



2020 2Q BUSINESS RESULTS

This material is based on non-audited financial statements for 2020 2Q 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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1. BUSINESS RESULT HIGHLIGHTS

DESPITE DESTABILIZED BUSINESS ENVIRONMENT DRIVEN BY COVID-19, ACHIEVED OPERATING PROFIT UNDER STRATEGIC MANAGEMENT. HOWEVER, SG&A EXPENSE RATIO HAVE INCREASED AS SAME-STORE SALES PLUNGED

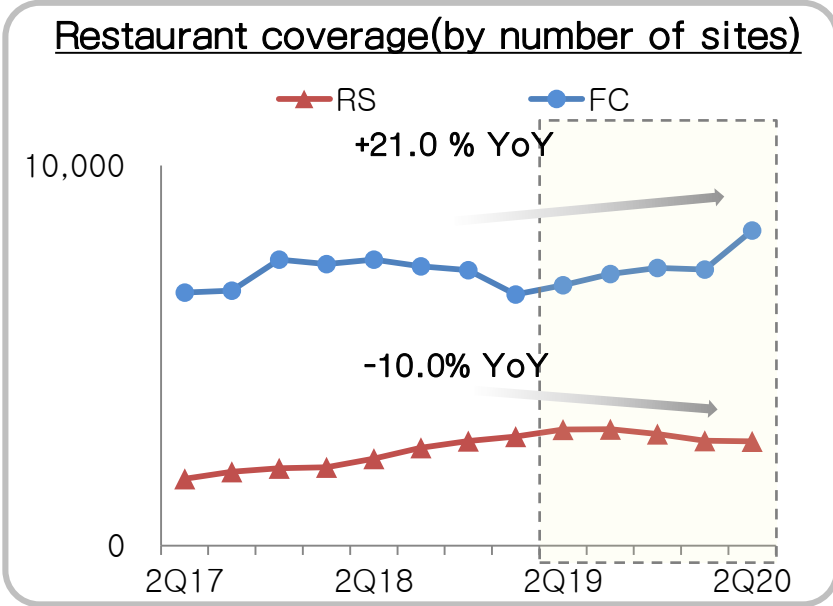
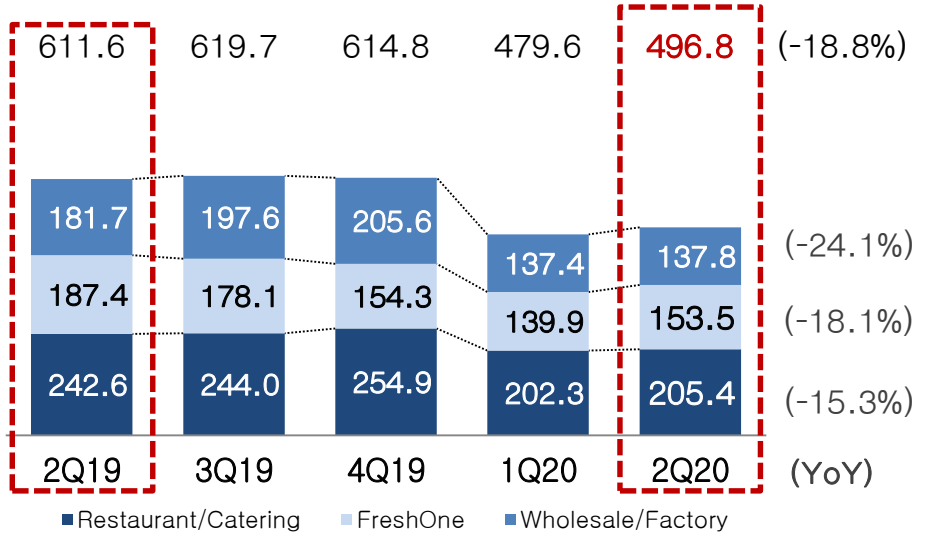


2. EARNINGS ANALYSIS BY DIVISION

2-1. FMD

FMD W496.8bn

(Unit: W bn)



[Restaurant/Catering] W205.4bn (-W37.2bn, -15.3% YoY)

- Sales plunged due to proliferation of COVID-19 cases, which in turn worsened profitability throughout the sales channels
- New FC clients have increased, however, same-store sales were insufficient to cover SG&A cost

[FreshOne] W153.5bn (-W33.9bn, -18.1% YoY)

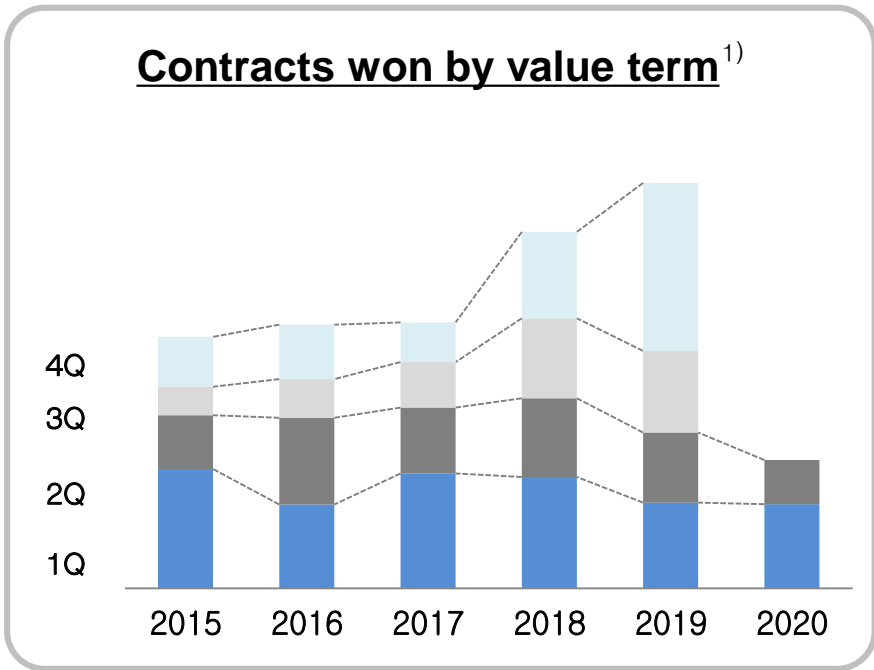
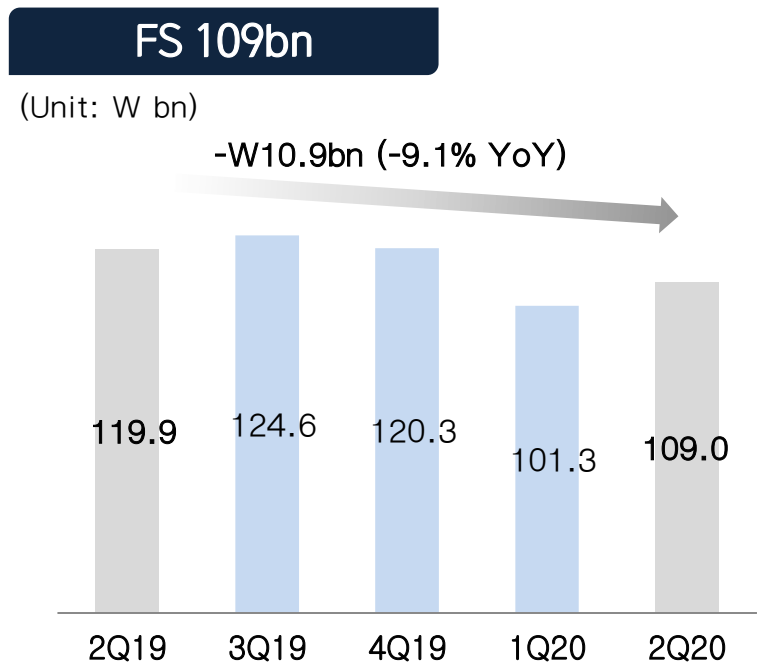
- Standalone: Sales W169.6bn(-17.6% YoY), GP W16.2bn(-W2.6bn), OP -W0.3bn(-W2.0bn)

[Wholesale/Factory] W137.8bn (-W78.4bn, -24.1% YoY)

- Decreased due to continuous downsizing of CJFV, CJCJ net revenue adjustments and gov't regulates agricultural good prices

2. EARNINGS ANALYSIS BY DIVISION

2-2. FS



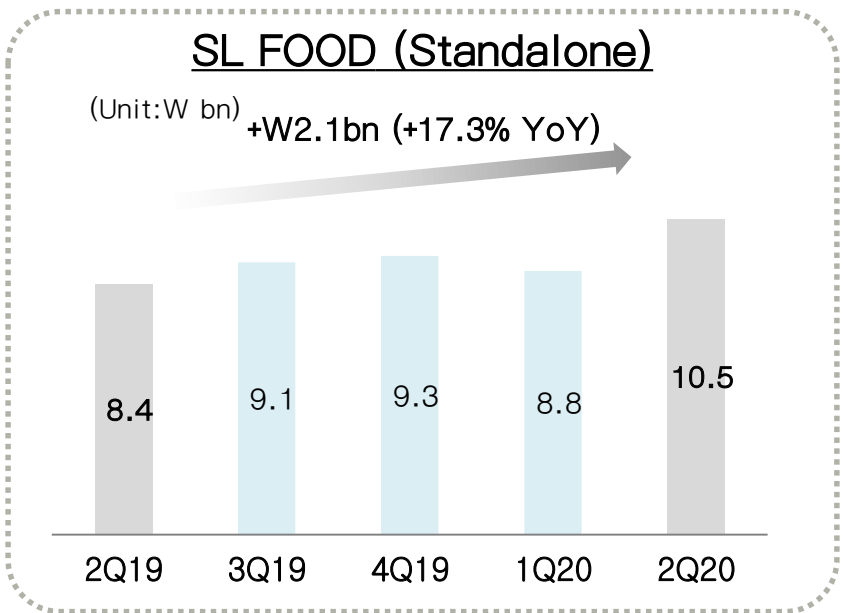
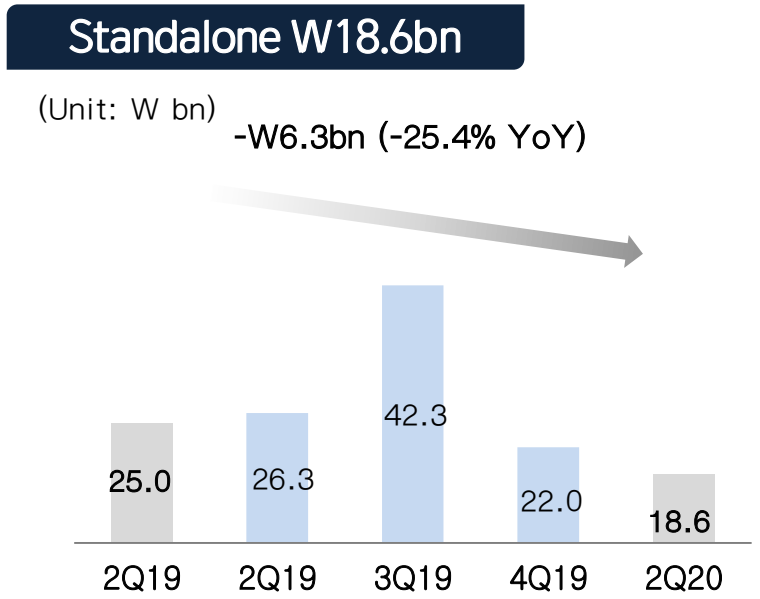
[FS] Sales W109.0bn (-W10.9bn, -9.1% YoY)

- New orders awarded primarily from factories, while discouraging low-yielding contracts
- Continued Covid-19 effect forced same-store sales and GPM to suffer across all channels
- Top-tier players are refraining from price competition by avoiding low-margin yielding contracts

1) Projected annual sales

2. EARNINGS ANALYSIS BY DIVISION

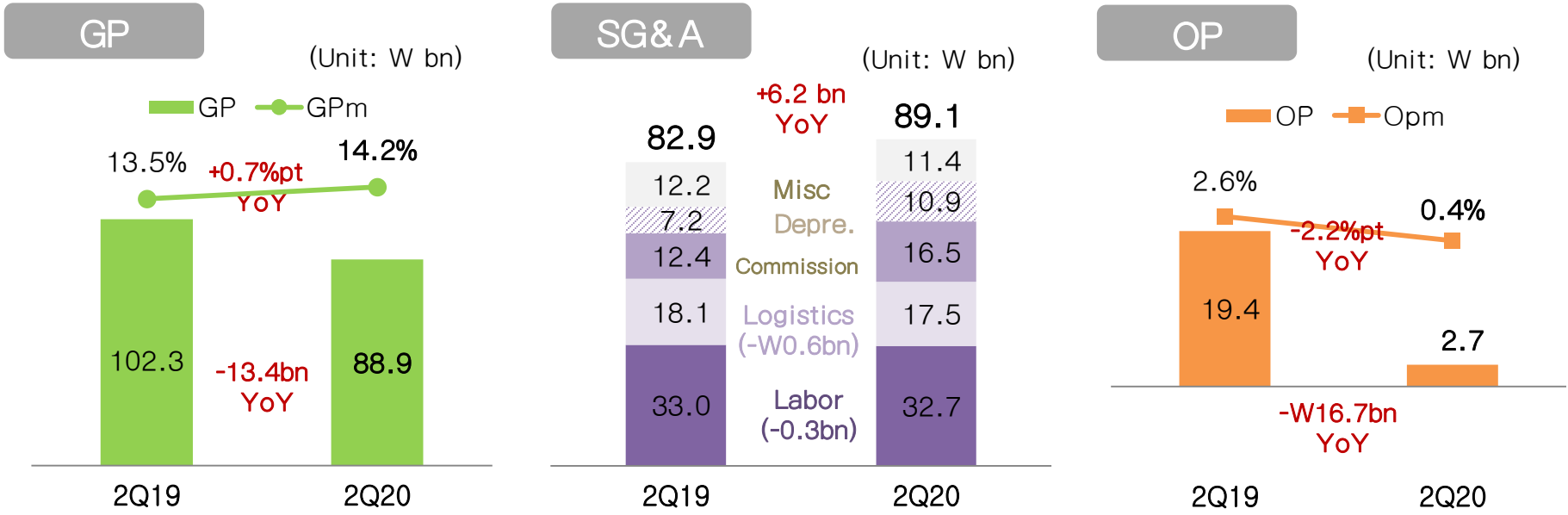
2-3. MANUFACTURING & OVERSEAS



- [Manufacturing & Overseas] Sales W18.6bn (-W6.3bn, -25.4% YoY)
- Overseas: (Standalone) Sales decreased amid Covid-19 closures and CJFV downsizing
 - SL Food : Sales and OP increased due to COVID-19 driven upsurge in demand toward B2C(HMR, CVS related) channel
 - J Farms : Sales and Profitability boosted on the back of B2C channel demand hike
 Sales W11.5bn (W1.7bn, +19% YoY) OP -W0.2bn (+W1.4bn)

3. OPERATING INCOME ANALYSIS

* OP/NON-OP REFLECTS CHANGES IN LEASE RELATED ACCOUNTING GUIDELINE



- GP : W88.9bn(-W13.4bn YoY), GPm 14.2%(+0.7%pt YoY)
- SG&A : W89.1bn(+W6.2bn, +7.5% YoY)
- OP W2.7bn (-W16.7bn YoY)
- Leased properties related accounting effects
 - OP changes : Lease expense -W7.5bn, Depreciation +W6.8bn
 - Interest expense : +W1.9bn

4. NON-OPERATING INCOME & EXPENSE

- IFRS GUIDELINE CHANGE, MAIN FACTOR FOR INCREASED INTEREST EXPENSE

(Unit: W bn)	2Q19	2Q20	CHG
Interest Expense	-4.5	-4.5	0.0
F/X Gain (Loss)	-0.2	0.6	0.8
Donation	-2.8	-2.7	0.1
Miscellaneous	-1.2	-0.8	0.4
Total	-8.7	-7.4	1.3

5. FINANCIAL STATEMENT

5-1. SUMMARY OF INCOME STATEMENT

(Unit: W bn)

	2Q19	1Q20	2Q20	YoY	(%)	QoQ	(%)
Total Revenue	756.5	602.5	624.5	(132.0)	-17.5%	219.7	3.6%
- Food material	611.6	479.6	496.8	(114.8)	-18.8%	172.0	3.6%
Restaurant/catering	242.6	202.3	205.4	(37.2)	-15.3%	31.4	1.6%
FreshOne	187.4	139.9	153.5	(33.9)	-18.1%	136.3	9.7%
Wholesale/ factories	181.7	137.4	137.8	(43.9)	-24.1%	4.3	0.3%
- Catering service(domestic)	119.9	101.3	109.0	(10.9)	-9.1%	77.3	7.6%
- Overseas & others	25	21.6	18.6	(6.4)	-25.5%	(29.6)	-13.7%
Gross profit	102.3	75.4	88.9	(13.4)	-13.1%	135.2	17.9%
SG&A	82.9	88.0	86.2	3.3	4.0%	(17.9)	-2.0%
Operating profit	19.4	(12.6)	2.7	(16.7)	-86.0%	153.1	-121.5%
EBIT	10.7	(23.4)	(4.7)	(15.4)	-144.0%	186.9	-79.9%
Net profit	7.7	(20.0)	(2.7)	(10.4)	-134.9%	173.1	-86.5%

5. FINANCIAL STATEMENT

5-2. SUMMARY OF BALANCE SHEET

(Unit : W bn)	2015	2016	2017	2018	4Q19	2Q20
Current Asset	418.5	469.1	506.7	469.1	479.2	585.7
Cashable Asset	11.0	12.4	54.7	26	21.3	103.4
A/R	212.8	250.2	269.2	203.7	234.8	275.5
Inventory	171.7	184.5	154.2	210.4	191.4	178.0
Others	23.0	22	28.6	29	31.8	28.8
Non-Current Asset	340.3	381.4	394.4	448.2	702.4	717.6
Investment in JV & affiliates	0.4	0.5	1.1	0	0.0	0.0
Tangible Asset	225.4	241.9	254.3	301.1	439.4	358.9
Intangible Asset	79.8	105	95.6	93.1	108.7	102.9
Real estate	16.4	12.1	11.8	0.5	100.1	92.7
Others	18.4	21.9	31.5	53.5	54.2	163.1
Total Asset	758.8	850.5	901.1	917.3	1,181.7	1,303.3
Current Liabilities	462.6	433.5	512.8	567.3	580.4	634.3
Non-Current Liabilities	90.7	175	152.8	97.2	312.2	406.4
Total Liabilities	553.3	608.5	665.7	664.5	892.5	1,040.7
Total Shareholders' Equity	205.5	242	235.5	252.9	289.1	262.6

❖ Key Financial Index

(Unit: W bn, %)	2019	2Q20	CHG
Liability to Equity Ratio	308.7%	396.3%*	87.6%p
Debt to Equity Ratio	93.6%	156.3%	62.7%p
Net Debt to Equity Ratio	86.2%	116.9%	30.7%p
Total Borrowings(W bn)	270.6	410.5	+139.9
Net Borrowings(W bn)	249.3	307.1	+57.7

- When lease accounting change effect reversed debt ratio drops to 317%



INVESTOR RELATIONS

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