

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
(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.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER**

1. Date of Report **March 16, 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	<u>1,097,405,596</u>
Treasury Shares:	
Common	<u>16,447,340</u>

Note: Total common outstanding shares of 1,097,405,596 is inclusive of 4,445,710 shares entrusted with Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated March 13, 2020)	2,007,300
Shares applied for listing	-
Ending balance, as of March 16, 2020	2,007,300
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated March 13, 2020)	2,438,410
Shares applied for listing	-
Ending balance, as of March 16, 2020	2,438,410
TOTAL	4,445,710

11. Other Events.

Please see attachment.

Risks, Impact on the Business and Mitigation Measures
JFC Group of Companies
COVID-19 Pandemic

This provides a brief summary for Jollibee Foods Corporation (JFC) on the subject captioned above. The summary is in four segments: Restaurant Operations, Product Supply, Safety and Health of Customers, Employees, Workers and Business Partners, and Dispersion and Diversification.

Restaurant Operations

The JFC Group of Companies operates restaurants in 34 countries, the largest of which in terms of contribution to system wide sales (SWS), a measure of all sales to consumers- both from company-owned and franchised stores are the Philippines, the United States/Canada, China and Vietnam. The impact of the COVID-19 to the operations of restaurants varies quite significantly at different countries and changing on a daily basis. Generally, as of the week of March 9, 2020 - the adverse impact on the restaurant operations was severe in China (including Hong Kong and Macau), less severe in Vietnam and moderate in the Philippines and the United States. In China, the epicenter of the epidemic and which accounts for 6.1% of JFC's global SWS, the decline in sales was abrupt. All the 14 restaurant outlets of Yonghe King (YHK) brand in and near Wuhan, believed to be the origin of the epidemic were temporarily closed down mainly due to the restriction of movement of people imposed by the government in order to contain the virus. At its worst time, in the week of February 10, 2020 - Yonghe King had 107 stores temporarily closed, representing 31% of its total store network, to ensure the safety of its employees and in view of the very low level of customer visits due to restriction of movement of people. The number of temporarily closed stores has declined to 30 representing 9% of YHK's total store network as of the week of March 9, 2020. There were no temporary closures of stores outside of China as an adverse result of the COVID-19. The total number of temporarily closed stores in China as of last week was 32 representing 8% of JFC's total store network in the country. Of the 32 stores still closed, 12 were in Wuhan. The temporarily closed stores included 1 of Hong Zhuang Yuan and 1 of Dunkin' Donuts. Meanwhile, sales in China have been improving as the number of new infections have been declining.

The Delivery To Home (and Offices) Business provided a system of continuing to bring products and generate sales to customers even as they stayed at home to protect themselves against the outbreak of the virus. Restaurants that are operating, in coordination with delivery aggregators helped sustain the operations of the business. In China, the Delivery Business already accounted for 40% of JFC's total system wide sales in the country before the outbreak of COVID-19 and have been growing by double digits for the past three years. During the outbreak of the virus, the Delivery Business was contributing a greater percentage of total sales versus the Dine-In Business.

The episode of the outbreak of the virus in China also showed that the impact on the business varies from city to city depending on the levels of government restriction and the infection of the virus. As of last week, only 3 out of 83 or only 4% of YHK stores in Shanghai were still closed, 2 out of 54 or also 4% in Beijing and zero in Shenzhen and Hangzhou but still practically all in Wuhan. The gradual recovery of sales may indicate that the impact of COVID-19 on the business may be similar to the episode of SARS (Severe Acute Respiratory Syndrome) in 2003. The impact on sales was significant and abrupt followed by about 8-9 months of gradual recovery as the spread of the disease got controlled and eventually eliminated.

The episode of COVID-19 and also SARS in China provided key learnings for JFC which it is re-applying to other parts of its business. One is that the protection and promotion of the health and safety of its employees are the most important priority. Two is that the preservation of cash in the business is key in

ensuring its sustainability and long-term growth and profitability. Temporarily closing temporarily losing outlets preserve financial resources and protect the health of employees and workers. Three is that the Delivery Business which is an important engine of sales growth becomes a key means to continue to serve the customers and sustaining the business in the event of an epidemic. The business' infrastructure should be ready for this potential surge in delivery business. Four is a more prudent and targeted expenditures of marketing resources, more astute capital expenditures and a more aggressive cost reduction drive at all levels of the business particularly during the period when revenues are under strong pressure.

But what is most important is that the product quality and value for money to consumers are sustained, even improved, despite being under the worst business condition. The crisis is temporary but the brand impression and loyalty are far more long lasting.

Product Supply

The epidemic slowed down the movement of products in China. This was caused mainly by the government restriction on the movement of people and the restriction imposed by business firms on their employees to control the contagion of the virus.

The Philippine business of JFC imports some agricultural products from China. To ensure that its business will have adequate supply, the Philippine business had looked for and already identified alternative sources of supply. For the most part, the JFC Group of Companies' raw materials are local in each country where the business operates. About 80% of the Philippine business' raw materials are sourced in the Philippines, mainly agricultural products like chicken, vegetables, eggs and rice. This is the case almost everywhere for JFC. Thus, the restriction on international transportation brought by the COVID-19 will likely have limited impact on JFC's supply chain.

The restriction of movement within a country (lockdown) can also create shortage of raw materials or products in some areas and excess in other areas, an imbalance of supply within a country, potentially resulting in lost sales and inventory obsolescence. As a proactive measure, JFC had spread its inventories in different parts of the country in different warehouses and depots.

JFC also has 15 commissaries (food processing plants) located in different parts of the country; some in the island of Luzon, others in Visayas and Mindanao to support its 3,300 outlets which are dispersed in many towns and cities across the country. The dispersion of supply chain facilities, warehouses and restaurant outlets reduces the probability that the epidemic will have significant impact all at the same time and magnitude on the different parts of JFC's business.

Safety and Health of Customers, Employees and Workers and Business Partners

JFC in the Philippines is organizing its people into two groups, in every facility, function, unit, restaurant, commissary and warehouse. The two groups or Split Teams in the same facility or restaurant do not meet each other physically. They work in different days of the week or in different week cycles. The idea is if one worker or employee gets infected, his/her group will be quarantined but not the other group (unless there is infection there too). So, the facility or a restaurant can keep operating through the uninfected group.

The facility or restaurant can also "borrow" people from other facilities that are not infected.

Stores are also implementing alternate seating arrangement and floor markers for queuing to observe social distancing.

Work from home is also maximized. JFC in the Philippines has had one day per week (20%) work from home for office-based employees for one year now, partly to address the worsened traffic in Metro Manila. For our office-based employees, we have shifted from split team to almost 100% work from home to implement the social distancing protocol to minimize infection and maintains skeletal force when needed to support the stores and commissaries. It employs information technology to keep supporting 100% of the business operations despite the high percentage of employees working from home at the same time.

It also restricts visitors into the offices and facilities to those who will have truly necessary business meetings, practically prohibits foreign travel unless truly necessary (only the Chief Executive Officer can approve foreign travel), imposes 14-day quarantine to all employees coming from foreign travel and to those employees who have members of their family who just came from foreign travel. It strictly follows the rules and restrictions being imposed by the government at all levels: national, provincial, regional and local.

Most of all, it ensures that it keeps the level of quality and safety of its food, service and condition and cleanliness of its restaurants at very high levels and increased them further in the areas of sanitization and disinfection.

Aside from the above split team system, JFC applies the health and safety measures against the virus such as prohibiting large meetings and observing social distancing and applying sanitization and disinfection.

Dispersion and Diversification

In summary, the nature and structure of JFC Group’s business have created physical dispersion and diversification into different brands, countries, sites, facilities and locations which make the business strong against event risks. Its presence in different countries gives it several sources of learning from direct experience which it applies to other parts of its business. The action steps being taken in the JFC Group across countries are similar, with some being ahead of others in some areas.

Jollibee Foods Corporation Chief Executive Officer, Mr. Ernesto Tanmantiong gave the following words of encouragement to its employees on March 13, 2020:

“While all these uncertainties may seem unsettling, let us stay focused on our mission – ‘to serve great tasting food, bringing the joy of eating to everyone.’ This is our pledge to our customers and the communities that surround us.

As I commit to you to prioritize your safety and well-being, I call on each one of you to do your part in staying healthy and safe by strictly following our guidelines released earlier. This is the best way we can help our country overcome this challenge. Keep your families and loved ones healthy and safe as well.

While this situation may seem daunting, I have always believed in our JFC family's resiliency and perseverance that have seen us through many obstacles before. Thank you for your patience, hard work and commitment as we respond to this challenge ... together!”



YVB: 03/16/2020

SIGNATURE

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.

JOLLIBEE FOODS CORPORATION
Registrant


YSMAEL V. BAYSA
Chief Financial Officer &
Corporate Information Officer

COVID-19