

# 2019 4Q BUSINESS RESULTS

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**CJ CHEILJEDANG IR**

**FEB 12<sup>TH</sup> 2020**



**This material is based on non-audited financial statements for 4Q19 and released for investors' convenience only. Please note that readers should be aware this material is subject to revision during the course of audit.**



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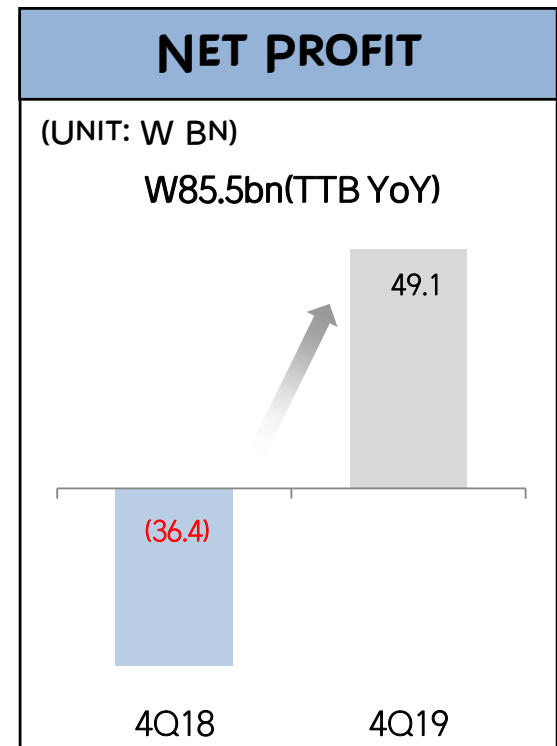
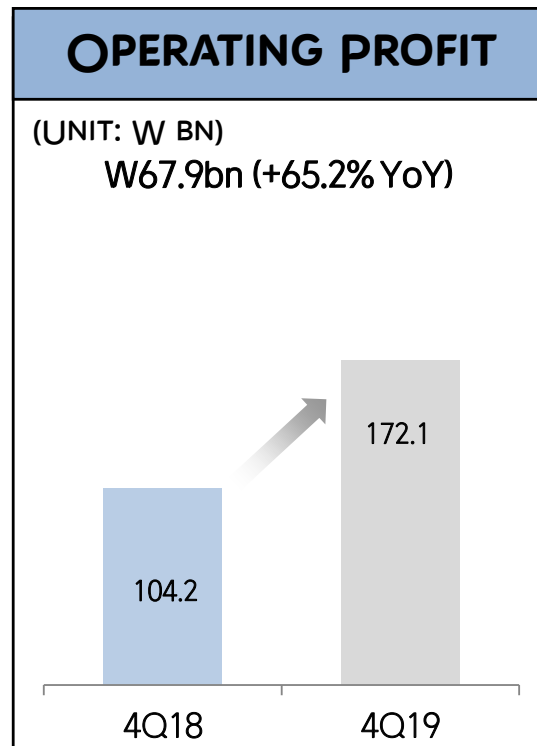
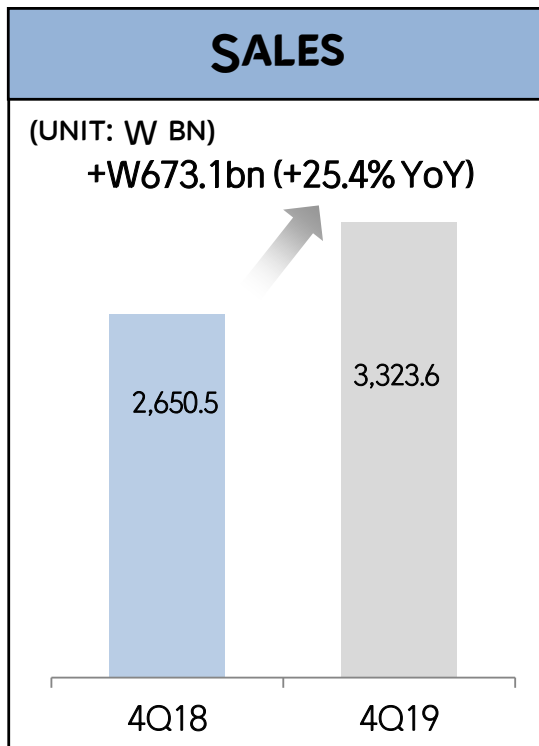
# I . 4Q19 RESULTS HIGHLIGHTS

## KEY HIGHLIGHTS(EXCLUDING CJ LOGISTICS)

Sales up 25% YoY thanks to robust sales growth from Processed Food along with Schwan's acquisition

Operating profit at W172bn as profit improved across all divisions from resilient global livestock prices and timing difference in Lunar New Year gift set sales

Net profit increased to W49bn from improved FX-related gains and disposal gain from tangible assets

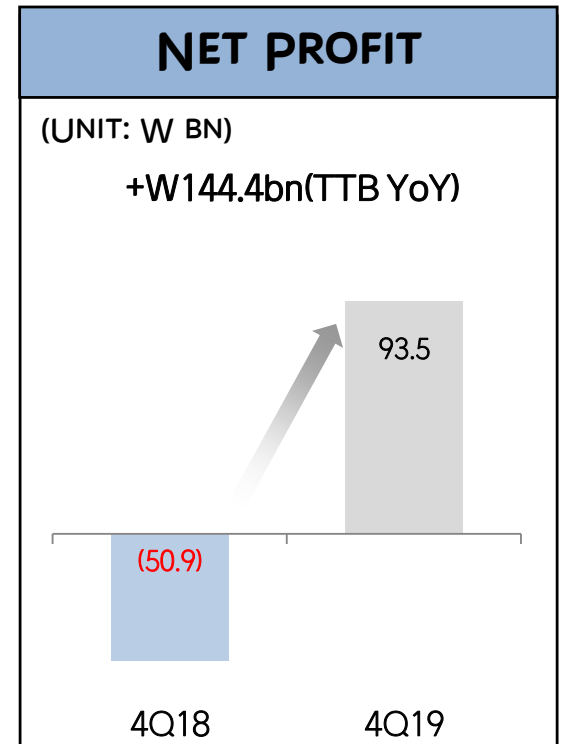
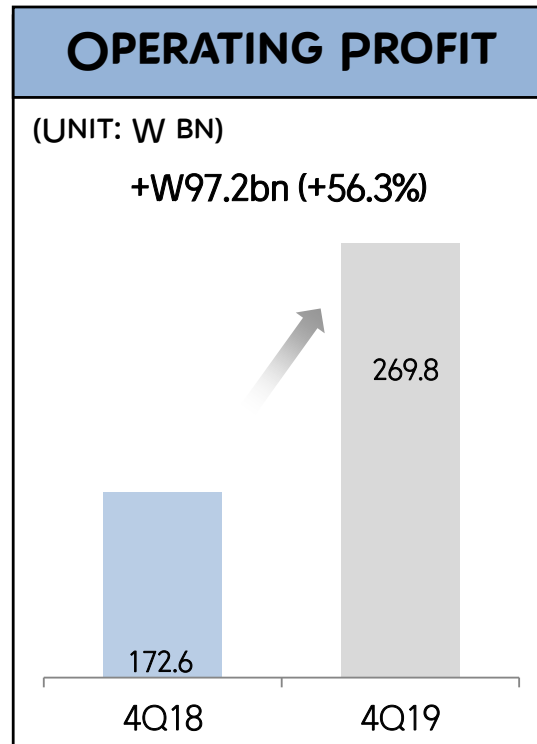
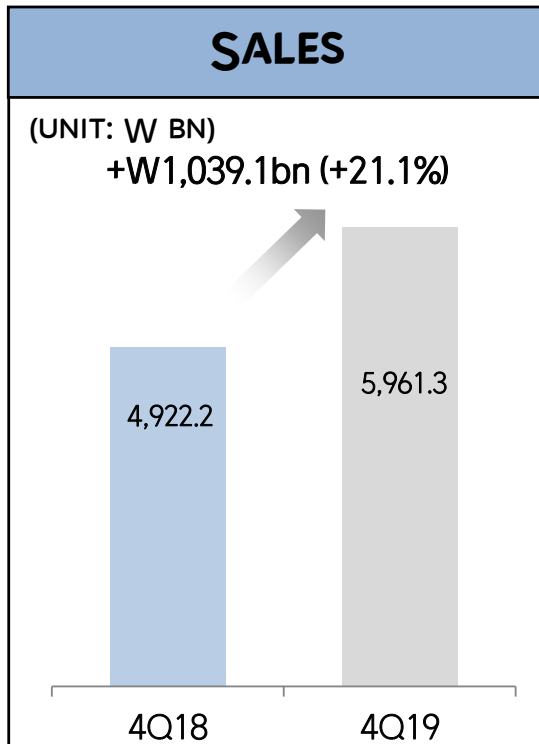


# I . 4Q19 RESULTS HIGHLIGHTS

*KEY HIGHLIGHTS(INCLUDING CJ LOGISTICS)*

Sales up 21% YoY thanks to robust volume growth from parcel biz coupled with resilient global revenue growth

Operating profit up 56% YoY owing to parcel price/volume growth and business structure improvement



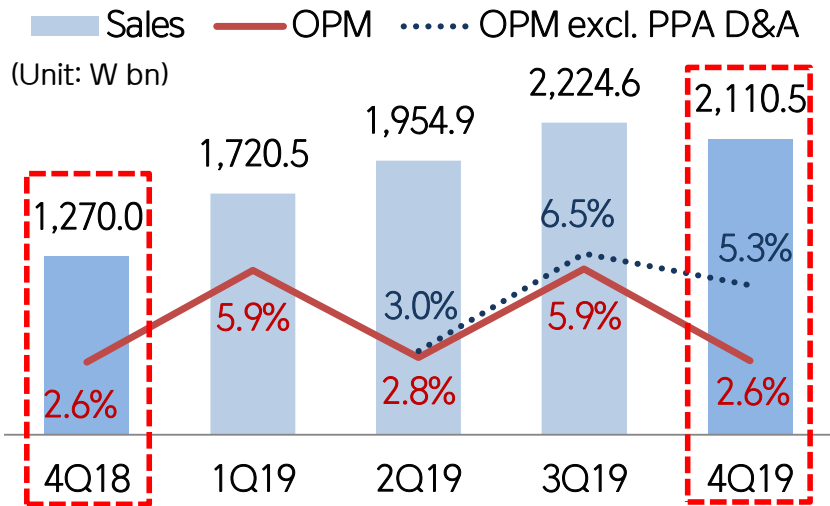
## II. EARNINGS ANALYSIS

Sales up 66% YoY(+12% excl. Schwan's), OP up 69% YoY at W55.7bn due to optimization of promotion cost and timing difference in Lunar New Year

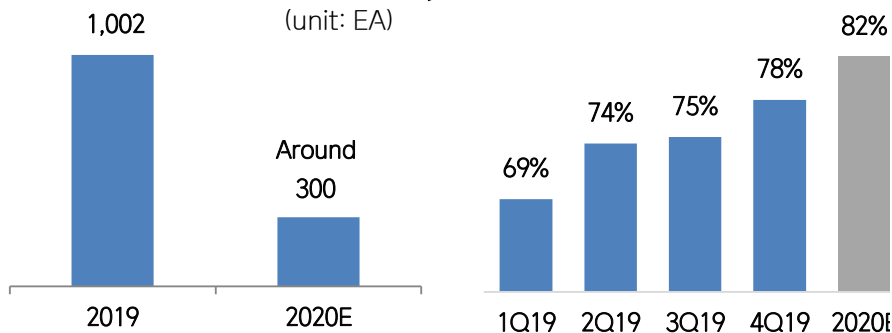
**[Processed Food]** Sales up 101% YoY(+19% excl. Schwan's) thanks to Schwan's consolidation coupled with strong overseas growth despite sluggish domestic economy<sup>1)</sup>

**[Foodstuff]** Sales flat YoY when excluding divisional reclassification effect of Vietnam business

### Sales and OPM Trend



### "# of De-marketed SKUs" "Jincheon BC utilization rate trend"



### Earnings Analysis

- **[PF Domestic]** Sales up 13% YoY (W736.1bn) thanks to timing difference in giftset sales despite SKU D-Mkt activities
  - ✓ HMR revenue +15% YoY from robust growth of porridge and soup/stew
  - ✓ Kimchi/Dumpling revenue +8% YoY/+6% YoY
- **[PF Overseas]** Sales up 393% (+37% excl. Schwan's) at W956bn from Schwan's consolidation coupled with strong overseas growth
  - ✓ Schwan's revenue<sup>2)</sup> at W690.3bn
  - ✓ Vietnam +79%, China +48%, US +9%(excl. Schwan's)
- **[Foodstuff]** Sales down 2% at W419bn
  - ✓ Sales flat YoY excluding divisional reclassification effect
  - ✓ Sugar: +5%, Oil +5%, Flour -5% YoY
- **[OP]** OP at W55.7bn from efficiency of promotion cost and timing difference in LNY despite Jincheon BC fixed cost burden and inventory loss from de-marketed SKUs
  - ✓ Domestic: improved profit thanks to promotion efficiencies, early sales recognition of Lunar New Year giftset, and ASP normalization
  - ✓ Overseas: Schwan's OP at W56.0bn (OPM 8%)
  - ✓ Foodstuff: Timing difference in Lunar New Year and decline in input cost despite unfavorable FX rates

1) Domestic private consumption 4Q18+2.4%yoy, 4Q19+1.7%yoy

2) 2019 revenue W2,512.7bn, OP 137.2bn

## II. EARNINGS ANALYSIS

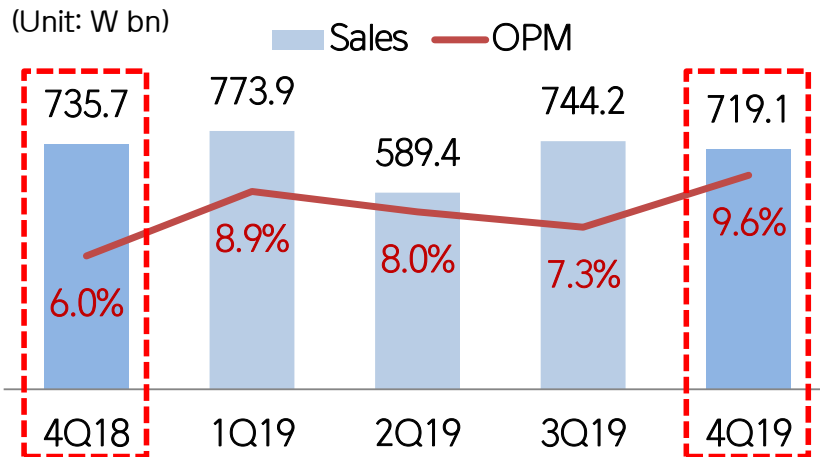
[Bio] Sales down 8% YoY due to strategic lysine volume cut despite nucleotide market dominance

OP up 48% YoY at W68.6bn thanks to improving product mix and cost per unit

[Feed&Care] Sales down 17% YoY as ASF spreads out throughout Asia and de-marketing of low-margin customers

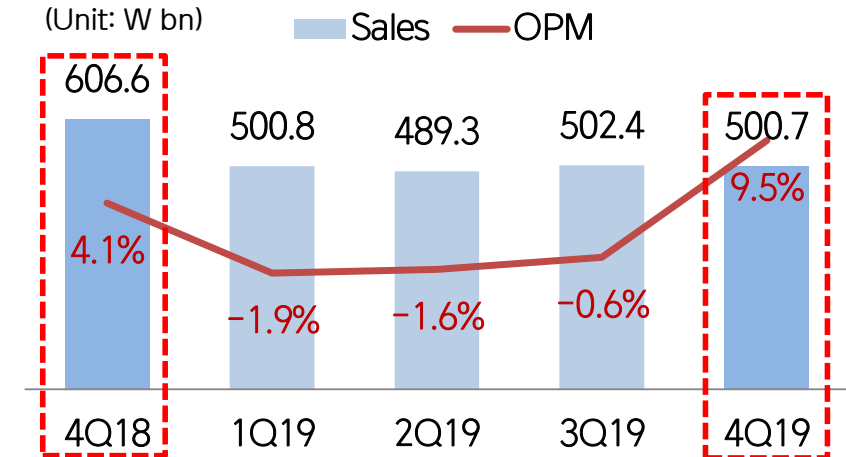
OP up 92% YoY at W47.8bn from strong recovery in global livestock prices and improving feed margins

### Bio



- [Sales] Sales down 8% YoY from strategic lysine volume cut
  - ✓ Feed Additive: Sales down 27% YoY owing to strategic volume cut of lysine and China prolonged ASF impact
  - ✓ Food Additive: Sales up 7% YoY on the back of nucleotide price increase and arginine sales volume growth
- [OP] OP up 48% YoY thanks to improving cost per unit and increasing high-margin product mix
  - ✓ Feed Additive : OP decline from sluggish lysine and methionine price trends (Lysine ASP -11% YoY, Tryptophan -37% YoY)
  - ✓ Food Additive: Resilient OP from nucleotide market dominance and unrivaled cost competitiveness
  - ✓ High-margin revenue portion: 4Q18 23% → 4Q19 26%

### Feed & Care

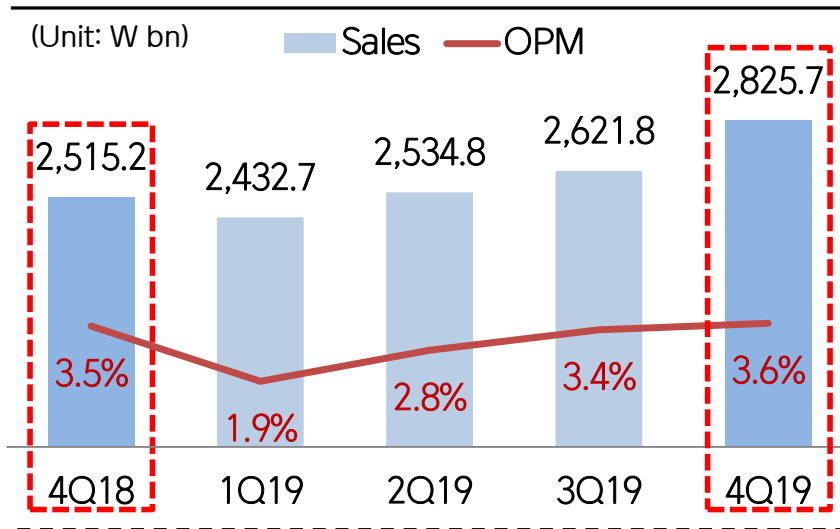


- [Sales] Sales down 17% YoY from de-marketing and ASF impact
  - ✓ Feed: Sales volume -17% YoY from D-mkt of low-margin customers (Domestic -16% YoY, Indonesia -16% YoY, Vietnam -33% YoY, China -31% YoY)
  - ✓ Livestock: Vietnam/Indonesia livestock price recovery offsets domestic low-margin livestock sales volume
- [OP] OP up 92% YoY thanks to recovery in Vietnam hog & Indonesia poultry prices and improving feed margins
  - ✓ Vietnam: Expanding OP due to a sharp rise in Vietnam hog price from shortage in hog supply (hog price : +32% YoY, +93% QoQ)
  - ✓ Indonesia: Improving feed profitability from falling raw material prices and recovering poultry price to previous year level (poultry price : +0.1% YoY, +14% QoQ)

# II. EARNINGS ANALYSIS

Revenue continues to grow on the back of global M&A effect and parcel volume growth  
 Historic high OP thanks to enhancing operation leverages in parcel biz

## Sales and OPM Trend

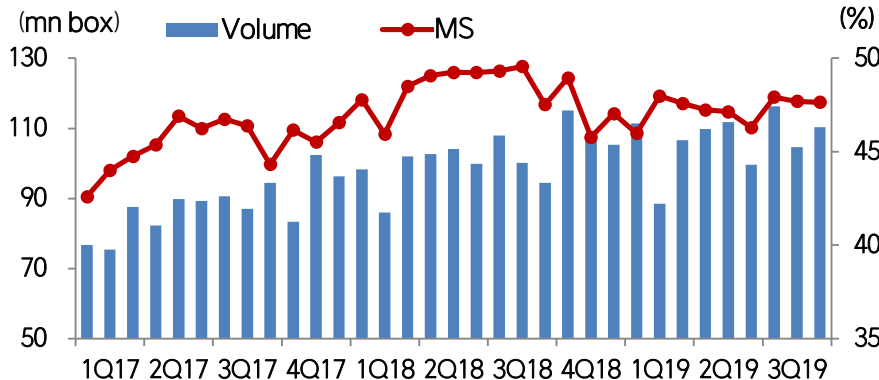


## Earnings Analysis

- [Sales] Sales up 12% YoY at W2,836bn thanks to resilient sales volume growth from both parcel biz and M&A effect

- ✓ **Global:** New orders from synergies between NF-CJL  
 (# of orders exceeding W10bn: 4 in 2018 → 12 in 2019)
- ✓ **Parcel:** Up 13% YoY on the back of ASP increase and sales volume  
 (4Q ASP +2.9% / Volume +9.8% / M/S 47.6%)
- ✓ **CL:** Up 8.7% YoY from aggressive sales in spite of global recession

## "Parcel Volumes and MS Continue to Grow"



- [OP] OP up 16% at W101bn (historic high OP) thanks to profit-oriented management

- ✓ Improved profitability thanks to increased ASP and sales volume
- ✓ **Global:** ① narrowed losses through restructuring of loss-making biz  
 ② improved margins from M&As (Rokin, Gemadep, DSC)
- ✓ **Parcel:** Leveraging effect from ASP hike and enhanced operating leverage
- ✓ **CL:** decline in profitability from one-off expense (LogisPark transfer)

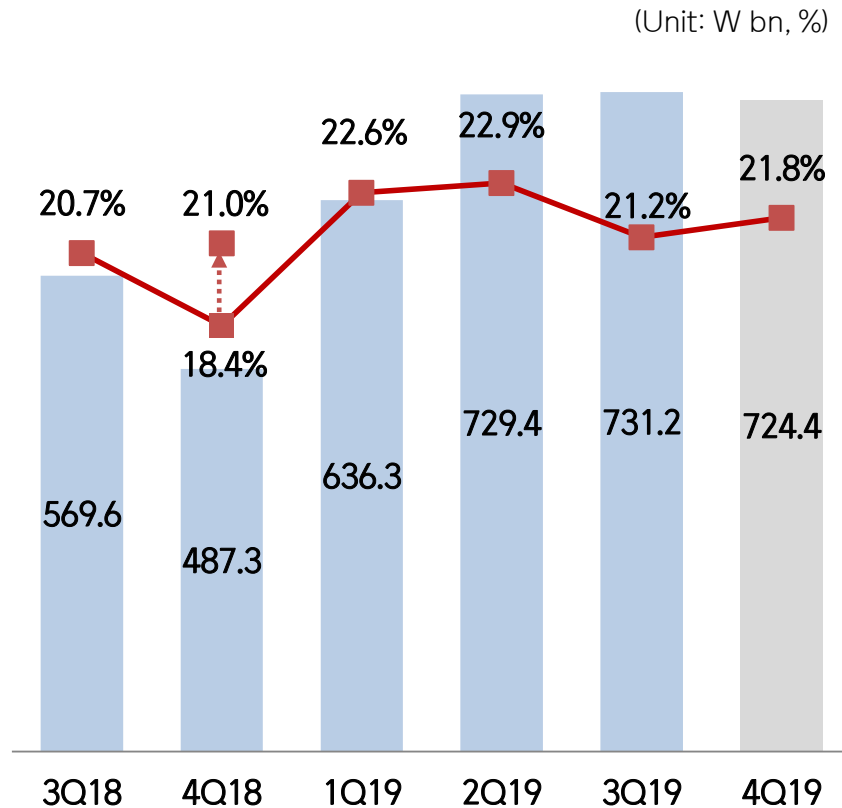
### III. OTHER ANALYSIS

### SG&A EXPENSE(EXCLUDING CJ LOGISTICS)

SG&A-to-sales ratio at 21.8% (+3.4%pt YoY)

Excluding accounting changes and Schwan's consolidation effect 21.1% (+0.1%pt YoY)

*"SG&A to Sales Ratio Trend"*



(Unit: W bn)

	4Q18	4Q19	YoY
Labor cost	159.9	218.4	58.5
(%)	6.0%	6.6%	0.5%pt
Commission expense	64.9	119.8	54.9
(%)	2.4%	3.6%	1.2%pt
Transportation cost	83.6	169.4	85.8
(%)	3.2%	5.1%	1.9%pt
Promotion cost	52.0	40.0	-12.0
(%)	2.0%	1.2%	-0.8%pt
Advertising cost	9.4	17.8	8.4
(%)	0.4%	0.5%	0.2%pt
D&A	29.4	70.5	41.1
(%)	1.1%	2.1%	1.0%pt
Others	88.1	88.5	0.4
(%)	3.3%	2.7%	-0.7%pt
<b>Total</b>	<b>487.3</b>	<b>724.4</b>	<b>237.1</b>
<b>(%)</b>	<b>18.4%</b>	<b>21.8%</b>	<b>3.4%pt</b>

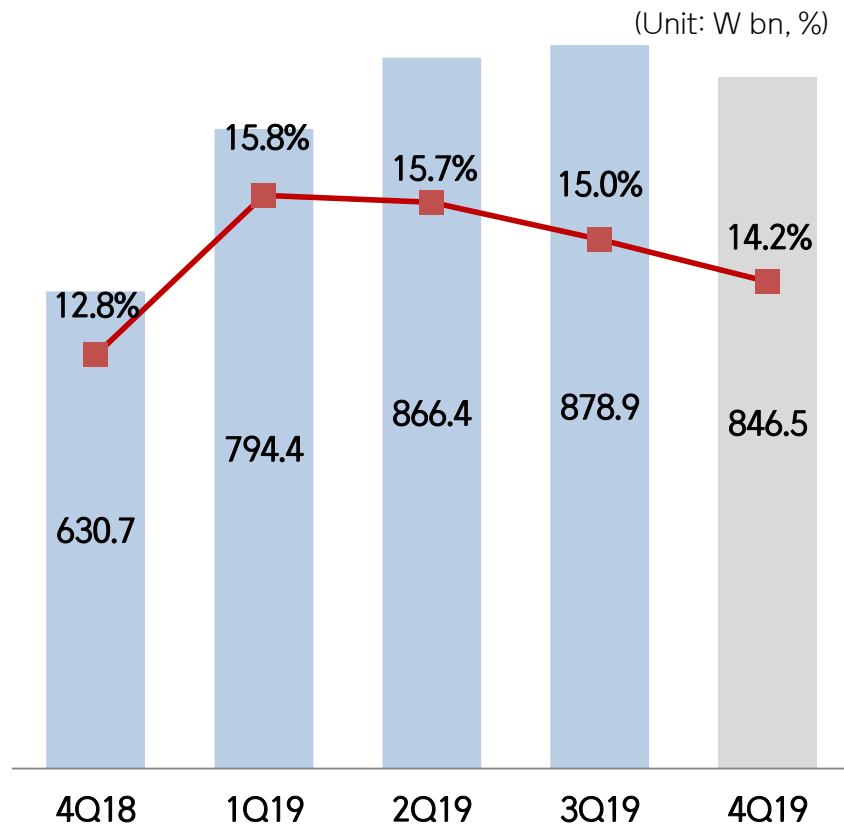


### III. OTHER ANALYSIS

### SG&A EXPENSE(INCLUDING CJ LOGISTICS)

SG&A-to-sales ratio at 14.2% (+1.4%pt YoY)

“SG&A to Sales Ratio Trend”



(Unit: W bn)

	4Q18	4Q19	YoY
Labor cost	219.5	299.0	79.5
(%)	4.5%	5.0%	0.6%pt
Commission expense	98.7	139.7	41.0
(%)	2.0%	2.3%	0.3%pt
Transportation cost	83.6	131.2	47.6
(%)	1.7%	2.2%	0.5%pt
Promotion cost	52.0	40.1	-11.9
(%)	1.1%	0.7%	-0.4%pt
Advertising cost	13.7	21.4	7.7
(%)	0.3%	0.4%	0.1%pt
Others	163.3	215.1	51.8
(%)	3.3%	3.6%	0.3%pt
<b>Total</b>	<b>630.8</b>	<b>846.5</b>	<b>215.7</b>
<b>(%)</b>	<b>12.8%</b>	<b>14.2%</b>	<b>1.4%pt</b>

### III. OTHER ANALYSIS

### NON-OPERATING INCOME & EXPENSE(EXCLUDING CJ LOGISTICS)

Non-operating expense down W58.3bn from fx-related income and disposal gain from tangible asset

#### Details

- Net interest expense at W56.0bn(+W18.5bn YoY)
- FX-related gains at W16.0bn(+W18.9bn)  
- Valuation gains W19.7bn, Transaction gains W2.0bn
- Equity method gains at W2.3bn (+W0.9bn YoY)
- Commodity derivatives-related gains at W1.8bn  
(-W2.5bn YoY)
- Other non-operating losses W32.4bn (+W56.6bn YoY)

※ Non-operating items shown as (-) for expenses and (+) for income

#### Key Non-Operating Items (unit: W bn)

	4Q18	4Q19	YoY
Net Interest	-37.5	-56.0	-18.5
FX-related Gains&Losses	-5.8	16.0	21.8
Equity Method Gains&Losses	1.4	2.3	0.9
Commodity Derivatives-related Gains&Losses	4.3	1.8	-2.5
Others	-89.0	-32.4	56.6
<b>Total</b>	<b>-126.6</b>	<b>-68.3</b>	<b>58.3</b>
Tax	-14.0	-19.7	-5.7

· 4Q19 USDKRW (Ending) : 1,157.8, 4Q19 USDKRW (Avg) : 1,175.8  
 · 4Q18 USDKRW (Ending) : 1,118.1, 4Q18 USDKRW (Avg) : 1,127.5

### III. OTHER ANALYSIS

### NON-OPERATING INCOME & EXPENSE(INCLUDING CJ LOGISTICS)

Non-operating expense down W80.9bn from fx-related income and disposal gain from tangible asset

#### Details

- Net interest expense at W77.5bn(+W16.1bn YoY)
- FX-related gains at W14.0bn(+W18.9bn)  
- Valuation gains W18.9bn, Transaction gains W0.1bn
- Equity method gains at W4.9bn (+W6.3bn YoY)
- Commodity derivatives-related gains at W1.6bn  
(-W2.7bn YoY)
- Other non-operating losses W63.2bn (+W74.5bn YoY)

※ Non-operating items shown as (-) for expenses and (+) for income

#### Key Non-Operating Items (unit: W bn)

	4Q18	4Q19	YoY
Net Interest	-61.4	-77.5	-16.1
FX-related Gains&Losses	-4.9	14.0	18.9
Equity Method Gains&Losses	-1.4	4.9	6.3
Commodity Derivatives-related Gains&Losses	4.3	1.6	-2.7
Others	-137.7	-63.2	74.5
<b>Total</b>	<b>-201.1</b>	<b>-120.2</b>	<b>80.9</b>
Tax	-22.4	-19.4	3.0

· 4Q19 USDKRW (Ending) : 1,157.8, 4Q19 USDKRW (Avg) : 1,175.8  
· 4Q18 USDKRW (Ending) : 1,118.1, 4Q18 USDKRW (Avg) : 1,127.5

## IV. KEY ISSUES

## KEY STRATEGIES BY DIVISIONS

**(Food)** Improving domestic business structure, creating synergies among global biz and achieving outstanding competency for qualitative growth

**(BIO)** Focusing on market dominance through cost competitiveness and nurturing new specialty products

### FOOD

- **Fundamental innovation of biz structure for profitability**
  - ✓ (Domestic) Profitability Innovation through strategy revision of product portfolio  
("Growth Oriented", "Strengthening Profitability", "Structural revision", etc.)
  - ✓ (Global) Creating synergy from integration of US biz and maintaining qualitative growth in core countries (US, China, Vietnam)
  - ✓ Enhancement of EBITDA/FCF through enhancing PLC<sup>1)</sup> management and optimizing cost/expense/inefficiency
- **Strategy executions by procuring outstanding competency of predicting trend, R&D and manufacturing techniques**
  - ✓ Advancements in strategies by enhancing trend prediction, analyses (Based on harmonized analysis of trend catching/data of all dining)
  - ✓ Acquiring outstanding competency in food R&D and applying it globally (sterilization, raw material control, taste quality/physical property control, etc.)
  - ✓ Accelerating development of differentiated production technology for flagship products such as Hetbahn, dumplings, HMR and kimchi, automation and quality innovation through AI, enhancing manufacturing competitiveness and production flexibility to strengthen customer/channel response
- **Searching for future growth engines based upon self generated cash flow**
  - ✓ Creating growth engines from US food synergy (Big Jump) and Southeast Halal
  - ✓ Seeking for opportunities on entering next HMR (Cook-it/Care Food)
  - ✓ Searching for M&A which embodies profitability and capabilities through self generating cash flow

### BIO

- **Broadening cost competitiveness gap with competitors**
  - ✓ Cost Innovation through R&D technologies
  - ✓ Strengthening production engineering capabilities, improving purchasing strategies and etc.
- **Strengthening market dominance by regional blockage**
  - ✓ Increased sales of tryptophan, Nucleotide, Methionine which its capacity has recently been added up
  - ✓ Market dominance from cost competitiveness and optimal region wise allocation
  - ✓ Expansion of high margin specialty products such as SPC, arginine, histidine

### FEED & CARE

- **(feed) Creating optimal business structure on each livestock's coupled with continued enhancement of profitability in free market biz**
  - ✓ de-mkt low margin customers, cost reduction from optimal utilization rate and strengthened purchasing strategy
  - ✓ Increasing profitability by maximizing high-margin aqua feed sales and achieving No.1 MS in shrimp market
- **(livestock) Maximized profit by market forecasting power and extreme cost reduction**
  - ✓ Maximizing hog sales on high ASP, reducing the risk of price fluctuations through drastic improvements in cost and quality structure, diversifying livestock portfolios and strengthening back end value chain

1) PLC : Product life cycle

# IV. KEY ISSUES

## SCHWAN'S KEY PERFORMANCES ON 2019 AND KEY STRATEGIES OF 2020

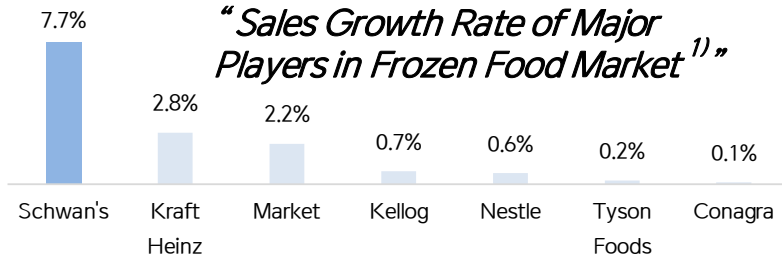
Frozen food to grow by 7.7%, outperforming than that of market growth(2.2%)

(B2B)Successful B2B(TMI) and (B2B) grocery channel integration to expand sales of wrap food and Asian food in US

### Results and key performances

- Frozen food sales up 7.7% exceeding market growth(2.2%)

- ✓ MS of B2C Pizza up 1.0% YoY at 19.9% (Red Baron 14.2%, Freschetta 3.4%, Tony's 2.3%)
- ✓ MS of B2C Pie up 1.2% at 49.5%



### Main Strategies in year 2020

#### Schwan's-TMI B2B Integration

- Completed transferring TMI's B2B biz to Schwan's('20.01) revenue driven from synergy at \$60M in 2020
- Expanding sales channel of Food Service div. **K-12 Channel:** focusing on dumpling/noodle, participate in tenders on Jun to Aug
- **C-Store Channel:** strengthening partnership with 7-Eleven

#### B2C Integration

- Integrating grocery sales team to Consumer Brand div to complete integration by year 2020 and preparations for expanding of sales/distribution in year 2021
- Expanding Asian shelf portfolio in Kroger and other distributors 1Q Kroger/ Lunds & Byerlys / HyVee

#### Boosting exports

- Launching Red Baron in Korea(Feb)
- Revising domestic pizza production under Schwan's manufacturing techniques

### Mid to long term strategy in US Food Biz

"Expansion of Asian Food by employing Schwan's competency in sales/channel/technology

	[ Schwan's ]	[CJ]
✓ Category	Pizza, Dessert, Asian Appetizer	Wrap Food(dumpling, eggroll etc.), Noodle
✓ B2C Channel	Grocery : 30k Club: Sam's Club centered	Grocery : 3K stores Club: Costco centered
✓ B2B Channel	School : K-12, College C-Store: 7-Eleven, Circle K	Dinning: Chinese Chain centered

### 2019 Results and 2020 Guidance

- (2019) OP at W 56.0bn thanks to its peak season on 4Q (Annual OP at W137.3bn)<sup>2)</sup>

- ✓ increased pizza sales due to seasonality effect(Halloween, Thanks' Giving, Christmas)
- ✓ D&A of PPA: differences between the opinions of the year-end external auditors and the acquisition-date valuation firm led the initial amortization expense to increase but to decrease the later amortization expense and therefore total PPA amortization cost is the same.

✓ Inventory revaluation loss: one-off expense due to difference in K-IFRS and US-GAAP

- (2020) targeting revenue to increase by 6% and OP<sup>3)</sup> by 10%

unit: W bn	1Q	2Q	3Q	4Q	2019
Schwan's OP	34.1	21.2	26.0	56.0	137.3
Consolidation adjustments					
PPA D&A expense		18.6	12.3	29.1	60.0
inventory revaluation loss(one off)		-14.2		27.8	13.6

※ D&A expense on PPA asset expected to downsize after 2020

1) IRI Market Advantage Syndicated Database 'total frozen business', recent 52 weeks from '19.12.29

2) Schwan's Jan, Feb rev at W 314.2bn and OP at W 22.6bn(under US GAAP) Schwan's was consolidated from March.

3) OP refers to Schwan's stand alone P&L

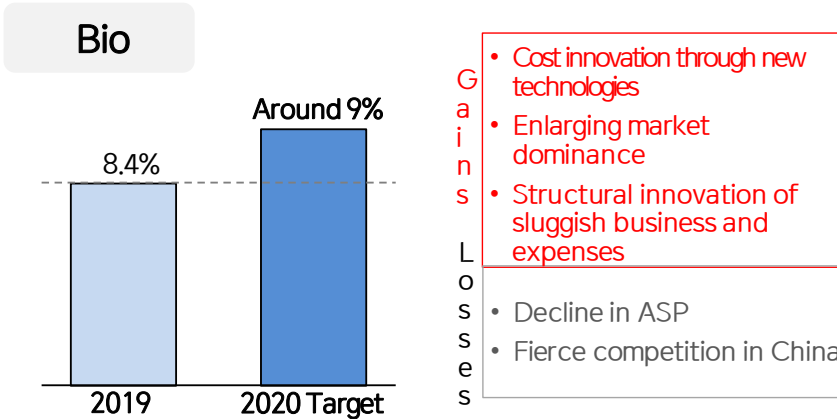
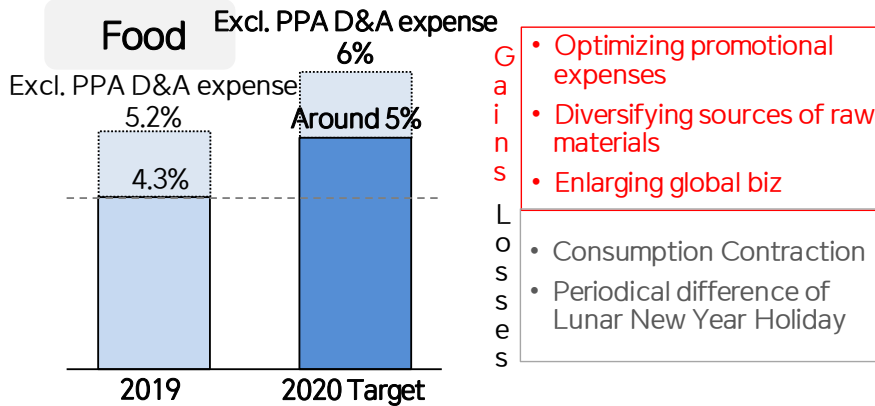
# IV. KEY ISSUES

## PLANS ON IMPROVING MARGINS AND FINANCIAL STRUCTURE

(Profitability) OP margin targets: food 5%, Bio 9%, Feed & Care 3%

(Financial structure) Net debt under W 4.8tr and lower it by W 4tr in longer terms

### Improving Profitability(OP Margin)



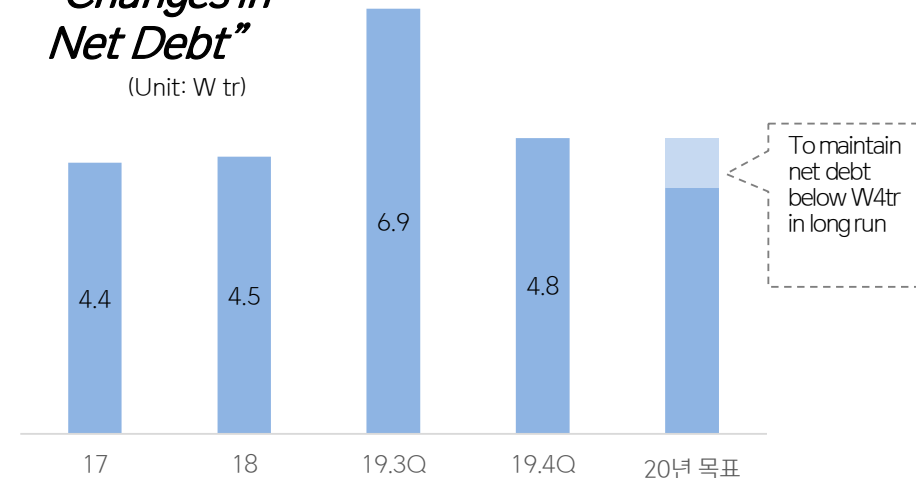
**Feed & Care** ✓ Feed & Care Targeting 3% OPM in 2020  
: improving spread and rise in hog price

### Improving Financial Structure

- Net debt at W4.8tr due to successful practices for improving financial structure
  - ✓ liquidating Gayang at W850bn, Yeongdeungpo at W230bn, Humanville at W52.8bn and etc.
- To maintain net debt of 2020 at previous year's level(W4.8tr)
  - ✓ Cash inflow expected(W200bn) as the Gayang deal completes
  - ✓ CAPEX of 2020 at about W700bn~W800bn
  - ✓ Targeting net debt below W4.8tr in 2020 and under W4tr in longer terms

### “Changes in Net Debt”

(Unit: W tr)



1-(1). Summary of Income Statement (excluding CJ Logistics)

(Unit: W bn)

	4Q18	3Q19	4Q19	YoY		QoQ	
<i>Sales</i>	2,650.5	3,446.1	3,323.6	673.1	25.4%	-122.5	-3.6%
<i>COGS</i>	2,059.0	2,533.9	2,427.1	368.1	17.9%	-106.8	-4.2%
<i>(%)</i>	77.7%	73.5%	73.0%		-4.7%pt.		-0.5%pt.
<i>Gross Profit</i>	591.5	912.2	896.5	305.0	51.6%	-15.7	-1.7%
<i>(%)</i>	22.3%	26.5%	27.0%		4.7%pt.		0.5%pt.
<i>SG&amp;A</i>	487.3	731.2	724.4	237.1	48.7%	-6.8	-0.9%
<i>(%)</i>	18.4%	21.2%	21.8%		3.4%pt.		0.6%pt.
<i>Operating Profit</i>	104.2	181.0	172.1	679	65.2%	-8.9	-4.9%
<i>(%)</i>	3.9%	5.3%	5.2%		1.3%pt.		-0.1%pt.
<i>Non-Operating P/L</i>	-126.6	-133.8	-68.3	583	NA	65.5	NA
<i>(%)</i>	-4.8%	-3.9%	-2.1%		2.7%pt.		1.8%pt.
<i>Recurring Profit</i>	-22.4	47.2	103.8	126.2	-563.4%	56.6	119.9%
<i>(%)</i>	-0.8%	1.4%	3.1%		3.9%pt.		1.7%pt.
<i>Net Profit</i>	-36.4	23.6	49.1	85.5	-234.9%	25.5	108.1%
<i>(%)</i>	-1.4%	0.7%	1.5%		2.9%pt.		0.8%pt.

## 2-(1). Summary of Balance Sheet (excluding CJ Logistics)

(Unit: W bn)

	2014	2015	2016	2017	2018	2019
Current Assets	2,769.7	2,860.5	3,464.0	3,267.9	3,458.3	5,726.8
Quick Assets	1,713.1	1,774.6	2,199.5	1,980.9	1,984.8	3,728.7
Inventory	1,056.6	1,085.9	1,264.5	1,287.0	1,473.5	1,998.1
Non-Current Assets	6,613.1	6,953.1	7,309.9	7,861.8	9,341.2	12,739.6
Investments	1,604.0	1,611.6	1,489.0	1,181.0	1,952.4	2,015.8
Right Of Use Assets	0.0	0.0	0.0	0.0	0.0	591.1
Tangible Assets	4,528.8	4,859.4	5,210.2	5,717.4	6,365.1	7,237.8
Intangible Assets	426.7	439.3	561.4	913.7	973.1	2,833.3
Other Fixed Assets	53.6	42.8	49.3	49.7	50.6	61.6
Total Assets	9,382.8	9,813.6	10,773.9	11,129.7	12,799.5	18,466.4
Current Liabilities	3,316.0	3,130.4	3,429.8	3,714.1	4,159.6	5,814.1
Non-Current Liabilities	2,725.1	2,987.7	3,351.0	3,345.1	3,093.2	5,464.2
<i>Net Debt</i>	3,903.9	3,705.4	4,133.0	4,379.8	4,502.5	6,224.8
<i>Liability to Equity Ratio</i>	181%	166%	170%	173%	131%	157%
<i>Net Liability to Equity Ratio</i>	167%	150%	153%	161%	123%	137%
<i>Net Debt to Equity Ratio</i>	117%	100%	104%	108%	81%	67%
Total Liabilities	6,041.1	6,118.1	6,780.8	7,059.2	7,252.8	11,278.3
Current Capital	72.3	72.4	72.4	72.5	81.9	81.9
Capital Surplus	910.2	918.3	919.9	925.1	1,541.0	1,541.0
Other Accumulated Earnings	-110.9	-116.6	-79.9	-472.0	-455.6	-435.8
Retained Earnings	2,191.6	2,331.0	2,561.5	2,895.6	3,727.2	3,800.9
Minority Interest	278.5	490.4	519.2	649.3	652.2	2,200.1
Total Shareholders' Equity	3,341.7	3,695.5	3,993.0	4,070.5	5,546.7	7,188.1



## 1-(2). Summary of Income Statement (including CJ Logistics)

(Unit: W bn)

	4Q18	3Q19	4Q19	YoY		QoQ	
<i>Sales</i>	4,922.1	5,858.1	5,961.3	1,039.2	21.1%	103.2	1.8%
<i>COGS</i>	4,118.8	4,706.5	4,845.0	726.2	17.6%	138.5	2.9%
<i>(%)</i>	83.7%	80.3%	81.3%		-2.4%pt.		1.0%pt.
<i>Gross Profit</i>	803.4	1,151.6	1,116.2	312.8	38.9%	-35.4	-3.1%
<i>(%)</i>	16.3%	19.7%	18.7%		2.4%pt.		-1.0%pt.
<i>SG&amp;A</i>	630.7	878.9	846.5	215.8	34.2%	-32.4	-3.7%
<i>(%)</i>	12.8%	15.0%	14.2%		1.4%pt.		-0.8%pt.
<i>Operating Profit</i>	172.7	272.7	269.8	97.1	56.3%	-2.9	-1.1%
<i>(%)</i>	3.5%	4.7%	4.5%		1.0%pt.		-0.2%pt.
<i>Non-Operating P/L</i>	-201.1	-204.3	-120.2	80.9	NA	84.1	NA
<i>(%)</i>	-4.1%	-3.5%	-2.0%		2.1%pt.		1.5%pt.
<i>Recurring Profit</i>	-28.5	68.4	149.6	178.1	-624.9%	81.2	118.6%
<i>(%)</i>	-0.6%	1.2%	2.5%		3.1%pt.		1.3%pt.
<i>Net Profit</i>	-50.9	17.1	93.5	144.4	-283.7%	76.4	447.5%
<i>(%)</i>	-1.0%	0.3%	1.6%		2.6%pt.		1.3%pt.

## 2-(2). Summary of Balance Sheet (including CJ Logistics)

(Unit: W bn)

	2014	2015	2016	2017	2018	2019
Current Assets	3,973.3	4,018.5	4,880.7	4,963.5	5,522.4	7,943.0
Quick Assets	2,907.7	2,920.9	3,600.5	3,660.0	4,024.8	5,924.7
Inventory	1,065.6	1,097.6	1,280.2	1,303.5	1,497.6	2,018.3
Non-Current Assets	9,409.2	9,732.8	10,885.5	11,904.7	13,974.6	18,337.6
Investments	1,087.6	1,135.8	1,096.2	716.1	897.5	765.3
Right Of Use Assets	0.0	0.0	0.0	0.0	0.0	1,678.8
Tangible Assets	6,383.9	6,690.2	7,280.5	8,179.4	9,741.7	10,844.1
Intangible Assets	1,750.9	1,737.3	2,333.8	2,758.1	3,069.9	4,810.2
Other Fixed Assets	186.8	169.5	175.0	251.1	265.5	239.2
Total Assets	13,382.5	13,751.3	15,766.2	16,868.2	19,497.0	26,280.6
Current Liabilities	4,122.4	4,335.7	4,699.2	5,496.9	6,680.4	8,202.2
Non-Current Liabilities	4,310.2	4,030.4	5,006.5	5,227.4	5,508.4	8,611.3
<i>Net Debt</i>	5,269.5	4,975.5	5,739.2	6,396.9	7,267.9	6,756.5
<i>Liability to Equity Ratio</i>	170%	155%	160%	175%	167%	178%
<i>Net Liability to Equity Ratio</i>	158%	142%	147%	163%	158%	160%
<i>Net Debt to Equity Ratio</i>	106%	92%	95%	104%	99%	71%
Total Liabilities	8,432.6	8,366.1	9,705.7	10,724.3	12,188.8	16,813.5
Current Capital	72.3	72.4	72.4	72.5	81.9	81.9
Capital Surplus	910.2	918.3	919.9	925.1	1,541.0	1,541.0
Other Accumulated Earnings	-184.8	-181.9	-149.4	-526.1	-582.4	-535.6
Retained Earnings	2,187.2	2,334.2	2,566.5	2,903.5	3,694.3	3,786.4
Minority Interest	1,965.0	2,242.2	2,651.1	2,768.9	2,573.4	4,593.4
Total Shareholders' Equity	4,949.9	5,385.2	6,060.5	6,143.9	7,308.2	9,467.1

3. Earnings results by division

(Unit: W bn)

		1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	YoY
CJCJ Excluding CJL	Sales	2,512.2	2,367.5	2,745.1	2,650.5	2,810.7	3,186.4	3,446.1	3,323.6	25.4%
	Gross Profit	746.3	631.3	780.7	591.5	779.9	834.8	911.5	896.5	51.6%
	Operating Profit	170.7	131.2	211.1	104.2	143.6	105.4	181.0	172.1	65.2%
	EBITDA	275.6	234.2	315.2	220.7	277.6	269.5	348.2	377.3	71.0%
Food Div.	Sales	1,316.2	1,229.2	1,456.4	1,270.0	1,720.5	1,954.9	2,224.6	2,110.5	66.2%
	Gross Profit	430.4	365.9	483.4	351.3	546.6	545.8	643.4	575.9	63.9%
	Operating Profit	116.8	68.6	139.2	32.9	100.9	54.0	131.5	55.7	69.3%
	EBITDA	166.2	117.3	190.8	88.6	177.4	154.9	228.0	191.7	116.4%
Bio Div.	Sales	1,081.4	1,138.3	1,288.7	1,380.5	1,090.2	1,231.5	1,221.5	1,213.1	-12.1%
	Gross Profit	253.0	265.4	297.3	240.2	233.3	289.0	268.8	320.6	33.5%
	Operating Profit	41.9	62.6	71.9	71.3	42.7	51.4	49.5	116.4	63.3%
	EBITDA	92.6	116.9	124.4	132.1	100.2	114.7	120.2	185.6	40.5%
CJ HC	Sales	114.6								
	Gross Profit	62.9								
	Operating Profit	12.0								
	EBITDA	16.8								

# VI. KEY FIGURES

## 1. PROCESSED FOOD

		2018				2019				2020
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Jan
Domestic	Revenue growth (YoY)	5%	5%	4%	7%	16%	12%	3%	13%	-12% YoY
	Key raw material price									
	Rice (1Q18=100)	100	107	110	118	118	118	117	113	113
	Imported pork (1Q18=100)	100	97	92	92	84	114	103	110	104
	Dried red pepper (1Q18=100)	100	97	126	112	102	99	89	73	75
Global revenue	Revenue (W 100mn)	1,546	1,416	1,787	1,999	4,604	8,320	9,058	9,558	+223% yoy
	US	866	670	1,019	1,094	3,737	7,096	7,824	8,099	+10% yoy
	Schwan's					2,403	6,080	6,599	6,903	NA
	China	453	442	517	498	568	624	626	736	-9% yoy
	Vietnam	188	233	231	264	218	523	504	474	-6% yoy
	Others	39	70	20	142	81	77	104	249	+34% yoy

## 2. KEY PRODUCT M/S TREND

카테고리		2018				2019			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Frozen	Dumpling	43.4	45.8	45.4	43.3	44.5	44.9	42.6	43.5
	Processed Meat	24.1	24.9	25.1	24.1	22.6	23.6	22.9	21.5
Cold	Kimchi	30.1	32.2	35.7	37.2	38.6	41.2	40.8	39.2
	Refrigerated noodle	35.1	39.5	39.0	37.6	34.0	37.2	37.0	36.5
Shelf Stable	Microwavable rice	74.7	73.2	72.0	71.4	71.2	70.9	70.0	70.2
	Cup rice	65.9	67.5	73.4	75.2	72.3	74.2	73.1	71.9
	Porridge	0.1	0.2	0.1	11.2	26.2	37.1	36.7	37.7
	Soup/stew category	42.0	40.4	39.1	45.9	47.6	46.6	43.4	51.3

\* Source: Nielsen Korea

## 3. FOODSTUFF – GLOBAL COMMODITY PRICE

	2018				2019				2020
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1QE
Raw sugar( cent / lbs )	13.5	11.9	10.8	12.9	12.7	12.3	11.6	12.8	+7%QoQ
Soybean( cent / bus )	1,006.0	996.0	849.7	879.4	906.3	867.0	874.7	915.2	+3%QoQ
Corn( cent / bus )	366.0	383.7	353.7	370.2	373.7	391.0	390.9	381.8	Same level
Wheat( cent / bus )	453.1	498.7	517.8	511.9	490.8	477.7	487.3	521.8	-3%QoQ

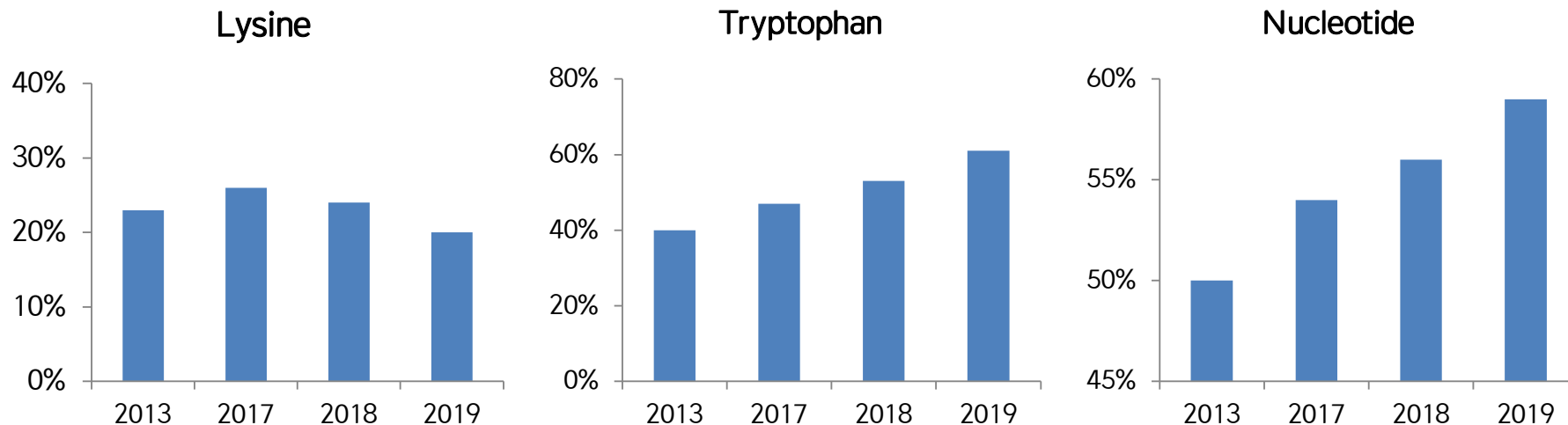
\* Source: Bloomberg

## 1. BIO: GLOBAL PRICE OF KEY PRODUCTS

Product			2018				2019				2020
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Jan
Global Price	Lysine	China (RMB/Ton)	8,784	7,996	7,816	8,125	7,400	7,322	6,734	6,450	6,570
		Europe (EUR/Ton)	1,315	1,286	1,227	1,234	1,175	1,138	1,058	1,506	1,100
	Methionine	China (RMB/Ton)	19,967	18,181	17,445	20,862	17,415	18,522	17,386	18,397	18,500
		Europe (EUR/Ton)	2,374	2,220	2,077	2,087	1,980	1,860	1,810	1,684	2,000
	Tryptophan	China (RMB/Ton)	112,295	62,218	61,561	58,180	54,865	51,573	45,500	45,667	44,000
		Europe (EUR/Ton)	13,117	11,643	8,754	7,792	7,570	6,708	5,793	5,500	4,750

\* Source: Feed market institutions

## 2. BIO: MARKET SHARE OF KEY PRODUCTS



\* Source: CJCJ estimates

## 3. FEED & CARE: GLOBAL LIVESTOCK PRICES

		2018				2019				2020
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	Oct	Jan
Global Livestock Price	Vietnam hog ( VND / kg )	28,400	39,900	48,500	48,100	45,200	34,400	33,400	64,400	74,100
	Indonesia poultry ( Rp / kg )	17,400	19,400	18,000	17,000	16,000	15,600	15,000	17,000	14,200
	Korea hog ( KRW / kg )	4,163	4,876	5,328	3,952	3,643	4,560	4,705	3,358	2,923

\*Source: KAPE, industry estimates



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