COVER SHEET

J O L L I B E E  F O O D S  C O R P O R A T I O N
D O I N G  B U S I N E S S  U N D E R  T H E  N A M E
A N D  S T Y L E  O F  J O L L I B E E

(Company’s Full Name)

10/F J O L L I B E E  P L A Z A  B U I L D I N G
10 F. O R T I G A S  J R .  A V E N U E
O R T I G A S  C E N T E R ,  P A S I G  C I T Y

(Business Address: No. Street City / Town / Province)

Atty. Joliza Janelle D. Salgado
Contact Person

(632) 8634-1111 loc. 7097
Company Telephone Number

31-Dec
Month Day Year
Fiscal Year

Last Friday of June
Month Day Year
Annual Meeting

17C
Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = please use black ink for scanning purposes
COVER SHEET

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
(Company’s Full Name)

10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue,
Ortigas Center, Pasig City
(Company’s Address)

(632) 8634-1111
Telephone Number

December 31
(Fiscal Year Ending)

Last Friday of June
(Annual Meeting)

17C Press Release
2020 2nd Quarter Financial Results
(Form Type)

________________________________
Amendment Designation (If applicable)

(Secondary License Type and File Number)

___________________
Cashier

___________________
LCU

___________________
DTU

___________________
77487
S.E.C REG. No.

___________________
Central Receiving Unit

___________________
File Number

___________________
Document I.D.
1. Date of Report  
   August 4, 2020

2. Commission identification number  77487

3. BIR Tax Identification No.  000-388-771

4. **JOLLIBEE FOODS CORPORATION**
   doing business under the name and style of Jollibee
   Exact name of registrant as specified in its charter

5. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry classification code  (SEC Use Only)

7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
   Address of registrant’s principal office
   1605
   Postal Code

8.  **(632) 8634-1111**
   Registrant’s telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

    | Title of each Class | Number of shares of Common stock outstanding |
    |---------------------|---------------------------------------------|
    | **Common**          | **1,107,698,270**                            |
    | **Treasury Shares:**| **Common** 16,447,340                         |

**Note**: Total common outstanding shares of 1,107,698,270 is inclusive of 4,016,002 shares entrusted with Regis Partners, Inc. with the following details:

- **MSOP Shares**
  - Beginning balance (per SEC Form 17-C dated July 3, 2020) 1,441,440
  - Shares applied for listing 0
  - Ending balance, as of August 4, 2020 1,441,440

- **ELTIP Shares**
  - Beginning Balance (per SEC Form 17-C dated July 3, 2020) 2,574,562
  - Shares applied for listing 0
  - Ending balance, as of August 4, 2020 2,574,562

**TOTAL** 4,016,002

11. Other Events

    Please see attached Press Release re: 2020 2nd Quarter Financial Results
JOLLIBEE FOODS CORPORATION

JFC Announces Second Quarter 2020 Financial Results, Embarks on Business Transformation and Rebuilding


Following are the highlights of the financial results of operations of Jollibee Foods Corporation and its subsidiaries for the quarter ended June 30, 2020, based on its Unaudited Consolidated Financial Statements:

<table>
<thead>
<tr>
<th>Financial Summary</th>
<th>Quarter 2</th>
<th>2020</th>
<th>2019</th>
<th>% Change</th>
<th>YTD June</th>
<th>2020</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Wide Retail Sales</td>
<td>30,678</td>
<td>59,428</td>
<td>-48.4%</td>
<td></td>
<td>85,830</td>
<td>113,706</td>
<td>-24.5%</td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>23,331</td>
<td>43,680</td>
<td>-46.6%</td>
<td></td>
<td>62,764</td>
<td>84,027</td>
<td>-25.3%</td>
<td></td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>(5,268)</td>
<td>1,525</td>
<td>-445.5%</td>
<td></td>
<td>(6,599)</td>
<td>3,623</td>
<td>-282.2%</td>
<td></td>
</tr>
<tr>
<td>Net Income (Loss) Attributable to Equity Holders of the Parent Company</td>
<td>(10,171)</td>
<td>1,040</td>
<td>-1077.6%</td>
<td></td>
<td>(11,963)</td>
<td>2,502</td>
<td>-578.2%</td>
<td></td>
</tr>
<tr>
<td>Earnings (Loss) Per Common Share - Basic</td>
<td>(9,225)</td>
<td>0.952</td>
<td>-1069.0%</td>
<td></td>
<td>(10,892)</td>
<td>2.292</td>
<td>-575.2%</td>
<td></td>
</tr>
<tr>
<td>Earnings (Loss) Per Common Share - Diluted</td>
<td>(9,214)</td>
<td>0.940</td>
<td>-1080.2%</td>
<td></td>
<td>(10,870)</td>
<td>2.260</td>
<td>-581.0%</td>
<td></td>
</tr>
</tbody>
</table>

*Amounts in PhP Millions, except % change and Per Share data.

System wide sales of Jollibee Foods Corporation (JFC), a measure of all sales to consumers, both from company-owned and franchised stores decreased by 48.4% to ₱30.7 billion in the second quarter of 2020 compared to the same quarter last year with same store sales decline of -41% as the business felt the full impact of government restrictions intended to contain the COVID-19 pandemic. At the beginning of the quarter, 50% of JFC Group’s stores worldwide were temporarily closed. By the end of the quarter, 88% of all stores were already open. However, most of the stores that were open relied heavily on delivery and take-out businesses while practically all dine-in operations were either still closed or had low level of sales volume. Revenues decreased by 46.6% to ₱23.3 billion for the quarter versus year ago.

As JFC’s stores resumed operations all over the world, the speed of recovery in same store sales varied across different countries and territories. In April, global same store sales declined by 47% with the Philippine business declining by 57%, China -37%, North America -25% and Europe, Middle East and Asia (EMEAA) -45%. In June, global same store sales improved compared to April’s to negative 39% with the Philippine business at -48%, China -25%, North America -9% and EMEAA -22%.

JFC Chief Executive Officer, Mr. Ernesto Tanmantiong gave the following statement: “The business results were very bad but in line with our forecasts. We are now focusing on rebuilding our business moving forward along with implementing major cost improvement under our Business Transformation program. We expect sales and profit to improve over the next few months. Our business building effort includes introducing exciting new products, launching new marketing campaigns, opening cloud kitchens, introducing improvement in our delivery systems and opening new stores at selected locations particularly in North America, Vietnam, Malaysia and China. We plan to open a total of 338 stores worldwide in 2020. We expect sales and profit to increase significantly in 2021 to a point closer to the levels of 2019 and to grow at least at historical growth rate of 15% annually by 2022.”

The net loss attributable to equity holders of the Parent Company for the 2nd quarter of 2020 of ₱10.2 billion included the cost for Business Transformation of ₱7.0 billion. Excluding this cost for Business Transformation, the net loss would have been ₱3.2 billion. The recurring EBITDA of the JFC Group for the 2nd quarter of 2020 was negative ₱453.8 million.
The losses also included significant costs incurred in response to the crisis such as emergency response fund for employees and workers, assistance to front liners, health workers and low income households, partly offset by economic stimulus packages received from the Singapore and China governments.

JFC Chief Financial Officer, Mr. Yismael V. Baysa gave the following statement: “The Php7.0 billion spending for Business Transformation which we disclosed on May 22, 2020 recognizes that our industry and the consumer behavior have changed due to the COVID-19 pandemic. We are changing our cost structure predicting that revenues per store around the world in the medium term will be lower compared with pre-COVID levels. The spending for Business Transformation includes closure of 255 company-owned stores, change in ownership of 95 stores from company to franchisees, payment of pre-termination penalties of stores in the US and China, closure of supply chain facilities and reduction in the size of the organization at various countries where we do business. Total store closures for 2020 including those outside the Business Transformation program such as those owned by franchisees is 416 or -7% of year-end 2019 level. The cost improvement resulting from the Business Transformation will be recurring annually with a cash payback of about 2 years, with full annual impact starting to take effect in 2021. Of the Php7.0 billion spending, Php4.8 billion will be in the form of cash. Parts of this Business Transformation are programs which will turn Smashburger and The Coffee Bean & Tea Leaf® to profitable businesses by 2021.”

JFC estimates that financial performance will get progressively better in the next two quarters of the year as stores will have been being reopened and sales will have been gradually building up. Total EBITDA is forecasted to be positive by the 4th quarter of 2020 with the Philippines, China, Vietnam, Europe/Middle East and Other Parts of Asia forecasted to generate net operating income by that time. This assumes that government restrictions related to the control of the pandemic will not be re-imposed.

JFC’s balance sheet remained strong. As of June 30, 2020, its current assets stood at Php81.4 billion including Php57.9 billion of cash against current liabilities of Php57.0 billion with total debt, both short and long term at Php63.3 billion. On June 24, 2020, JFC through its subsidiary, Jollibee Worldwide Pte. Ltd. issued a USD300.0 million 5.5-year and a USD300.0 million 10-year Reg S only dual-tranche US dollar-denominated guaranteed senior notes, with a coupon rate of 4.125% and 4.750%, respectively and payable semi-annually. This offering represented JFC’s second international capital markets transaction, following the successful issuance of JFC’s USD600.0 million senior perpetual capital securities in January 2020.

JFC operates the largest food service network in the Philippines. As of June 30, 2020, it was operating 3,286 restaurant outlets in the country: Jollibee brand 1,201, Chowking 607, Greenwich 271, Red Ribbon 493, Mang Inasal 606, Burger King 106, PHO24 1 and Panda Express 1. Abroad, it was operating 2,588 stores: Yonghe King (China) 344, Hong Zhuang Yuan (China) 33, Dunkin’ Donuts (China) 5, Jollibee 274 (Vietnam 131, Brunei 18, Hong Kong 10, Singapore 10, Macau 1, Malaysia 1, United States 44, Canada 10, Saudi Arabia 12, UAE 15, Qatar 10, Kuwait 7, Bahrain 1, Oman 1, Italy 1, United Kingdom 1, and Guam 1), Red Ribbon in the US 33, Chowking 47 (US 15, UAE 20, Qatar 4, Oman 2, Kuwait 4, and Saudi Arabia 2), Highlands Coffee 411 (Vietnam 365, and Philippines 46), PHO24 40 (Vietnam 24, Indonesia 16), Hard Rock Cafe 2 (Vietnam), Smashburger 293 and CBTL 1,106. The JFC Group’s worldwide store network reached 5,874 stores.

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Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SIGNATURE:

JOLLIBEE FOODS CORPORATION
Registrant

YSMAEL V. BAYSA
Chief Financial Officer & Corporate Information Officer