COMPANY UPDATE

2026. 2. 11

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CJ CheilJedang (097950)

4Q review: Reorganization

- CJ CheilJedang's 4Q sales and operating profit came in at KRW7t and KRW295.9b—the former missing consensus by 3% and the latter beating consensus by 2%. This was the first quarter in which the feed & care business was reported as discontinued operation.
- Food sales expanded 3% y-y and operating profit remained flat y-y. Despite a y-y contraction in domestic sales, the company delivered solid results in 4Q as overseas sales expanded y-y on expansion of its global strategic products and recovery in the US dessert business. The bio business logged another quarter of poor results.
- Sale of the feed & care division not only brought in sale proceeds but also enables the company to: 1) generate additional cash flow via monetization of non-core assets; and 2) focus more on expanding its overseas food business and turning around its bio operation.

WHAT'S THE STORY?

4Q25 review: CJ CheilJedang's (CJCJ) saw 4Q sales and operating profit down 7% and 24% y-y, respectively, and posted a net loss of KRW821.4b.

(Continued on the next page)

4Q review

(KRWb)	4Q25	3Q25	Chg (% q-q)	4Q24	Chg (% y-y)	Consensus	Diff (%)
Sales	7,005.7	7,439.5	-5.8	7,490.2	-6.5	7,196.8	-2.7
Operating profit	295.9	346.5	-14.6	389.1	-24.0	289.2	2.3
Pre-tax profit	-503.9	196.9	nm	-61.9	nm	150.1	nm
Net profit	-821.4	72.9	nm	-189.5	nm	67.0	nm
Margins (%)							
Operating profit	4.2	4.7		5.2		4.0	
Pre-tax profit	-7.2	2.6		-0.8		2.1	
Net profit	-11.7	1.0		-2.5		0.9	

Source: Company data, Samsung Securities estimates

Valuation

(KRWb)	Sales	Operating profit	Pre-tax profit	Net profit	EPS (KRW)	EPS growth (% y-y)	P/E (x)	Net debt	EV/EBITDA (x)	P/B (x)	ROE (%)
2023	29,023	1,292	732	559	23,559	-35.2	13.8	9,490	6.8	0.7	5.6
2024	29,359	1,553	611	362	9,046	-61.6	28.2	10,123	6.0	0.5	2.0
2025E	28,891	1,325	109	-417	-34,934	nm	n/a	11,087	6.4	0.5	-7.6
2026E	27,920	1,267	470	367	16,007	nm	14.3	10,315	6.3	0.5	3.7
2027E	28,763	1,432	638	487	20,818	30.1	11.0	10,652	6.1	0.5	4.8

Source: Company data, Samsung Securities estimates

Global Equity

Kayoung Lee
Analyst
kayoung.l.lee@samsung.com

Hyerim Yu
Research Associate
hyerim0705.yu@samsung.com

AT A GLANCE

BUY

Target price	KRW265,000	16%
Current price	**KRW228,500**	
Market cap	KRW3.4t/USD2.3b	
Shares (float)	15,054,186 (51.9%)	
52-week high/low	KRW269,500/KRW203,000	
Avg daily trading value (60-day)	KRW13.4b/ USD9.2m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
CJ CheilJedang (%)	10.1	-9.3	-8.6
Vs Kospi (%pts)	-4.7	-45.1	-56.5

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	265,000	265,000	0.0%
2025E EPS	-34,934	18,213	-291.8%
2026E EPS	16,007	25,328	-36.8%

SAMSUNG vs THE STREET

No of estimates	16
Target price	272,813
Recommendation	3.9

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

Samsung Securities

- **Food business—overseas sales driving growth:** Sales and operating profit at the food division expanded 3% y-y and shrank 0.1% y-y, in 4Q. In Korea, processed food sales contracted 4.6% y-y partly due to poor Chuseok gift set sales, and food ingredient sales also fell 2% y-y. Nevertheless, the food division's sales expanded y-y thanks to strong results in overseas markets. Overseas sales climbed 9% y-y on: 1) expansion of its global strategic products (eg, dumplings and ready-to-eat rice) in Europe, Oceania, and other new markets; and 2) a low base from its dessert production issues in the US in 4Q24. The US market (representing 83% of overseas sale) rose 8% y-y, though this growth would have been just 3.7% when excluding the forex effects.
- **Bio division sluggish:** CJCJ's bio sales declined 5% y-y and operating profit plunged 99% y-y on worsening profitability, barely avoiding a loss (operating margin of 0.0%). The bio unit faced headwinds from fierce competition with Chinese players across most categories, and this weakness should continue through 1H26.

Restructuring and strategic focus—essential: Now is the time for CJCJ to focus all its efforts on expanding overseas food categories and regions, streamlining its domestic food portfolio, and turning around the bio business. We expect such effects to gradually bear fruit.

CJ CheilJedang: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2023	2024	2025	2026E	2027E
Sales	**7,208.5**	**7,237.2**	**7,439.5**	**7,005.7**	**6,820.4**	**6,805.5**	**7,086.3**	**7,208.3**	**29,023.5**	**29,359.1**	**28,890.8**	**27,920.5**	**28,762.6**
Sales (ex CJ Logistics)	**4,362.5**	**4,322.4**	**4,532.6**	**3,931.0**	**3,838.8**	**3,788.5**	**4,067.3**	**4,017.4**	**17,890.4**	**17,871.0**	**17,148.5**	**15,711.9**	**16,279.2**
Food	2,924.6	2,687.3	2,984.0	2,926.2	2,996.6	2,757.3	3,070.1	2,984.9	11,264.4	11,353.0	11,522.1	11,808.8	12,176.7
Domestic	1,436.5	1,318.5	1,528.6	1,313.8	1,446.9	1,300.0	1,498.7	1,291.5	5,878.2	5,771.6	5,597.4	5,537.1	5,656.7
Processed	997.6	840.6	1,041.0	885.5	1,007.5	836.4	1,030.6	884.7	3,704.8	3,872.8	3,764.6	3,759.1	3,834.3
Raw materials	438.9	477.9	487.6	428.3	439.4	463.6	468.1	406.8	2,173.4	1,898.8	1,832.8	1,778.0	1,822.4
Overseas	1,488.1	1,368.8	1,455.4	1,612.4	1,549.7	1,457.3	1,571.4	1,693.4	5,386.2	5,581.4	5,924.7	6,271.8	6,520.0
US	1,247.0	1,120.0	1,208.6	1,346.0	1,285.6	1,180.6	1,290.9	1,396.3	4,380.7	4,713.8	4,921.6	5,153.4	5,305.8
China	49.3	44.2	45.2	46.9	51.2	47.8	49.1	48.3	329.0	174.5	185.5	196.4	209.9
Japan	73.1	93.3	81.1	86.5	81.2	103.0	93.1	99.1	323.6	282.8	334.0	376.3	404.5
Other	118.7	111.3	120.5	133.0	131.8	125.9	138.3	149.7	352.9	410.3	483.5	545.7	599.8
Bio	895.4	1,079.8	979.4	1,004.8	842.2	1,031.2	997.2	1,032.5	4,134.3	4,209.5	3,959.4	3,903.1	4,102.5
F&C	542.5	555.3	569.2						2,491.7	2,308.5	2,273.5		
CJ Logistics	2,992.6	3,048.4	3,066.6	3,177.1	3,122.5	3,157.6	3,165.4	3,339.9	11,767.9	12,116.8	12,284.7	12,785.4	13,101.6
Operating profit	**329.1**	**353.1**	**346.5**	**295.9**	**247.1**	**285.6**	**354.6**	**376.6**	**1,291.6**	**1,553.0**	**1,324.6**	**1,266.7**	**1,432.3**
OP (ex CJ Logistics)	**242.3**	**235.1**	**202.5**	**138.8**	**131.3**	**154.9**	**204.1**	**219.9**	**819.5**	**1,023.7**	**818.7**	**710.2**	**835.1**
Food	128.6	90.1	168.5	138.3	122.9	82.7	184.2	137.3	654.6	620.1	525.5	527.1	547.9
Bio	78.5	102.4	22.0	0.5	8.4	72.2	19.9	82.6	251.3	328.9	203.4	183.2	287.2
F&C	35.2	42.6	12.0						-86.4	74.7	132.3		
CJ Logistics	85.4	115.2	147.9	159.6	116.3	131.2	151.1	157.4	480.2	530.7	508.1	558.6	599.6
Net profit (controlling)	13.7	162.5	72.9	-821.4	30.9	49.6	85.5	96.2	385.9	148.2	-572.3	262.2	341.0
Growth (%)													
Operating profit	**4.6**	**4.9**	**4.7**	**4.2**	**3.6**	**4.2**	**5.0**	**5.2**	**4.5**	**5.3**	**4.6**	**4.5**	**5.0**
OP (ex CJ Logistics)	**5.6**	**5.4**	**4.5**	**3.5**	**3.4**	**4.1**	**5.0**	**5.5**	**4.6**	**5.7**	**4.8**	**4.5**	**5.1**
Food	4.4	3.4	5.6	4.7	4.1	3.0	6.0	4.6	5.8	5.5	4.6	4.5	4.5
Bio	8.8	9.5	2.2	0.0	1.0	7.0	2.0	8.0	6.1	7.8	5.1	4.7	7.0
F&C	6.5	7.7	2.1						-3.5	3.2	5.8		
CJ Logistics	2.9	3.8	4.8	5.0	3.7	4.2	4.8	4.7	4.1	4.4	4.1	4.4	4.6
Net profit (controlling)	0.2	2.2	1.0	-11.7	0.5	0.7	1.2	1.3	1.3	0.5	-2.0	0.9	1.2
Growth (% y-y)													
Sales	**-0.1**	**0.0**	**0.3**	**-6.5**	**-5.4**	**-6.0**	**-4.7**	**2.9**	**-3.5**	**1.2**	**-1.6**	**-3.4**	**3.0**
Sales (ex CJ Logistics)	**-1.8**	**-0.2**	**-1.9**	**-12.2**	**-12.0**	**-12.4**	**-10.3**	**2.2**	**-4.7**	**-0.1**	**-4.0**	**-8.4**	**3.6**
Food	3.3	-0.7	0.4	2.9	2.5	2.6	2.9	2.0	1.4	0.8	1.5	2.5	3.1
Domestic	-1.4	-4.5	-2.6	-3.8	0.7	-1.4	-2.0	-1.7	-0.8	-1.8	-3.0	-1.1	2.2
Processed	-2.4	-3.0	-1.4	-4.6	1.0	-0.5	-1.0	-0.1	1.3	4.5	-2.8	-0.1	2.0
Raw materials	1.0	-7.0	-5.0	-2.0	0.1	-3.0	-4.0	-5.0	-4.1	-12.6	-3.5	-3.0	2.5
Overseas	8.2	3.4	3.7	9.0	4.1	6.5	8.0	5.0	4.0	3.6	6.2	5.9	4.0
US	6.1	0.5	2.9	7.7	3.1	5.4	6.8	3.7	8.6	7.6	4.4	4.7	3.0
China	14.7	-0.1	3.0	8.0	3.8	8.3	8.6	3.0	-28.1	-47.0	6.3	5.8	6.9
Japan	15.3	37.0	4.0	18.0	11.0	10.4	14.7	14.6	-12.1	-12.6	18.1	12.7	7.5
Other	26.7	14.6	12.8	18.1	11.0	13.1	14.8	12.5	10.2	16.3	17.9	12.9	9.9
Bio	-12.4	2.2	-8.4	-5.4	-5.9	-4.5	1.8	2.8	-14.8	1.8	-5.9	-1.4	5.1
F&C	-8.2	-2.6	-1.7						-11.7	-7.4	-1.5		
CJ Logistics	2.4	-0.4	3.1	0.5	4.3	3.6	3.2	5.1	-3.0	3.0	1.4	4.1	2.5
Operating profit	**-11.6**	**-7.0**	**-15.9**	**-24.0**	**-24.9**	**-19.1**	**2.3**	**27.3**	**-22.4**	**20.2**	**-14.7**	**-4.4**	**13.1**
OP (ex CJ Logistics)	**-9.3**	**-12.6**	**-25.6**	**-35.6**	**-45.8**	**-34.1**	**0.8**	**58.4**	**-35.4**	**24.9**	**-20.0**	**-13.2**	**17.6**
Food	-30.3	-33.7	4.5	-0.1	-4.5	-8.2	9.3	-0.7	4.9	-5.3	-15.3	0.3	4.0
Bio	-19.7	3.4	-71.9	-99.1	-89.3	-29.5	-9.3	16,420.0	-60.5	30.9	-38.2	-10.0	56.8
F&C	nm	24.9	-63.3						nm	nm	77.1		
CJ Logistics	-21.9	-8.1	4.4	3.4	36.2	13.8	2.1	-1.4	16.6	10.5	-4.2	9.9	7.3
Net profit (controlling)	-84.5	72.5	-53.0	nm	124.9	-69.5	17.3	nm	-35.2	-61.6	nm	nm	30.1

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**29,023**	**29,359**	**28,891**	**27,920**	**28,763**
Cost of goods sold	22,971	22,867	22,685	21,801	22,296
Gross profit	**6,053**	**6,492**	**6,173**	**6,119**	**6,467**
Gross margin (%)	20.9	22.1	21.4	21.9	22.5
SG&A expenses	4,761	4,939	4,849	4,853	5,034
Operating profit	**1,292**	**1,553**	**1,325**	**1,267**	**1,432**
Operating margin (%)	4.5	5.3	4.6	4.5	5.0
Non-operating gains (losses)	**-560**	**-942**	**-1,216**	**-796**	**-794**
Financial profit	459	662	619	620	602
Financial costs	911	1,234	1,035	1,137	1,071
Equity-method gains (losses)	20	26	19	24	24
Other	-127	-397	-819	-303	-350
Pre-tax profit	**732**	**611**	**109**	**470**	**638**
Taxes	173	249	526	103	151
Effective tax rate (%)	23.6	40.7	483.7	22.0	23.6
Profit from continuing operations	559	362	-417	367	487
Profit from discontinued operations	0	0	0	0	0
Net profit	**559**	**362**	**-417**	**367**	**487**
Net margin (%)	1.9	1.2	-1.4	1.3	1.7
Net profit (controlling interests)	386	148	-572	262	341
Net profit (non-controlling interests)	174	214	155	102	146
EBITDA	2,834	3,095	2,938	2,901	3,088
EBITDA margin (%)	9.8	10.5	10.2	10.4	10.7
EPS (parent-based) (KRW)	23,559	9,046	-34,934	16,007	20,818
EPS (consolidated) (KRW)	34,152	22,088	-25,453	22,400	29,740
Adjusted EPS (KRW)*	23,559	9,046	-34,934	16,007	20,818

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**9,580**	**9,494**	**8,869**	**8,910**	**8,822**
Cash & equivalents	1,854	1,272	841	1,241	975
Accounts receivable	2,733	2,948	2,850	2,754	2,837
Inventories	2,649	2,429	2,610	2,509	2,566
Other current assets	2,344	2,846	2,568	2,406	2,444
Fixed assets	**20,026**	**20,656**	**20,876**	**20,440**	**20,139**
Investment assets	1,122	1,051	209	208	213
Tangible assets	11,875	12,258	12,315	12,150	12,241
Intangible assets	4,308	4,541	4,527	4,459	4,509
Other long-term assets	2,720	2,806	3,824	3,623	3,176
Total assets	**29,606**	**30,150**	**29,745**	**29,349**	**28,960**
Current liabilities	**9,556**	**10,320**	**10,408**	**9,425**	**9,819**
Accounts payable	2,169	1,885	2,051	1,971	2,016
Short-term debt	2,472	3,091	3,924	3,162	3,392
Other current liabilities	4,914	5,344	4,433	4,292	4,411
Long-term liabilities	**8,271**	**7,588**	**7,786**	**8,428**	**7,637**
Bonds & long-term debt	4,921	4,152	3,430	4,168	3,917
Other long-term liabilities	3,350	3,435	4,356	4,260	3,720
Total liabilities	**17,826**	**17,907**	**18,194**	**17,853**	**17,456**
Owners of parent equity	**7,152**	**7,863**	**7,142**	**7,083**	**7,085**
Capital stock	82	82	82	82	82
Capital surplus	1,223	1,304	1,304	1,304	1,304
Retained earnings	5,731	5,747	5,026	4,967	4,969
Other	115	730	730	730	730
Non-controlling interests' equity	**4,628**	**4,379**	**4,409**	**4,413**	**4,419**
Total equity	**11,780**	**12,243**	**11,551**	**11,497**	**11,504**
Net debt	9,490	10,123	11,087	10,315	10,652

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**2,445**	**2,255**	**1,363**	**2,276**	**2,241**
Net profit	559	362	-417	367	487
Non-cash profit and expenses	2,273	2,767	2,506	2,578	2,603
Depreciation	1,380	1,384	1,457	1,467	1,478
Amortization	162	158	157	167	178
Other	731	1,225	893	943	948
Changes in A/L from operating activities	-155	-676	-410	-390	-593
Cash flow from investments	**-703**	**-1,104**	**-848**	**-885**	**-946**
Change in tangible assets	-1,017	-908	-1,013	-979	-967
Change in financial assets	277	-215	15	17	-50
Other	37	19	150	77	71
Cash flow from financing	**-1,658**	**-1,863**	**-945**	**-991**	**-1,562**
Change in debt	-449	345	-349	107	45
Change in equity	94	82	0	0	0
Dividends	-141	-128	-96	-98	-106
Other	-1,162	-2,162	-500	-1,000	-1,500
Change in cash	56	-581	-431	400	-266
Cash at beginning of year	1,797	1,854	1,272	841	1,241
Cash at end of year	1,854	1,272	841	1,241	975
Gross cash flow	**2,832**	**3,129**	**2,089**	**2,945**	**3,091**
Free cash flow	**1,321**	**1,254**	**282**	**1,207**	**1,191**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-3.5	1.2	-1.6	-3.4	3.0
Operating profit	-22.4	20.2	-14.7	-4.4	13.1
Net profit	-30.3	-35.3	nm	nm	32.8
Adjusted EPS**	-35.2	-61.6	nm	nm	30.1
Per-share data (KRW)					
EPS (parent-based)	23,559	9,046	-34,934	16,007	20,818
EPS (consolidated)	34,152	22,088	-25,453	22,400	29,740
Adjusted EPS**	23,559	9,046	-34,934	16,007	20,818
BVPS	446,325	490,755	445,731	442,060	442,202
DPS (common)	5,500	6,000	6,000	6,000	6,500
Valuations (x)					
P/E***	13.8	28.2	n/a	14.3	11.0
P/B***	0.7	0.5	0.5	0.5	0.5
EV/EBITDA	6.8	6.0	6.4	6.3	6.1
Ratios (%)					
ROE	5.6	2.0	-7.6	3.7	4.8
ROA	1.9	1.2	-1.4	1.2	1.7
ROIC	4.6	4.2	-21.5	4.1	4.6
Payout ratio	20.9	59.5	-16.8	37.5	31.2
Dividend yield (common)	1.7	2.3	2.9	2.6	2.8
Net debt to equity	80.6	82.7	96.0	89.7	92.6
Interest coverage (x)	2.5	2.8	2.9	2.5	3.0

Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

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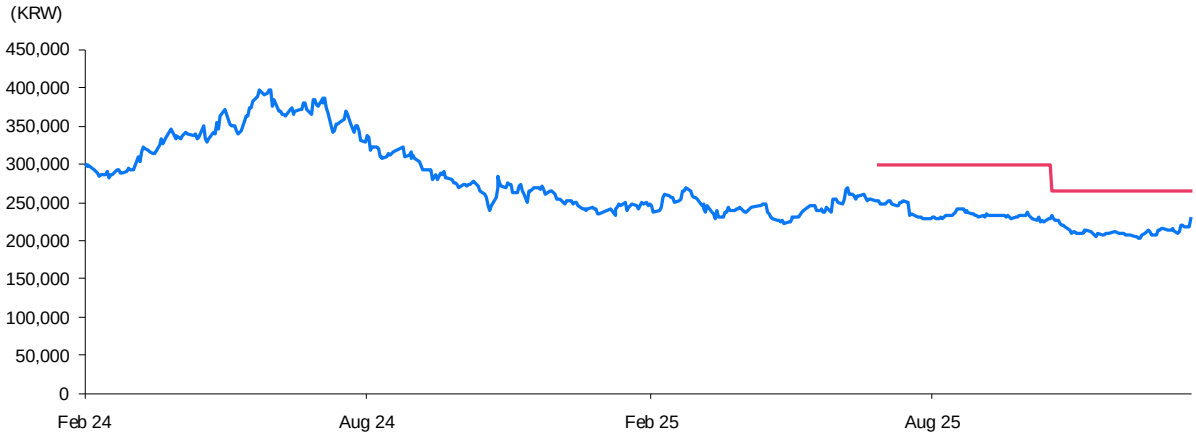
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2025/7/23	11/12
Recommendation	BUY	BUY
Target price (KRW)	300000	265000
Gap* (average)	-21.45	
(max or min)**	-16.00	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

Samsung Securities uses the following investment ratings*

Company

BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
HOLD	Expected to increase/decrease in value by less than 15% within 12 months
SELL	Expected to decrease in value by 15% or more within 12 months

Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% within 12 months
UNDERWEIGHT	Expected to underperform market by 5% or more within 12 months

* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2025.12.31

BUY(85.8%)·HOLD(14.2%)·SELL(0%)

Global Disclosures & Disclaimers

General

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Samsung Securities

SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

Family Center: 1588 2323

Voice Of Customer: 080 911 0900

For more information,
please call our sales representatives:

LONDON

Samsung Securities Europe Limited
1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

NEW YORK

Samsung Securities America Limited
1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

HONG KONG

Samsung Securities (Asia) Limited
Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

BEIJING

Samsung Securities Beijing Representative Office
Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

TOKYO

Samsung Securities Tokyo Representative Office
#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
Fax: 81-3-6333-2953

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