



# INVESTOR RELATIONS

NOV. 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

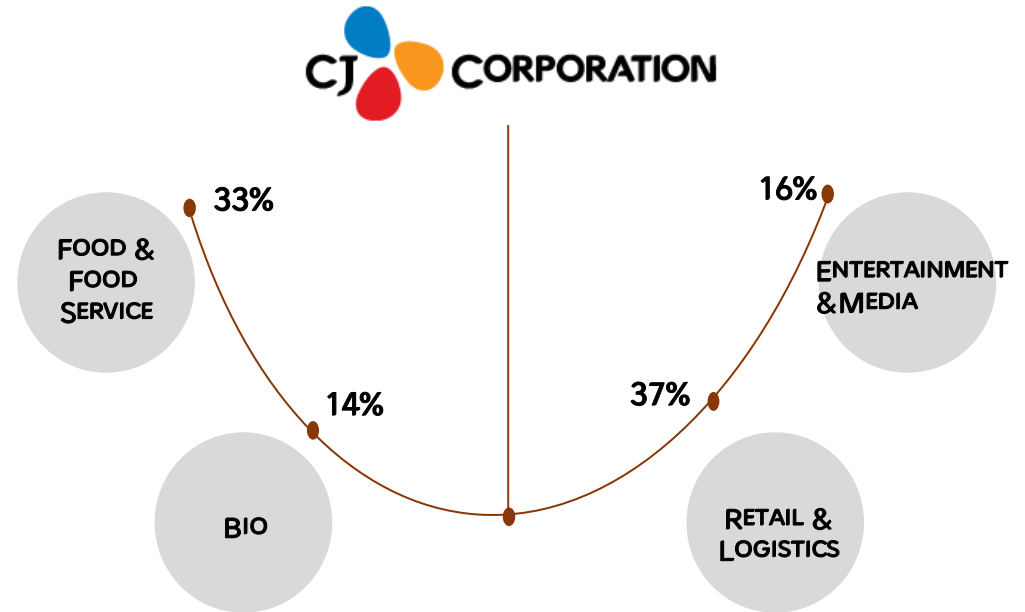
### VISION

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

# 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

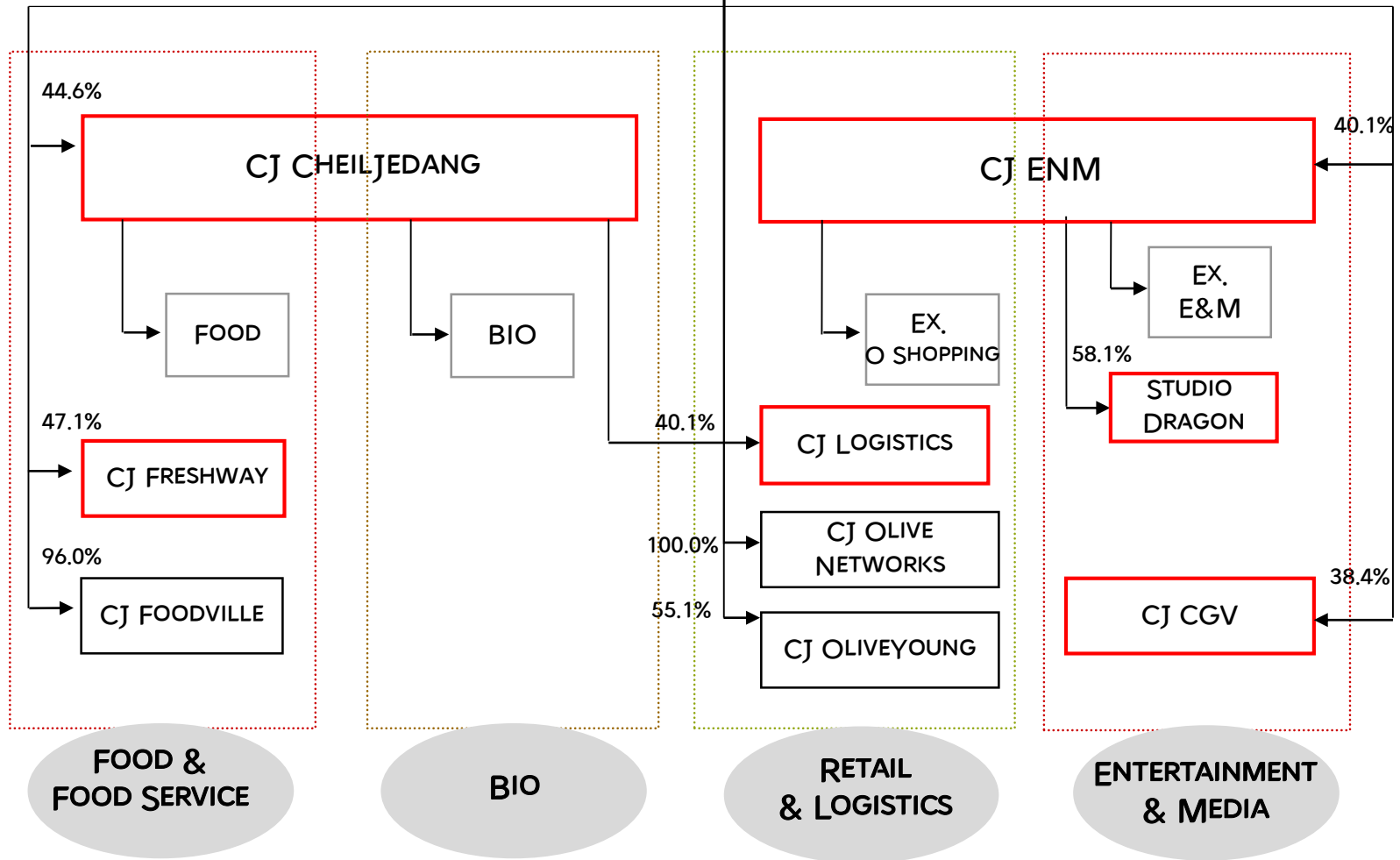
As of End of 2019	Type	No. of Shares	Stake	Note
Shares	Common	29,176,998		
Outstanding	Preferred 1	2,260,223		
	Preferred 4 (Convertible)	4,226,512		
Treasury	Common	2,118,538	7%	
	Preferred 1	1,120		
Shares	Preferred 4 (Convertible)	13,132		
Major Shareholder	Common	12,275,574	42%	

# COMPANY OVERVIEW



[AS OF END OF SEP, 2020]

LISTED



\*Note: Common Stock Basis

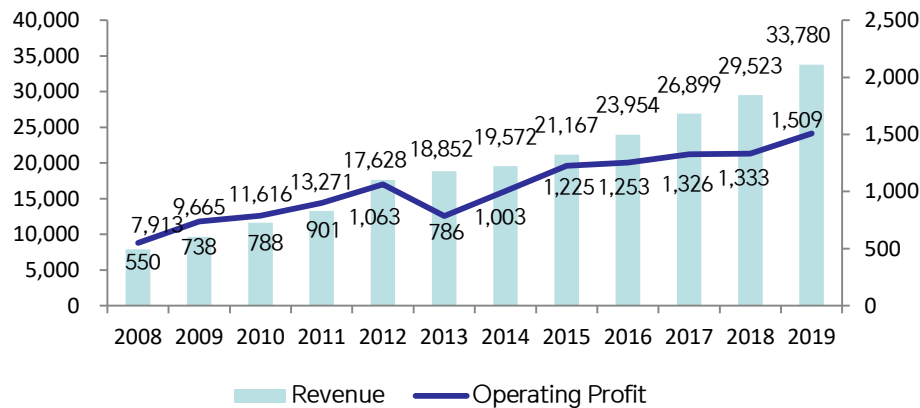
# **3Q20 EARNINGS REVIEW**



# CJ CORP. 3Q20 EARNINGS REVIEW

## FINANCIAL SUMMARY

[Unit: W Bn]



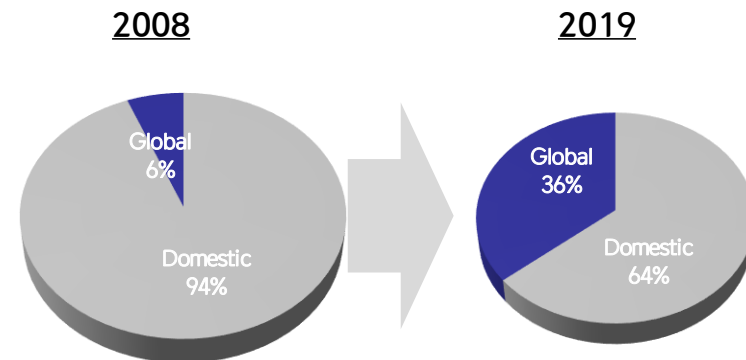
NOTE: K-IFRS CONSOLIDATED

- 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

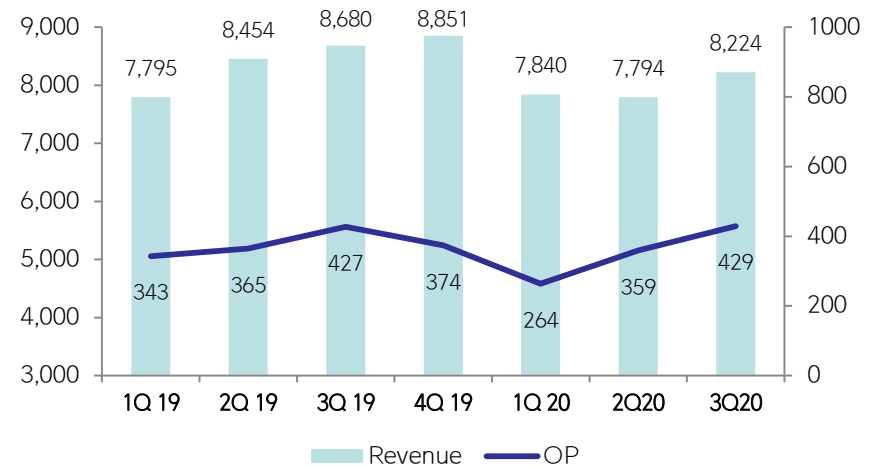


## FINANCIAL HIGHLIGHTS

[UNIT : W BN]

	1Q 19	2Q 19	3Q 19	4Q 19	1Q 20	2Q 20	3Q 20
Revenue	7,795	8,454	8,680	8,851	7,840	7,794	8,224
Operating Profit	343	365	427	374	264	359	429
(%)	4.4%	4.3%	4.9%	4.2%	3.4%	4.6%	5.2%

[UNIT : W BN]



- **3Q20: Revenue KRW 8,224bn (YoY -5.2%), OP KRW 429bn (YoY +0.5%)**

- : Revenue of CJ CJ and CJ Logistics grew but decreased due to sluggish revenue of CGV and Freshway
- : Although CGV domestic and foreign audiences slowed down due to COVID-19 effect and sales of Freshway food materials have decreased, the company has defended its profits due to strong performance of CJ CJ's Food/Bio and CJ Logistics' Global/E&C

- **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. 3Q20 EARNINGS REVIEW



Company		3Q20 W bn	YoY	Highlights
CJCJ	Revenue	3,748	+8.8%	· Up with growth of B2C due to expansion of home meal trends and strong global sales of processed foods
	OP	312	+72.2%	· Improved thanks to reduced promotion costs in Food biz, enlarged sales portion of high-margin products in Bio biz and rose in hog prices
CJ Logistics	Revenue	2,775	+5.8%	· Up with the volume of parcels increased due to the growth of E-commerce and the volume of deferred shipments increased in major global countries
	OP	93	+4.4%	· Parcel costs increased due to the concentration of supplies during the peak holiday season, but profitability improved with global/e&c
ENM	Revenue	799	-12.2%	· Despite TV Ad. market slow-down and record low B/O revenue, steady growth in commerce and digital revenue
	OP	71	+17.7%	· Increased through streamline media production costs, strengthen commerce's own brand competitiveness, and improved music profitability
CGV	Revenue	155	-68.8%	· Decreased due to weak demand by COVID-19 pandemic affecting directly on to box office globally
	OP	-97	Turn Neg.	· Turned negative due to fixed cost burdens weighed higher against the weak box office globally
FreshWay	Revenue	651	-15.4%	· Decreased due to weak demand on food material distribution and food catering service by COVID-19
	OP	12	-33.0%	· Despite efforts to reduce costs, OP decreased with weak sales driven by COVID-19

※ CJCJ excluding CJ Logistics

## 3Q20 OPERATING RESULTS BY BUSINESS

### Revenue

[UNIT : W BN]

	3Q19	3Q20	YoY
Food & Food Service	2,970.6	2,922.9	-1.6%
Bio	1,211.0	1,347.1	11.2%
Retail & Logistics	3,214.9	3,309.4	2.9%
Entertainment & Media	1,258.0	620.2	-50.7%
Others	25.2	24.8	-1.6%
<b>Total</b>	<b>8,679.7</b>	<b>8,224.4</b>	<b>-5.2%</b>

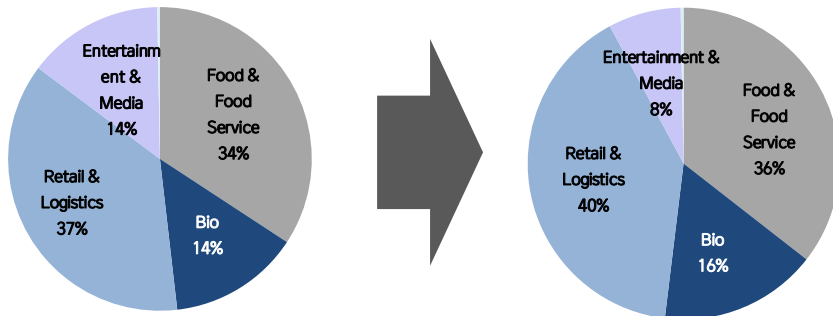
### Operating Profit

[UNIT : W BN]

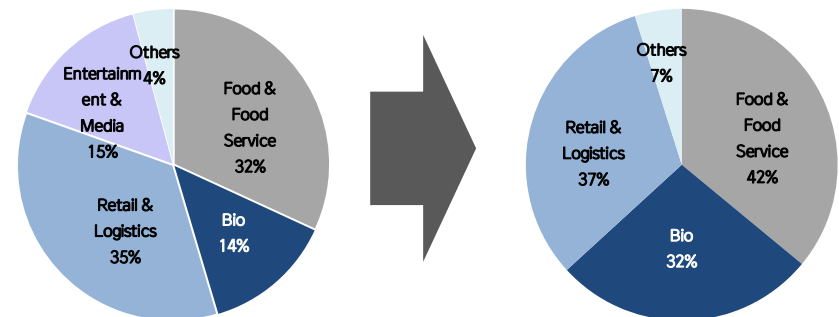
	3Q19	3Q20	YoY
Food & Food Service	136.0	180.4	32.6%
Bio	57.8	136.4	136.0%
Retail & Logistics	149.5	160.1	7.1%
Entertainment & Media	65.7	-72.2	Turn Neg.
Others	17.8	24.4	37.1%
<b>Total</b>	<b>426.8</b>	<b>429.1</b>	<b>0.5%</b>

## STABILITY OF THE BUSINESS PORTFOLIO

### REVENUE



### OPERATING PROFIT



## [UNLISTED] 3Q20 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)	1H20	3Q19	3Q20	YoY	
				(%,%p)	(W Bn)
Revenue	208.7	115.6	108.5	-6.1%	-7.1
Operating Profit	-	-	-	-	-
OPM(%)	-	-	-	-	-
EBIT	-	-	-	-	-
Net Income	23.8	7.8	8.1	3.8%	0.3

\* Based on K-IFRS Separate

- [Revenue] Decreased 6.1%yoy with contraction of SI/Messaging service sales despite increased SM(System operation and Maintenance) service area and IDC(Building/Operating infrastructure such as server, network, and security)
  - Increased the scope of SM service area by expanding groups' business
  - The timing of investment in internal/external SI projects has been postponed due to the influence of COVID-19
  - Continuing to discover and implement mid- to long-term innovative growth projects
  - [NI] Increased with non-operating profit

## [UNLISTED] 3Q20 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)	1H20	3Q19	3Q20	YoY	
				(%,%p)	(W Bn)
Revenue	935.7	498.9	453.6	-9.1%	-2.6
* Online (%)	15.3%	10.1%	18.8%	8,7%p	-
Operating Profit	-	-	-	-	-
OPM(%)	-	-	-	-	-
EBIT	-	-	-	-	-
Net Income	25.0	23.3	17.6	-24.5%	-5.7

\* Based on K-IFRS Separate

OY	1Q 19	2Q 19	3Q 19	4Q 19	1Q 20	2Q 20	3Q 20
<b>Store (Domestic)</b>	1,214	1,233	1,238	1,246	1,249	1,254	1,252
<b>Direct</b>	980	992	995	1,005	1,009	1,015	1,015
<b>Franchise</b>	234	241	243	241	240	239	237

[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
  - 1,252 Stores (+14 Stores YoY, -2 Stores QoQ)
  - Strengthen MD strategy and discount sales with newly launched events such as marketing using SNS, etc.
- [NI] Decreased by reflecting corporate tax costs (+5.6bil yoy)

## [UNLISTED] 3Q20 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 ]

	1Q 19	2Q 19	3Q 19	4Q 19	1Q 20	2Q20	3Q20
<b>Foodville</b>							
<b>Store (Domestic)</b>	2,558	2,954	1,628	1,591	1,590	1,573	1,567
Direct	230	237	141	124	121	118	115
Franchise	2,328	2,359	1,293	1,274	1,271	1,257	1,259
<b>Store (Overseas)</b>	372	358	194	193	198	198	193

(Unit: W Bn)	1H20	3Q19	3Q20	YoY	
				(%,%p)	(W Bn)
Revenue	291.5	197.9	133.5	-32.5%	-64.4
Operating Profit	-	-	-	-	-
EBIT	-	-	-	-	-
Net Income	-0.5	-10.3	66.9	Turn Pos.	77.2

\* Based on K-IFRS Separate

	[UNIT : W BN, %]	
B/S	2018	2019
Asset	618.8	618.8
Liability	721.1	539.0
Equity	11.0	79.8
Liability to Equity ratio	6,555%	675%

- [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
- [NI] Increased with gains on disposition of residual equity (Twosome Place)

# APPENDIX



# FINANCIAL STATEMENT

## CONSOLIDATED STATEMENTS

[Unit: W Bn]

	2019	3Q20	YoY
I. Current Assets	10,638.2	11,677.5	1,039.3
1. Cash and Cash Equivalents	1,602.6	2,525.3	922.7
2. Trade Receivables	1,107.4	3,681.7	101.5
3. Other Current Financial Assets	3,580.2	1,574.7	4.7
4. Inventories	2,549.0	2,413.4	-135.6
5. Other Current Assets	1,799.0	1,482.4	146.0
II. Non-Current Assets Held for Sale	514.5	8.4	-506.1
III. Non-Current Assets	29,228.7	29,160.6	-68.1
<b>Total Asset</b>	<b>40,381.4</b>	<b>40,846.5</b>	<b>465.1</b>
I. Current Liabilities	12,283.4	11,949.8	-333.6
II. Non-Current Liabilities	13,481.6	13,529.9	48.3
III. Non-Current Liabilities Held for Sale	1.3	-	-1.3
<b>Total Liabilities</b>	<b>25,766.3</b>	<b>25,479.7</b>	<b>-286.6</b>
I. Equity Attributable to Owners of the Company	4,509.6	4,781.7	272.1
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	-135.9	59.8
4. Retained Earnings	3,533.4	3,745.7	212.3
II. Non-Controlling Interest	10,105.5	10,585.1	479.6
<b>Total Equity</b>	<b>14,615.1</b>	<b>15,366.8</b>	<b>751.7</b>
<b>Debt Ratio</b>	<b>176.3%</b>	<b>165.8%</b>	<b>-10.5%pt.</b>

[Unit: W Bn]

	3Q19	3Q20	YOY
<b>I. Revenue</b>	<b>8,679.7</b>	<b>8,224.4</b>	-5.2%
II. COGS	6,363.6	5,996.0	-5.8%
III. Gross Profit	2,316.1	2,228.4	-3.8%
<b>IV. Operating Profit</b>	<b>426.8</b>	<b>429.1</b>	0.5%
V. Profit before Income Tax	167.5	224.4	34.0%
VI. Tax Expenses	94.1	82.5	-12.3%
<b>VII. Net Profit</b>	<b>73.4</b>	<b>141.8</b>	93.2%
1. Profit Attributable to Owners of the Company	32.0	63.2	97.5%
2. Profit Attributable to Non-Controlling Interests	41.4	78.6	89.9%

[Unit: W Bn]

	3Q19cum.	3Q20cum.	YOY
<b>I. Revenue</b>	<b>24,928.4</b>	<b>23,858.4</b>	<b>-4.3%</b>
II. COGS	18,137.6	11,447.4	-36.9%
III. Gross Profit	6,790.8	6,411.0	-5.6%
<b>IV. Operating Profit</b>	<b>1,135.3</b>	<b>1,052.1</b>	<b>-7.3%</b>
V. Profit before Income Tax	700.9	918.5	31.0%
VI. Tax Expenses	222.8	358.2	60.8%
<b>VII. Net Profit</b>	<b>478.1</b>	<b>560.3</b>	<b>17.2%</b>
1. Profit Attributable to Owners of the Company	295.5	243.0	-17.8%
2. Profit Attributable to Non-Controlling Interests	182.6	317.3	73.8%

# FINANCIAL STATEMENT

## SEPARATE STATEMENTS

[Unit: W Bn]

	2019	3Q20	YoY
I. Current Assets	79.9	47.4	-32.5
1. Cash and Cash Equivalents	5.2	8.3	3.1
3. Other Current Assets	74.7	39.1	-35.6
II. Non-Current Assets	2,900.4	2,963.1	62.7
<b>Total Asset</b>	<b>2,980.3</b>	<b>3,010.5</b>	<b>30.2</b>
I. Current Liabilities	92.2	220.3	128.1
II. Non-Current Liabilities	104.2	7.6	-96.6
<b>Total Liabilities</b>	<b>196.4</b>	<b>227.9</b>	<b>31.5</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	1,717.6	-1.3
<b>Total Equity</b>	<b>2,783.9</b>	<b>2,782.6</b>	<b>-1.3</b>
<b>Debt Ratio</b>	<b>7.1%</b>	<b>8.2%</b>	<b>1.1%pt.</b>

[Unit: W Bn]

	3Q19	3Q20	YOY
<b>I. Operating Revenue</b>	<b>26.8</b>	<b>23.4</b>	<b>-12.7%</b>
- Royalty Income	25.2	21.8	-13.5%
- Dividend Income	-	-	-
- Others	1.6	1.6	-
II. Operating Expenses	15.2	14.5	-4.6%
<b>III. Operating Profit</b>	<b>11.6</b>	<b>8.9</b>	<b>-23.3%</b>
IV. Profit before Income Tax Benefit(Expense)	16.1	9.3	-42.2%
V. Income Tax Benefit(Expense)	3.7	2.2	-40.5%
<b>VI. Net Profit</b>	<b>12.4</b>	<b>7.1</b>	<b>-42.7%</b>

[Unit: W Bn]

	3Q19cum.	3Q20cum.	YOY
<b>I. Operating Revenue</b>	<b>120.6</b>	<b>115.8</b>	<b>-4.0%</b>
- Royalty Income	70.6	64.4	-8.8%
- Dividend Income	45.3	46.6	2.9%
- Others	4.7	4.8	-
II. Operating Expenses	56.0	46.9	-16.3%
<b>III. Operating Profit</b>	<b>64.6</b>	<b>68.9</b>	<b>6.7%</b>
IV. Profit before Income Tax Benefit(Expense)	50.0	66.9	33.8%
V. Income Tax Benefit(Expense)	2.6	6.0	130.8%
<b>VI. Net Profit</b>	<b>47.4</b>	<b>60.9</b>	<b>28.5%</b>

**THANK YOU**