



2020 3Q BUSINESS RESULTS

This material is based on non-audited financial statements for 2020 3Q 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

OPERATING PROFITS RECOVERED, HOWEVER, NET LOSS CONTINUED DUE TO FO RELATED GOODWILL IMPAIRMENT. AS SOCIAL DISTANCING INTENSIFIED, REVENUE SUFFERED ALONG WITH PROFITABILITY.

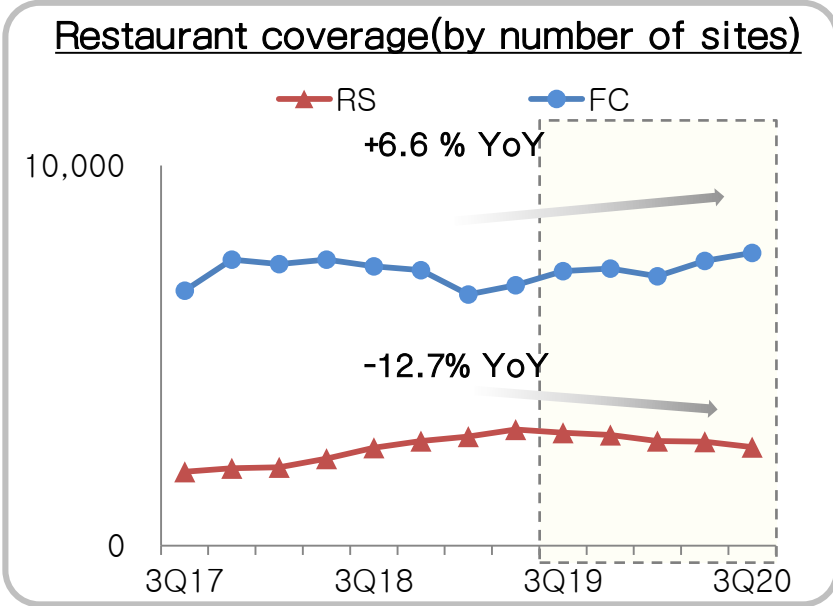
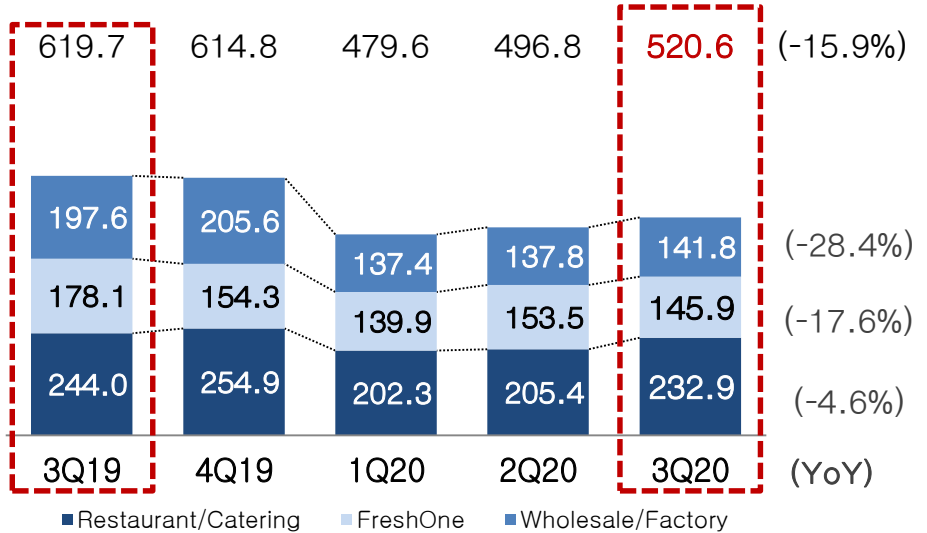


2. EARNINGS ANALYSIS BY DIVISION

2-1. FMD

FMD W520.6bn

(Unit: W bn)



[Restaurant/Catering] W232.9bn (-W11.2bn, -4.6% YoY)

- Despite intensified social distancing, improved consumer sentiment from previous quarter decelerated topline declination
- Catering business maintains steady increase in sales as public facilities became accessible

[FreshOne] W145.9bn (-W31.2bn, -17.6% YoY)

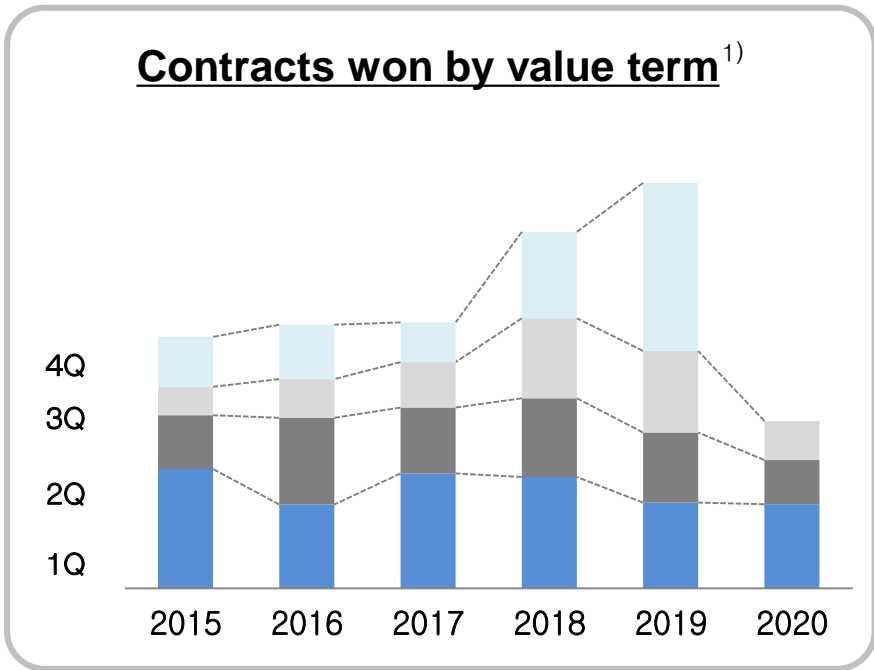
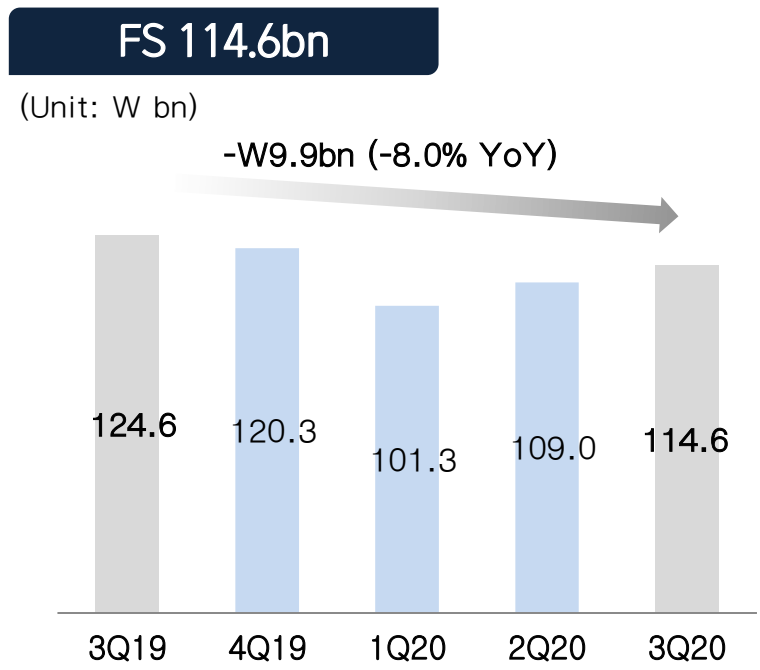
- Standalone: Sales W162.8bn(-16.9% YoY), GP W16.0bn(-W2.1bn), OP -W0.5bn(-W1.2bn)

[Wholesale/Factory] W141.8bn (-W56.2bn, -28.4% YoY)

- Top-line suffered mainly from CJFV restructuring, CJCJ net revenue adjustments and annual agricultural goods price adjustments by the government.

2. EARNINGS ANALYSIS BY DIVISION

2-2. FS



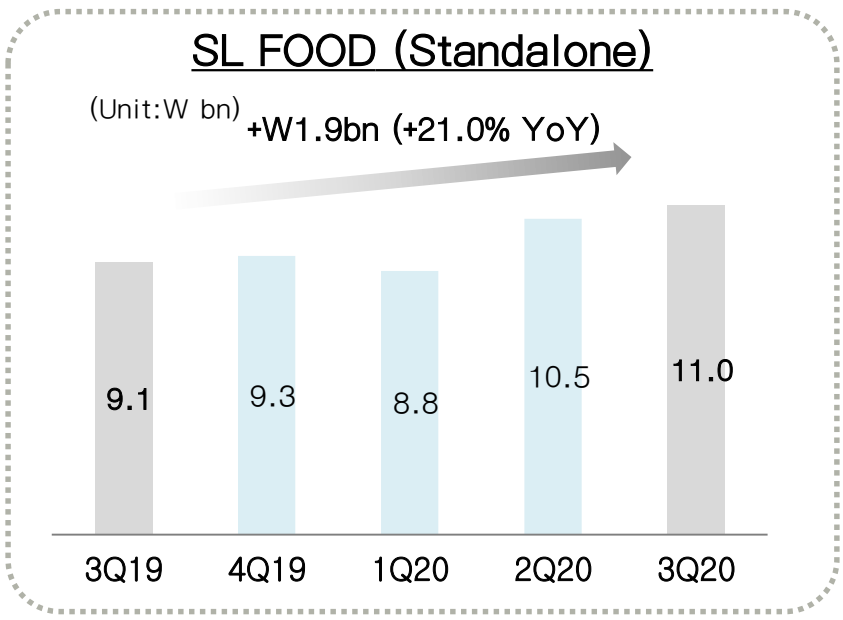
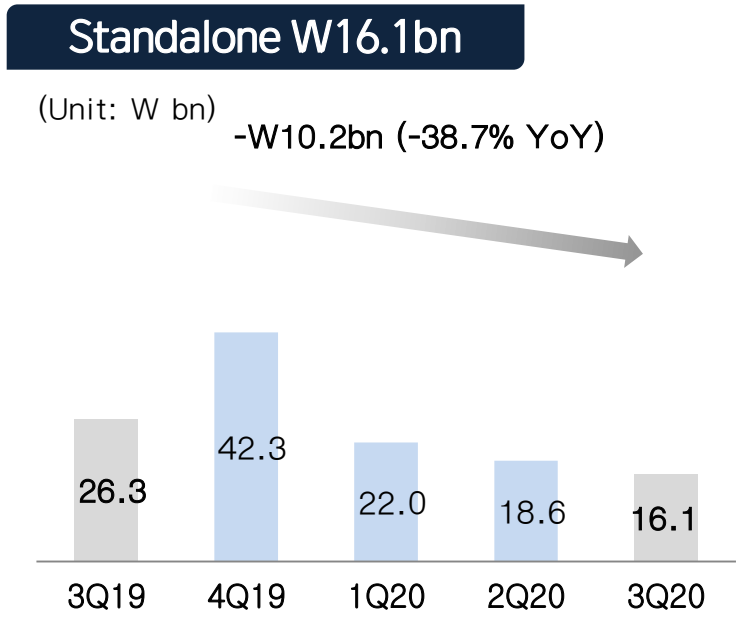
[FS] Sales W114.6bn (-W9.9bn, -8.0% YoY)

- New orders awarded primarily from factories, while discouraging low-yielding contracts and concentrating on amassing high-yielding clients.
- Top-tier players are refraining from chicken game by avoiding low-margin yielding contracts
- Prolonged Covid-19 forced same-store sales and GPM to suffer, especially concession channel

1) Projected annual sales

2. EARNINGS ANALYSIS BY DIVISION

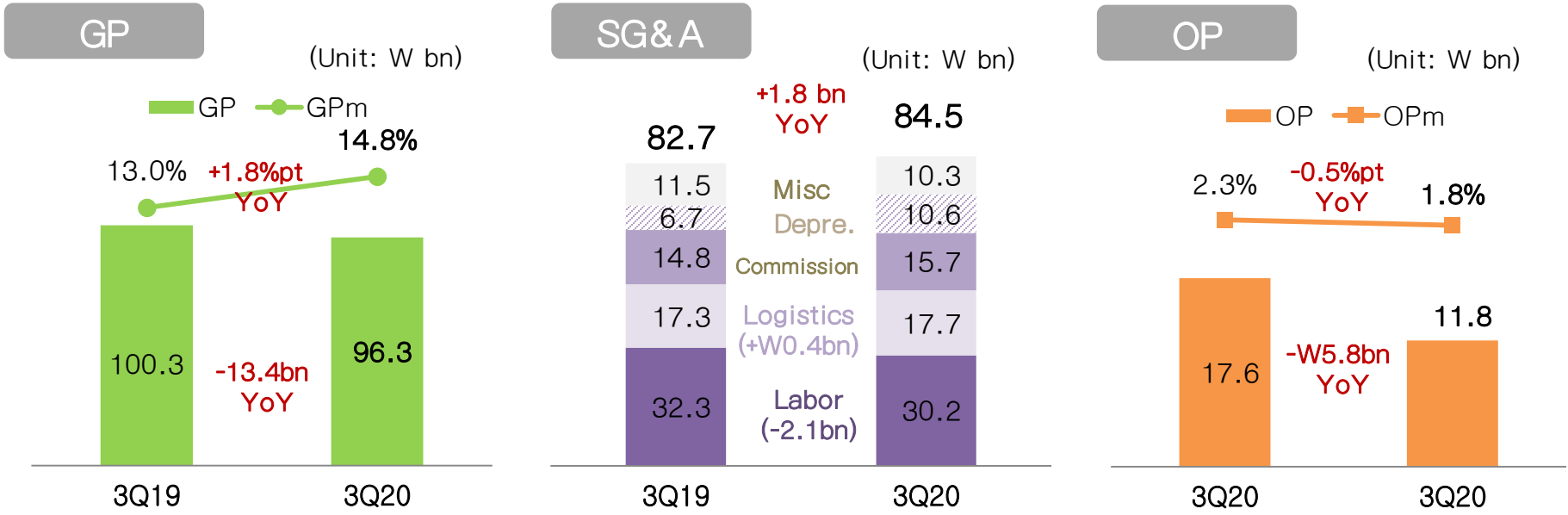
2-3. MANUFACTURING & OVERSEAS



- [Manufacturing & Overseas] Sales W16.1bn (-W10.2bn, -38.7% YoY)
- Overseas: (Standalone) Sales decreased amid downsizing overseas business
 - SL Food : Sales and OP boosted due to strong demand toward B2C channel (HMR, CVS, Delivery related)
 - J Farms : Sales increased, however, soaring agricultural products price worsened margin
Sales W13.4bn (W2.0bn, +17.5% YoY) OP -W0.2bn (-W0.8bn)

3. OPERATING INCOME ANALYSIS

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



- GP : W88.9bn(-W4.0bn YoY), GPm 14.8%(+1.8%pt YoY)
- SG&A : W84.5bn(+W1.8bn, +2.2% YoY)
- OP W11.8bn (-W5.8bn YoY)
- Leased properties related accounting effects
 - OP changes : Lease expense -W8.0bn, Depreciation +W7.7bn
 - Interest expense : +W1.8bn

4. NON-OPERATING INCOME & EXPENSE

- IFRS GUIDELINE CHANGE, MAIN FACTOR FOR INCREASED INTEREST EXPENSE

(Unit: W bn)	3Q19	3Q20	CHG
Interest Expense	-4.8	-4.7	0.1
F/X Gain (Loss)	-0.4	0.1	0.5
Donation	-3.0	-2.9	0.1
Miscellaneous	-7.0	-6.9	0.1
Total	-15.2	-14.4	0.8

5. FINANCIAL STATEMENT

5-1. SUMMARY OF INCOME STATEMENT

(Unit: W bn)

	3Q19	2Q20	3Q20	YoY	(%)	QoQ	(%)
Total Revenue	770.1	624.5	651.3	(118.8)	-15.4%	26.8	4.3%
- Food material	619.7	496.8	520.6	(99.1)	-16.0%	23.8	4.8%
Restaurant/catering	244.0	205.4	232.9	(11.2)	-4.6%	27.4	13.3%
FreshOne	178.1	153.5	145.9	(32.1)	-18.0%	(7.6)	-4.9%
Wholesale/ factories	197.6	137.8	141.8	(55.8)	-28.2%	4.0	2.9%
- Catering service(domestic)	124.6	109.0	114.6	(9.9)	-8.0%	5.6	5.1%
- Overseas & others	25.807	18.6	16.1	(9.7)	-37.5%	(2.5)	-13.5%
Gross profit	100.3	88.9	96.3	(4.0)	-4.0%	7.4	8.3%
SG&A	82.7	86.2	84.5	1.8	2.2%	(1.7)	-2.0%
Operating profit	17.6	2.7	11.8	(5.8)	-32.8%	9.1	336.6%
EBIT	2.4	(4.7)	(2.6)	(5.0)	-211.3%	2.1	-44.0%
Net profit	1.3	(2.7)	(4.2)	(5.5)	-437.8%	(1.5)	57.2%

5. FINANCIAL STATEMENT

5-2. SUMMARY OF BALANCE SHEET

(Unit : W bn)	2015	2016	2017	2018	2019	3Q20
Current Asset	418.5	469.1	506.7	469.1	479.2	596.2
Cashable Asset	11.0	12.4	54.7	26	21.3	118.0
A/R	212.8	250.2	269.2	203.7	234.8	272.6
Inventory	171.7	184.5	154.2	210.4	191.4	174.6
Others	23.0	22	28.6	29	31.8	30.9
Non-Current Asset	340.3	381.4	394.4	448.2	702.4	713.7
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	363.7
Intangible Asset	79.8	105	95.6	93.1	108.7	94.1
Real estate	16.4	12.1	11.8	0.5	100.1	93.5
Others	18.4	21.9	31.5	53.5	54.2	162.4
Total Asset	758.8	850.5	901.1	917.3	1,181.7	1,309.8
Current Liabilities	462.6	433.5	512.8	567.3	580.4	623.2
Non-Current Liabilities	90.7	175	152.8	97.2	312.2	413.6
Total Liabilities	553.3	608.5	665.7	664.5	892.5	1,036.8
Total Shareholders' Equity	205.5	242	235.5	252.9	289.1	273.0

❖ Key Financial Index

(Unit: W bn, %)	2019	3Q20	CHG
Liability to Equity Ratio	308.7%	379.7%*	71.0%p
Debt to Equity Ratio	93.6%	135.8%	42.2%p
Net Debt to Equity Ratio	86.2%	92.6%	6.4%p
Total Borrowings(W bn)	270.6	370.8	+100.2
Net Borrowings(W bn)	249.3	252.8	+3.5

- When lease accounting change effect reversed debt ratio drops to 304%



INVESTOR RELATIONS

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