



# **INVESTOR RELATIONS**

**MAY. 2020**

## DISCLAIMER

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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.

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# **COMPANY OVERVIEW**

## VISION & MISSION

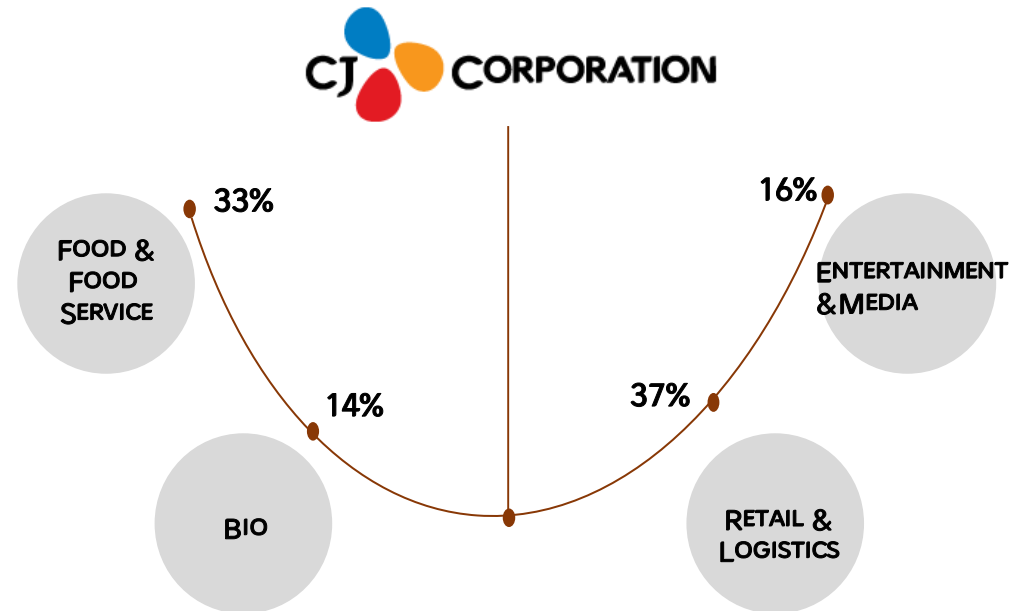
### VISION

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

## 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

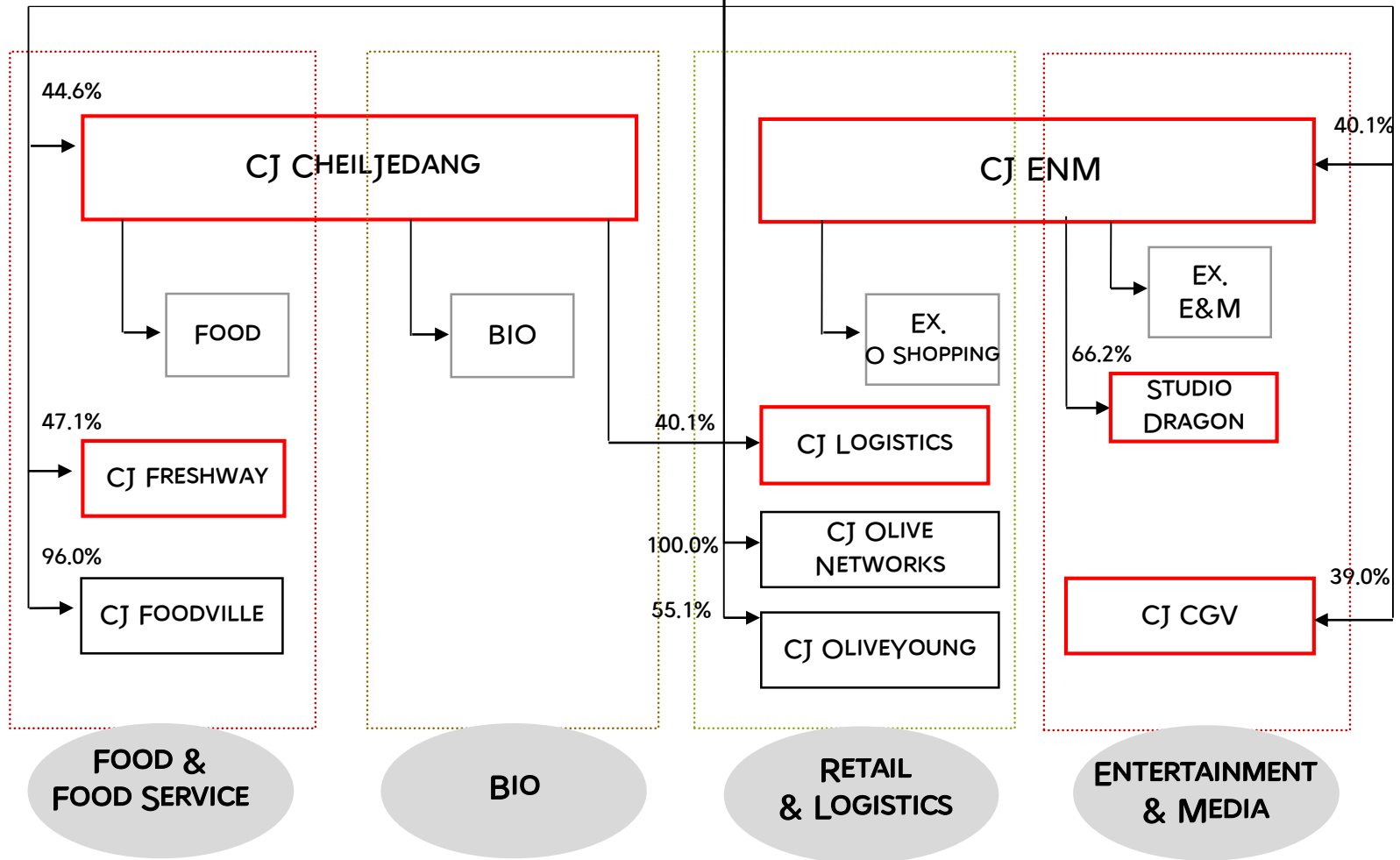
As of End of 2019	Type	No. of Shares	Stake	Note
Shares	Common	29,176,998		
Outstanding	Preferred 1	2,260,223		
	Preferred 4 (Convertible)	4,226,512		
Treasury	Common	2,118,538	7%	
	Preferred 1	1,120		
Shares	Preferred 4 (Convertible)	13,132		
Major Shareholder	Common	12,275,574	42%	

# COMPANY OVERVIEW



[AS OF END OF MAR, 2020]

LISTED



\*Note: Common Stock Basis

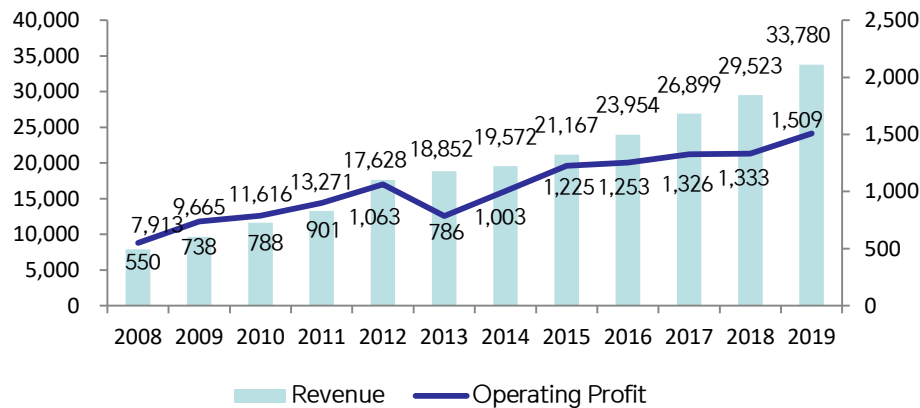
# **1Q20 EARNINGS REVIEW**



# CJ CORP. 1Q20 EARNINGS REVIEW

## FINANCIAL SUMMARY

[Unit: W Bn]



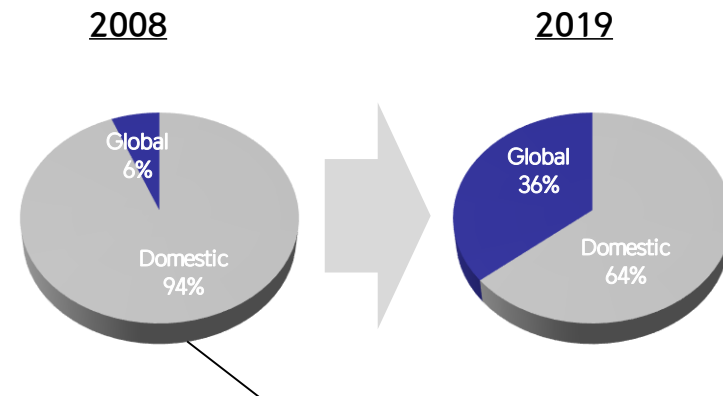
NOTE: K-IFRS CONSOLIDATED

- 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

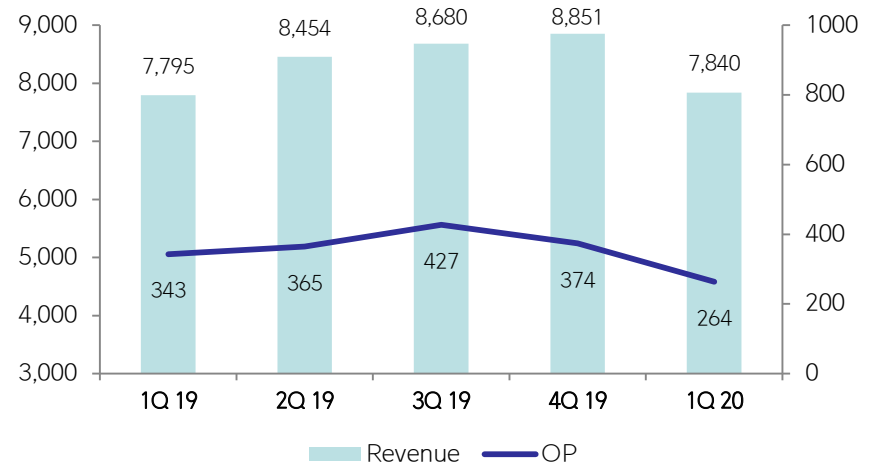


## FINANCIAL HIGHLIGHTS

[UNIT : W BN]

	1Q 19	2Q 19	3Q 19	4Q 19	1Q 20
Revenue	7,795	8,454	8,680	8,851	7,840
Operating Profit	343	365	427	374	264
(%)	4.4%	4.3%	4.9%	4.2%	3.4%

[UNIT : W BN]



- 1Q20: Revenue KRW 7,840bn (YoY +0.6%), OP KRW 264bn (YoY -23.0%)

- : Growth led by CJ CJ and CJ Logistics' Parcel
- : OP decreased mainly due to contraction of ENM's TV Ad. and CGV's global revenue driven by COVID-19

- 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. 1Q20 EARNINGS REVIEW



Company		1Q20 W bn	YoY	Highlights
CJCJ	Revenue	3,482	+23.9%	· Up with robust sales growth from Processed Food and Bio along with Schwan's acquisition
	OP	220	+53.3%	· Improved due to resilient hog price and Schwan's acquisition effect despite early sales recognition giftset in 4Q19
CJ Logistics	Revenue	2,515	+3.4%	· Up with significant growth on Parcel as "Untact Trend" emerges which offset distress in China and Forwarding biz triggered from COVID-19
	OP	58	+28.5%	· Increased thanks to significant profit improvement by maximizing sales leverage in Parcel
ENM	Revenue	811	-5.7%	· Despite TV Ad. market slow-down and COVID-19 affecting Pictures/Music, Commerce and Digital growth defended market condition and revenue level
	OP	40	-49.7%	· Reduced profitability due to decreased TV Ad. revenue, stable profit from Commerce
CGV	Revenue	243	-47.6%	· Decreased due to weak demand by COVID-19 pandemic affecting directly on to box office globally
	OP	-72	Turn Neg.	· Turned negative due to fixed cost burdens weighed higher against the weak box office
FreshWay	Revenue	603	-19.4%	· Decreased due to weak demand on food material distribution and food catering service by COVID-19
	OP	-13	Turn Neg.	· Turned negative due to weak sales driven by COVID-19

※ CJCJ excluding CJ Logistics

## 1Q20 OPERATING RESULTS BY BUSINESS

### Revenue

[UNIT : W BN]

	1Q19	1Q20	YoY
Food & Food Service	2,537.9	2,824.3	11.3%
Bio	1,100.5	1,212.6	10.2%
Retail & Logistics	2,886.4	2,970.3	2.9%
Entertainment & Media	1,246.0	688.0	-44.8%
Others	24.1	144.8	500.8%
<b>Total</b>	<b>7,794.9</b>	<b>7,840.0</b>	<b>0.6%</b>

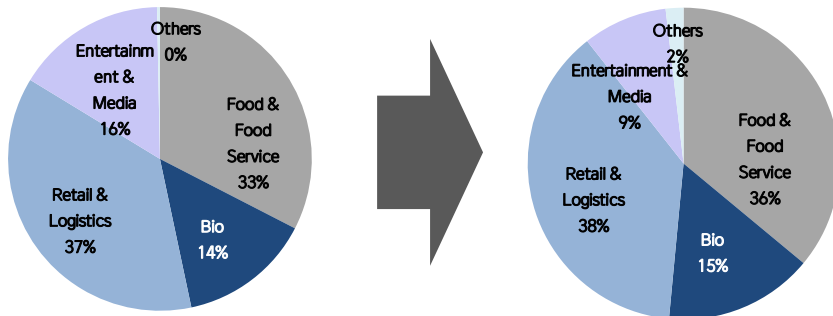
### Operating Profit

[UNIT : W BN]

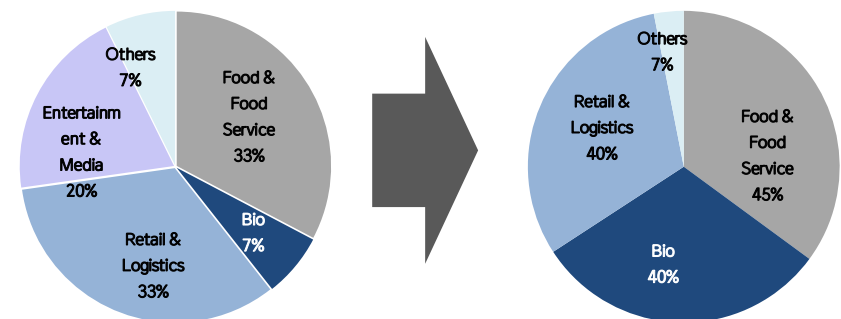
	1Q19	1Q20	YoY
Food & Food Service	112.3	119.5	6.4%
Bio	22.9	104.7	357.2%
Retail & Logistics	114.6	106.0	-7.5%
Entertainment & Media	68.4	-76.4	Turn Neg.
Others	25.1	10.5	-58.2%
<b>Total</b>	<b>343.3</b>	<b>264.3</b>	<b>-23.0%</b>

## STABILITY OF THE BUSINESS PORTFOLIO

### REVENUE



### OPERATING PROFIT



## [UNLISTED] 1Q20 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

### [ P/L Summary ]

(Unit: W Bn)	2019	1Q19	1Q20	YoY	
				(%,%p)	(W Bn)
Revenue	465.0	110.4	104.3	-5.5%	-6.1
Operating Profit	45.2	-	-	-	-
OPM(%)	97%	-	-	-	-
EBIT	42.4	-	-	-	-
Net Income	39.3	16.6	10.0	-39.8%	-6.6

\* Based on K-IFRS Separate

- [Revenue] Decreased 5.5%yoy with contraction of SI sales despite increased SM(System operation and Maintenance) service area and IDC(Building/Operating infrastructure such as server, network, and security)/messaging services
  - Increased the scope of SM service area by expanding groups' business
  - Decreased SI sales due to subsidiaries' contingency management
- [NI] Decreased with contraction of dividend payments by PowerCast ('18 10.7bil ⇒ '19 5.4bil)

## [UNLISTED] 1Q20 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.

### [ P/L Summary ]

(Unit: W Bn)	2019	1Q19	1Q20	YoY	
				(%,%p)	(W Bn)
Revenue	1,960.0	456.1	453.7	-0.5%	-2.4
* Online (%)	10.6%			-	-
Operating Profit	87.9	-	-	-	-
OPM(%)	4.5%	-	-	-	-
EBIT	69.4	-	-	-	-
Net Income	50.9	17.2	9.7	-43.6%	-7.5

\* Based on K-IFRS Separate

OY	1Q 19	2Q 19	3Q 19	4Q 19	1Q 20
<b>Store (Domestic)</b>	1,214	1,233	1,238	1,246	1,249
<b>Direct</b>	980	992	995	1,005	1,009
<b>Franchise</b>	234	241	243	241	240

[UNIT : W BN, %]

B/S	2018	2019
Asset	-	1,346,3
Liability	-	1,034,6
Equity	-	311,7
Liability to Equity ratio	-	332%

- [Revenue] Decreased 0.5%yoy thanks to growth in online business despite sluggish SSSG driven by COVID-19
  - 1,249 Stores (+35 Stores YoY, +3 Stores QoQ)
  - Strengthen MD strategy and discount sales with newly launched events such as marketing using SNS, etc.
- [NI] Decreased due to contraction of store sales driven by COVID-19 despite promotion cost execution

## [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>

### [ P/L Summary ]

(Unit: W Bn)	2019	1Q19	1Q20	YoY	
				(%,%p)	(W Bn)
Revenue	814.1	229.9	152.9	-33.5%	-77.0
Operating Profit	-6.5	-	-	-	-
EBIT	42.6	-	-	-	-
Net Income	32.3	6.8	-6.4	Turn Neg.	-13.2

\* Based on K-IFRS Separate

- [Revenue] Decreased due to contraction of -dining brands' sales driven by COVID-19 and - the number of weak performance stores based on the strategy for improving profitability
  - VIPS: 40 Stores (-18 Stores YoY, -1 Store QoQ)
  - Season's Table: 15 Stores (-1 Stores YoY, - QoQ)
- Sold 45% of <Twosome Place> stake in 2Q19. (Residual stake: 15%)

	1Q 19	2Q 19	3Q 19	4Q 19	1Q 20
<b>Foodville</b>					
<b>Store (Domestic)</b>	2,558	2,954	1,628	1,591	1,590
Direct	230	237	141	124	121
Franchise	2,328	2,359	1,293	1,274	1,271
<b>Store (Overseas)</b>	372	358	194	193	198

[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%

# APPENDIX



# FINANCIAL STATEMENT

## CONSOLIDATED STATEMENTS

[Unit: W Bn]

	2019	1Q20	YoY
I. Current Assets	10,638.2	11,471.2	833.0
1. Cash and Cash Equivalents	1,602.6	1,888.7	286.1
2. Short-term Financial Instruments	1,107.4	1,299.2	191.8
3. Trade Receivables	3,580.2	3,626.1	45.9
4. Inventories	2,549.0	2,649.3	100.3
5. Other Current Assets	1,799.0	2,007.9	208.9
II. Non-Current Assets			
Held for Sale	514.5	7.4	-507.1
III. Non-Current Assets	29,228.7	29,737.7	509.0
<b>Total Asset</b>	<b>40,381.4</b>	<b>41,216.3</b>	<b>834.9</b>
I. Current Liabilities	12,283.4	12,566.9	283.5
II. Non-Current Liabilities	13,481.6	13,589.3	107.7
III. Non-Current Liabilities			
Held for Sale	1.3	-	-1.3
<b>Total Liabilities</b>	<b>25,766.3</b>	<b>26,156.2</b>	<b>389.9</b>
I. Equity Attributable to Owners of the Company	4,509.6	4,658.5	148.9
1. Capital Stock	179.0	179.0	-
2. Paid-in Capital in Excess of Par Value	992.9	992.9	-
3. Other Components of Equity	-195.7	-136.9	58.8
4. Retained Earnings	3,533.4	3,623.5	90.1
II. Non-Controlling Interest	10,105.5	10,401.7	296.2
<b>Total Equity</b>	<b>14,615.1</b>	<b>15,060.2</b>	<b>445.1</b>
<b>Debt Ratio</b>	<b>176.3%</b>	<b>173.7%</b>	<b>-2.6%pt.</b>

[Unit: W Bn]

	1Q18	1Q19	YOY
<b>I. Revenue</b>	<b>7,794.9</b>	<b>7,840.0</b>	0.6%
II. COGS	5,639.9	5,769.4	2.3%
III. Gross Profit	2,155.0	2,070.6	-3.9%
<b>IV. Operating Profit</b>	<b>343.3</b>	<b>264.3</b>	-23.0%
V. Profit before Income Tax	171.2	524.7	206.5%
VI. Tax Expenses	57.0	161.4	183.2%
<b>VII. Net Profit</b>	<b>114.2</b>	<b>363.3</b>	218.1%
1. Profit Attributable to Owners of the Company	48.3	152.4	215.5%
2. Profit Attributable to Non-Controlling Interests	65.9	210.9	220.0%

[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]

	2019	1Q20	YoY
I. Current Assets	79.9	190.6	110.7
1. Cash and Cash Equivalents	5.2	57.7	52.5
3. Other Current Assets	74.7	132.9	58.2
II. Non-Current Assets	2,900.4	2,885.6	-14.8
<b>Total Asset</b>	<b>2,980.3</b>	<b>3,076.2</b>	<b>95.9</b>
I. Current Liabilities	92.2	205.1	112.9
II. Non-Current Liabilities	104.2	105.3	1.1
<b>Total Liabilities</b>	<b>196.4</b>	<b>310.4</b>	<b>114.0</b>
I. Capital Stock	179.0	179.0	-
II. Paid-in Capital in Excess of Par Value	992.8	992.8	-
III. Other Components of Equity	-106.8	-106.8	-
IV. Retained Earnings	1,718.9	1,700.8	-18.1
<b>Total Equity</b>	<b>2,783.9</b>	<b>2,765.8</b>	<b>-18.1</b>
<b>Debt Ratio</b>	<b>7.1%</b>	<b>11.2%</b>	<b>4.2%pt.</b>

[Unit: W Bn]

	1Q19	1Q20	YOY
<b>I. Operating Revenue</b>	<b>68.5</b>	<b>69.7</b>	<b>1.8%</b>
- Royalty Income	21.7	21.5	-0.9%
- Dividend Income	45.3	46.6	2.9%
- Others	1.5	1.6	6.7%
II. Operating Expenses	22.4	15.7	-29.9%
<b>III. Operating Profit</b>	<b>46.1</b>	<b>54.0</b>	<b>17.1%</b>
IV. Profit before Income Tax Benefit(Expense)	43.5	43.7	0.5%
V. Income Tax Benefit(Expense)	0.2	-0.3	-
<b>VI. Net Profit</b>	<b>43.3</b>	<b>44.0</b>	<b>1.6%</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**