COMPANY UPDATE

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CJ Logistics (000120)

1Q review: Profitability hurt by external factors

- CJ Logistics reported 1Q sales of KRW3.21t (up 7.4% y-y; in line with consensus) and operating profit of KRW92.1b (up 7.9% y-y; missing consensus).
- Sales growth was driven by the parcel delivery division, which posted a most than 10% y-y growth, while profit growth was led by the global and construction divisions, both of which demonstrated improved profitability.
- Reflecting the 1Q earnings miss, we lower our RIM-based target price to KRW135,000. Nevertheless, we maintain our BUY rating.

WHAT'S THE STORY?

Parcel delivery division: Freight volume surged 12.6% y-y to 425m boxes, driven by strong growth in fulfillment (up 49.2% y-y to 27m boxes) and the launch of 'Everyday O-NE' service, sustaining volume growth since 3Q25. The growth has outpaced market expansion, resulting in an increased market share (to 45%, up 2.7p%s). However, ASP declined 3.7% y-y to KRW2,262 per box—the ninth consecutive quarter of decline—due to a shift in volume mix. As a result, while sales rose 10.5% y-y to KRW967.8b, operating profit remained flat y-y at KRW34.2b (for an operating margin of 3.5%, down 0.4pts), hit also by one-off costs and investments aimed at enhancing service competitiveness (eg, expansion of hub terminal operations).

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW135,000	42.4%
Current price	KRW94,800	
Market cap	KRW2.2t/USD1.5b	
Shares (float)	22,812,344 (47.2%)	
52-week high/low	KRW145,700/KRW77,600	
Avg daily trading value (60-day)	KRW8.9b/ USD6.0m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
CJ Logistics (%)	-9.0	0.3	17.0
Vs Kospi (%pts)	-32.0	-49.6	-61.3

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	135,000	165,000	-18.2%
2026E EPS	10,395	11,879	-12.5%
2027E EPS	12,063	13,332	-9.5%

SAMSUNG vs THE STREET

No of estimates	12
Target price	157,000
Recommendation	4.0

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

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	3,214.5	7.4	1.2	3.1	2.5
Operating profit	92.1	7.9	(42.3)	(7.9)	(12.2)
Pre-tax profit	51.9	(1.6)	(46.5)	(17.2)	(26.7)
Net profit	37.9	(7.4)	(56.0)	(23.4)	(28.6)
Margins (%)					
Operating profit	2.9				
Pre-tax profit	1.6				
Net profit	1.2				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	9.0	9.2	7.9
P/B	0.7	0.6	0.6
EV/EBITDA	4.7	4.3	4.3
Div yield (%)	0.8	0.8	0.8
EPS growth (% y-y)	-2.6	-2.0	16.1
ROE (%)	6.0	5.6	6.1
Per-share data (KRW)			
EPS	10,612	10,395	12,063
BVPS	140,752	152,618	164,812
DPS	800	800	800

Contract logistics (CL) division: Sales at the CL division increased 4.9% y-y to KRW853.3b, driven by continued new contract wins, with port & delivery (P&D) sales up 5.2% y-y and warehousing & distribution (W&D) sales up 4.5% y-y. However, operating profit declined 9.5% y-y to KRW36b (for an operating margin of 4.2%, down 0.7pts), despite top-line growth, due to rising oil prices and raw material costs stemming from heightened geopolitical risks in the Middle East.

Global division: Sales increased 2.3% y-y to KRW1.17t and operating profit surged 52.6% y-y to KRW17.7b (for an operating margin of 1.5%, up 0.5pts), driven by significantly improved performance in the US market due to new contract wins.

Cutting target price to KRW135,000 but maintaining BUY: Reflecting the 1Q earnings miss, we lower our 2026 operating profit forecast by 10.4% and cut our target price (based on a RIM model) by 18.2% to KRW135,000. However, we maintain our BUY rating, as top-line growth is emerging across all business segments. Freight volume growth is accelerating thanks to service enhancements (eg, 7-day delivery), while CL and global divisions continue to expand sales via new orders. Although Middle East geopolitical risks have increased cost burdens, we expect these effects to be short-lived and subside toward 2H as costs are passed through.

Forecast revisions

(KRWb)	2025	New		Old		Chg (%)	
		2026E	2027E	2026E	2027E	2026E	2027E
Sales	12,285	12,912	13,273	12,799	13,235	0.9	0.3
Operating profit	508	511	576	571	607	-10.4	-5.1
Pre-tax profit	330	323	375	371	416	-13.0	-9.9
Net profit	259	253	294	292	327	-13.2	-10.1
EBITDA	1,163	1,266	1,388	1,202	1,131	5.3	22.7
EPS (KRW)*	10,612	10,395	12,063	11,879	13,332	-12.5	-9.5

Note: *Fully diluted, excluding one-off items
Source: Company data, Samsung Securities estimates

Valuation summary

Year-end (KRWb)	Sales	Operating profit	Pre-tax profit	Net profit	EPS* (KRW)	EPS growth (%)	P/E (x)	P/B (x)	EV/EBITDA (x)	ROE (%)	Net debt (KRWb)
2023	11,768	480	325	243	9,854	23.8	1,059	9.7	0.8	5.2	6.0
2024	12,117	531	378	268	10,893	10.5	1,152	8.8	0.7	4.8	6.5
2025	12,285	508	330	259	10,612	-2.6	1,163	9.0	0.7	4.7	6.0
2026E	12,912	511	323	253	10,395	-2.0	1,266	9.2	0.6	4.3	5.6
2027E	13,273	576	375	294	12,063	16.1	1,388	7.9	0.6	4.3	6.1

Note: *Fully diluted, excluding one-off items
Source: Company data, Samsung Securities estimates

CJ Logistics: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2025	2026E	2027E	2028E
Sales	**2,993**	**3,048**	**3,067**	**3,177**	**3,215**	**3,191**	**3,209**	**3,299**	**12,285**	**12,912**	**13,273**	**13,600**
Parcel delivery	876	908	965	997	968	981	986	1,034	3,746	3,969	4,033	4,086
Contract logistics	814	833	861	865	853	871	912	926	3,374	3,562	3,692	3,806
Global	1,143	1,103	1,033	1,081	1,169	1,120	1,091	1,115	4,360	4,496	4,635	4,779
Construction	160	205	207	234	224	219	220	223	805	886	913	929
Chg (% y-y)												
Sales	2.4	-0.4	3.1	0.5	7.4	4.7	4.6	3.8	1.4	5.1	2.8	2.5
Parcel delivery	-6.5	-3.7	7.4	4.8	10.5	8.1	2.2	3.7	0.5	6.0	1.6	1.3
Contract logistics	16.7	13.1	12.1	10.5	4.9	4.5	5.9	7.0	13.0	5.6	3.7	3.1
Global	6.2	-1.9	-6.0	-4.7	2.3	1.6	5.6	3.2	-1.6	3.1	3.1	3.1
Construction	-24.4	-19.9	-1.6	-19.9	40.1	7.0	6.0	-4.4	-16.9	10.0	3.0	1.8
Portion (%)												
Parcel delivery	29.3	29.8	31.5	31.4	30.1	30.7	30.7	31.3	30.5	30.7	30.4	30.0
Contract logistics	27.2	27.3	28.1	27.2	26.5	27.3	28.4	28.1	27.5	27.6	27.8	28.0
Global	38.2	36.2	33.7	34.0	36.4	35.1	34.0	33.8	35.5	34.8	34.9	35.1
Construction	5.3	6.7	6.8	7.3	7.0	6.9	6.8	6.8	6.6	6.9	6.9	6.8
Gross profit												
Parcel delivery	309.0	332.4	355.6	354.9	316.4	326.2	353.6	350.6	1,351.6	1,346.7	1,455.1	1,549.8
Contract logistics	104.9	113.7	127.8	127.0	108.0	108.7	124.1	125.7	473.4	466.5	502.5	534.6
Global	87.2	89.3	100.4	87.0	84.2	87.4	101.6	91.8	363.9	365.0	408.6	442.3
Construction	100.8	103.7	103.2	113.9	103.1	101.8	101.3	106.8	421.6	413.0	438.6	465.7
Chg (% y-y)	16.1	25.7	24.2	27.0	21.1	28.3	26.6	26.3	93.0	102.3	105.4	107.3
Gross profit												
Parcel delivery	-5.6	-6.7	2.1	0.0	2.4	-1.9	-0.6	-1.2	-2.5	-0.4	8.0	6.5
Contract logistics	-23.0	8.4	12.4	-0.6	-15.0	0.6	14.1	1.3	-8.5	-1.5	7.7	6.4
Global	-1.0	2.4	12.4	-13.3	-3.2	3.8	16.2	-9.7	1.4	0.3	12.0	8.2
Construction	-0.8	2.9	-0.5	10.4	-9.5	-1.3	-0.5	5.4	1.1	-2.0	6.2	6.2
Portion (%)	-44.3	59.6	-5.8	11.6	-21.9	34.0	-5.8	-1.2	-0.2	10.0	3.0	1.8
Parcel delivery												
Contract logistics	33.9	34.2	35.9	35.8	34.1	33.3	35.1	35.9	35.0	34.6	34.5	34.5
Global	28.2	26.9	28.2	24.5	26.6	26.8	28.7	26.2	26.9	27.1	28.1	28.5
Construction	32.6	31.2	29.0	32.1	32.6	31.2	28.6	30.5	31.2	30.7	30.1	30.1
Operating profit	**5.2**	**7.7**	**6.8**	**7.6**	**6.7**	**8.7**	**7.5**	**7.5**	**6.9**	**7.6**	**7.2**	**6.9**
Chg (% y-y)	85.4	115.2	147.9	159.6	92.1	102.5	149.9	166.9	508.1	511.4	575.8	605.0
Margin (%)	-21.9	-8.1	4.4	3.4	7.9	-11.1	1.4	4.6	-4.3	0.7	12.6	5.1
Net profit	**2.9**	**3.8**	**4.8**	**5.0**	**2.9**	**3.2**	**4.7**	**5.1**	**4.1**	**4.0**	**4.3**	**4.4**
Chg (% y-y)	41.0	58.2	73.4	86.2	37.9	43.4	80.7	94.1	258.7	253.4	294.1	310.5
Margin (%)	-26.1	-5.1	22.4	-6.0	-7.4	-25.3	9.8	9.3	-3.6	-2.0	16.1	5.5

Source: Company data, Samsung Securities estimates

CJ Logistics: Residual income model

(KRWb)	2023A	2024A	2025A	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F
Sales	11,768	12,117	12,285	12,912	13,273	13,600	13,924	14,247	14,567	14,884	15,198	15,510	15,818
(Chg, % y-y)	*-3.0%*	*3.0%*	*1.4%*	*5.1%*	*2.8%*	*2.5%*	*2.4%*	*2.3%*	*2.2%*	*2.2%*	*2.1%*	*2.0%*	*2.0%*
Net profit	225	248	242	237	275	290	300	310	321	331	341	352	362
(Margin, %)	*1.9%*	*2.1%*	*2.0%*	*1.8%*	*2.1%*	*2.1%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.3%*	*2.3%*
Total equity*	3,604	3,949	4,146	4,383	4,661	4,956	5,253	5,553	5,854	6,155	6,456	6,756	7,054
(Chg, % y-y)	*0.9%*	*9.6%*	*5.0%*	*5.7%*	*6.3%*	*6.3%*	*6.0%*	*5.7%*	*5.4%*	*5.1%*	*4.9%*	*4.6%*	*4.4%*
Forecasted ROE (%)	6.3%	6.6%	6.0%	5.6%	6.1%	6.0%	5.9%	5.7%	5.6%	5.5%	5.4%	5.3%	5.2%
ROE spread (%)	0.1%	0.4%	-0.2%	-0.6%	-0.1%	-0.2%	-0.3%	-0.5%	-0.6%	-0.7%	-0.8%	-0.9%	-1.0%
Residual Income	2	15	-9	-28	-5	-8	-17	-25	-34	-42	-51	-59	-67
2032E residual income	-67												
Terminal Value	-1,306												
NPV of FCFF	-224												
PV of Terminal Value	-716												
Current Book Value	4,146												
Equity Value	3,080												
Number of shares ('000)	22,812												
Estimated value per share (KRW)	135,000												
Share price (KRW)	95,400												
Upside (%)	41.5%												

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**12,117**	**12,285**	**12,912**	**13,273**	**13,600**
Cost of goods sold	10,730	10,933	11,566	11,818	12,050
Gross profit	**1,387**	**1,352**	**1,347**	**1,455**	**1,550**
Gross margin (%)	11.4	11.0	10.4	11.0	11.4
SG&A expenses	856	844	835	879	945
Operating profit	**531**	**508**	**511**	**576**	**605**
Operating margin (%)	4.4	4.1	4.0	4.3	4.4
Non-operating gains (losses)	**-152**	**-178**	**-188**	**-201**	**-209**
Financial profit	134	101	3	5	14
Financial costs	229	262	174	189	206
Equity-method gains (losses)	8	17	17	17	17
Other	-66	-34	-34	-34	-34
Pre-tax profit	**378**	**330**	**323**	**375**	**396**
Taxes	110	71	69	81	85
Effective tax rate (%)	29.1	21.5	21.5	21.5	21.5
Profit from continuing operations	268	259	253	294	310
Profit from discontinued operations	0	0	0	0	0
Net profit	**268**	**259**	**253**	**294**	**310**
Net margin (%)	2.2	2.1	2.0	2.2	2.3
Net profit (controlling interests)	248	242	237	275	290
Net profit (non-controlling interests)	20	17	16	19	20
EBITDA	1,152	1,163	1,290	1,412	1,395
EBITDA margin (%)	9.5	9.5	10.0	10.6	10.3
EPS (parent-based) (KRW)	10,893	10,612	10,395	12,063	12,733
EPS (consolidated) (KRW)	11,762	11,342	11,110	12,894	13,609
Adjusted EPS (KRW)*	10,893	10,612	10,395	12,063	12,733

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**2,783**	**2,767**	**3,523**	**4,278**	**5,029**
Cash & equivalents	277	307	357	407	457
Accounts receivable	36	33	35	36	36
Inventories	36	33	35	36	36
Other current assets	2,434	2,394	3,096	3,800	4,499
Fixed assets	**6,961**	**7,573**	**7,437**	**7,244**	**7,098**
Investment assets	526	626	733	741	750
Tangible assets	3,324	3,651	3,507	3,306	3,151
Intangible assets	1,230	1,183	1,183	1,183	1,183
Other long-term assets	1,881	2,113	2,014	2,014	2,014
Total assets	**9,744**	**10,339**	**10,960**	**11,523**	**12,127**
Current liabilities	**2,997**	**3,126**	**3,592**	**3,957**	**4,346**
Accounts payable	n/a	n/a	n/a	n/a	n/a
Short-term debt	656	561	1,438	1,776	2,142
Other current liabilities	n/a	n/a	n/a	n/a	n/a
Long-term liabilities	**2,521**	**2,774**	**2,675**	**2,575**	**2,476**
Bonds & long-term debt	984	1,024	924	824	724
Other long-term liabilities	1,538	1,749	1,750	1,751	1,752
Total liabilities	**5,518**	**5,900**	**6,266**	**6,532**	**6,822**
Owners of parent equity	**3,949**	**4,146**	**4,383**	**4,661**	**4,956**
Capital stock	114	114	114	114	114
Capital surplus	2,328	2,311	2,311	2,311	2,311
Retained earnings	1,325	1,525	1,762	2,040	2,335
Other	182	196	196	196	196
Non-controlling interests' equity	**277**	**294**	**310**	**329**	**349**
Total equity	**4,226**	**4,440**	**4,693**	**4,991**	**5,305**
Net debt	2,632	2,988	3,258	3,447	3,662

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**606**	**902**	**954**	**1,043**	**1,013**
Net profit	268	259	253	294	310
Non-cash profit and expenses	891	914	1,012	1,093	1,060
Depreciation	561	594	718	775	729
Amortization	60	61	61	61	61
Other	269	260	233	257	270
Changes in A/L from operating activities	-332	-58	-85	-95	-93
Cash flow from investments	**-278**	**-583**	**-716**	**-618**	**-618**
Change in tangible assets	n/a	n/a	n/a	n/a	n/a
Change in financial assets	-31	33	-99	-0	-0
Other	n/a	n/a	n/a	n/a	n/a
Cash flow from financing	**-347**	**-295**	**-288**	**-370**	**-344**
Change in debt	248	362	332	250	275
Change in equity	1	-16	0	0	0
Dividends	0	0	0	0	0
Other	-596	-641	-620	-619	-619
Change in cash	-13	30	50	50	50
Cash at beginning of year	290	277	307	357	407
Cash at end of year	277	307	357	407	457
Gross cash flow	**1,159**	**1,173**	**1,265**	**1,387**	**1,370**
Free cash flow	**413**	**328**	**381**	**469**	**439**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	3.0	1.4	5.1	2.8	2.5
Operating profit	10.5	-4.3	0.7	12.6	5.1
Net profit	10.5	-3.6	-2.0	16.1	5.5
Adjusted EPS**	10.5	-2.6	-2.0	16.1	5.5
Per-share data (KRW)					
EPS (parent-based)	10,893	10,612	10,395	12,063	12,733
EPS (consolidated)	11,762	11,342	11,110	12,894	13,609
Adjusted EPS**	10,893	10,612	10,395	12,063	12,733
BVPS	129,470	140,752	152,618	164,812	177,722
DPS (common)	800	800	800	800	800
Valuations (x)					
P/E***	8.8	9.0	9.2	7.9	7.5
P/B***	0.7	0.7	0.6	0.6	0.5
EV/EBITDA	4.8	4.7	4.3	4.3	4.6
Ratios (%)					
ROE	6.5	6.0	5.6	6.1	6.0
ROA	2.8	2.6	2.4	2.6	2.6
ROIC	5.6	5.6	5.3	5.6	5.5
Payout ratio	6.4	6.6	6.7	5.8	5.5
Dividend yield (common)	0.9	0.8	0.8	0.8	0.8
Net debt to equity	70.6	75.7	77.6	77.0	76.7
Interest coverage (x)	3.3	3.0	2.8	2.9	2.8

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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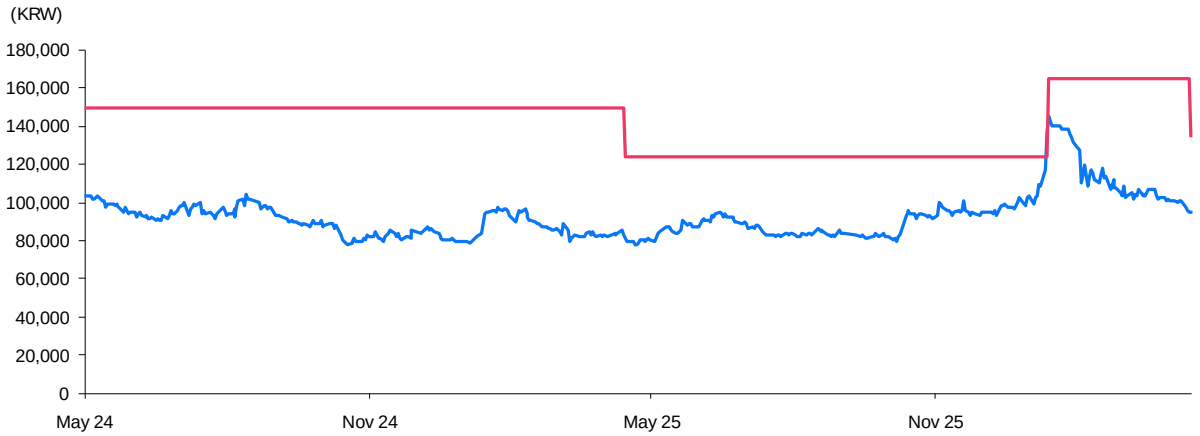
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/3/26	2025/3/26	2025/5/14	2026/2/11	5/14
Recommendation	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	150000	150000	124000	165000	135000
Gap* (average)	-36.34	-44.24	-27.89	-32.38	
(max or min)**	-13.40	-40.40	10.24	-13.45	

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 2026.03.31

BUY(85.2%)·HOLD(14.8%)·SELL(0%)

Global Disclosures & Disclaimers

General

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