



2019 4Q BUSINESS RESULTS

This material is based on non-audited financial statements for 2019 4Q and released for investors' convenience only. Please note that readers should be aware this material is subject to revision during the course of audit.

CONTENTS

CONTENTS	PAGE
1. BUSINESS RESULTS HIGHLIGHTS	2
2. EARNINGS ANALYSIS BY DIVISION	
2-1. FOOD MATERIAL DISTRIBUTION	3
2-2. FOOD SERVICE	4
2-3. OVERSEAS & OTHERS	5
3. OPERATING INCOME ANALYSIS	6
4. NON-OPERATING INCOME & EXPENSE	7
5. FINANCIAL STATEMENT	
5-1. SUMMARY OF INCOME STATEMENT	8
5-2. SUMMARY OF BALANCE SHEET	9

1. BUSINESS RESULT HIGHLIGHTS

GPM NOTCHED UP VIA MARGIN IMPROVEMENT STRATEGY WHILST OPM SUFFERED DUE TO INCURRED LOSS FROM MEAT SALES AND INCREASED SG&A NP CONTRACTED DUE TO LEASE EFFECT AND FO RELATED NON-OP EXPENSES

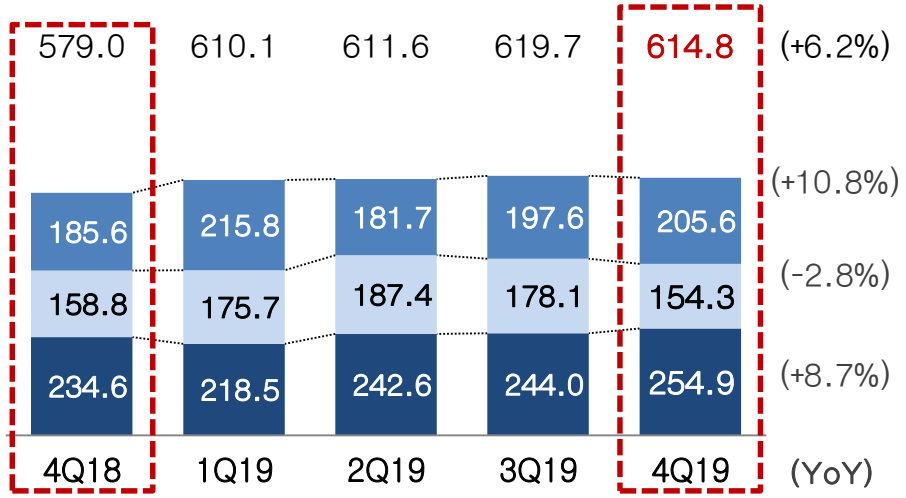


2. EARNINGS ANALYSIS BY DIVISION

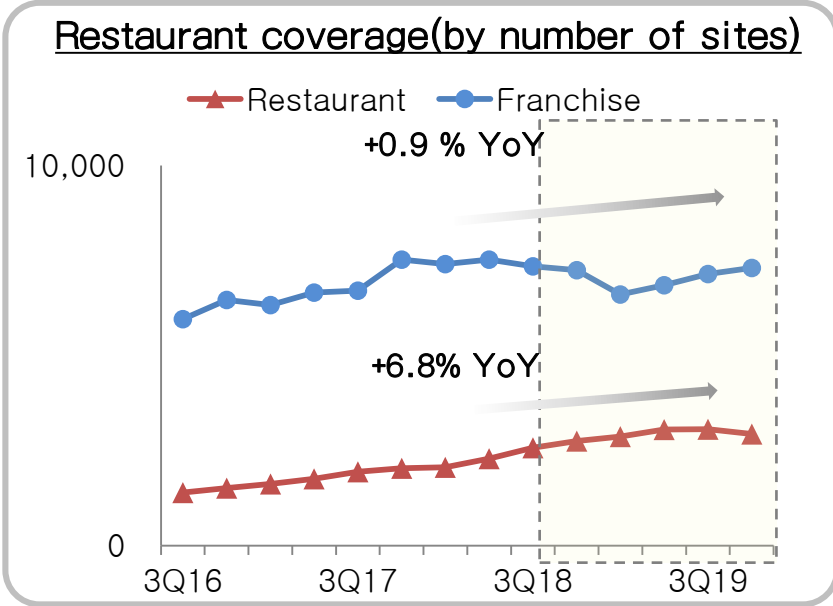
2-1. FMD

FMD W614.8bn

(Unit: W bn)



■ Restaurant/Catering ■ FreshOne ■ Wholesale/Factory



[Restaurant/Catering] W254.9bn (+W20.3bn, +8.7% YoY)

- FC channel : Sales/GPm sought improvement due to additions of large FC brands to the client mix and contract condition improvement
- RS channel: Although sales have contracted due to demarketing, new contracts and margin spread improvement expected via sales division restructuring

[FreshOne] W154.3bn (-W4.5bn, -2.8% YoY)

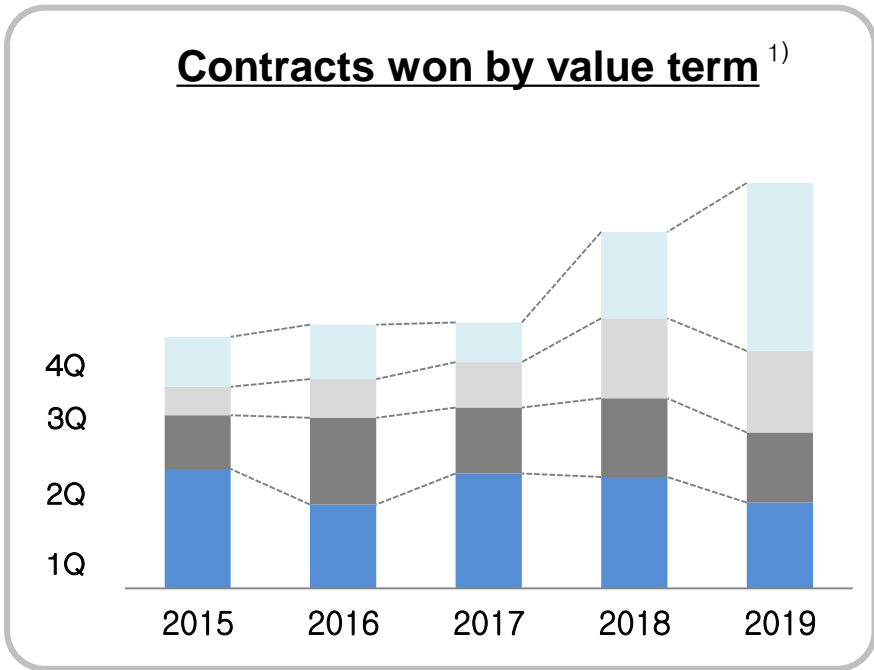
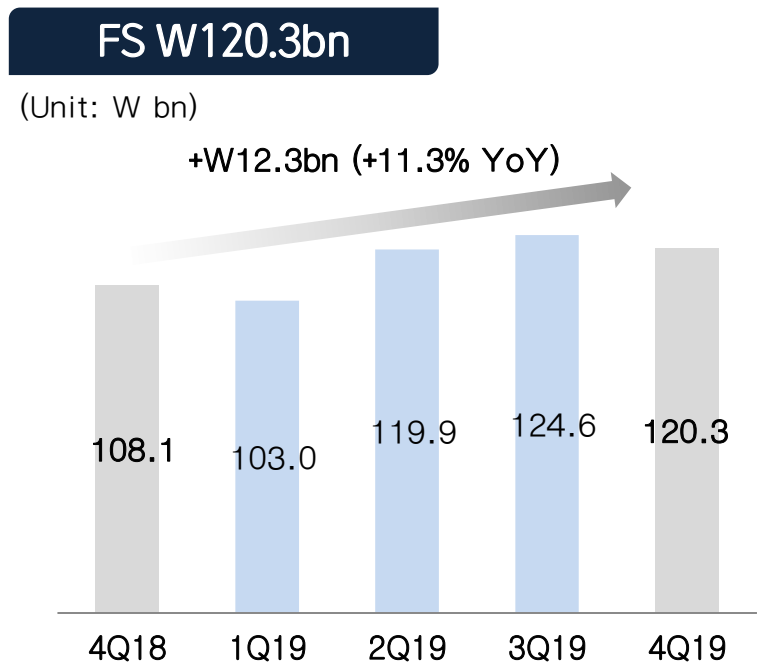
- Standalone: Sales W191.8bn(+10.5% YoY), GP W18.1bn(-W0.4bn), OP W0.7bn(-W1.29bn)

[Wholesale/Factory] W205.6bn (+W20.0bn, +10.8% YoY)

- Sales to CJFV continued to decline amid drastic downsizing of its FC brands under management

2. EARNINGS ANALYSIS BY DIVISION

2-2. FS : ANNUAL BACKLOG HITS A NEW HIGH



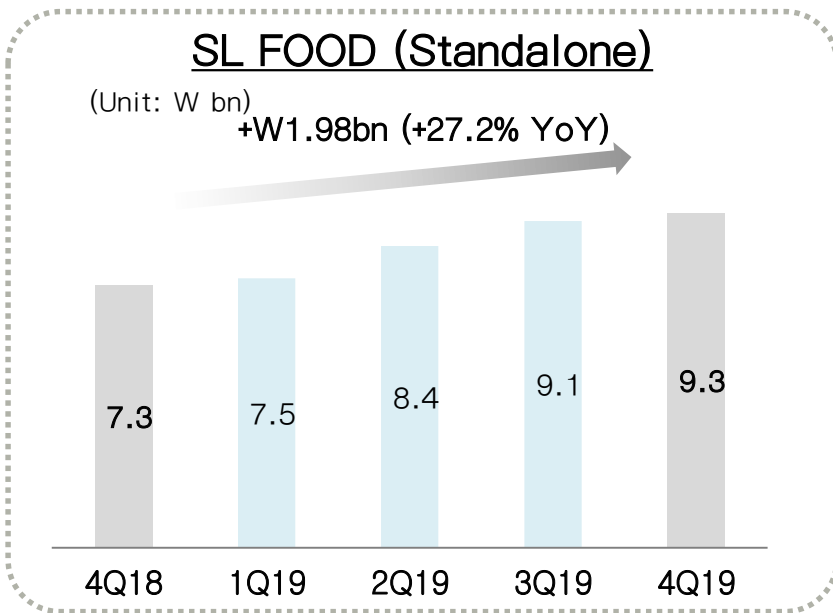
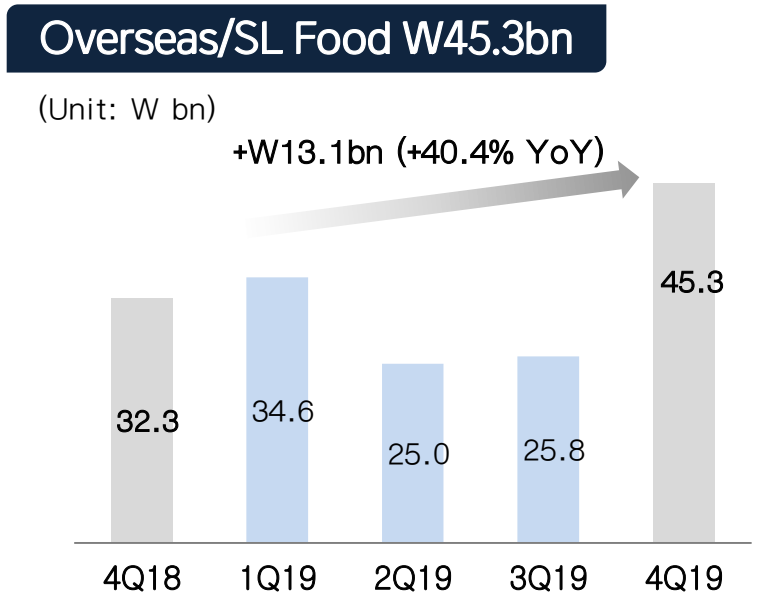
[FS] Sales W120.3bn (+W12.3bn, +11.3% YoY)

- New orders primarily from office, leisure/concession channel led the double-digit growth
- 4Q19 backlog hits a new high with the recipient of large clients and turn-key contracts from large hospitals
- GPm improved by offsetting minimum wage hike effect and filtering low margin yielding clients

1) Projected annual sales

2. EARNINGS ANALYSIS BY DIVISION

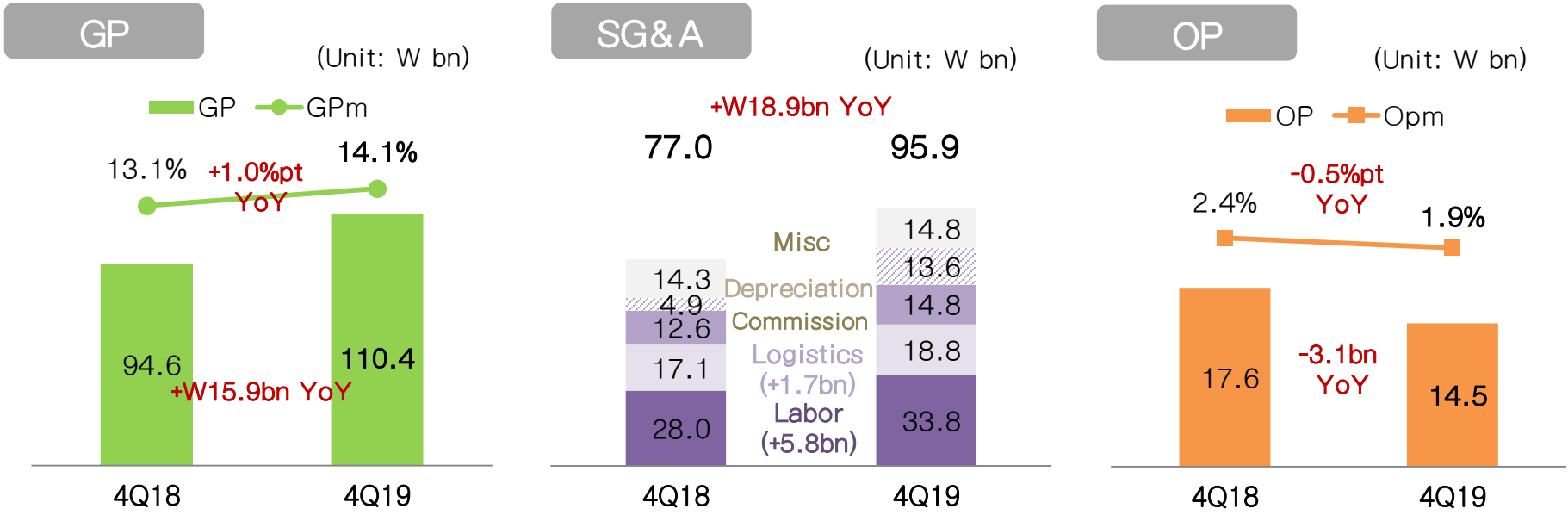
2-3. OVERSEAS & SONGLIM FOOD



- [Overseas & SL Food] Sales W45.3bn (+W13.1bn, +40.4% YoY)
- Overseas: (Standalone) Sales decreased -30% YoY due to CJFV downscaling business
 - SL Food : Utilization rate improvement, on the back of Increased orders from new clients, yielded better margin
 - J Farms : Normalized sales by offsetting loss from customer defection after the acquisition with inflow of new customers

3. OPERATING INCOME ANALYSIS

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



- GP : W110.4bn(+W15.9bn YoY), GPm 14.1%(+1.0%pt YoY)
- SG&A : W95.9bn(+W18.9bn, +24.6% YoY)
- OP : W14.5bn(-W3.1bn YoY), OPm 1.9%(-0.6%pt YoY)
- Accounting guideline changes on leased properties
 - OP changes : Lease expense -W5.95bn, Depreciation +W4.7bn
 - Interest Expense : +W2.17bn

4. NON-OPERATING INCOME & EXPENSE

- IFRS GUIDELINE CHANGE, MAIN FACTOR FOR INCREASED INTEREST EXPENSE

(Unit: W bn)	4Q18	4Q19	CHG
Interest Expense	-2.4	-5.3	-2.9
F/X Gain (Loss)	2.0	0.9	0.7
Donation	-2.9	-3.0	-0.1
Miscellaneous	-2.6	-2.6	-0
Total	-7.6	-10.0	-2.4

5. FINANCIAL STATEMENT

5-1. SUMMARY OF INCOME STATEMENT

(Unit: W bn)

	4Q18	3Q19	4Q19	YoY	(%)	QoQ	(%)
Total Revenue	719.3	770.1	780.8	61.5	8.6%	10.7	1.4%
- Food material distribution	579.0	620.1	614.8	35.8	6.2%	(5.3)	-0.9%
Restaurant/catering	234.6	244.0	254.9	20.3	8.7%	10.8	4.4%
FreshOne	158.8	178.1	154.3	(4.5)	-2.8%	(23.7)	-13.3%
Wholesale/ factories	185.6	198.0	205.6	20.0	10.8%	7.6	3.8%
- Catering service(domestic)	108.1	124.6	120.3	12.3	11.3%	(4.2)	-3.4%
- Overseas & others	32.3	25.4	45.7	13.4	41.5%	20.3	80.2%
Gross profit	94.6	100.3	110.4	15.9	16.8%	10.1	10.1%
SG&A	77.0	82.7	95.9	18.9	24.6%	13.2	16.0%
Operating profit	17.6	17.6	14.5	(3.1)	-17.4%	(3.1)	-17.4%
EBIT	10.0	2.4	4.6	(5.4)	-54.4%	2.2	92.3%
Net profit	6.7	1.3	2.2	(4.5)	-67.7%	0.9	72.2%

5. FINANCIAL STATEMENT

5-2. SUMMARY OF BALANCE SHEET

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

❖ Key Financial Index

(Unit: W bn, %)	2018	2019	CHG
Liability to Equity Ratio	263%	308.7%*	46%p
Debt to Equity Ratio	109%	93.6%	-15%p
Net Debt to Equity Ratio	99%	86.2%	-13%p
Total Borrowings(W bn)	275.8	270.6	-5.2
Net Borrowings(W bn)	249.8	249.3	-0.5

(*) When accounting change effect reversed debt ratio drops to 243%



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