

## JOLLIBEE FOODS CORPORATION

### **JFC Generates Php2.0 Billion Net Income in Q4 2020, International Business to Lead Growth in 2021**

**Metro Manila, Philippines, February 15, 2021 – Jollibee Foods Corporation (PSE: JFC) – Financial Results for the Quarter and Year Ended December 31, 2020**

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

Financial Summary	Quarter 4			YTD December		
	2020	2019*	% Change	2020	2019*	% Change
System Wide Retail Sales	<b>49,548</b>	72,724	-31.9%	<b>175,970</b>	243,792	-27.8%
Revenues	<b>36,746</b>	52,420	-29.9%	<b>129,476</b>	179,626	-27.9%
Operating Income (Loss)	<b>(2,680)</b>	1,539	-274.1%	<b>(12,626)</b>	6,479	-294.9%
Operating Income (Loss) ex-Business Transformation Cost	<b>1,090</b>	1,539	-29.2%	<b>(5,918)</b>	6,479	-191.3%
EBITDA ex-Business Transformation Cost	<b>7,069</b>	9,752	-27.5%	<b>11,035</b>	26,848	-58.9%
Net Income (Loss) Attributable to Equity Holders of the Parent Company, as restated	<b>2,049</b>	3,128	-34.5%	<b>(11,495)</b>	7,303	-257.4%
Net Income (Loss) Attributable to Equity Holders of the Parent Company, without restatement	<b>2,036</b>	2,258	-9.8%	<b>(11,508)</b>	6,432	-278.9%
Earnings (Loss) Per Common Share - Basic	<b>1.858</b>	2.860	-35.0%	<b>(10.430)</b>	6.684	-256.0%
Earnings (Loss) Per Common Share - Diluted	<b>1.856</b>	2.829	-34.4%	<b>(10.419)</b>	6.608	-257.7%

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

*\* Restated to reflect adjustment on the purchase price allocation for CBTL*

System wide sales of Jollibee Foods Corporation (JFC), a measure of all sales to consumers, both from company-owned and franchised stores decreased by 31.9% to Php49.5 billion in the fourth quarter of 2020 while revenues decreased by 29.9% to Php36.7 billion versus a year ago primarily as a result of permanent store closures and lower sales per store due to the COVID-19 pandemic. JFC generated a net income of Php 2.0 billion in the fourth quarter of 2020, after incurring net losses in the past three quarters caused by the pandemic.

Same store sales growth rates by region for the fourth quarter versus year ago were as follows: Philippines -35.2%, China +0.2%, North America excluding The Coffee Bean & Tea Leaf® (CBTL) -3.5%, EMEAA -8.6%, SuperFoods Group primarily Highlands Coffee in Vietnam -5.4% and CBTL global -21.8%. These rates of decline represented improvement over those in the third quarter for most businesses, which were as follows: Philippines -45.6%, China -7.7%, North America excluding CBTL -6.6%, EMEAA -11.8%, SuperFoods Group -14.0%, and CBTL -21.6%.

JFC continued to make progress on reopening stores that had been closed temporarily. As of December 31, 2020, 96% of the group's worldwide outlets were already operating: 100% of stores in China and EMEAA, 98% in the Philippines, 94% in North America, 95% for SuperFoods and 90% for CBTL.

Net income attributable to equity holders of the Parent Company for the fourth quarter of 2020 amounted to Php2.0 billion, 34.5% lower compared to the restated net income for the fourth quarter of 2019. The 2019 Audited Consolidated Financial Statements of JFC was restated to reflect the additional gain of Php1.1 billion (Php870.3 million of which was attributable to JFC), resulting from the finalization of the independent 3<sup>rd</sup> Party Valuation of Intangibles in 2020, relative to the acquisition of CBTL. Basically, the fair market value of the net assets acquired by JFC through its wholly owned subsidiary, JWPL based on the independent 3<sup>rd</sup> Party Valuations were markedly higher than the purchase price of Php17.1 billion (USD327.9 million). The total gain from the acquisition has

amounted to Php4.3 billion (USD81.6 million). Excluding this restatement of profit in 2019, JFC's consolidated net income would have declined only by -9.8% in Q4 versus 2019 and by -278.9% for the entire year 2020.

All regions in the JFC Group generated profit in the fourth quarter: Philippines, China, North America (Philippine brands), Europe, Middle East, Africa and other parts of Asia including Highlands Coffee in Vietnam. The operating losses of the CBTL and Smashburger brands for the fourth quarter were substantially lower compared to their operating losses in the fourth quarter of 2019.

While the decline in revenues in the fourth quarter versus year ago was still quite significant at -29.9%, profit recovery was significantly stronger with a decline of only -9.8%. This was made possible by the significant cost reduction and profit and cash flow improvement brought by the Business Transformation program.

The Business Transformation (BT) program, launched in May 2020, covered the rationalization of worldwide operations primarily in response to the business downturn caused by the pandemic. In 2020, four commissaries and a total of 486 stores, of which 262 were covered by the BT program, were permanently closed. Headcount and operating and general and administrative expenses were significantly reduced in stores, supply chain facilities and support group offices. As a result, a total of Php2.6 billion in annual savings are now being realized with full impact in 2021 and the years ahead. In addition, in 2020, about Php8.0 billion in capital expenditures were avoided or delayed to future years as part of the program's objective to preserve cash as a precautionary measure in the business downturn at the height of the pandemic.

Of the Php7.0 billion provision for the Business Transformation made in June 2020, Php6.7 billion or 96% were utilized in 2020, of which Php4.7 billion were in cash spending while Php2.0 billion represented write-off of book value of assets. The unspent portion came mostly from lower-than-expected charges for pre-termination of leases mainly in North America. The cash savings payback period for the cash portion of the spending is estimated at less than 2 years with an internal rate of return of 50%+.

Jollibee Foods Corporation Chief Executive Officer, Mr. Ernesto Tanmantiong gave the following statement: "All of our regions generated recurring profit in the fourth quarter, led by the Philippines. We have significantly improved the Smashburger and The Coffee Bean & Tea Leaf® businesses that they are now in a reasonable position to start generating profit in 2021. Our strong profit recovery shows our organization's capability to execute complex and massive undertaking in a very short time like the Business Transformation. It was a very difficult and painful program but the right thing to do for the long term good of the business and the organization. We look forward to sustained recovery of the business as the world gradually returns to normalcy, aided by the introduction of new vaccines. We plan to open 400 plus new stores worldwide most of which will be outside of the Philippines, particularly in North America, Vietnam and China. We aim for very strong sales and profit recovery in 2021 versus 2020. In 2021 and the years ahead, JFC's sales and profit growth will be driven by its international business. We believe that out of this pandemic, we will emerge as a stronger business and organization."

JFC has provided for capital expenditures of Php 12.2 billion for 2021 to fund the opening of about 450 stores (gross). This amount is 22% higher than the actual spending in 2019 of Php10 billion. In 2020, JFC spent Php5.9 billion in capital investments, mostly for new stores. A total of 338 new stores were opened in 2020, 81 in the Philippines and 257 abroad. For the first time in JFC's history, more new stores were opened abroad than in the Philippines led by SuperFoods (mostly Highlands Coffee in Vietnam), 115; CBTL, 55; Yonghe King 38, and Jollibee International, 36 (EMEA, 20; North America, 16).

JFC has been generating positive EBITDA (Earnings before interest, taxes, depreciation and amortization or roughly operating cash flows) since June. In the fourth quarter, EBITDA amounted to Php7.1 billion compared to Php1.4 billion in the third quarter. The substantial portion of the proceeds from the issuance of Senior Perpetual Securities in January 2020 (USD600.0 million) and the Senior Debt Securities in June 2020 (USD300.0 Million maturing in 5.5 years and USD300.0 million maturing in 10 years), net of the payment of USD400.0 million short term debt used primarily for the acquisition of CBTL remained mostly intact in the form of Financial Assets at fair value through profit and loss (FVTPL) in USD-denominated investments worth Php35.7 billion or about USD742.6 million. In 2020, a total of Php1.3 billion was recognized as gain from the investments at FVTPL contributing to JFC's consolidated profit. In addition, JFC maintained a cash balance of Php21.4 billion, 2.3% higher than the cash balance as at December 31, 2019.

JFC operates the largest food service network in the Philippines. As at December 31, 2020, it was operating 3,217 restaurant outlets in the country: Jollibee brand 1,184, Chowking 571, Greenwich 273, Red Ribbon 495, Mang Inasal 594, Burger King 98, PHO24 1 and Panda Express 1. Abroad, it was operating 2,607 stores: Yonghe King (China) 354, Hong Zhuang Yuan (China) 31, Dunkin' Donuts (China) 3, Tim Ho Wan (China) 1, Jollibee 294 (Vietnam 141, Brunei 18, Hong Kong 10, Singapore 11, Macau 1, Malaysia 1, United States 46, Canada 14, Saudi Arabia 12, UAE 16, Qatar 10, Kuwait 6, Bahrain 1, Oman 1, Italy 2, United Kingdom 3, and Guam 1), Red Ribbon in the US 31, Chowking 48 (US 15, UAE 20, Qatar 4, Oman 2, Kuwait 4, and Saudi Arabia 3), Highlands Coffee 483 (Vietnam 433, and Philippines 50), PHO24 52 (Vietnam 36, Indonesia 16), Hard Rock Cafe 2 (Vietnam), Smashburger 237 and CBTL 1,071. The JFC Group's worldwide store network reached 5,824 stores.

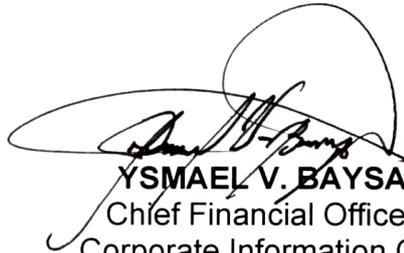
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## SIGNATURE

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