17.2%	-169.0
Operating Profit	-44.2	-6.5	-	37.7
EBIT	0.09	42.6	47,233.3%	42.5
Net Income	-9.0	32.3	-	41.3

\* Based on K-IFRS Separate

- [Revenue] Decreased with closing weak-performance stores based on the strategy for improving domestic and overseas business
  - VIPS: 61 Stores (end of 2018)⇒41 Stores(end of 2019)
  - Season's Table: 29 Stores ⇒15 Stores
- Sold 45% of <Twosome Place> stake in 2Q19. (Residual stake: 15%)

# APPENDIX

# FINANCIAL STATEMENT

## CONSOLIDATED STATEMENTS

[Unit: W Bn]

	2018	2019	YoY
<b>I. Current Assets</b>	8,867.1	10,638.2	1,771.1
1. Cash and Cash Equivalents	1,473.6	1,602.6	129.0
2. Short-term Financial Instruments	163.0	1,107.4	944.4
3. Trade Receivables	3,534.8	3,580.2	45.4
4. Inventories	2,023.7	2,549.0	525.3
5. Other Current Assets	1,672.0	1,799.0	127.0
<b>II. Non-Current Assets Held for Sale</b>	2.2	514.5	512.3
<b>III. Non-Current Assets</b>	22,860.2	29,228.7	6,368.5
<b>Total Asset</b>	<b>31,729.5</b>	<b>40,381.4</b>	<b>8,651.9</b>
<b>I. Current Liabilities</b>	10,998.4	12,283.4	1,285.0
<b>II. Non-Current Liabilities</b>	8,209.3	13,481.6	5,272.3
<b>III. Non-Current Liabilities Held for Sale</b>	-	1.3	1.3
<b>Total Liabilities</b>	<b>19,207.7</b>	<b>25,766.3</b>	<b>6,558.6</b>
<b>I. Equity Attributable to Owners of the Company</b>	4,058.7	4,509.6	450.9
1. Capital Stock	157.9	179.0	21.1
2. Paid-in Capital in Excess of Par Value	993.0	992.9	-0.1
3. Other Components of Equity	-428.7	-195.7	233.0
4. Retained Earnings	3,336.5	3,533.4	196.9
<b>II. Non-Controlling Interest</b>	8,463.1	10,105.5	1,642.4
<b>Total Equity</b>	<b>12,521.8</b>	<b>14,615.1</b>	<b>2,093.3</b>
<b>Debt Ratio</b>	<b>153.4%</b>	<b>176.3%</b>	<b>22.9%pt.</b>

[Unit: W Bn]

	4Q18	4Q19	YOY
<b>I. Revenue</b>	<b>7,800.6</b>	<b>8,851.3</b>	13.5%
II. COGS	5,725.1	6,496.8	13.5%
III. Gross Profit	2,075.5	2,354.5	13.4%
<b>IV. Operating Profit</b>	<b>283.3</b>	<b>373.9</b>	32.0%
V. Profit before Income Tax	- 336.9	- 103.8	-
VI. Tax Expenses	- 29.7	50.5	-
<b>VII. Net Profit</b>	<b>- 307.2</b>	<b>- 154.3</b>	-
1. Profit Attributable to Owners of the Company	- 181.3	- 28.4	-
2. Profit Attributable to Non-Controlling Interests	- 125.9	- 125.9	-

[Unit: W Bn]

	2018	2019	YOY
<b>I. Revenue</b>	<b>29,523.4</b>	<b>33,779.7</b>	<b>14.4%</b>
II. COGS	21,170.2	24,634.4	16.4%
III. Gross Profit	8,353.2	9,145.3	9.5%
<b>IV. Operating Profit</b>	<b>1,332.5</b>	<b>1,509.2</b>	<b>13.3%</b>
V. Profit before Income Tax	1,319.7	597.1	-54.8%
VI. Tax Expenses	439.7	273.3	-37.8%
<b>VII. Net Profit</b>	<b>880.0</b>	<b>323.8</b>	<b>-63.2%</b>
1. Profit Attributable to Owners of the Company	276.0	267.1	-3.2%
2. Profit Attributable to Non-Controlling Interests	604.0	56.7	-90.6%

# FINANCIAL STATEMENT

## SEPARATE STATEMENTS

[Unit: W Bn]

	2018	2019	YoY
I. Current Assets	53.5	79.9	26.4
1. Cash and Cash Equivalents	31.0	5.2	-25.8
3. Other Current Assets	22.5	74.7	52.2
II. Non-Current Assets	2,758.4	2,900.4	142.0
<b>Total Asset</b>	<b>2,811.9</b>	<b>2,980.3</b>	<b>168.4</b>
I. Current Liabilities	49.6	92.2	42.6
II. Non-Current Liabilities	108.6	104.2	-4.4
<b>Total Liabilities</b>	<b>158.2</b>	<b>196.4</b>	<b>38.2</b>
I. Capital Stock	157.9	179.0	21.1
II. Paid-in Capital in Excess of Par Value	993.0	992.8	-0.2
III. Other Components of Equity	-216.1	-106.8	109.3
IV. Retained Earnings	1,718.9	1,718.9	0.0
<b>Total Equity</b>	<b>2,653.7</b>	<b>2,783.9</b>	<b>130.2</b>
<b>Debt Ratio</b>	<b>6.0%</b>	<b>5.8%</b>	<b>-0.2%pt.</b>

[Unit: W Bn]

	4Q18	4Q19	YOY
<b>I. Operating Revenue</b>	<b>59.0</b>	<b>61.1</b>	<b>3.6%</b>
- Royalty Income	30.2	30.8	2.0%
- Dividend Income	-	-	-
- Others	28.8	30.3	5.2%
II. Operating Expenses	50.2	51.0	1.6%
<b>III. Operating Profit</b>	<b>8.8</b>	<b>10.1</b>	<b>14.8%</b>
IV. Profit before Income Tax Benefit(Expense)	12.7	17.7	39.4%
V. Income Tax Benefit(Expense)	4.1	1.8	-56.1%
<b>VI. Net Profit</b>	<b>8.6</b>	<b>15.9</b>	<b>84.9%</b>

[Unit: W Bn]

	2018	2019	YOY
<b>I. Operating Revenue</b>	<b>169.9</b>	<b>181.7</b>	<b>6.9%</b>
- Royalty Income	99.6	101.4	1.8%
- Dividend Income	38.3	45.3	18.3%
- Others	32.0	35.0	9.4%
II. Operating Expenses	90.9	107.0	17.7%
<b>III. Operating Profit</b>	<b>79.0</b>	<b>74.7</b>	<b>-5.4%</b>
IV. Profit before Income Tax Benefit(Expense)	40.4	67.7	67.6%
V. Income Tax Benefit(Expense)	4.3	4.4	2.3%
<b>VI. Net Profit</b>	<b>36.1</b>	<b>63.3</b>	<b>75.3%</b>

**THANK YOU**