

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

July 24, 2020
Date of Report (date of earliest event reported)

J. C. PENNEY COMPANY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-15274
(Commission
File Number)

26-0037077
(IRS Employer
Identification No.)

6501 Legacy Drive
Plano, Texas
(Address of Principal Executive Offices)

75024-3698
(Zip Code)

Registrant's telephone number, including area code: (972) 431-1000

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock of 50 cents par value	*	*
Preferred Stock Purchase Rights	*	*

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

- * On May 20, 2020, NYSE Regulation, Inc. filed a Form 25 with the Securities and Exchange Commission (the "SEC") to delist J. C. Penney Company, Inc.'s common stock (the "common stock") from the New York Stock Exchange. The deregistration of the common stock under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), will be effective 90 days, or such shorter period as the SEC may determine, after filing of the Form 25. Upon deregistration of the common stock under Section 12(b) of the Exchange Act, the common stock will remain registered under Section 12(g) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

As previously reported, on June 8, 2020, J. C. Penney Corporation, Inc. (“JCP”), as borrower, and J. C. Penney Company, Inc. (the “Company”) and certain of its subsidiaries, as guarantors, entered into a Superpriority Senior Secured Debtor-In-Possession Credit and Guaranty Agreement (the “DIP Credit Agreement”) with the financial institutions identified therein as lenders (the “Lenders”), GLAS USA LLC, as administrative agent (the “Administrative Agent”), and GLAS Americas LLC, as collateral agent. Pursuant to the DIP Credit Agreement, the Company and JCP are required to deliver to the Administrative Agent for distribution to each Lender, among other things, the Company’s consolidated monthly financial statements and certain other financial information as specified therein (the “Monthly Information”). Certain portions of the Monthly Information as of and for the month ended July 4, 2020 (the “June 2020 Monthly Information”) is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The Company cautions investors and potential investors not to rely upon the June 2020 Monthly Information, as it was not prepared for the purpose of providing any basis for an investment decision relating to any of the securities of the Company. The June 2020 Monthly Information does not include certain quarterly adjustments and other important explanatory notes, has not been audited or reviewed by any independent public accounting firm, and may be subject to future reconciliation or adjustments, including adjustments related to the Company’s bankruptcy filing. In addition, the June 2020 Monthly Information is limited in scope and covers a limited time period, and accordingly, should not be viewed as indicative of future results.

The information disclosed in this Item 7.01 is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such a filing.

Item 9.01. Financial Statements and Exhibits.

- (d) Exhibit 99.1 [June 2020 Monthly Information](#)
Exhibit 104 Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

J. C. PENNEY COMPANY, INC.

By: /s/ Bill Wafford
Bill Wafford
Executive Vice President, Chief Financial Officer

Date: July 24, 2020

J. C. PENNEY COMPANY, INC.
(Debtor-in-Possession)
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

<i>(In millions)</i>	<u>Month Ended</u>		<u>Five Months Ended</u>	
	<u>July 4, 2020</u>	<u>July 6, 2019</u>	<u>July 4, 2020</u>	<u>July 6, 2019</u>
Total net sales	\$ 582	\$ 737	\$ 1,930	\$ 4,179
Credit income and other	40	38	161	186
Total revenues	<u>622</u>	<u>775</u>	<u>2,091</u>	<u>4,365</u>
Costs and expenses/(income):				
Cost of goods sold (exclusive of depreciation and amortization shown separately below)	334	470	1,313	2,745
Selling, general and administrative (SG&A)	163	274	848	1,443
Depreciation and amortization	42	40	227	243
Real estate and other, net	—	(2)	(5)	(1)
Restructuring and management transition	3	—	165	22
Total costs and expenses	<u>542</u>	<u>782</u>	<u>2,548</u>	<u>4,452</u>
Operating income/(loss)	80	(7)	(457)	(87)
Other components of net periodic pension cost/(income)	(8)	(4)	(39)	(22)
Gain on extinguishment of debt	—	(1)	—	(1)
Net interest expense	22	22	122	122
Loss due to discontinuance of hedge accounting	—	—	77	—
Reorganization items, net	17	—	89	—
Income/(loss) before income taxes	49	(24)	(706)	(186)
Income tax expense/(benefit)	2	1	(59)	4
Net income/(loss)	<u>\$ 47</u>	<u>\$ (25)</u>	<u>\$ (647)</u>	<u>\$ (190)</u>

Note: The financial statements presented are internal monthly financial statements for an interim period within a fiscal quarter, do not include certain quarterly adjustments and other important explanatory notes, and have not been audited or reviewed by any independent public accounting firm. Quarterly financial statements are subject to internal controls over financial reporting performed only with respect to quarterly financial statements. Consequently, these monthly financial statements may be subject to future reconciliation or adjustments to conform to generally accepted accounting principles or reporting requirements of the SEC and may not be representative of our financial position or indicative of future operating results or cash flows.

J. C. PENNEY COMPANY, INC.
(Debtor-in-Possession)
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(In millions)</i>	July 4, 2020	July 6, 2019	February 1, 2020
Assets			
Current assets:			
Cash in banks and in transit	\$ 209	\$ 149	\$ 108
Cash short-term investments	927	25	278
Restricted cash	127	—	—
Cash, cash equivalents and restricted cash	1,263	174	386
Merchandise inventory	2,016	2,333	2,166
Prepaid expenses and other	477	316	174
Total current assets	3,756	2,823	2,726
Property and equipment, net	3,275	3,609	3,488
Operating lease assets	923	917	998
Prepaid pension	150	162	120
Other assets	617	663	657
Total assets	\$ 8,721	\$ 8,174	\$ 7,989
Liabilities and stockholders' equity			
Current liabilities:			
Merchandise accounts payable	\$ 246	\$ 744	\$ 786
Other accounts payable and accrued expenses	828	886	931
Current operating lease liabilities	104	85	68
Debtor-in-possession financing	450	—	—
Current portion of long-term debt, net	1,202	92	147
Total current liabilities	2,830	1,807	1,932
Noncurrent operating lease liabilities	1,074	1,080	1,108
Long-term debt	—	3,819	3,574
Deferred taxes	49	120	116
Other liabilities	248	345	430
Liabilities subject to compromise	4,276	—	—
Total liabilities	8,477	7,171	7,160
Stockholders' equity			
Common stock	161	159	160
Additional paid-in capital	4,721	4,720	4,723
Reinvested earnings/(accumulated deficit)	(4,316)	(3,590)	(3,667)
Accumulated other comprehensive income/(loss)	(322)	(286)	(387)
Total stockholders' equity	244	1,003	829
Total liabilities and stockholders' equity	\$ 8,721	\$ 8,174	\$ 7,989

Note: The financial statements presented are internal monthly financial statements for an interim period within a fiscal quarter, do not include certain quarterly adjustments and other important explanatory notes, and have not been audited or reviewed by any independent public accounting firm. Quarterly financial statements are subject to internal controls over financial reporting performed only with respect to quarterly financial statements. Consequently, these monthly financial statements may be subject to future reconciliation or adjustments to conform to generally accepted accounting principles or reporting requirements of the SEC and may not be representative of our financial position or indicative of future operating results or cash flows.

J. C. PENNEY COMPANY, INC.
(Debtor-in-Possession)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

<i>(In millions)</i>	Number of Common Shares	Common Stock	Additional Paid-in Capital	Reinvested Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity
February 1, 2020	320.5	\$ 160	\$ 4,723	\$ (3,667)	\$ (387)	\$ 829
Net income/(loss)	—	—	—	(694)	—	(694)
Discontinuance of hedge accounting	—	—	—	—	63	63
Other comprehensive income/(loss)	—	—	—	—	2	2
Stock-based compensation and other	1.4	1	(2)	(2)	—	(3)
June 6, 2020	321.9	161	4,721	(4,363)	(322)	197
Net income/(loss)	—	—	—	47	—	47
Stock-based compensation and other	0.5	—	—	—	—	—
July 4, 2020	322.4	\$ 161	\$ 4,721	\$ (4,316)	\$ (322)	\$ 244

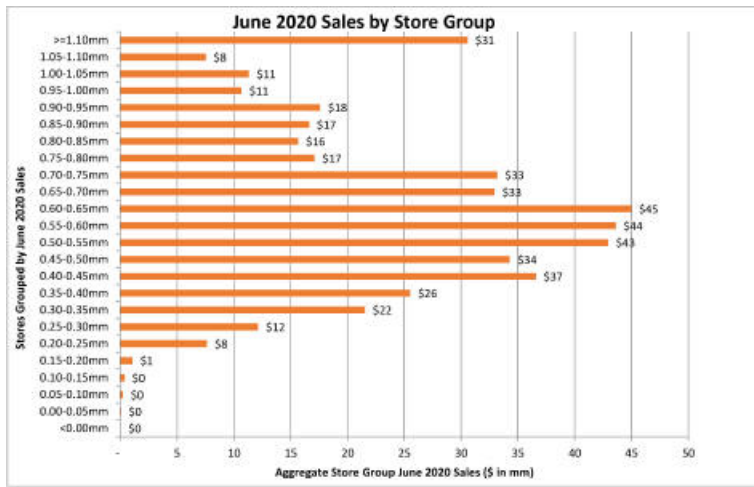
<i>(In millions)</i>	Number of Common Shares	Common Stock	Additional Paid-in Capital	Reinvested Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity
February 2, 2019	316.1	\$ 158	\$ 4,713	\$ (3,373)	\$ (328)	\$ 1,170
ASC 842 (Leases) and ASU 2018-02 (Stranded Taxes) adoption	—	—	—	(26)	53	27
Net income/(loss)	—	—	—	(165)	—	(165)
Other comprehensive income/(loss)	—	—	—	—	(11)	(11)
Stock-based compensation and other	1.0	1	6	(2)	—	5
June 8, 2019	317.1	159	4,719	(3,566)	(286)	1,026
Net income/(loss)	—	—	—	(25)	—	(25)
Stock-based compensation and other	0.5	—	1	1	—	2
July 6, 2019	317.6	\$ 159	\$ 4,720	\$ (3,590)	\$ (286)	\$ 1,003

Note: The financial statements presented are internal monthly financial statements for an interim period within a fiscal quarter, do not include certain quarterly adjustments and other important explanatory notes, and have not been audited or reviewed by any independent public accounting firm. Quarterly financial statements are subject to internal controls over financial reporting performed only with respect to quarterly financial statements. Consequently, these monthly financial statements may be subject to future reconciliation or adjustments to conform to generally accepted accounting principles or reporting requirements of the SEC and may not be representative of our financial position or indicative of future operating results or cash flows.

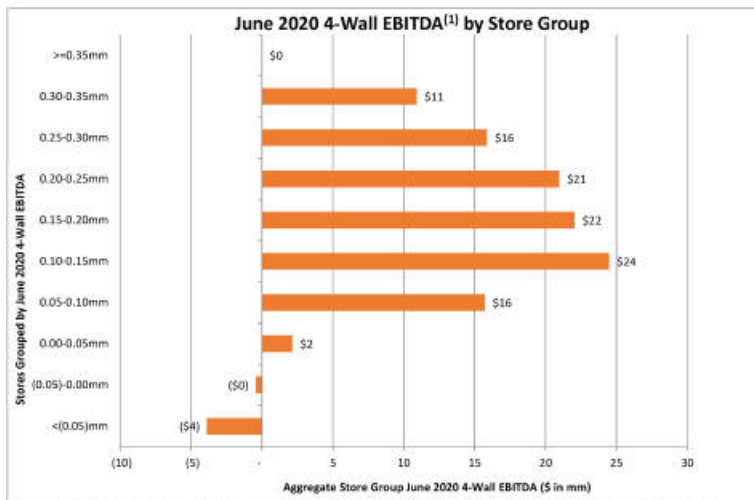
J. C. PENNEY COMPANY, INC.
(Debtor-in-Possession)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	<u>Month Ended</u>		<u>Five Months Ended</u>	
	<u>July 4, 2020</u>	<u>July 6, 2019</u>	<u>July 4, 2020</u>	<u>July 6, 2019</u>
<i>(In millions)</i>				
Cash flows from operating activities:				
Net income/(loss)	\$ 47	\$ (25)	\$ (647)	\$ (190)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:				
Restructuring and management transition	—	—	139	15
Net gain on sale of non-operating assets	—	(1)	—	(1)
Net gain on sale of operating assets	—	—	—	3
Discontinuance of hedge accounting	—	—	77	—
Gain loss on extinguishment of debt	—	(1)	—	(1)
Depreciation and amortization	42	40	227	243
Benefit plans	(5)	(4)	(32)	(27)
Stock-based compensation	—	—	(3)	5
Deferred taxes	—	1	(60)	(2)
Change in cash from:				
Inventory	108	65	150	104
Prepaid expenses and other assets	(177)	(19)	(303)	(127)
Merchandise accounts payable	170	(63)	(33)	(103)
Income taxes	—	1	(1)	—
Accrued expenses and other	99	30	34	(68)
Net cash provided by/(used in) operating activities	<u>284</u>	<u>24</u>	<u>(452)</u>	<u>(149)</u>
Cash flows from investing activities:				
Capital expenditures	(6)	(33)	(39)	(122)
Proceeds from sale of non-operating assets	—	1	—	1
Proceeds from sale of operating assets	—	—	—	12
Net cash provided by/(used in) investing activities	<u>(6)</u>	<u>(32)</u>	<u>(39)</u>	<u>(109)</u>
Cash flows from financing activities:				
Proceeds from debtor-in-possession financing	225	—	225	—
Proceeds from borrowings under the credit facility	23	268	1,984	897
Payments of borrowings under the credit facility	—	(227)	(771)	(772)
Payments of finance leases and note payable	—	—	(1)	(1)
Payments of long-term debt	—	(15)	(19)	(26)
Debtor-in-possession financing costs	—	—	(50)	—
Proceeds from stock issued under stock plans	—	1	—	1
Net cash provided by/(used in) financing activities	<u>248</u>	<u>27</u>	<u>1,368</u>	<u>99</u>
Net increase/(decrease) in cash, cash equivalents and restricted cash	526	19	877	(159)
Cash and cash equivalents at beginning of period	<u>737</u>	<u>155</u>	<u>386</u>	<u>333</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$1,263</u>	<u>\$ 174</u>	<u>\$ 1,263</u>	<u>\$ 174</u>

Note: The financial statements presented are internal monthly financial statements for an interim period within a fiscal quarter, do not include certain quarterly adjustments and other important explanatory notes, and have not been audited or reviewed by any independent public accounting firm. Quarterly financial statements are subject to internal controls over financial reporting performed only with respect to quarterly financial statements. Consequently, these monthly financial statements may be subject to future reconciliation or adjustments to conform to generally accepted accounting principles or reporting requirements of the SEC and may not be representative of our financial position or indicative of future operating results or cash flows.

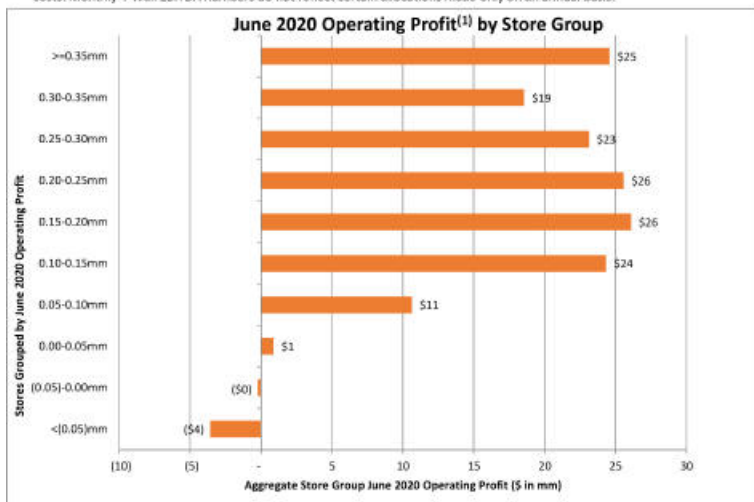


of Stores
24
7
11
11
19
19
19
22
46
49
72
76
82
72
86
68
66
44
34
6
3
3
6
1



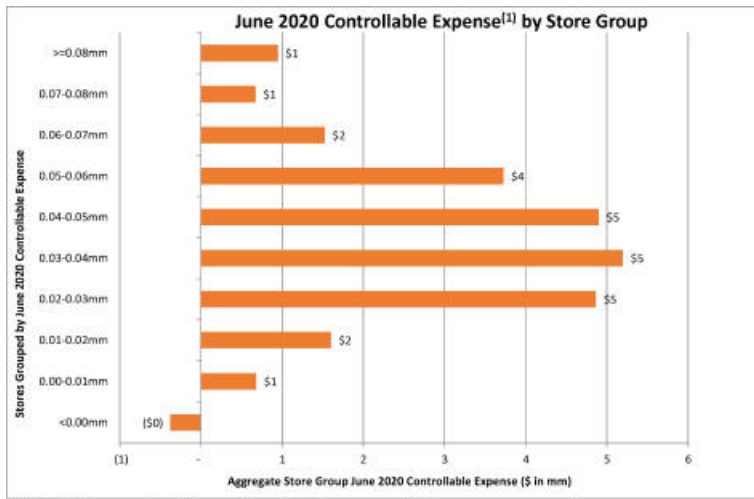
of Stores
27
34
59
94
128
200
204
70
17
13

(1) 4-Wall EBITDA is an internal store performance metric, which excludes most corporate overhead and other fixed allocated costs. Monthly 4-Wall EBITDA numbers do not reflect certain allocations made only on an annual basis.



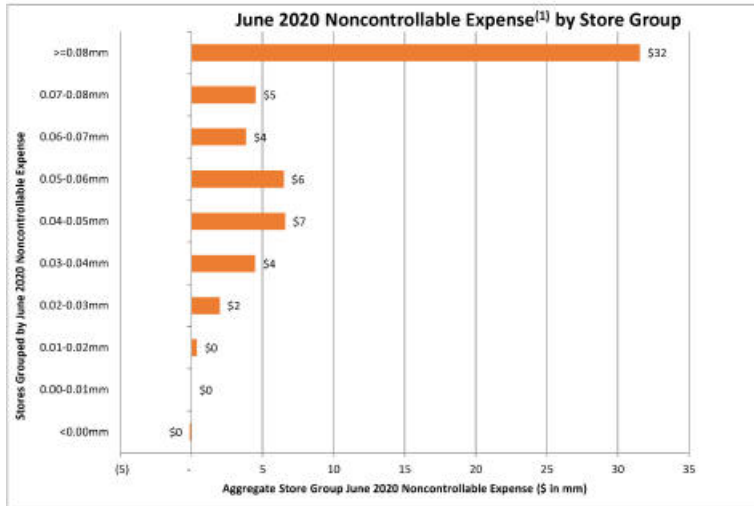
of Stores
56
57
84
115
151
196
135
29
12
11

(1) Operating Profit is an internal store performance metric, which excludes most corporate overhead and other fixed allocated costs.



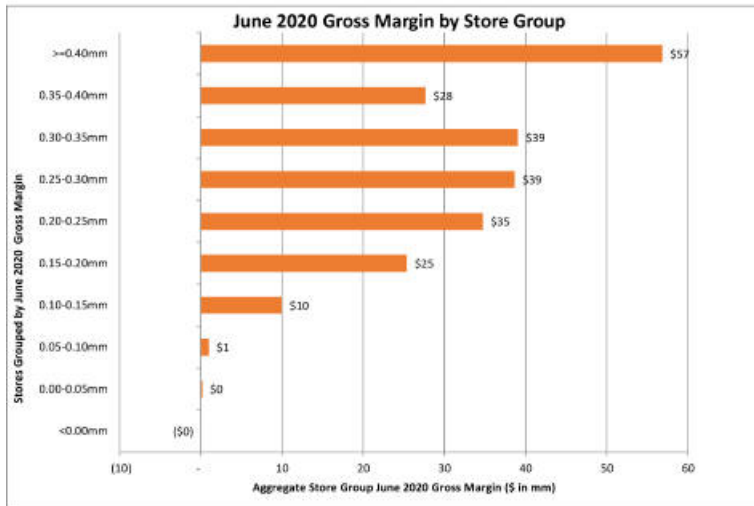
of Stores
10
9
24
69
110
149
191
105
125
54

(1) Controllable expenses include store salaries, facilities expenses and utilities expenses, among others.

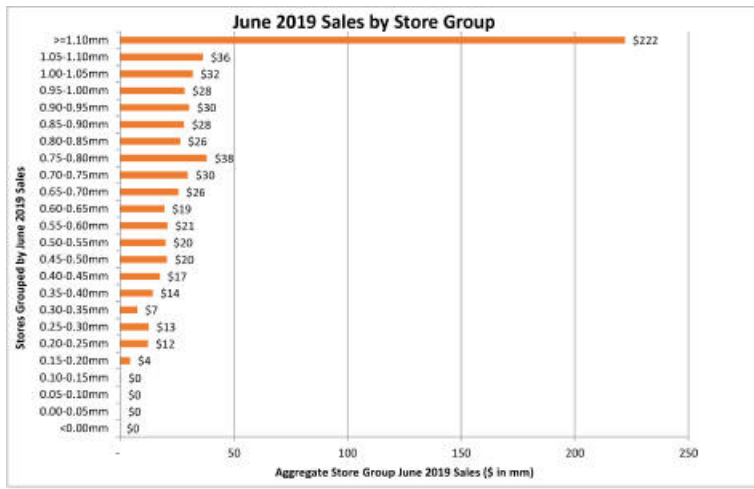


of Stores
231
60
59
118
147
126
77
22
4
2

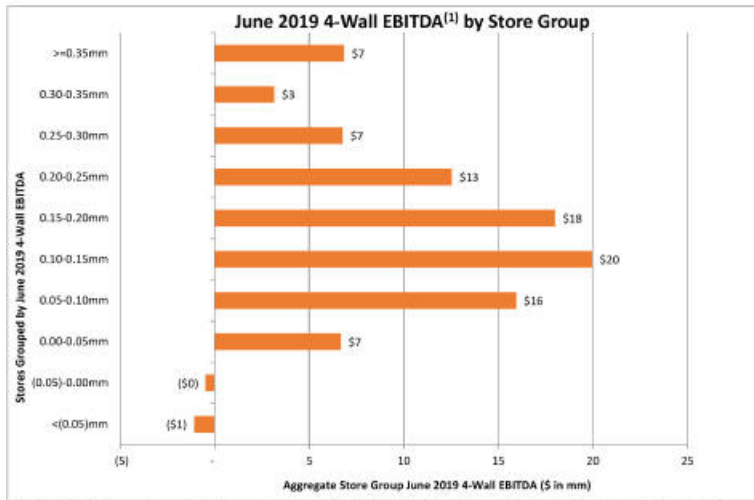
(1) Noncontrollable expenses include expenses relating to marketing, display, maintenance and repairs, among others.



of Stores
113
74
121
140
153
144
79
12
9
1

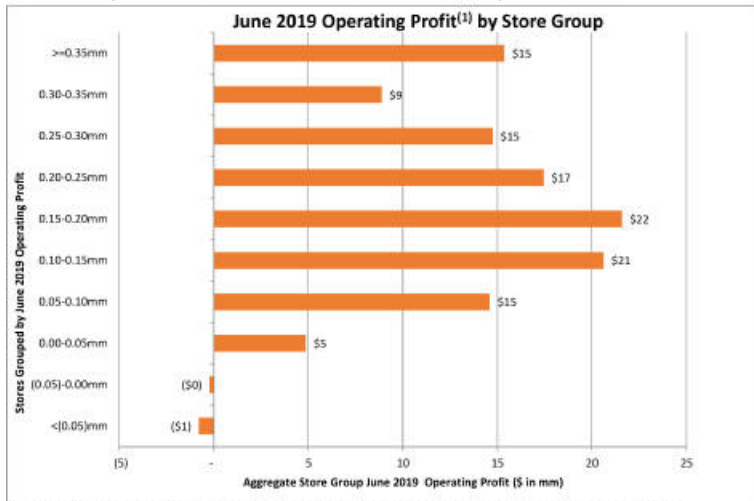


of Stores
149
34
31
29
33
32
32
49
41
38
31
36
38
43
41
38
23
46
54
24
1
1
2
0



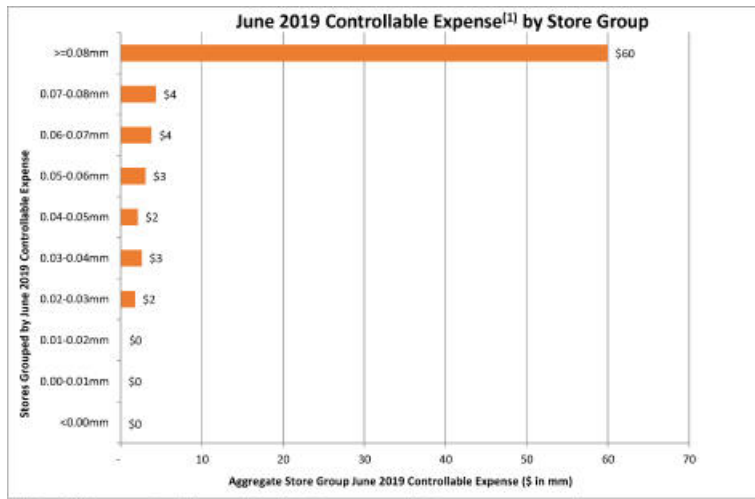
of Stores
15
10
25
56
105
161
216
228
24
6

(1) 4-Wall EBITDA is an internal store performance metric, which excludes most corporate overhead and other fixed allocated costs. Monthly 4-Wall EBITDA numbers do not reflect certain allocations made only on an annual basis.



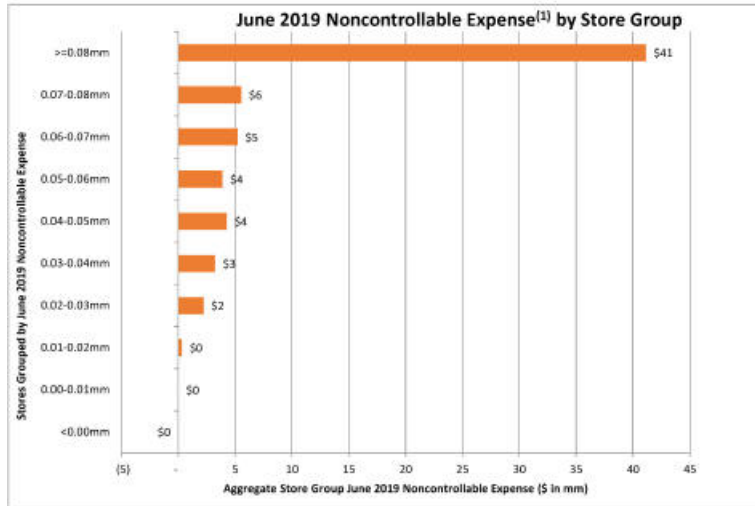
of Stores
33
27
54
79
124
168
199
146
12
4

(1) Operating Profit is an internal store performance metric, which excludes most corporate overhead and other fixed allocated costs.



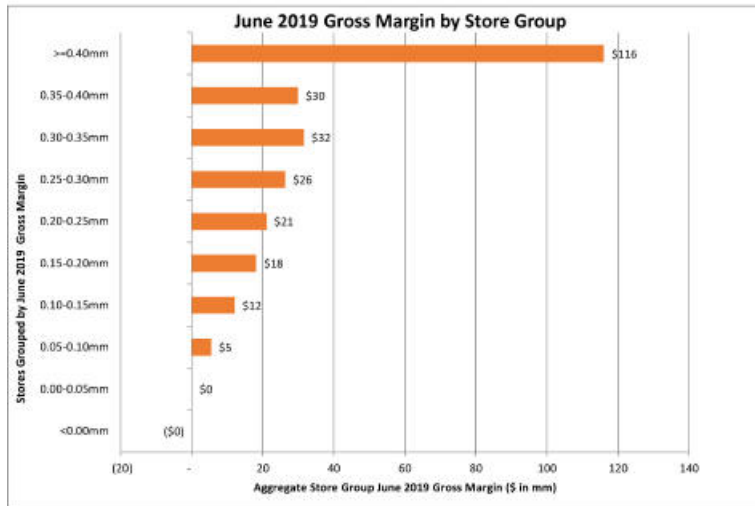
of Stores
484
58
58
55
46
75
67
3
0
0

(1) Controllable expenses include store salaries, facilities expenses and utilities expenses, among others.

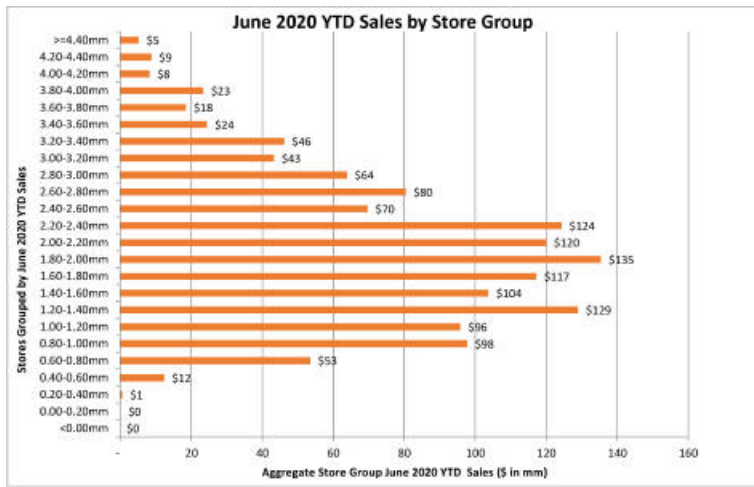


of Stores
320
74
80
71
95
92
89
19
4
2

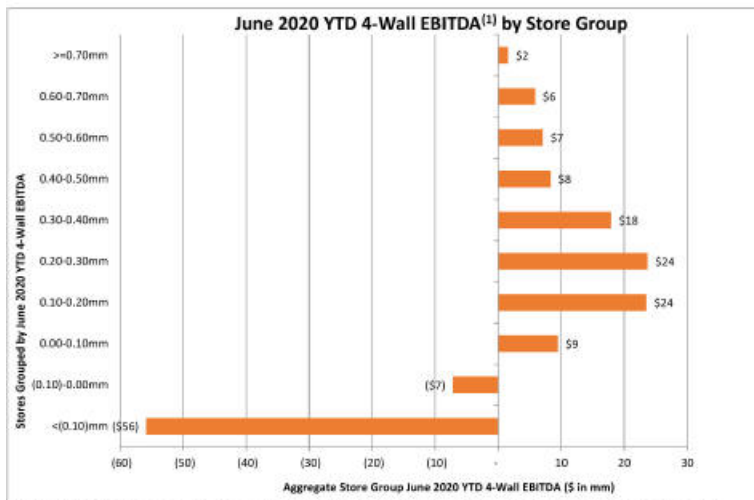
(1) Noncontrollable expenses include expenses relating to marketing, display, maintenance and repairs, among others.



of Stores
209
80
97
95
93
105
99
65
2
1

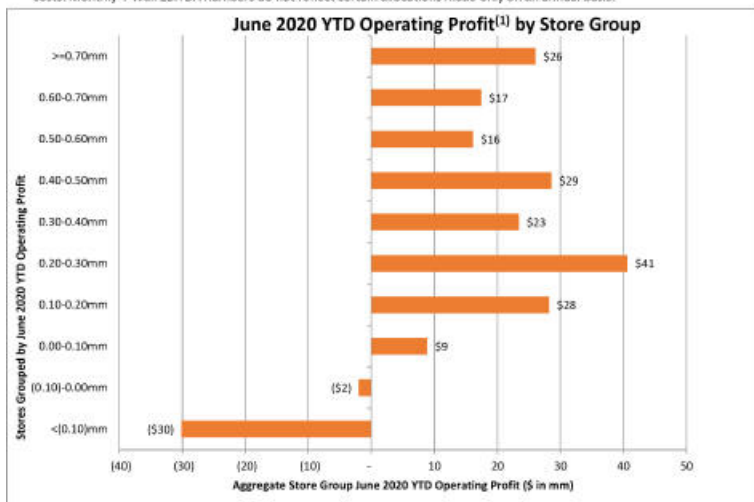


of Stores
1
2
2
6
5
7
14
14
22
30
28
54
57
71
69
69
99
87
108
75
23
2
1
0



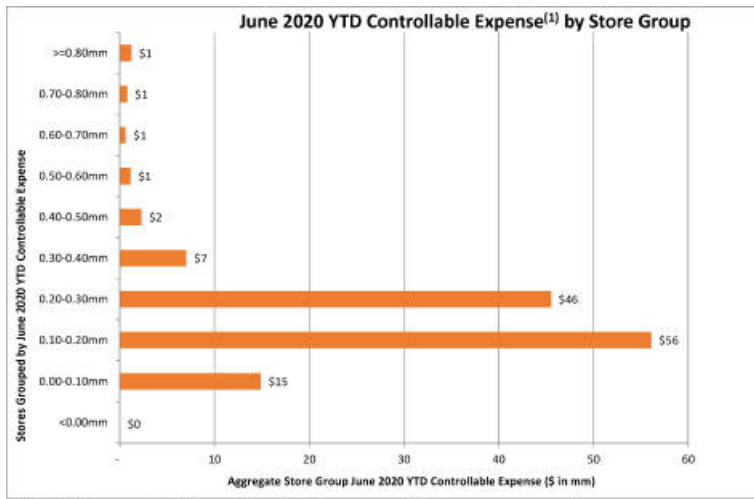
of Stores
2
9
13
19
52
97
162
190
145
157

(1) 4-Wall EBITDA is an internal store performance metric, which excludes most corporate overhead and other fixed allocated costs. Monthly 4-Wall EBITDA numbers do not reflect certain allocations made only on an annual basis.



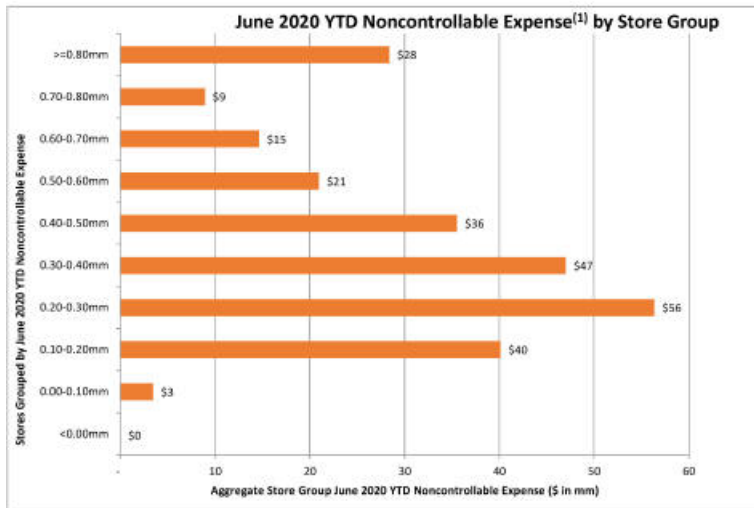
of Stores
31
27
30
64
69
164
190
147
46
78

(1) Operating Profit is an internal store performance metric, which excludes most corporate overhead and other fixed allocated costs.



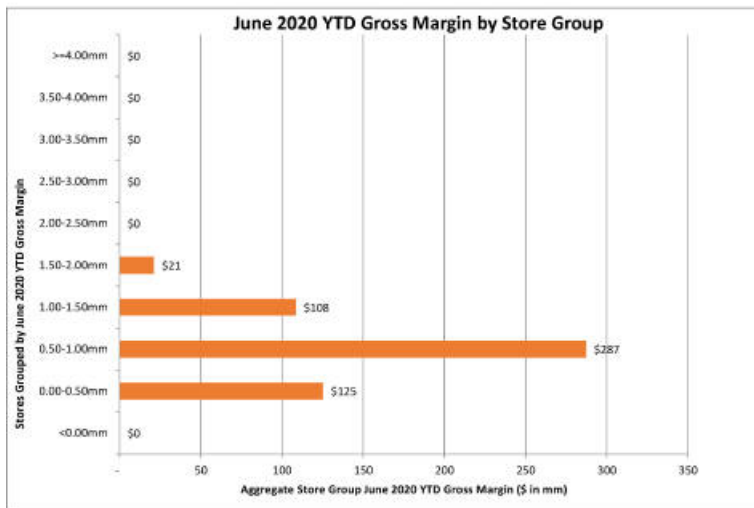
of Stores
1
1
1
2
5
21
192
379
244
0

(1) Controllable expenses include store salaries, facilities expenses and utilities expenses, among others.

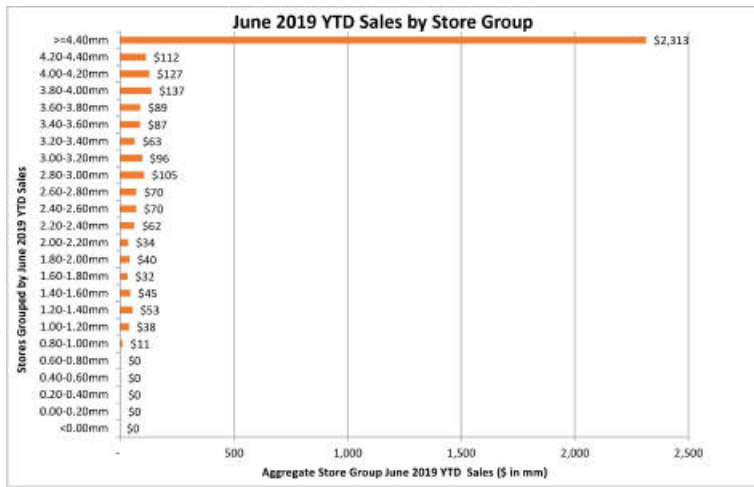


of Stores
20
12
23
39
80
136
228
266
42
0

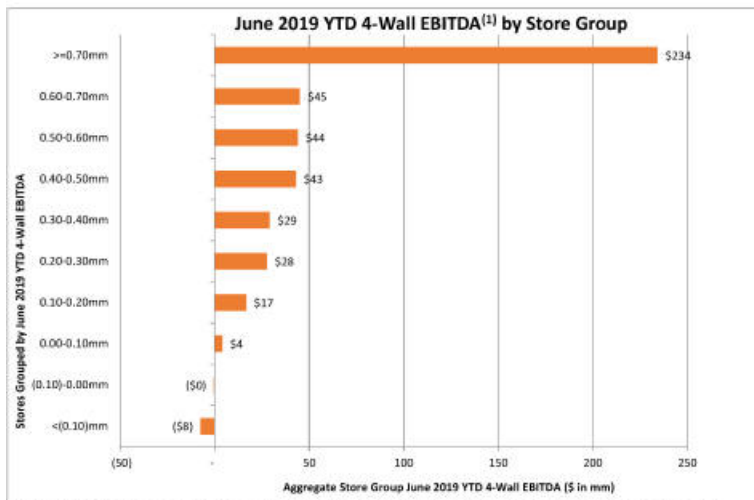
(1) Noncontrollable expenses include expenses relating to marketing, display, maintenance and repairs, among others.



of Stores
--
--
--
--
0
13
93
405
335
0

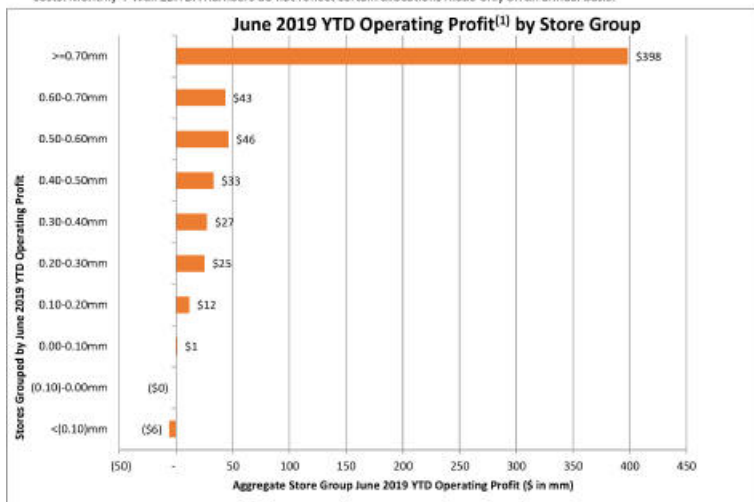


of Stores
363
26
31
35
24
25
19
31
36
26
28
27
16
21
19
30
41
34
12
0
0
0
2
0



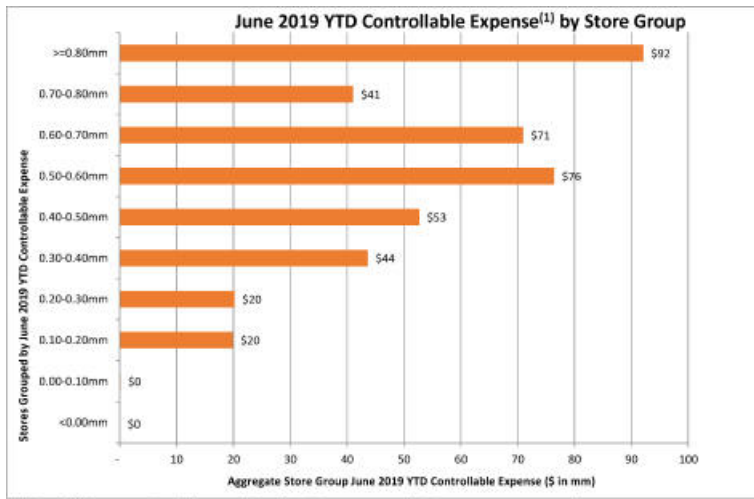
of Stores
219
69
80
96
84
112
109
57
11
9

(1) 4-Wall EBITDA is an internal store performance metric, which excludes most corporate overhead and other fixed allocated costs. Monthly 4-Wall EBITDA numbers do not reflect certain allocations made only on an annual basis.



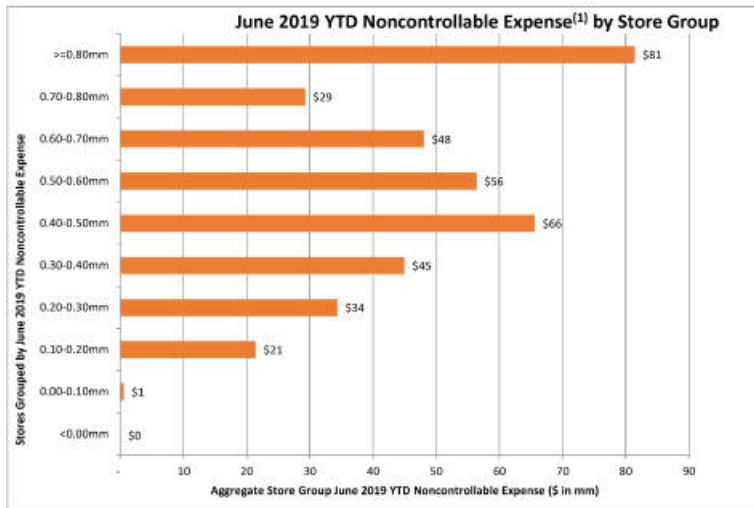
of Stores
345
67
84
73
78
100
76
12
6
5

(1) Operating Profit is an internal store performance metric, which excludes most corporate overhead and other fixed allocated costs.



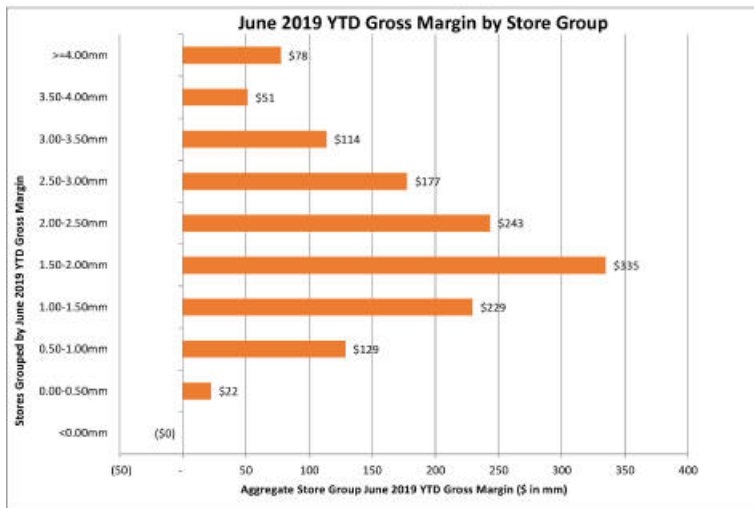
of Stores
92
55
110
140
117
125
81
125
2
0

(1) Controllable expenses include store salaries, facilities expenses and utilities expenses, among others.



of Stores
70
39
74
103
147
128
138
140
7
0

(1) Noncontrollable expenses include expenses relating to marketing, display, maintenance and repairs, among others.



of Stores
15
14
36
65
111
191
184
176
53
1