

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES

JFC Sales Growth Improves, Eyes Profit Recovery in 2020

Metro Manila, Philippines, August 5, 2019 – Jollibee Foods Corporation (PSE: JFC) – Financial Results for the Second Quarter and First Semester ended June 30, 2019

Following are the highlights of the financial results of operations of Jollibee Foods Corporation and Subsidiaries for the second quarter and first semester ended June 30, 2019 based on its Unaudited Consolidated Financial Statements:

Financial Summary	Quarter 2			YTD June		
	2019	2018	% Change	2019	2018	% Change
System Wide Retail Sales	59,428	53,931	10.2%	113,706	99,910	13.8%
Revenues	43,673	40,922	6.7%	84,027	76,285	10.1%
Operating Income	1,142	2,392	-52.3%	2,910	4,361	-33.3%
Net Income Attributable to Equity						
Holders of the Parent Company	1,122	2,251	-50.2%	2,657	4,050	-34.4%
Earnings Per Common Share - Basic	1.027	2.071	-50.4%	2.434	3.728	-34.7%
Earnings Per Common Share - Diluted	1.013	2.043	-50.4%	2.400	3.676	-34.7%

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

Jollibee Foods Corporation (JFC), one of Asia’s largest food service companies, disclosed today that its system wide sales, a measure of sales to consumers both from company-owned and franchised stores grew by 10.2% in the second quarter of 2019 compared to the same quarter last year. Same store sales growth in the Philippines improved to 4.2% in the second quarter versus 1.4% in the first quarter, excluding Red Ribbon business. Sales of this brand was adversely affected by product supply shortage as it transferred its main production facility to a new commissary located south of Metro Manila. Full product supply is expected in September 2019.

Sales from foreign business increased by 8.6%, with EMEAA (Europe, Middle East and Asia) growing by 20.9% and North America by 11.3%. The China business’ system wide sales increased by 2.3% (-5.2% in Php terms due to changes in currency exchange rates). Its same store sales improved to +3.5%, from -1.1% in the first quarter of 2019.

Jollibee Foods Corporation Chief Financial Officer, Mr. Ysmael V. Baysa gave the following statement: “Same store sales growth in the Philippines continued to improve as we estimated, as consumers gradually regained their purchasing power with increasing wages and lower inflation rate. In the month of June 2019 same store sales in the Philippines reached 5.7% including Red Ribbon, or 6.8% excluding Red Ribbon. Transaction counts or consumer visits to stores are rising. Businesses abroad are strong led by Vietnam, Philippine brands in the US, Yonghe King in China and Jollibee brand in new countries. Operating profit in the Philippines excluding Red Ribbon grew by 14.2% in Q1 of 2019 and by 15.3% in Q2 and is expected to keep this momentum in the months ahead. Our profit challenges are short term, mainly Red Ribbon in the Philippines and Smashburger in the United States. Red Ribbon products will be in complete supply in September. On Smashburger, we introduced major changes that created short term disruption in sales and profit but will drive sustainable sales growth and strengthen

the brand health. These changes include permanent price reduction to replace temporary discounts and major product improvements to ensure higher product quality. Product SKUs were also reduced to simplify the menu to improve kitchen operations. We will also continue to open stores in very good locations. To accelerate sales and profit growth, Smashburger is rebuilding and strengthening its leadership team. The acquisition of Coffee Bean and Tea Leaf, when completed is expected to add to our profit within 12-18 months of acquisition. We continue to aim to achieve the profit level in 2020 and in the years ahead that we set two years ago despite the profit challenges in 2019 which are short term and sustain our historical profit growth rate moving forward”.

Jollibee Foods Corporation had turned several businesses acquired in previous years into stronger, more profitable and faster growing market leaders. These include Yonghe King in China (acquired in 2004), Red Ribbon in the Philippines (2005), Hong Zhuang Yuan in China (2008), Mang Inasal in the Philippines (2010) and Highlands Coffee (2012). Together, they contributed 25% to JFC’s worldwide system sales and 37% to operating income (based on 2018 audited financial results) and are key drivers of JFC’s sales and profit growth now and in the years ahead.

Net income attributable to equity holders of the Parent Company for the second quarter was Php1.1 billion, decreasing by 50.2% versus profit from the same period a year ago, due to, extraordinary manufacturing expenses for and lower sales of Red Ribbon related to the transition to the new plant and losses from Smashburger in the United States. These costs are extraordinary and are expected to be at a much lower level starting in 2020.

Same store sales growth in the Philippines in the second quarter excluding Red Ribbon reached 4.2%; China achieved 3.5%; Philippine brands in the US 8.3%; Vietnam 8.7%; and, the Middle East and other parts of Asia 1.4%.

Worldwide sales for the first semester of 2019 grew by 13.8% over same period last year, with the Philippine business growing by 10.2% and the foreign business by 24.9%.

The Jollibee Group opened a total of 170 stores in the first six months of the year, of which 111 are in the Philippines and 59 are in foreign operations.

On July 24, 2019, JFC disclosed that through its wholly owned subsidiary Jollibee Worldwide Pte Ltd (JWPL, Singapore), it entered into an agreement to invest USD100 million in a new Singapore-based holding company (“holding company”) to acquire 100% of *The Coffee Bean & Tea Leaf*® specialty coffee and tea brand (CBTL), based in Los Angeles, California, USA. The acquiring entity will be JWPL’s wholly owned subsidiary Java Ventures, LLC (United States), which will eventually be a wholly owned subsidiary of the new holding company. The total consideration for this acquisition is USD350 million on a debt-free basis (the acquired business will have no debt upon acquisition). Initially, JFC through JWPL will finance the entire acquisition through a bridge loan.

JFC operates the largest food service network in the Philippines. As of June 30, 2019, it was operating 3,195 restaurant outlets in the country: Jollibee brand 1,163, Chowking 590, Greenwich 284, Red Ribbon 479, Mang Inasal 577, Burger King 101 and PHO24 1. Abroad, it was operating 1,418 stores: Yonghe King (China) 323, Hong Zhuang Yuan (China) 45, Dunkin' Donuts (China) 9, Jollibee 238 (Vietnam 118, Brunei 17, Hong Kong 8, Singapore 7, Macau 1, Malaysia 1, United States 37, Canada 4, Saudi Arabia 13, UAE 14, Qatar 7, Kuwait 6, Bahrain 1, Oman 1, Italy 1, United Kingdom 1, and Guam 1), Red Ribbon in the US 31, Chowking 47 (US 15, UAE 21, Qatar 4, Oman 2, Kuwait 3, and Saudi Arabia 2), Highlands Coffee 340 (Vietnam 297, and Philippines 43), PHO24 34 (Vietnam 18, Indonesia 16), Hard Rock Cafe 6 (Vietnam 2, Hong Kong 3, and Macau 1); and, Smashburger 345. The JFC Group's worldwide store network reached 4,613 stores.

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