

# COVER SHEET

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S.E.C. Registration Number

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. Angeline L. Chong
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Contact Person

(632) 8634-1111 loc. 7817
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Company Telephone Number

31-Dec
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Month Day Year

Fiscal Year

Last Friday of June
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Month Day Year

Annual Meeting

## Press Release: 2020 1st Quarter Financial Results

17C
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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total no. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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LCU

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Document I.D.

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Cashier

STAMPS
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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 1st Quarter Financial Results**  
(Form Type)

\_\_\_\_\_  
Amendment Designation (If applicable)

\_\_\_\_\_  
(Secondary License Type and File Number)

\_\_\_\_\_  
Cashier

\_\_\_\_\_  
LCU

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DTU

**77487**  
S.E.C REG. No.

\_\_\_\_\_  
Central Receiving Unit

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File Number

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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 **May 27, 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
<b>Common</b>	<b><u>1,107,176,748</u></b>
<b>Treasury Shares:</b>	
<b>Common</b>	<b><u>16,447,340</u></b>

**Note:** Total common outstanding shares of 1,107,176,748 is inclusive of 4,286,020 shares entrusted with Regis Partners, Inc. with the following details:

MSOP Shares:	
Beginning balance (per SEC Form 17-C dated May 20, 2020)	1,711,458
Shares applied for listing	-
Ending balance, as of May 27, 2020	<u>1,711,458</u>
ELTIP Shares:	
Beginning Balance (per SEC Form 17-C dated May 20, 2020)	2,574,562
Shares applied for listing	-
Ending balance, as of May 27, 2020	<u>2,574,562</u>
<b>TOTAL</b>	<b><u>4,286,020</u></b>

11. Other Events

Please see attached Press Release re: 2020 1<sup>st</sup> Quarter Financial Results

## JOLLIBEE FOODS CORPORATION

### **JFC Announces First Quarter 2020 Financial Results System Wide Sales Up 1.6%, Reports Net Loss Due to Covid-19 Pandemic**

**Metro Manila, Philippines, May 27, 2020 – Jollibee Foods Corporation (PSE: JFC) – Financial Results for the Quarter ended March 31, 2020**

Following are the highlights of the financial results of operations of Jollibee Foods Corporation and its subsidiaries for the quarter ended March 31, 2020, based on its Unaudited Consolidated Financial Statements:

Financial Summary	YTD March		
	2020	2019	% Change
System Wide Retail Sales	<b>55,151</b>	54,279	1.6%
Revenues	<b>39,433</b>	40,348	-2.3%
Operating Income (Loss)	<b>(1,331)</b>	2,098	-163.4%
Net Income (Loss)	<b>(2,074)</b>	1,355	-253.1%
Net Income (Loss) Attributable to Equity			
Holders of the Parent Company	<b>(1,792)</b>	1,461	-222.6%
Earnings (Loss) Per Common Share - Basic	<b>(1.638)</b>	1.340	-222.2%
Earnings (Loss) Per Common Share - Diluted	<b>(1.632)</b>	1.320	-223.6%

*\*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 increased by only 1.6% to P55.2 billion for the first quarter of 2020 compared to the same quarter last year. Revenues decreased by 2.3% to P39.4 billion due to the impact of the COVID-19 pandemic which led to temporary closure of a high number of stores in the Philippines and markets abroad. Net loss attributable to equity holder of the Parent Company amounted to P1.8 billion for the quarter.

System wide sales included the consolidation of The Coffee Bean & Tea Leaf® (CBTL). Excluding the impact of the consolidation of CBTL which took effect on September 24, 2019, system wide sales declined by 10.0%.

In January, 2020 before the outbreak of COVID-19, JFC Group's global system wide sales grew by 9.9%, excluding CBTL with same store sales growth of 3.6%. Including CBTL, SWS increased by 24.9%. Same store sales in that month versus year ago levels were as follows: Philippines 4.3%, China -11.0% (due to difference in timing of Lunar New Year between 2020 and 2019), North America 3.1% and Europe and other parts of Asia 13.0%. Net Operating Income rose by 18.9% while Net Income Attributable to Equity Holders of the Parent increased by 57.6% versus the same month in 2019.

In February 2020, system wide sales growth slowed down to 15.7% and in March 2020, to negative 32.5% when lock downs and other forms of restrictions were imposed in China, the Philippines, the United States and other countries. As of the end of March, 2020 the following were the percentages of stores temporarily closed due to the pandemic: Philippines 69%, China 6%, North America 16%, CBTL 32%, EMEAA 23%.

Jollibee Foods Corporation Chief Financial Officer, Mr. Ysmael V. Baysa gave the following statement: "JFC's financial performance in 2020 will not be a good one. It will incur even higher losses in the 2<sup>nd</sup> quarter when the full impact of the lock downs on the business will be felt. We expect the business to start recovering in the 3<sup>rd</sup> and 4<sup>th</sup> quarters but we assume that the recovery will be slow. Our strong balance sheet will enable us to withstand this storm, even in worse case scenarios. However, we have to rationalize and re-design our business structure, to adapt to the new economic conditions and changed consumer behavior brought by the pandemic and emerge as a stronger business and organization in 2021. We are setting up a provision of Php7 billion for this purpose in the 2<sup>nd</sup> quarter of 2020."

On May 22, 2020, JFC disclosed that it will spend Php7 billion for implementing significant changes to its global business structure. The changes will involve the rationalization of its existing stores, store network, supply chain facilities and management and support group structure. It will also include building drivers of revenue growth for the future including food delivery-to-home and offices, take-out and drive-thru even as it continues to open new stores in selective locations. The planned changes will also include the implementation of safety and social distancing protocols in the dining area, investment in digital commerce and technology, the installation of mobile applications to facilitate food ordering and payment, the establishment of "cloud kitchen" or unmarked delivery outlets with no dine-in facility located in discreet, low rent sites.

"The changes will be global in scope including Smashburger and CBTL where we will pursue aggressive store and overhead rationalization in North America. We will continue to invest in new stores in very selective locations particularly in North America and parts of Asia where JFC's return on invested capital on new stores are now the highest," Mr. Baysa added.

In March 2020, JFC announced that it is postponing about Php9 billion worth of capital expenditures from 2020 to 2021 given the operational constraints to the construction of facilities and to the uncertain volume of demand due to the limited mobility of consumers. Its planned capital expenditures for 2020 are being reduced by 63% from Php14.2 billion to Php5.2 billion. Operating costs are also significantly being reduced at all levels- at the stores, commissaries, support services and main offices in all regions in the world. The JFC Group, however, will continue to open new stores on a very selective basis for the balance of 2020. It expects to open a total of 171 new company-owned stores and renovate 96 existing stores in 2020. It also aims to secure for its future stores excellent locations that will become available due to weak economic environment.

Operating loss for the first quarter of 2020 amounted to Php1.3 billion compared to operating income of Php2.1 billion for the same period last year caused by the temporary closures of a high number of restaurants and by significantly reduced volume of sales at stores operating due to restrictions to the mobility of consumers imposed in order to contain the COVID-19 pandemic. Significant additional costs were incurred in response to the crisis such as emergency response fund for employees and workers, assistance to front liners and health workers and to low income households. The consolidation of losses from CBTL also contributed to the operating loss particularly from higher general and administrative expenses. Without CBTL, direct costs declined by 4% while general and administrative expenses decreased by 4.6%.

While the pandemic adversely impacted JFC's revenues and profit, the Company strengthened its balance sheet. At the end of the first quarter, JFC was in a net cash position with a total cash balance of Php26.5 billion compared to Php20.9 billion at the end of 2019. Total bank debts amounted to Php25.6 billion, 71% of which is long term, significantly lower than at the end of 2019 of Php44.8 billion. Total equity attributable to the Parent Company stood at Php80.9 billion compared to Php52.6 billion at the end of 2019.



On January 23, 2020, JFC issued its first US dollar-denominated guaranteed senior perpetual capital securities amounting to USD600 million with a coupon rate of 3.9%. This was the lowest coupon for perpetual bond issued so far in the Philippines, the largest amount in a debut issuance for a perpetual bond in the Philippines and one of the first perpetual bond issuances by any Asian restaurant company. The transaction marked the first time that JFC tapped the debt capital market and the capital market since its IPO in 1993. JFC used majority of the proceeds from this bond issuance to fully pay the USD400 million short term loan it borrowed to finance the acquisition of CBTL. This perpetual bond is accounted for as equity.

In its disclosure to the Philippine Stock Exchange dated March 18, 2020, JFC announced that it is donating Php100 million worth of food from its brands to health care workers and on-ground checkpoint personnel who are at the frontlines in the fight against COVID-19 in the Philippines. On April 7, 2020, JFC Chairman and Founder Tony Tan Caktiong announced that the company had increased its donation to Php220 million worth of food from its brands, allotting another Php120 million in food aid to the marginalized sector of the society in addition to food aid to health workers and health care institutions. As of May 10, 2020, the JFC Group through its social responsibility arm, the Jollibee Group Foundation, had completed the Php220 million donation. Php100 million was used to provide meals for 1.3 million health and checkpoint front liners throughout the country. Php120 million was used to provide food packs to 515,512 indigent families, as well as providing food donations to 27 community kitchens serving front liners and communities. This was done in coordination with various public and private institutions to distribute food aid to lower income sectors of the society. JFC is doing similar assistance in the form of food to hospitals and health care institutions in China and in the United States.

JFC also announced on March 19, 2020 that it had allocated an emergency response fund amounting to Php1 billion to provide its employees in the Philippines with the needed financial support to cope through the Enhanced Community Quarantine period implemented due to the COVID-19 pandemic.

The JFC Group of Companies has been following all the regulations and guidelines imposed by government authorities and health care institutions in all countries where it does business to ensure the safety of all its workers, customers and other stakeholders. Employees at support services and main offices in most countries work from home while many restaurant outlets and some commissaries are temporarily closed.

JFC operates the largest food service network in the Philippines. As of April 30, 2020, it was operating 3,317 restaurant outlets in the country: Jollibee brand 1,199, Chowking 611, Greenwich 283, Red Ribbon 503, Mang Inasal 613, Burger King 106, PHO24 1 and Panda Express 1. Abroad, it was operating 2,628 stores: Yonghe King (China) 343, Hong Zhuang Yuan (China) 39, Dunkin' Donuts (China) 7, Jollibee 271 (Vietnam 131, Brunei 18, Hong Kong 10, Singapore 10, Macau 1, Malaysia 1, United States 41, 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 35, Chowking 48 (US 15, UAE 21, Qatar 4, Oman 2, Kuwait 4, and Saudi Arabia 2), Highlands Coffee 404 (Vietnam 358, and Philippines 46), PHO24 39 (Vietnam 23, Indonesia 16), Hard Rock Cafe 2 (Vietnam), Smashburger 295 and CBTL 1,145. The JFC Group's worldwide store network reached 5,945 stores.


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## **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.

**SIGNATURE:**

**JOLLIBEE FOODS CORPORATION**  
Registrant



**YSMAEL V. BAYSA**  
Chief Financial Officer &  
Corporate Information Officer