



# Investor Relations

August 2018

\*Jeil Holdings Co., Ltd is dissolved into Harim Holdings Co., Ltd. (a new corporation) through a merger with Harim Holdings Co., Ltd. (a dissolved corporation) on July 02, 2018.

# Disclaimer

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All information regarding management performance and financial results of Jeil Holdings (the “Company”) during the 2th quarter of 2018 as contained herein has been prepared on a consolidated basis in accordance with International Financial Reporting Standards (“IFRS”).

Please note that as the forward-looking statements contained herein are based on the current market situation and the Company’s management direction, they are subject to change according to the changes in future market environment and business strategy.

The information contained herein should not be utilized for any legal purposes in regards to investors’ investment results. The Company hereby expressly disclaims any and all liability for any loss or damage resulting from the investors’ reliance on the information contained herein.

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# Chapter 01 **Company Overview**

# Company Overview

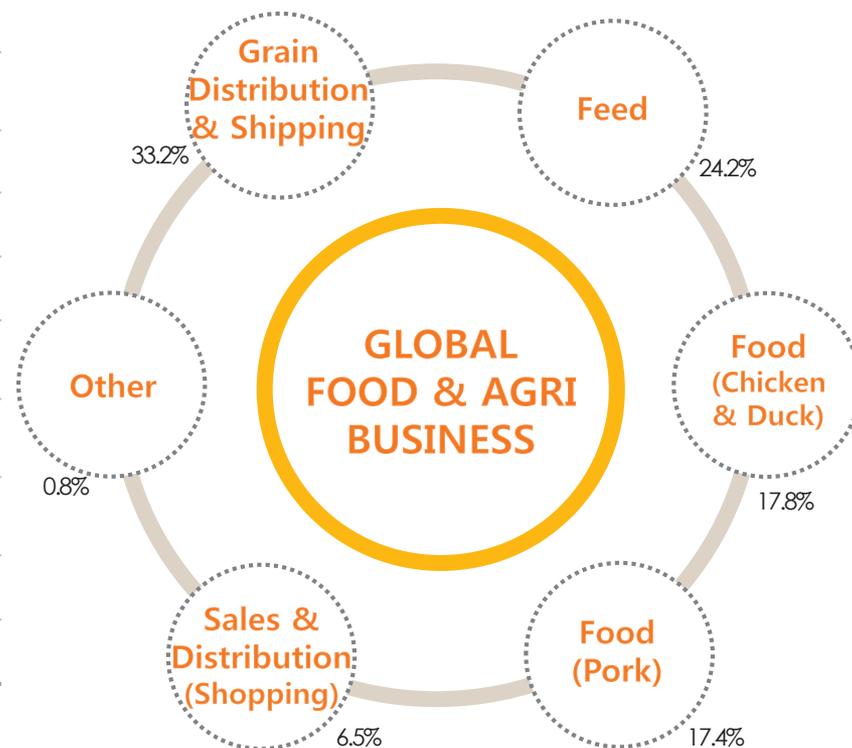
## ○ Company Profile

As of July 2, 2018

Name	Harim Holdings Co., Ltd.(formerly. JEIL HOLDINGS CO., LTD.)
CEO	Hong Kuk, Kim
Established	April 1, 1950 (January, 2011 – Division of Investment and Operations)
Listed	June 30, 2017(KOSDAQ)
Equity	9.3 Billion KRW
Employees	54
Major Function	Non-financial holding company (Subsidiary Management Consulting)
Address	1F Kumkang building, 228 Gobong-ro, Iksan-si, Jeollabuk-do, Korea
Affiliates	85 (Harim Corporation, Sunjin, Farmsco, Pan Ocean, Jeil Feed, NS Shopping, etc.)
Overseas	38 (China, U.S., Vietnam, Philippines, etc.)
Home Page	www.harimholdings.com

Type		No. of Shares	Stake
Largest Shareholder & Affiliate Persons	Kim, Hong Kuk	21,189,308	22.64%
	Korea Investment	18,696,300	19.98%
	Orpum & 17 others	7,672,339	8.19%
Total		47,557,947	50.81%
Listing Share in Total		93,584,198	

## ○ Major Affiliates



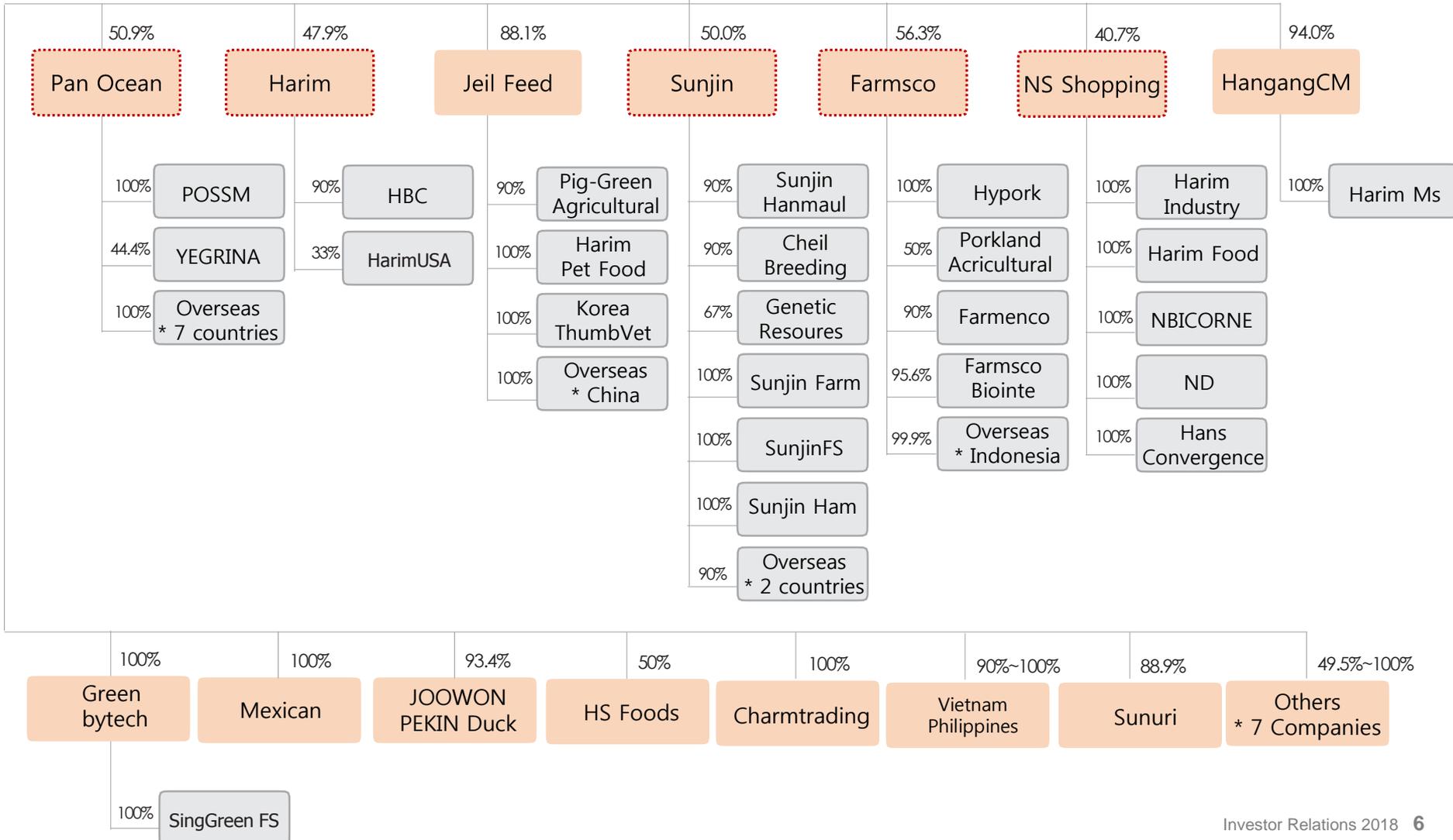
\* 2Q 2018 K-IFRS Consolidated, Revenue Breakdown

# Company Overview

## Harim Holdings Co., Ltd

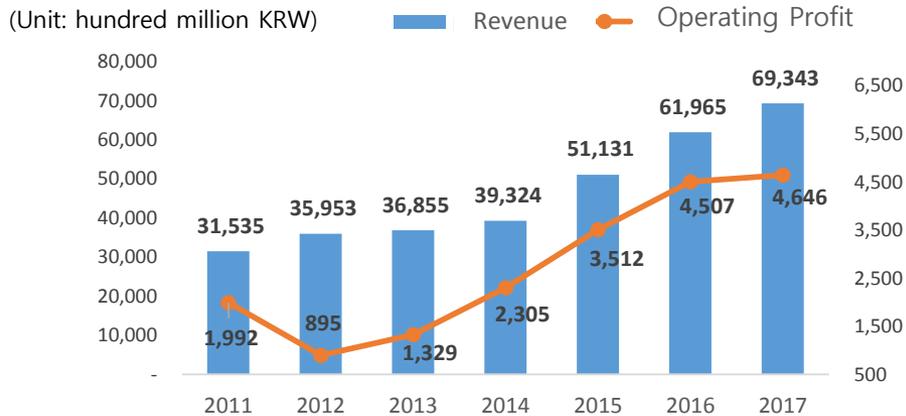
As of July 2, 2018(after merger)

Listed



# Company Overview

## ○ Financial Summary

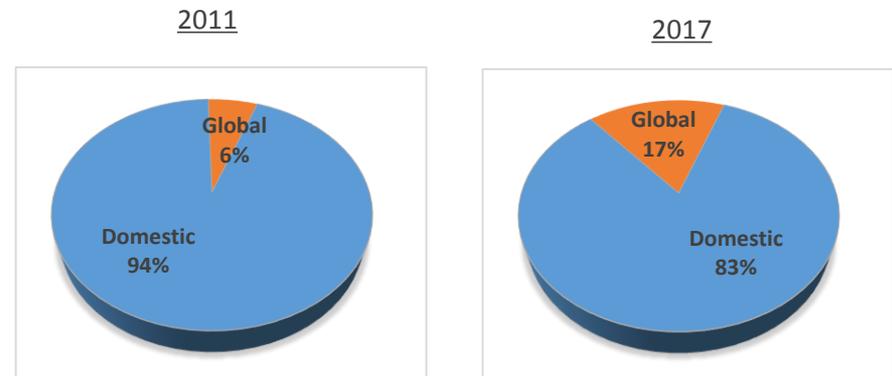


Note: K-IFRS Consolidated

- Company(Jeil Holdings) have reached Sales revenue CAGR of 14% and operating profit CAGR of 15.2% by transitioning to a holding company with five focused core business portfolios.
- Assets increased 258%(Current - KRW 7 trillion) over the past six years from year 2011 - 2017.
- Sales increased 220%(KRW 6.9 trillion) over the same period

## ● Business Diversification & Globalization

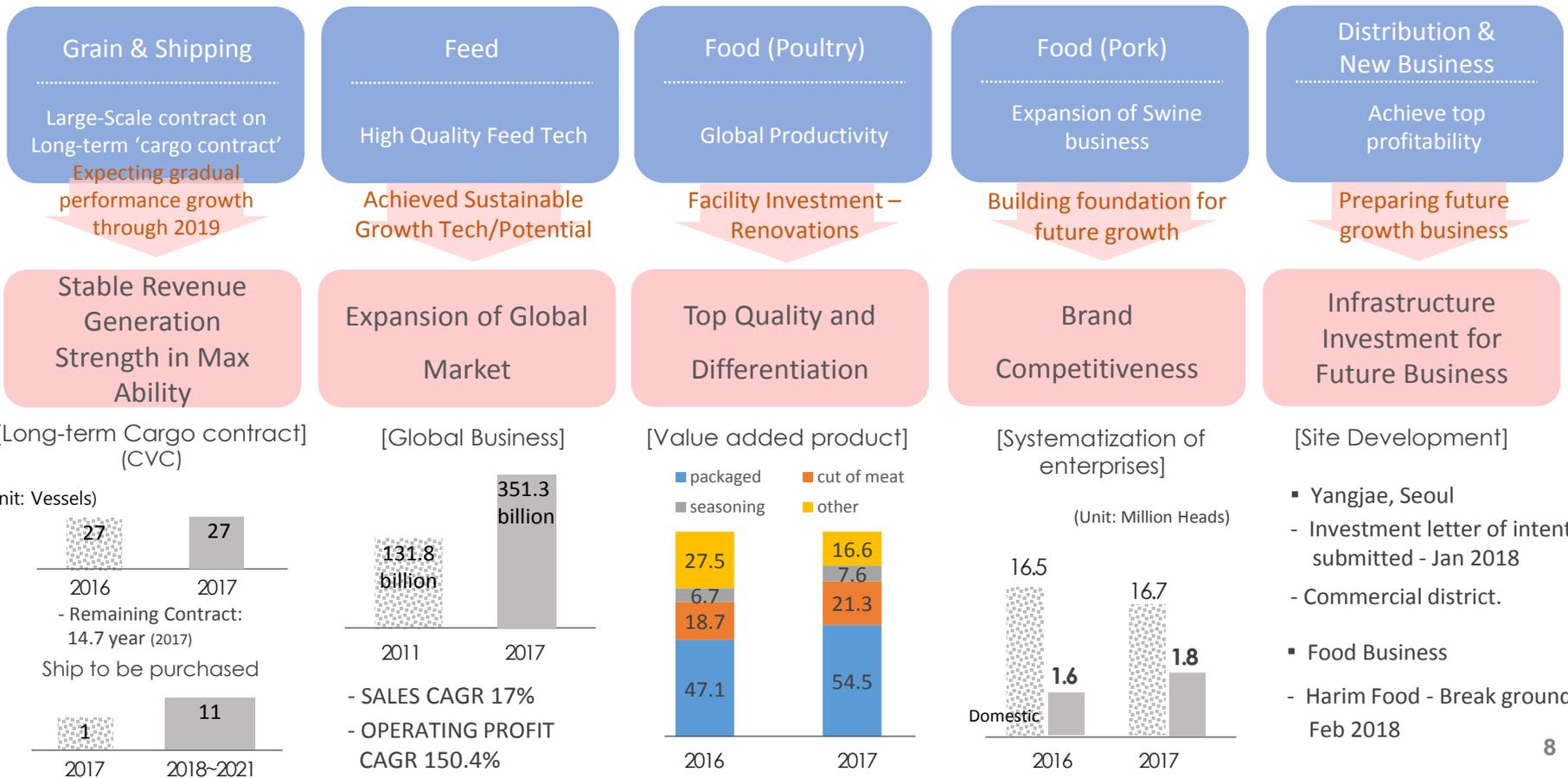
- Expansion of business portfolio in Grain / Shipping / Distribution based on leading business of domestic Feed / Poultry / Swine and etc.
- Continuous growth in global revenue from 6.6% in 2011 to 16.7% in 2017
- Achieved global competitiveness based on improvement of productivity in food business (Poultry & Swine)



# Company Overview

## ○ Business Summary

- Achieved business competitiveness by concentrating in core businesses and developing new promising businesses.
  - Maximize future business growth



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Chapter 02 **2Q 18 Earnings Review**

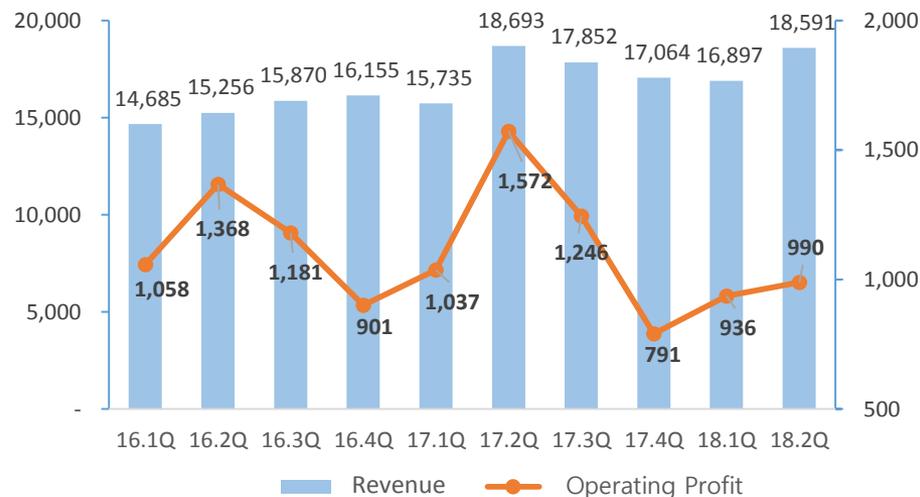
# 2Q 18 Earnings Review

## ○ Financial Highlights

(Unit: hundred million KRW)

	17.1Q	17.2Q	17.3Q	17.4Q	18.1Q	18.2Q
Revenue	15,735	18,693	17,852	17,064	16,897	18,591
Operating Profit	1,037	1,572	1,246	791	936	990
(%)	6.59%	8.41%	6.98%	4.64%	5.54%	5.32%

(Unit: hundred million KRW)



- Revenue KRW 1,859 billion(YoY -0.5%), Operating Profit KRW 99.0 billion(YoY -37.0%)
  - Freight(Pan Ocean) - Driving top-line growth by maintaining high performance
  - Feeds(Sunjin, Farmsco, Jeil Feed) – Increased operating profit and revenue through increased sales
  - Foods(Poultry, Swine) – Less profit than expected due to over supply of protein & slow increase of profitability from processed food business
  - Sales Distribution(NS Shopping) – Secured stable profitability in home shopping business and invested in food business and logistics complexes for future growth
- Stabilizing business plans and strengthening market competitiveness
  - Build a strong business structure of Revenue – Growth – Market Power
  - Establish fully integrated operations in Foods sector and produce high value added products, Strengthening profitability-based sales activities in the prospering shipping Market

# 2Q 18 Earnings Review

## ○ 2Q Performance by Division

### ● Revenue

(Unit: hundred million KRW)

	17.2Q	18.1Q	18.2Q	YoY	QoQ
<b>Transport (Grain)</b>	6,325	5,655	6,788	7.3%	20.0%
<b>Feed</b>	4,436	4,876	4,950	11.6%	1.5%
<b>Food</b>	7,996	6,401	7,214	-9.8%	12.7%
Chicken-Duck	4,295	3,189	3,647	-15.1%	14.4%
Pork	3,701	3,212	3,566	-3.6%	11.0%
<b>Distribution (Shopping)</b>	1,424	1,334	1,333	-6.4%	-0.1%
<b>Consolidated<sup>(*)</sup></b>	<b>18,693</b>	<b>16,897</b>	<b>18,591</b>	<b>-0.5%</b>	<b>10.0%</b>
Internal Transaction	-1,720	-1,491	-1,851		

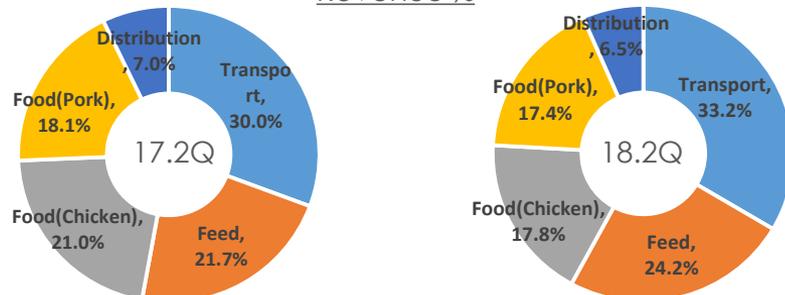
### ● Operating Profit

(Unit: hundred million KRW)

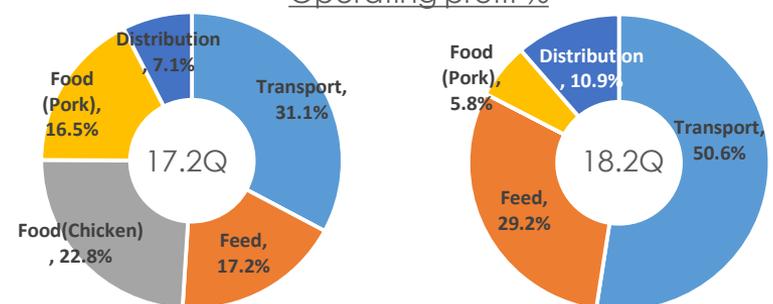
	17.2Q	18.1Q	18.2Q	YoY	QoQ
<b>Transport (Grain)</b>	488	440	501	2.5%	13.9%
<b>Feed</b>	270	314	289	6.9%	-8.1%
<b>Food</b>	617	-121	0	-100.0%	-100.0%
Chicken-Duck	358	-162	-57	-116.0%	-64.7%
Pork	260	41	57	-78.0%	38.3%
<b>Distribution (Shopping)</b>	112	232	108	-3.3%	-53.3%
<b>Consolidated</b>	<b>1,572</b>	<b>936</b>	<b>990</b>	<b>-37.0%</b>	<b>5.7%</b>
Internal Transaction	81	86	91		

(\*) After the elimination of internal transactions

Revenue %



Operating profit %



# Earnings Review

## ○ Performance by Division

● Revenue

(Unit: hundred million KRW)

	2014	2015	2016	2017	YoY
<b>Transport (Grain)</b>	-	10,038	18,740	23,362	24.7%
<b>Feed</b>	16,356	16,710	17,333	17,651	1.8%
<b>Food</b>	22,659	23,808	25,901	28,319	9.3%
Chicken·Duck	11,999	13,322	14,129	14,745	4.4%
Pork	10,660	10,486	11,773	13,573	15.3%
<b>Distribution (Shopping)</b>	4,657	4,789	5,220	5,710	9.4%
<b>Other</b>	1,105	496	413	1,038	151.6%
<b>Consolidated<sup>(*)</sup></b>	<b>39,324</b>	<b>51,131</b>	<b>61,965</b>	<b>69,343</b>	<b>11.9%</b>
Internal Transaction	-5,453	-4,710	-5,642	-6,737	

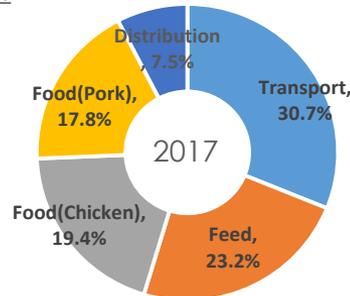
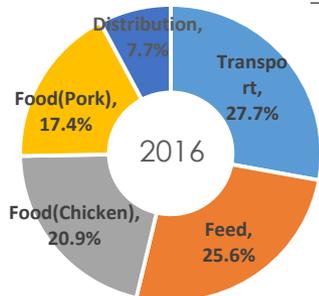
(\*) After the elimination of internal transactions

● Operating Profit

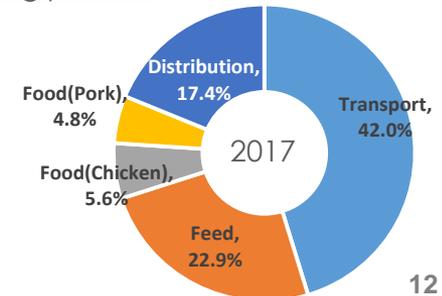
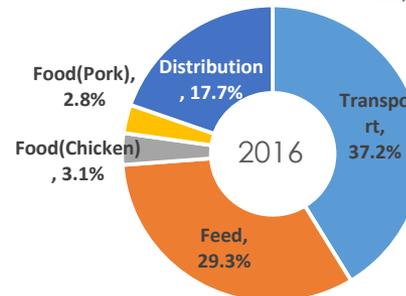
(Unit: hundred million KRW)

	2014	2015	2016	2017	YoY
<b>Transport (Grain)</b>	-	1,167	1,679	1,950	16.2%
<b>Feed</b>	926	1,150	1,321	1,062	-19.6%
<b>Food</b>	365	283	270	481	78.3%
Chicken·Duck	146	215	142	261	83.8%
Pork	219	68	128	221	72.6%
<b>Distribution (Shopping)</b>	926	913	797	807	1.2%
<b>Other</b>	596	-45	12	1	-93.9%
<b>Consolidated</b>	<b>2,305</b>	<b>3,512</b>	<b>4,507</b>	<b>4,646</b>	<b>3.1%</b>
Internal Transaction	-508	44	428	344	

Revenue %



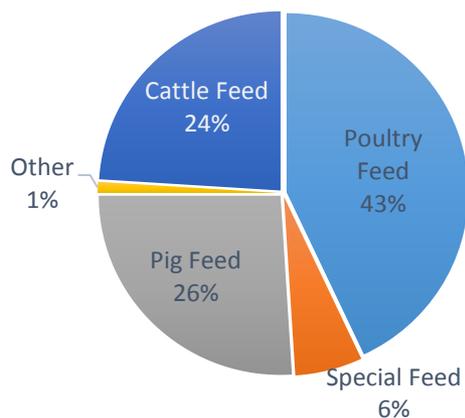
Operating profit %



# Earnings Review

## ○ Unlisted Subsidiary \_ Jeil Feed

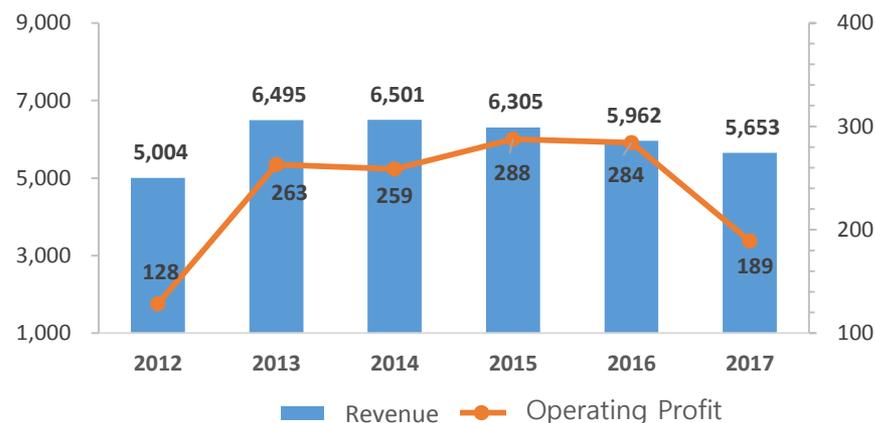
[Business Overview]



\* 2Q 2018 Sales Portion(domestics)

[Financial Highlights]

(Unit: hundred million KRW)



- Revenue 565.3 Billion(YoY -5.2%), Operating Profit 18.9 Billion(YoY -33.4%)

- Decline in operating profit due to bad market condition and aggressive marketing projects in 2017

- Business Portfolio Stabilization; Animal Medications, Harim Pet Food

- Expecting base effect due to poor feed performance of breeder hens in 2017
- Secured promising business infrastructure by increased breeder farms
- Harim Pet Food; Formed detailed product segmentation and expansion of entry market

(Unit: hundred million KRW)

B/S	2016	2017	P/L	2016	2017
Asset	5,029	4,481	Revenue	5,962	5,653
Liability	3,537	2,758	Operating Profit	284	189
Equity	1,493	1,723	Net Income	246	183
Debt Ratio	237%	160%	OP Margin	3.3%	4.8%

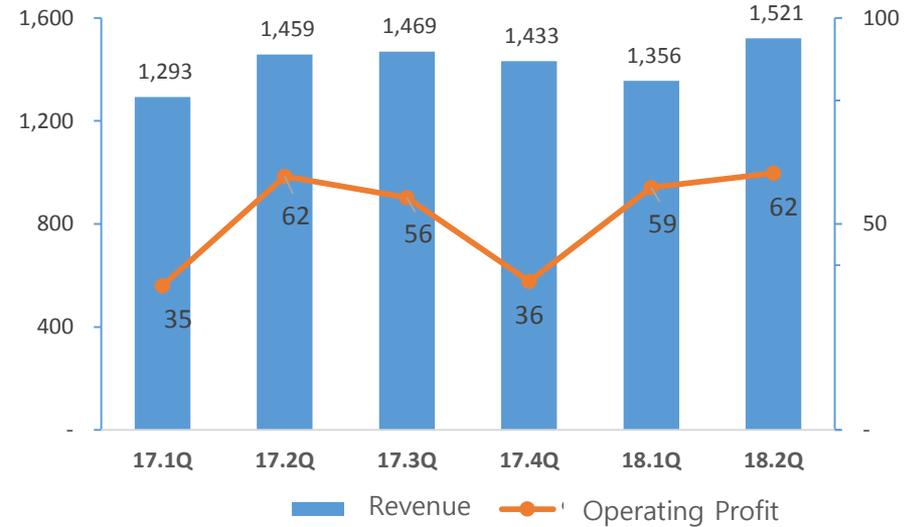
# 2Q 18 Earnings Review

## ○ Unlisted Subsidiary \_ Jeil Feed

(Unit: hundred million KRW)

	17.1Q	17.2Q	17.3Q	17.4Q	18.1Q	18.2Q
Revenue	1,293	1,459	1,469	1,433	1,356	1,521
Operating Profit	35	62	56	36	59	62
(%)	2.71%	4.22%	3.84%	2.52%	4.34%	4.07%

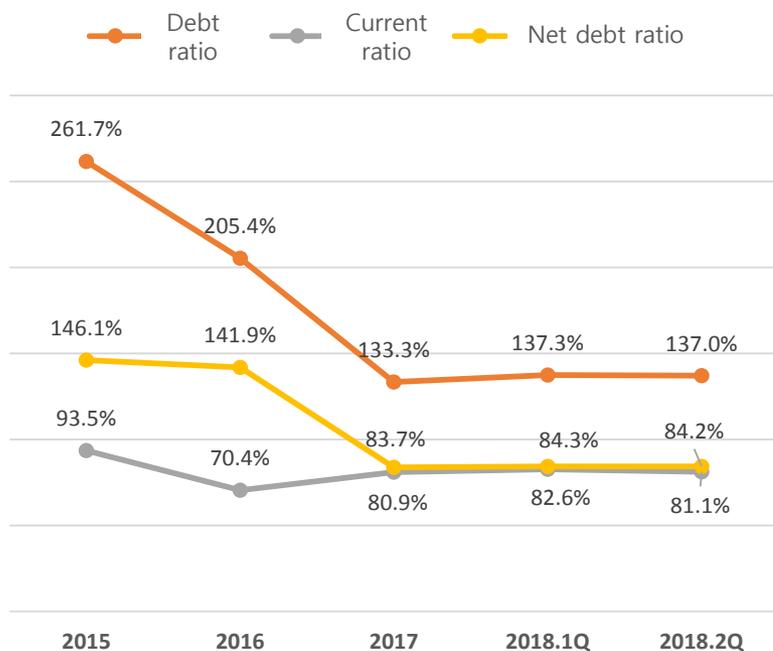
(Unit: hundred million KRW)



- 2Q 18 Revenue KRW 152.1 billion(YoY +4.3%), Operating Profit KRW 6.2 billion(YoY +1.3%)
  - Through better laying hen feed market, sales is improved and profit is where it needs to be.

# 2Q 18 Earnings Review

## ○ Key Stability Indicators



	2015	2016	2017	2018 1Q	2018 2Q
DEBT RATIO	261.7%	205.4%	133.3%	137.3%	137.0%
DEBT DEPENDENCY	58.5%	55.2%	44.2%	44.4%	45.2%
CURRENT RATIO	93.5%	70.4%	80.9%	82.6%	81.1%

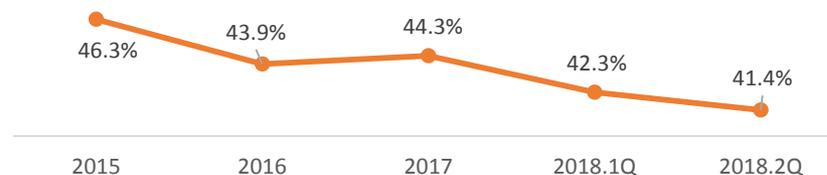
## ○ Financial Statement(Summarized)

(Unit: hundred million KRW)

	2016	2017	2018 1Q	2018 2Q
<b>Total Asset</b>	<b>70,681</b>	<b>70,339</b>	<b>72,403</b>	<b>75,888</b>
Current Assets	19,509	20,456	21,779	23,581
Cash Equivalents	6,186	5,872	6,450	7,379
Inventories	4,478	4,494	4,394	4,573
Non-Current Assets	51,171	49,883	50,624	52,307
<b>Total Liabilities</b>	<b>47,536</b>	<b>40,191</b>	<b>41,895</b>	<b>43,874</b>
Current Liabilities	27,695	25,281	26,373	29,065
Non-Current Liabilities	19,841	14,911	15,523	14,808
<b>Total Equity</b>	<b>23,144</b>	<b>30,147</b>	<b>30,508</b>	<b>32,014</b>
Debt	39,026	31,104	32,154	34,329
Net Debt to equity	32,840	25,232	25,704	26,949

## ● Usance & Vessel Financial Lease Trend

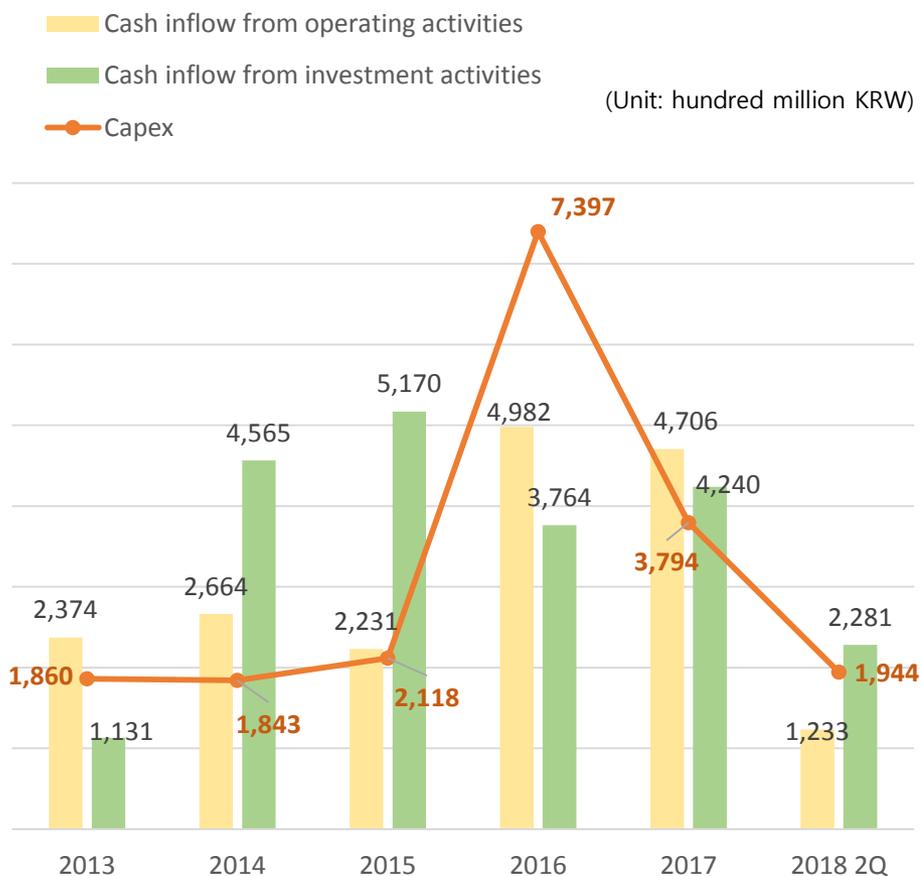
41% of loan is consisted of 'grain import usance and financial leases for vessels



# Earnings Review

## ○ CAPEX Investment Activities

Diversifying business portfolio for future business growth



	2016	2017
Landed Estate	<ul style="list-style-type: none"> <li>▪ Purchase of Yangjae site - KRW 452.5 billion</li> </ul>	-
Machinery	<ul style="list-style-type: none"> <li>▪ Farm/Plant Facility upgrade investment - KRW 187.8 Billion</li> <li>0 HARIM KRW 15.6 Billion</li> <li>0 JEIL FEED KRW 33.3Billion</li> <li>0 Allen KRW 25.5billion</li> </ul>	<ul style="list-style-type: none"> <li>▪ Farms/Plants Investment - KRW 272.9 Billion</li> <li>0 Harim KRW 117.2 Billion</li> <li>0 Sunjin KRW 28.1 Billion</li> <li>0 Allen KRW 7.9 Billion</li> <li>0 Farmsco(Indonesia) KRW 35.7 Billion</li> </ul>
Container Ship	<ul style="list-style-type: none"> <li>▪ Bulk Ship Building - KRW 99.4billion</li> </ul>	<ul style="list-style-type: none"> <li>▪ Purchase Oil Tanker and Build Brand New Bulk Vessels - KRW 106.5 Billion</li> </ul>
[Global Business Investment] (Unit: hundred million KRW)		
	2016	2017
Feed & Grain	65	344
Poultry	255	158
Total	320	502

# 2018 Focus

- **Developing a Food business ecosystem**

- Improve in investment efficiency by strengthening responsibility management
- Establish promising future business infrastructure by investing in food business
- Research in strategic current/future business plans

## "Only One Food & Agribusiness Total Value Chain in the World"

Core Continuous Growth Factor

Expansion and Synergy Factor

Grain and Feed

Chicken, Pork and Meat Products

Retail, HRM, Food Lab., PET

Shipping & Trade (Grain)

**Global Productivity**  
Competitiveness &  
Cost Savings

**Global No. 1 Productivity**  
**No. 1 Market Share**

**Food Business**  
Integration and New Growth  
Expansion in terms  
of Easy Shopping Strategy

**Global No. 1 Bulk Carrier**  
Grain Trading and New Business  
Save Grain Cost and Create  
Synergy in the Group

### 1) Productivity Improvement

- Cost Savings
- Technology Improvement

### 2) Distribution Channels

- Easy shopping
- Simplify freight system
- Save distribution cost

### 3) New Business & Expansion

- Fresh Raw Materials
- Raw material demand base(Grain)
- Globalization



We are designing a strong & healthy future  
as a food & agribusiness company.

# Appendix

## ○ Consolidated Financial Statements(summary)

### ● Balance Sheet

(Unit: million KRW)

	2017	2018 2Q	YoY
Current Assets	2,045,628	2,358,073	312,445
<i>Cash and Cash Equivalents</i>	462,032	603,996	141,964
<i>Short-term Financial Instruments</i>	125,180	133,952	8,772
<i>Accounts Receivables and Other Receivables</i>	708,683	785,620	76,937
<i>Inventories</i>	449,372	457,282	7,910
<i>Biological Assets</i>	158,166	176,096	17,930
Non-Current Assets	4,988,259	5,230,713	242,454
Total Assets	7,033,887	7,588,786	554,899
Current Liabilities	2,528,074	2,906,549	378,475
Non-Current Liabilities	1,491,065	1,480,809	-10,256
Total Liabilities	4,019,139	4,387,358	368,219
Capital	7,071	7,071	0
Additional Paid in Capital	846,165	832,876	-13,289
Other Capital	-369,157	-230,674	138,483
Retained Earnings	863,100	901,183	38,083
Non-controlling Interest	1,667,569	1,690,971	23,402
Total Equity	3,014,748	3,201,427	186,679

Note: K-IFRS

### ● Income Statement

(Unit: million KRW)

	2017 2Q (Accumul.)	2018 2Q (Accumul.)	YoY
Revenue	3,442,754	3,548,869	106,115
COGS	2,740,509	2,894,304	153,795
Gross Profit	702,245	654,565	-47,680
Selling and G&A exp	441,347	461,976	20,629
Operating Profit	260,898	192,589	-68,309
Other Income	69,740	55,710	-14,030
Other Expense	101,646	109,775	8,129
Income before Tax	228,992	138,524	-90,468
Income Tax	48,178	29,499	-18,679
Net Profit after Tax	180,814	109,024	-71,790

Note: K-IFRS

# Appendix

## ○ Financial Statements(Summary)

### ● Balance Sheet

(Unit: million KRW)

	2017	2018 2Q	YoY
Current Assets	12,266	12,194	-72
Non-Current Assets	1,201,613	1,273,565	71,952
Total Assets	1,213,879	1,285,759	71,880
Current Liabilities	316,241	421,120	104,879
Non-Current Liabilities	20,178	10,158	-10,020
Total Liabilities	336,419	431,278	94,859
Capital	7,071	7,071	0
Additional Paid in Capital	861,589	861,589	0
Adjustment in Capital	-225,332	-234,830	-9,498
Retained Earnings	234,131	220,650	-13,481
Total Equity	877,460	854,480	-22,980

### ● Income Statement

(Unit: million KRW)

	2017 2Q (Accumul.)	2018 2Q (Accumul.)	YoY
Operating Income	11,085	6,092	-4,993
Operating Expense	1,899	2,016	117
Operating Profit	9,186	4,076	-5,110
Other Income	98	152	54
Other Expense	9,749	4,967	-4,782
Income before Tax	-465	-739	-274
Income Tax	1,368	7	-1,361
Net Profit after Tax	-1,833	-746	1,087

# Appendix

## ○ Performance by Division

### ● Revenue

(Unit: hundred million KRW)

	17.1Q	17.2Q	17.3Q	17.4Q	18.1Q	18.2Q
<b>Transport (Grain)</b>	5,229	6,325	5,838	5,970	5,655	6,788
<b>Feed</b>	4,109	4,436	4,466	4,640	4,876	4,950
<b>Food</b>	6,406	7,996	7,538	6,379	6,401	7,214
Chicken-Duck	3,278	4,295	3,864	3,309	3,189	3,647
Pork	3,128	3,701	3,674	3,070	3,212	3,566
<b>Distribution (Shopping)</b>	1,385	1,424	1,423	1,477	1,334	1,333
<b>Consolidated (*)</b>	<b>15,735</b>	<b>18,693</b>	<b>17,852</b>	<b>17,064</b>	<b>16,897</b>	<b>18,591</b>
Internal Transaction	-1,493	-1,720	-1,770	-1,755	-1,491	-1,851

(\*) After the elimination of internal transactions

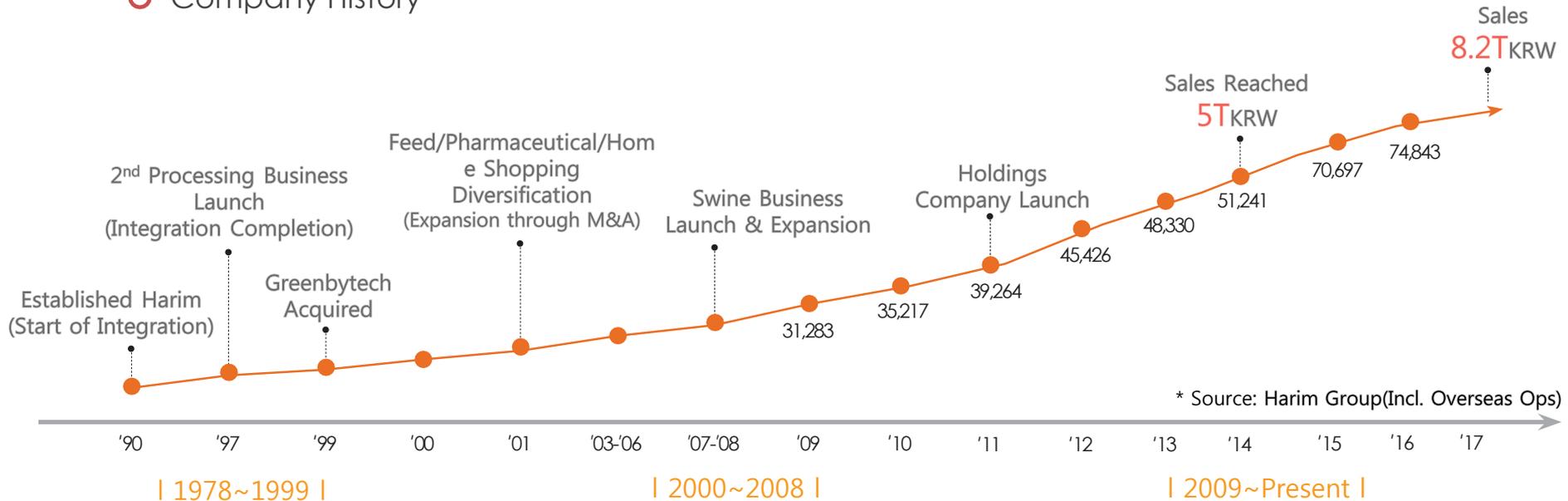
### ● Operating Profit

(Unit: hundred million KRW)

	17.1Q	17.2Q	17.3Q	17.4Q	18.1Q	18.2Q
<b>Transport (Grain)</b>	409	488	522	531	440	501
<b>Feed</b>	271	270	273	248	314	289
<b>Food</b>	-3	617	85	-217	-121	0
Chicken-Duck	-31	358	20	-86	-162	-57
Pork	28	260	65	-132	41	57
<b>Distribution (Shopping)</b>	259	112	268	169	232	108
<b>Consolidated</b>	<b>1,037</b>	<b>1,572</b>	<b>1,246</b>	<b>791</b>	<b>936</b>	<b>990</b>
Internal Transaction	100	81	100	63	86	91

# Appendix

## ○ Company History



### | 1978~1999 | Poultry Business Entry & Growth

- '78 Poultry farms established
- '86 Harim Foods established
- '90.10 Harim established (start of integration)
- '97.09 Harim processing plant built (Integration completed)
- '99.12 Acquired Greenbytech Co., Ltd

### | 2000~2008 | Diversification of Integrated Businesses (Distribution Expansion)

- '01.01 Acquired Jeil Feed Co., Ltd.
- '01.07 Acquired Korea ThumbVet Co., Ltd.
- '01.08 Established Orpum Co, Ltd
- '01.05 Established NS Homeshopping
- '01.12 Start Harim Group
- '02.03 Acquired Joowon Pekin Ducks
- '06.03 Established SUZHOU Feed(China)
- '07.10 Acquired Sunjin Co., Ltd.
- '08.04 Established TIELING Feed(China)
- '08.06&10 Acquired Hankang CM & Farmsco Co., Ltd.

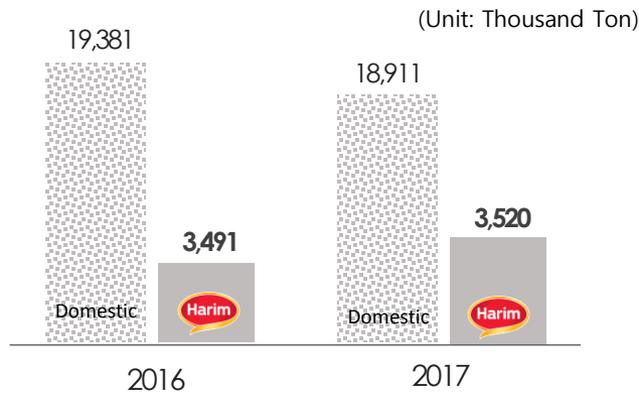
### | 2009~Present | Overseas & New Business Expansion

- '09.02 Established Qingdao Feed(China)
- '09.09 Established PT Harim(Indonesia))
- '10.04 Established Ecocapital Co., Ltd.
- '11.01 Start Holding Business
- '11.08 Established Liaocheng Feed(China)
- '11.09 Merge Allen Family Foods(start USA)
- '13.09 Established Myanmar Co., Ltd(Myanmar)
- '15.06 Acquired Pan Ocean Co., Ltd.
- '17.05 Appointed as Conglomerate
- '17.06 Listed Jeilholdings

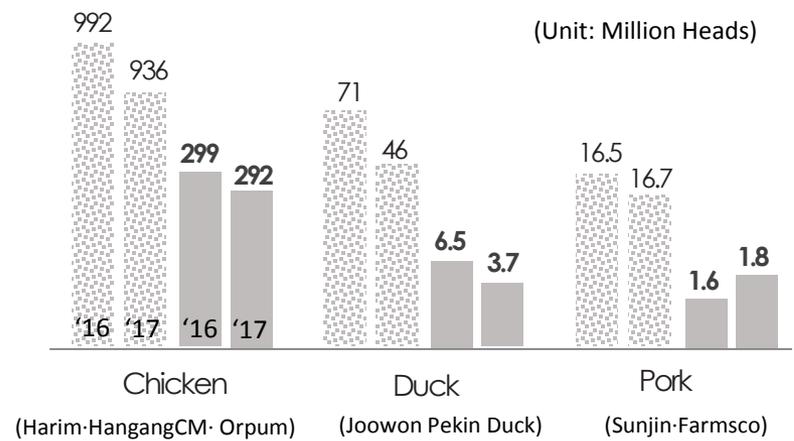
# Appendix

## ○ Core Business Competitiveness Trend

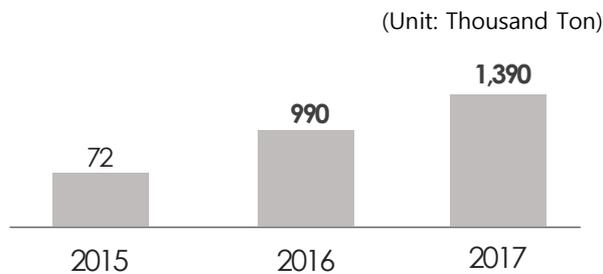
### Feed



### Food



### Grain Distribution



### Ocean Freight Volume

