



# **INVESTOR RELATIONS**

**MAY 2018**

## 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. **1Q18 EARNINGS REVIEW**
3. **APPENDIX**

# **COMPANY OVERVIEW**

## VISION & MISSION

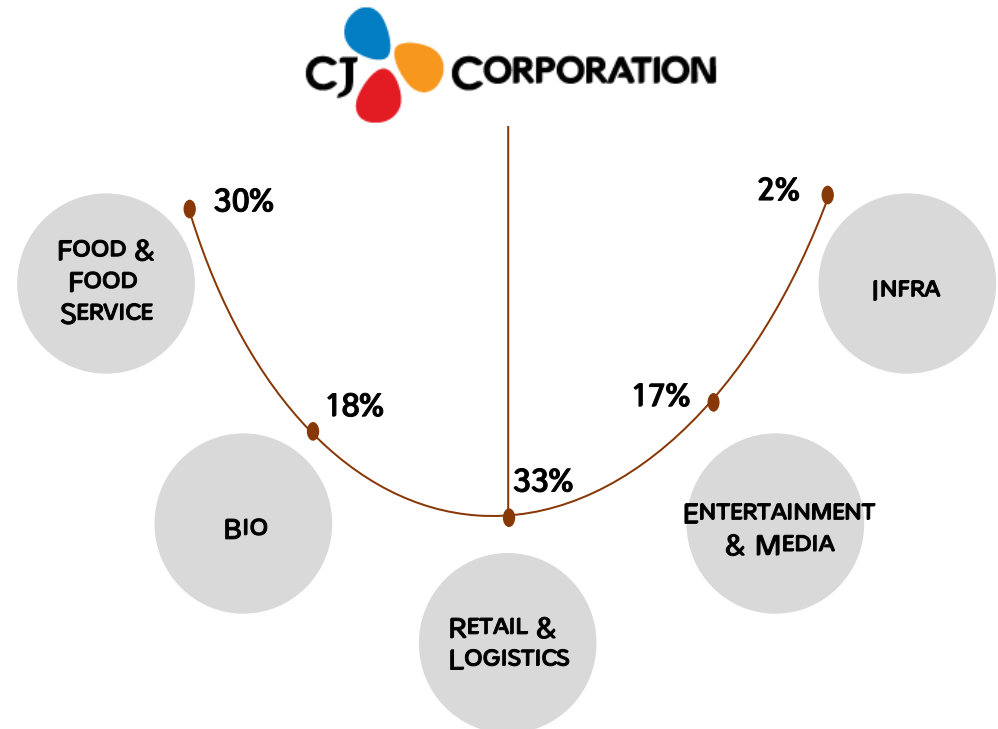
### VISION

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



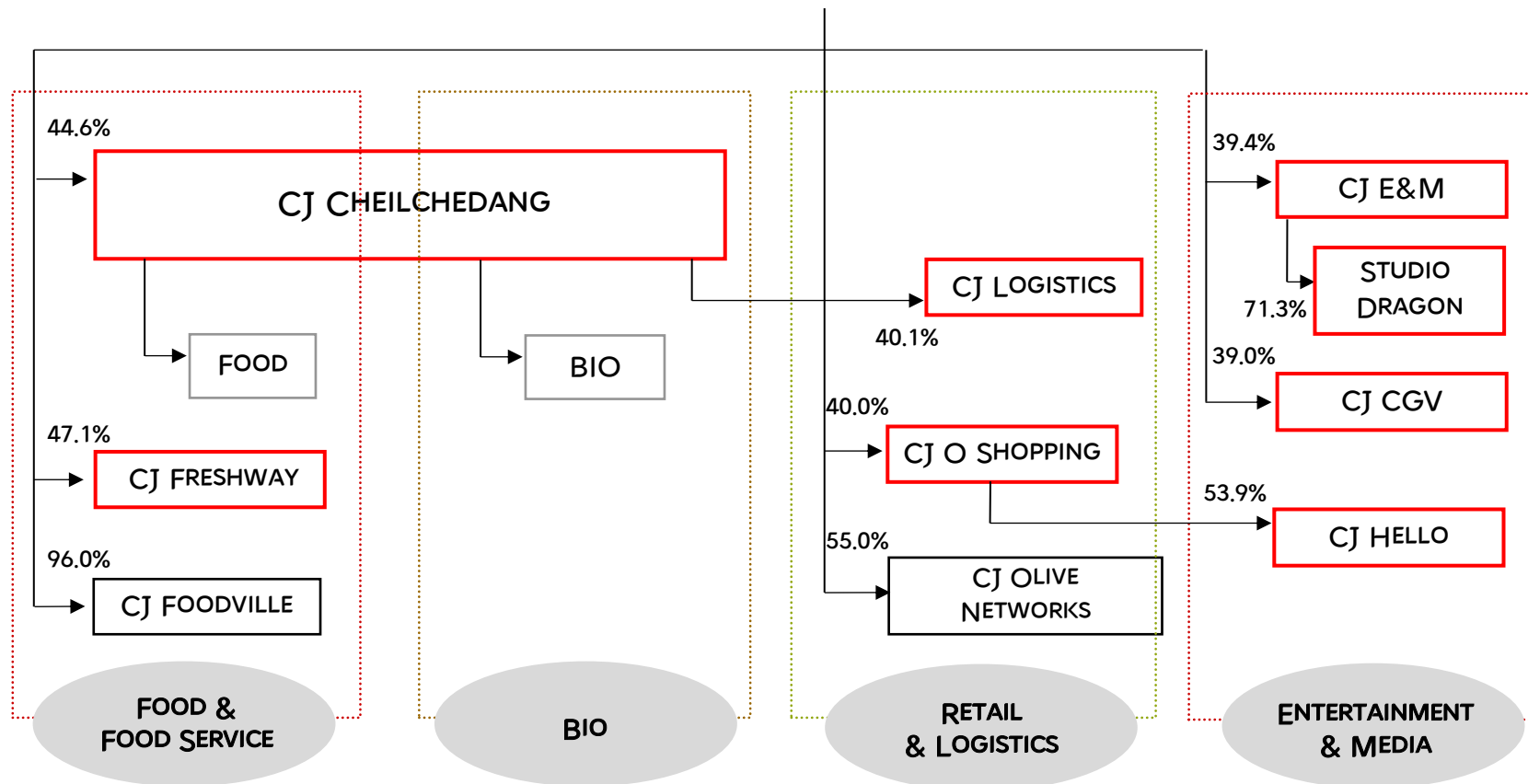
\* 2017 K-IFRS Consolidated, Revenue Breakdown

# COMPANY OVERVIEW



[AS OF MARCH 31, 2018]

LISTED

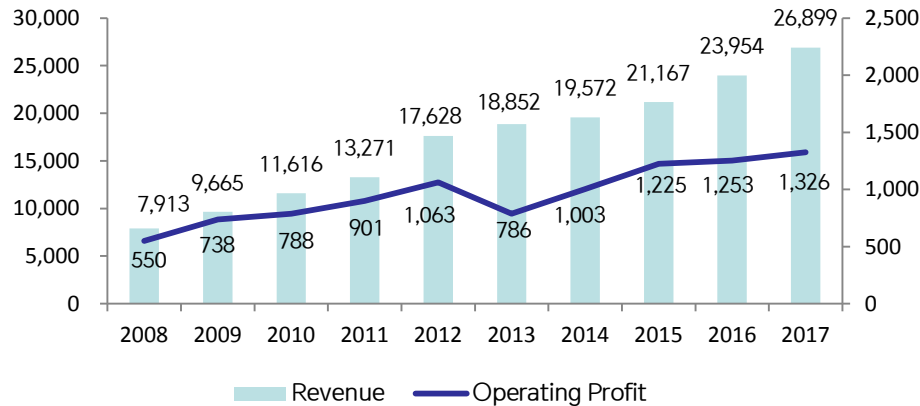


\*Note: Common Stock Basis

# COMPANY OVERVIEW

## FINANCIAL SUMMARY

[Unit: W Bn]



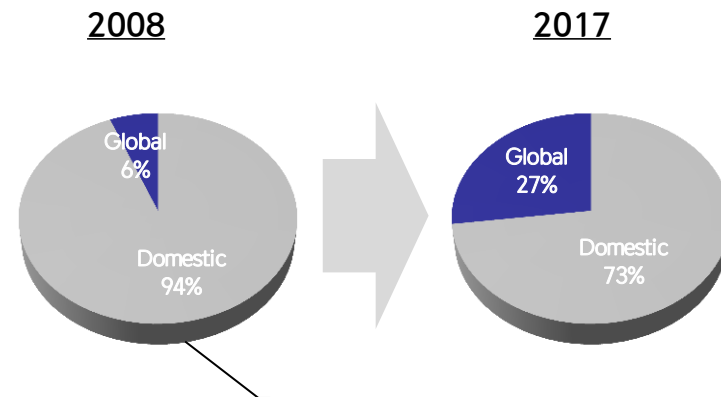
NOTE: K-IFRS CONSOLIDATED

- Since the transition to a holdings company in September 2007, CJ Corp has achieved Sales CAGR of 14.6% and operating profit CAGR of 10.3% through adopting “choose and focus” strategy on 4 core business areas.
- By the end of 2017, Company's total assets and revenue recorded KRW 29.3 trillion and KRW 26.9 trillion , which is 201% and 239% increase within past 9 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 27% in 2017
- 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



# 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	2016	2017	P/L	2016	2017
Asset	27,010	29,325	Revenue	23,954	26,899
Liability	15,755	17,333	Operating Profit	1,252	1,326
Equity	11,254	11,992	Net Income	570	1,137
Liability to Equity Ratio	140%	145%	OP Margin	5.2%	4.9%

Note: K-IFRS Consolidated

As of End of 2017	Type	No. of Shares	Stake	Note
Shares	Common	29,176,998		
Outstanding	Preferred	2,260,223		
Treasury	Common	2,971,572	10%	
Shares	Preferred	1,120		
Major Shareholder	Common	12,275,574	42%	



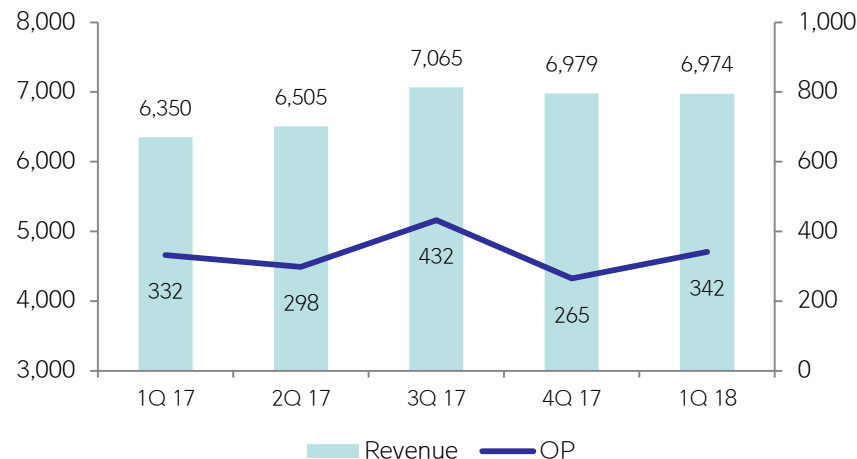
# **1Q18 EARNINGS REVIEW**

## FINANCIAL HIGHLIGHTS

[UNIT : W BN]

	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18
Revenue	6,350	6,505	7,065	6,979	6,974
Operating Profit	332	298	432	265	342
(%)	5.2%	4.6%	6.1%	3.8%	4.9%

[UNIT : W BN]



- **Revenue KRW 6,974.2 bn (YoY +9.8%), OP KRW 341.5 bn (YoY +3.0%)**

- : Growth led by continued growth momentum at CJ CJ's Bio business , CJ Logistics and CJ E&M
  - : OP increased thanks to improved profitability at CJ CJ's Foodstuff business and CJ E&M

- **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 Bio business, setting the cornerstone by acquisition of local company at CJ Logistics and enhancing content producing capability at CJ E&M
  - : Inter-sub synergies – business portfolio includes Food, Entertainment, Retail and Logistics, all of which are synergistic to one another, promoting further growth

## 1Q 18 OPERATING RESULTS BY BUSINESS

### Revenue (accumulated)

[UNIT : W BN]

	1Q 17	1Q 18	YoY
Food & Food Service	2,058	2,094	1.8%
Bio	1,071	1,216	13.5%
Retail & Logistics	2,189	2,491	13.8%
Entertainment & Media	1,030	1,171	13.7%
Others	2	2	14.0%
<b>Total</b>	<b>6,350</b>	<b>6,974</b>	<b>9.8%</b>

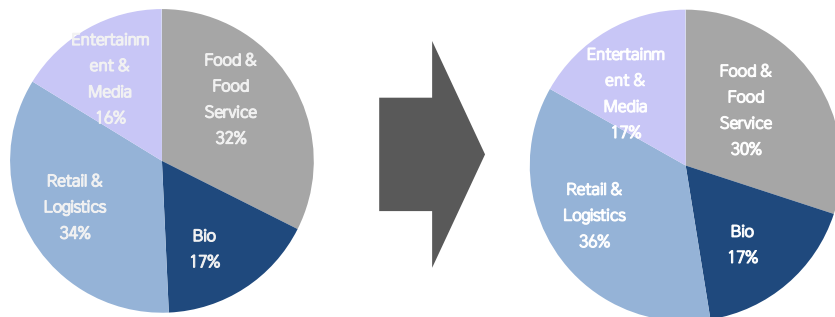
### Operating Profit (accumulated)

[UNIT : W BN]

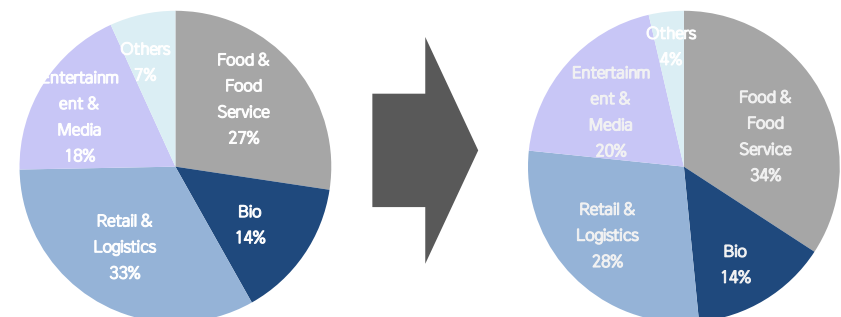
	1Q 17	1Q 18	YoY
Food & Food Service	91	117	28.6%
Bio	48	49	1.4%
Retail & Logistics	109	96	-11.6%
Entertainment & Media	61	67	9.9%
Others	23	12	-45.2%
<b>Total</b>	<b>332</b>	<b>342</b>	<b>3.0%</b>

## STABILITY OF THE BUSINESS PORTFOLIO

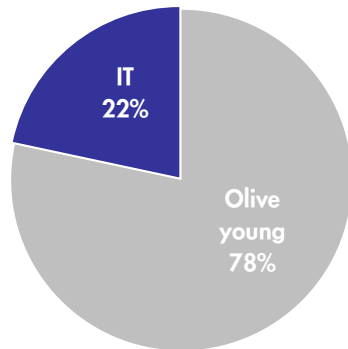
### REVENUE



### OPERATING PROFIT



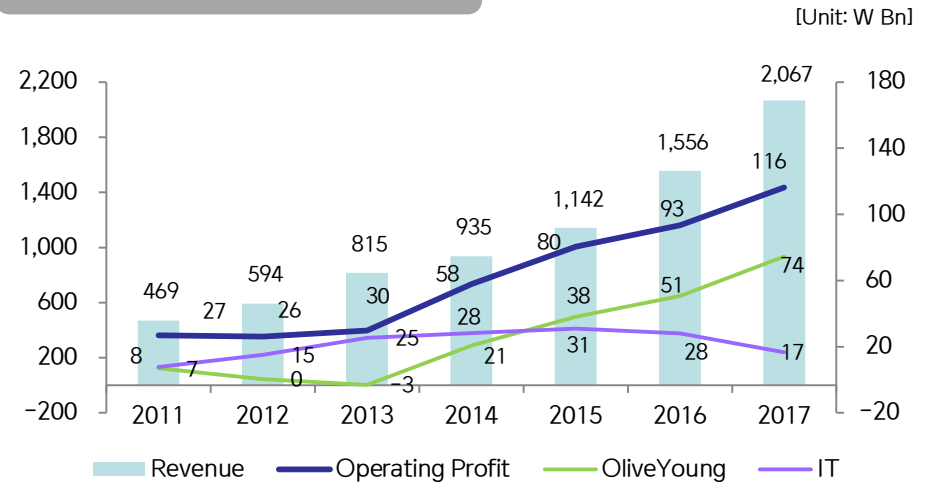
## BUSINESS OVERVIEW



FY17, Sales Portion (domestics)

- CJ OliveNetworks operates Korea's leading health & beauty (H&B) store, CJ Olive Young, and IT service.
- CJ OliveNetworks' Olive Young BU is an undisputed leader in Korea's H&B Store industry with its domestic store chain numbered 1,104 stores, as of March 31, 2018

## FINANCIAL HIGHLIGHTS



\* Note: K-IFRS Consolidated basis, 2011~2014 financial results were based on the sum of CJ OliveYoung and CJ Systems

		[Unit: W Bn, %]			
B/S	2016	2017	P/L	2016	2017
Asset	952.5	1,152.6	Revenue	1,555.8	2,067.4
Liability	509.9	668.1	Operating Profit	93.5	116.2
Equity	422.6	484.5	Net Income	81.1	81.3
Liability to Equity ratio	121%	138%	OP Margin	6.0%	5.6%

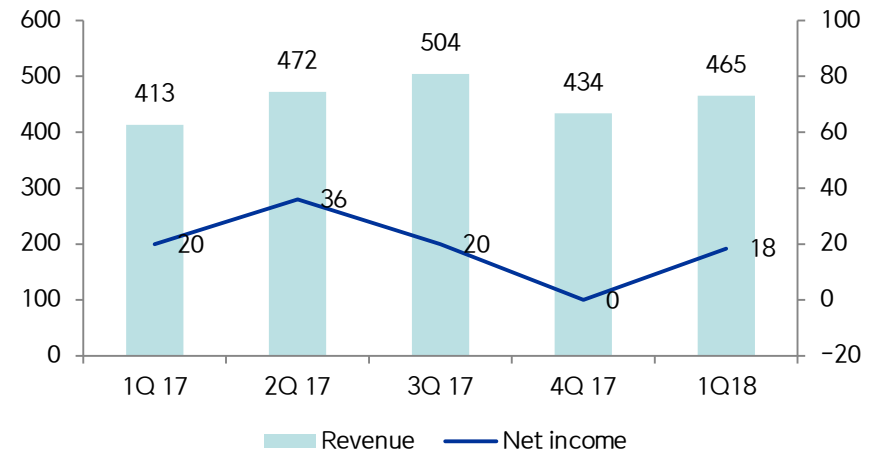
\* Note: K-IFRS Consolidated basis

FINANCIAL HIGHLIGHTS

[Unit: W Bn]

	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18
Revenue	413	472	504	434	465
OY	334	379	396	319	375
IT	79	93	108	115	91
Net Income	20	36	20	-0	18
Store (Domestic)	868	938	1,011	1,074	1,104
Direct Control	704	759	810	861	891
Franchise	164	179	201	213	213

[Unit: W Bn]

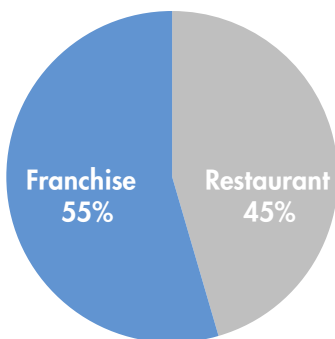


\* K-IFRS Separate

● Revenue KRW 465.3bn (YoY +12.7%), NI KRW 18.4bn (YoY -7.5%)

- : 1,104 stores (891 direct management stores, 213 franchised stores), up +236 stores from the end of March 2017
- : [Revenue] Oliveyoung BU up 19.3% YoY due to store opening (excluding accounting change effects)
- [NI] Down 7.5% YoY due to increasing in labor cost, rent and transportation cost
- : Strengthen market dominance through continuous store opening and increasing revenue per store (H&B market share 65.3%)

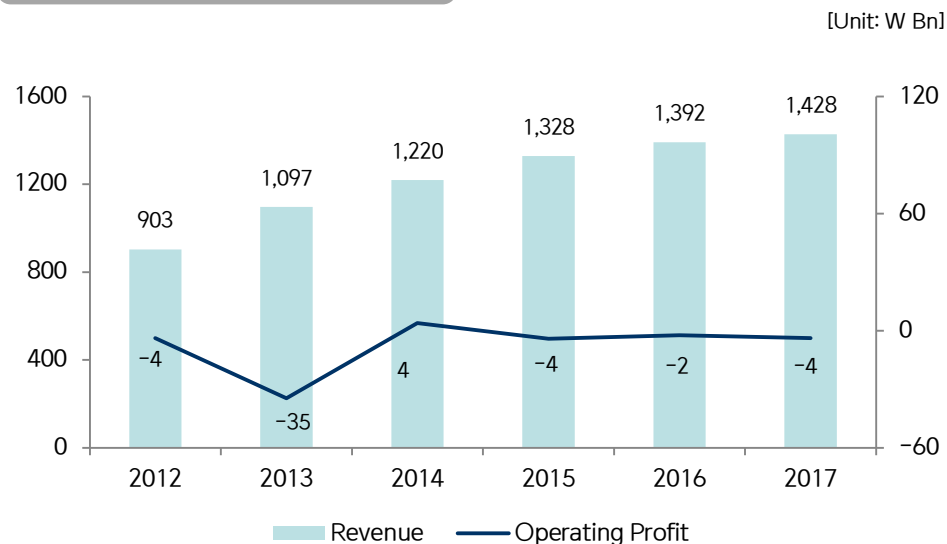
## BUSINESS OVERVIEW



● FY17, Sales Portion (domestics)

- As of end of March 2018, actively pursue global expansion while currently operating 2,509 sites in domestics and 426 sites in overseas including China and Southeast Asia from 16 restaurant and franchise brands
- Promote further growth by constantly creating brands including “Tous Les Jours”, “A Twosome Place”, “VIPS”, “Season’s Table”, “The Place”

## FINANCIAL HIGHLIGHTS



[Unit: W Bn, %]

B/S	2016	2017	P/L	2016	2017
Asset	542.1	643.5	Revenue	1,391.7	1,427.5
Liability	535.5	680.5	Operating Profit	-2.3	-3.8
Equity	6.6	-37.0	Net Income	1.3	-32.5
Liability to Equity Ratio	5,949%	-	OP Margin	-0.2%	-0.3%

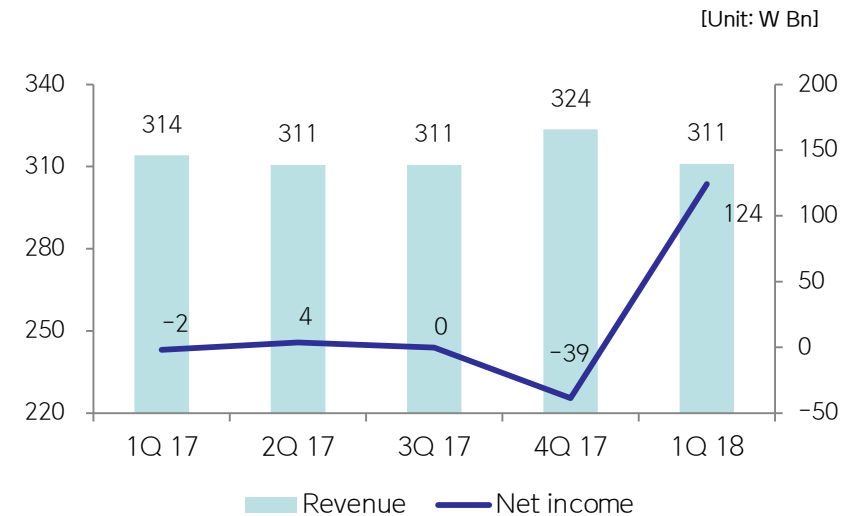
\* Note: K-IFRS Consolidated basis

# UNLISTED SUBSIDIARY : CJ FOODVILLE

## FINANCIAL HIGHLIGHTS

[Unit: W Bn]

	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18
Revenue	314	311	311	324	311
Net Income	-2	4	-0	-39	124
Site(Domestic)	2,356	2,430	2,485	2,488	2,509
Direct Control	281	283	297	297	279
Franchise	2,075	2,147	2,188	2,191	2,230
Overseas site	355	396	428	430	426



\* K-IFRS Separate

\* 1Q18 : Including financials of "Twosome Place"

### ● Revenue KRW 311.0bn (YoY -1.0%), NI KRW 124.1bn

: Increased the number of Twosome Place stores (from 823 at 1Q17 to 971 at 1Q 18)

: [Revenue] Down slightly due to a sluggish restaurant business

[NI] Recognised disposal gain on the shares of subsidiaries in 1Q18

: Pursuing continuous key brands growth and enhancing brand competitiveness

(the Completion of the Twosome Place's spin-off from CJ Foodville in February, 2018)

# APPENDIX



# FINANCIAL STATEMENT

## CONSOLIDATED STATEMENTS

[Unit: W Bn]

	4Q 17	1Q 18	YoY
<b>I. Current Assets</b>	<b>8,160</b>	<b>8,610</b>	<b>450</b>
1. Cash and Cash Equivalents	1,220	1,361	141
2. Short-term Financial Instruments	434	515	81
3. Trade Receivables	3,552	3,564	12
4. Inventories	1,733	1,800	67
5. Other Current Assets	1,222	1,371	149
<b>II. Non-Current Assets Held for Sale</b>	<b>173</b>	<b>571</b>	<b>398</b>
<b>III. Non-Current Assets</b>	<b>20,992</b>	<b>21,248</b>	<b>256</b>
<b>Total Asset</b>	<b>29,325</b>	<b>30,429</b>	<b>1,103</b>
<b>I. Current Liabilities</b>	<b>9,363</b>	<b>9,940</b>	<b>576</b>
<b>II. Non-Current Liabilities Held for Sale</b>	<b>-</b>	<b>144</b>	<b>144</b>
<b>III. Non-Current Liabilities</b>	<b>7,970</b>	<b>7,885</b>	<b>-86</b>
<b>Total Liabilities</b>	<b>17,333</b>	<b>17,968</b>	<b>635</b>
<b>I. Equity Attributable to Owners of the Company</b>	<b>3,930</b>	<b>4,085</b>	<b>155</b>
1. Capital Stock	158	158	0
2. Paid-in Capital in Excess of Par Value	993	993	0
3. Other Components of Equity	-337	-247	90
4. Retained Earnings	3,115	3,181	65
<b>II. Non-Controlling Interest</b>	<b>8,062</b>	<b>8,376</b>	<b>313</b>
<b>Total Equity</b>	<b>11,992</b>	<b>12,461</b>	<b>469</b>
<b>Debt Ratio</b>	<b>144.5%</b>	<b>144.2%</b>	<b>-0.3%pt.</b>

[Unit: W Bn]

구분	1Q 17	1Q 18	YOY
<b>I. Revenue</b>	<b>6,350</b>	<b>6,974</b>	<b>9.8%</b>
<b>II. COGS</b>	<b>4,359</b>	<b>4,910</b>	<b>12.6%</b>
<b>III. Gross Profit</b>	<b>1,991</b>	<b>2,064</b>	<b>3.7%</b>
<b>IV. Operating Profit</b>	<b>332</b>	<b>342</b>	<b>3.0%</b>
<b>V. Profit before Income Tax</b>	<b>247</b>	<b>248</b>	<b>0.4%</b>
<b>VI. Tax Expenses</b>	<b>74</b>	<b>57</b>	<b>-23.1%</b>
<b>VII. Net Profit</b>	<b>173</b>	<b>191</b>	<b>10.3%</b>
1. Profit Attributable to Owners of the Company	61	87	42.1%
2. Profit Attributable to Non-Controlling Interests	112	104	-7.0%

# FINANCIAL STATEMENT

## SEPARATE STATEMENTS

	[Unit: W Bn]		
	4Q 17	1Q 18	YoY
I. Current Assets	54	153	99
1. Cash and Cash Equivalents	34	107	74
2. Short-term Financial Instruments	0	0	0
3. Other Current Assets	21	45	25
II. Non-Current Assets	2,790	2,683	-107
<b>Total Asset</b>	<b>2,844</b>	<b>2,836</b>	<b>-8</b>
I. Current Liabilities	127	161	34
II. Non-Current Liabilities	7	9	2
<b>Total Liabilities</b>	<b>134</b>	<b>170</b>	<b>36</b>
I. Capital Stock	158	158	0
II. Paid-in Capital in Excess of Par Value	993	993	0
III. Other Components of Equity	-167	-176	-9
IV. Retained Earnings	1,725	1,691	-34
<b>Total Equity</b>	<b>2,710</b>	<b>2,666</b>	<b>-43</b>
<b>Debt Ratio</b>	<b>4.9%</b>	<b>6.4%</b>	<b>1.4%pt.</b>

	[Unit: W Bn]		
구분	1Q 17	1Q 18	YOY
<b>I. Operating Revenue</b>	<b>57</b>	<b>60</b>	<b>6.7%</b>
- Royalty Income	21	21	1.7%
- Dividend Income	34	38	13.0%
- Others	2	1	-48.8%
II. Operating Expenses	11	13	14.6%
<b>III. Operating Profit</b>	<b>45</b>	<b>48</b>	<b>4.7%</b>
IV. Profit before Income Tax Benefit(Expense)	46	-5	-110.7%
V. Income Tax Benefit(Expense)	4	-9	-331.9%
<b>VI. Net Profit</b>	<b>42</b>	<b>4</b>	<b>-90.0%</b>

**THANK YOU**