
**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**

**August 21, 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
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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.

Item 2.02. Results of Operations and Financial Condition.

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 August 1, 2020 (the “July 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 July 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 July 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 July 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 2.02 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 [July 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: August 21, 2020

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

<i>(In millions)</i>	Month Ended		Six Months Ended	
	August 1, 2020	August 3, 2019	August 1, 2020	August 3, 2019
Total net sales	\$ 542	\$ 769	\$ 2,472	\$ 4,948
Credit income and other	22	40	183	226
Total revenues	564	809	2,655	5,174
Costs and expenses/(income):				
Cost of goods sold (exclusive of depreciation and amortization shown separately below)	417	470	1,730	3,215
Selling, general and administrative (SG&A)	177	283	1,025	1,726
Depreciation and amortization	42	41	269	284
Real estate and other, net	(2)	(1)	(7)	(2)
Restructuring and management transition	52	5	217	27
Total costs and expenses	686	798	3,234	5,250
Operating income/(loss)	(122)	11	(579)	(76)
Other components of net periodic pension cost/(income)	93	(4)	54	(26)
Gain on extinguishment of debt	—	—	—	(1)
Net interest expense	22	25	144	147
Loss due to discontinuance of hedge accounting	—	—	77	—
Reorganization items, net	37	—	126	—
Income/(loss) before income taxes	(274)	(10)	(980)	(196)
Income tax expense/(benefit)	(8)	2	(67)	6
Net income/(loss)	\$ (266)	\$ (12)	\$ (913)	\$ (202)

Note: The financial statements presented are internal monthly financial statements 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>	August 1, 2020	August 3, 2019	February 1, 2020
Assets			
Current assets:			
Cash in banks and in transit	\$ 205	\$ 163	\$ 108
Cash short-term investments	826	12	278
Restricted cash	452	—	—
Cash, cash equivalents and restricted cash	1,483	175	386
Merchandise inventory	1,894	2,471	2,166
Prepaid expenses and other	461	275	174
Total current assets	3,838	2,921	2,726
Property and equipment, net	3,205	3,591	3,488
Operating lease assets	800	925	998
Prepaid pension	27	166	120
Other assets	597	657	657
Total assets	\$ 8,467	\$ 8,260	\$ 7,989
Liabilities and stockholders' equity			
Current liabilities:			
Merchandise accounts payable	\$ 240	\$ 878	\$ 786
Other accounts payable and accrued expenses	752	970	931
Current operating lease liabilities	73	84	68
Debtor-in-possession financing	900	—	—
Current portion of long-term debt, net	1,204	197	147
Total current liabilities	3,169	2,129	1,932
Noncurrent operating lease liabilities	927	1,090	1,108
Long-term debt	—	3,589	3,574
Deferred taxes	104	121	116
Other liabilities	251	368	430
Liabilities subject to compromise	4,075	—	—
Total liabilities	8,526	7,297	7,160
Stockholders' (deficit) equity			
Common stock	161	159	160
Additional paid-in capital	4,721	4,719	4,723
Reinvested earnings/(accumulated deficit)	(4,582)	(3,601)	(3,667)
Accumulated other comprehensive income/(loss)	(359)	(314)	(387)
Total stockholders' (deficit) equity	(59)	963	829
Total liabilities and stockholders' (deficit) equity	\$ 8,467	\$ 8,260	\$ 7,989

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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' (Deficit)/ Equity
February 1, 2020	320.5	\$ 160	\$ 4,723	\$ (3,667)	\$ (387)	\$ 829
Net income/(loss)	—	—	—	(647)	—	(647)
Discontinuance of hedge accounting	—	—	—	—	63	63
Other comprehensive income/(loss)	—	—	—	—	2	2
Stock-based compensation and other	1.9	1	(2)	(2)	—	(3)
July 4, 2020	322.4	161	4,721	(4,316)	(322)	244
Net income/(loss)	—	—	—	(266)	—	(266)
Other comprehensive income/(loss)	—	—	—	—	(37)	(37)
August 1, 2020	322.4	\$ 161	\$ 4,721	\$ (4,582)	\$ (359)	\$ (59)

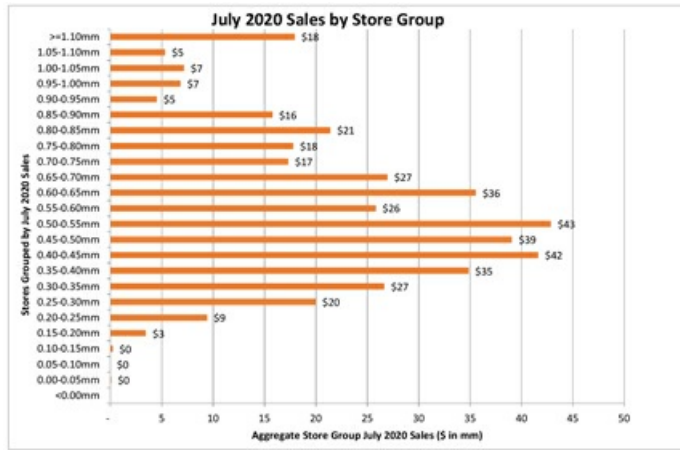
<i>(In millions)</i>	Number of Common Shares	Common Stock	Additional Paid-in Capital	Reinvested Earnings/(Accumulated Deficit)	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity
February 2, 2019	316.1	\$ 158	\$ 4,713	\$ (3,373)	\$ (328)	\$ 1,170
ASC 842 (Leases) and ASU 2018-02 (Stranded Taxes) adoption	—	—	—	(26)	53	27
Net income/(loss)	—	—	—	(190)	—	(190)
Other comprehensive income/(loss)	—	—	—	—	(11)	(11)
Stock-based compensation and other	1.5	1	7	(1)	—	7
July 6, 2019	317.6	159	4,720	(3,590)	(286)	1,003
Net income/(loss)	—	—	—	(12)	—	(12)
Other comprehensive income/(loss)	—	—	—	—	(28)	(28)
Stock-based compensation and other	0.1	—	(1)	1	—	—
August 3, 2019	317.7	\$ 159	\$ 4,719	\$ (3,601)	\$ (314)	\$ 963

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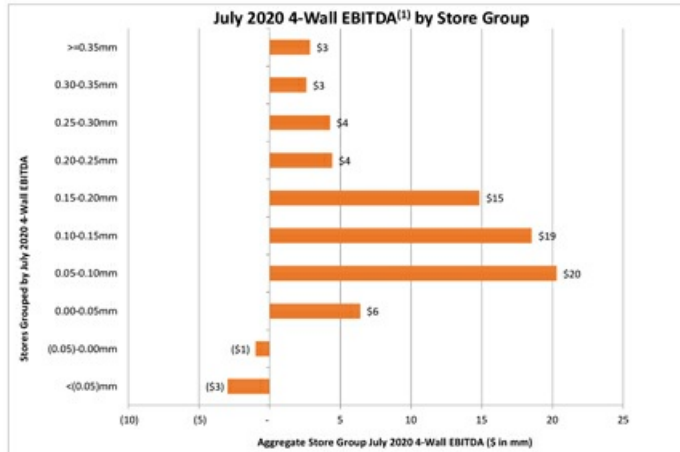
J. C. PENNEY COMPANY, INC.
(Debtor-in-Possession)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<i>(In millions)</i>	Month Ended		Six Months Ended	
	August 1, 2020	August 3, 2019	August 1, 2020	August 3, 2019
Cash flows from operating activities:				
Net income/(loss)	\$ (266)	\$ (12)	\$ (913)	\$ (202)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:				
Restructuring and management transition	13	2	152	17
Reorganization items, net	(15)	—	(15)	—
Net (gain)/loss on sale of non-operating assets	—	—	—	(1)
Net (gain)/loss on sale of operating assets	—	—	—	3
Discontinuance of hedge accounting	—	—	77	—
(Gain)/loss on extinguishment of debt	—	—	—	(1)
Depreciation and amortization	42	41	269	284
Benefit plans	95	(2)	63	(29)
Stock-based compensation	1	1	(2)	6
Deferred taxes	—	2	(60)	—
Change in cash from:				
Inventory	122	(138)	272	(34)
Prepaid expenses and other assets	20	45	(283)	(82)
Merchandise accounts payable	(10)	134	(43)	31
Income taxes	—	—	(1)	—
Accrued expenses and other	(4)	77	30	9
Net cash provided by/(used in) operating activities	<u>(2)</u>	<u>150</u>	<u>(454)</u>	<u>1</u>
Cash flows from investing activities:				
Capital expenditures	(4)	(24)	(43)	(146)
Proceeds from sale of non-operating assets	—	—	—	1
Proceeds from sale of operating assets	1	—	1	12
Net cash provided by/(used in) investing activities	<u>(3)</u>	<u>(24)</u>	<u>(42)</u>	<u>(133)</u>
Cash flows from financing activities:				
Proceeds from debtor-in-possession financing	225	—	450	—
Proceeds from borrowings under the credit facility	—	49	1,984	946
Payments of borrowings under the credit facility	—	(174)	(771)	(946)
Payments of finance leases and note payable	—	—	(1)	(1)
Payments of long-term debt	—	—	(19)	(26)
Debtor-in-possession financing costs	—	—	(50)	—
Proceeds from stock issued under stock plans	—	—	—	1
Net cash provided by/(used in) financing activities	<u>225</u>	<u>(125)</u>	<u>1,593</u>	<u>(26)</u>
Net increase/(decrease) in cash, cash equivalents and restricted cash	220	1	1,097	(158)
Cash and cash equivalents at beginning of period	<u>1,263</u>	<u>174</u>	<u>386</u>	<u>333</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,483</u>	<u>\$ 175</u>	<u>\$ 1,483</u>	<u>\$ 175</u>

Note: The financial statements presented are internal monthly financial statements 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
13
5
7
7
5
18
26
23
24
40
57
45
82
82
98
93
82
72
41
19
2
0
4
1



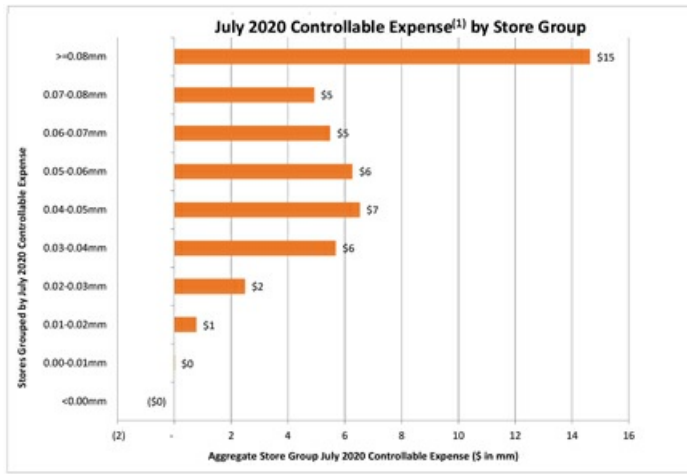
of Stores
7
8
16
20
86
151
276
217
52
13

(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.



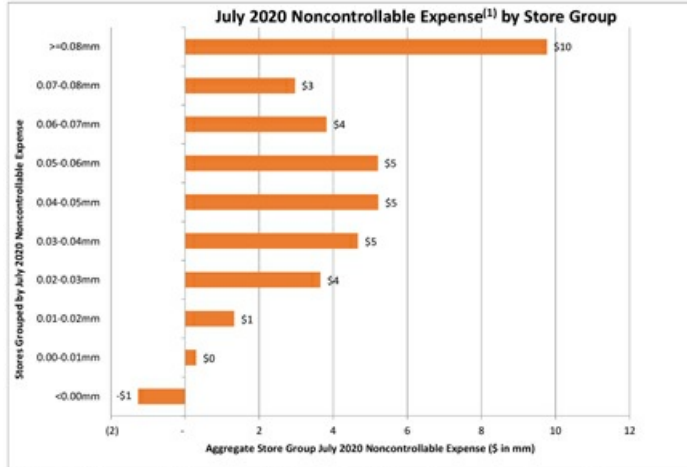
of Stores
13
12
13
56
112
202
268
135
24
11

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



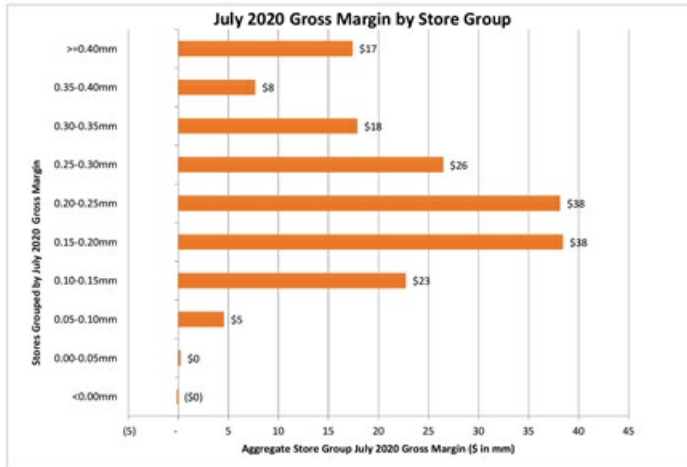
of Stores
119
66
85
114
145
161
101
50
4
1

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

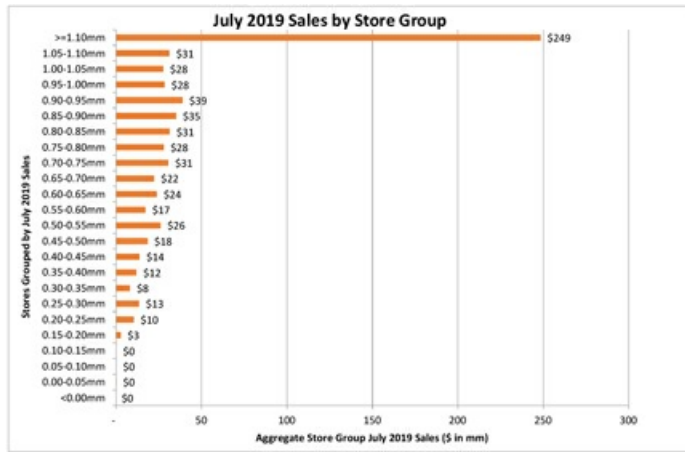


of Stores
89
40
59
95
115
132
146
82
54
34

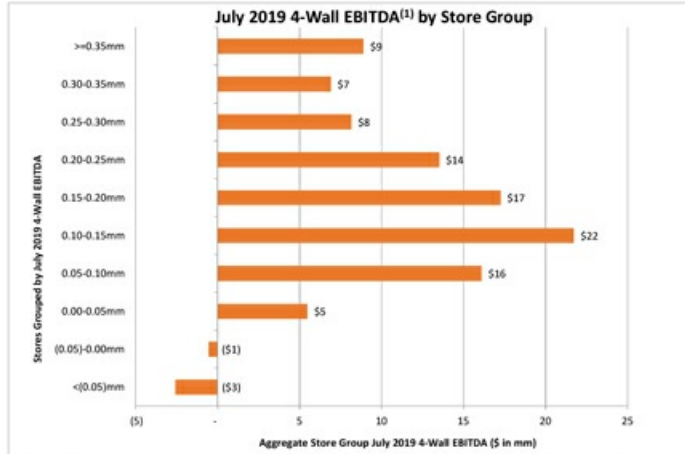
(1) Noncontrollable expenses include expenses relating to marketing, display, maintenance and repairs, among others.



of Stores
34
21
56
98
171
220
179
54
7
6



of Stores
171
29
27
29
42
40
38
36
42
33
38
30
50
39
32
32
25
49
46
15
0
0
3
0



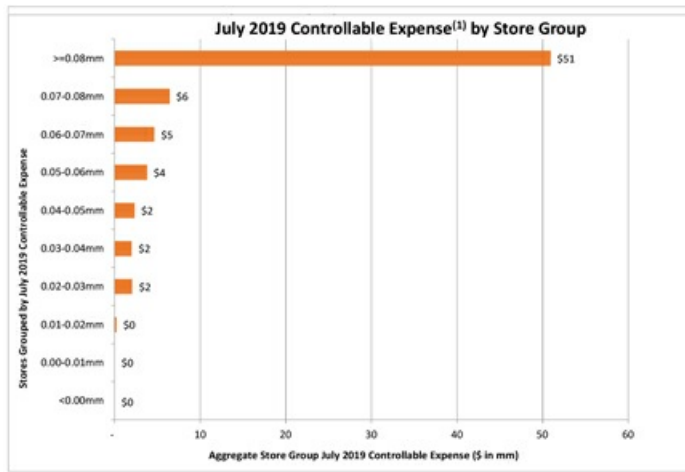
of Stores
22
22
30
60
100
177
221
175
28
11

(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.



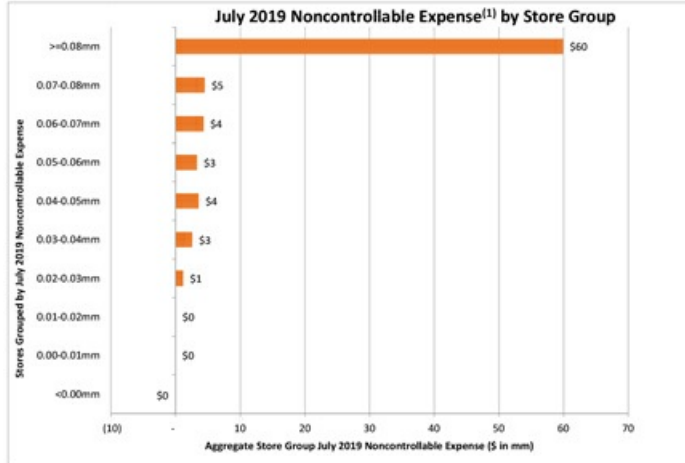
of Stores
52
36
49
86
134
170
193
109
9
8

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



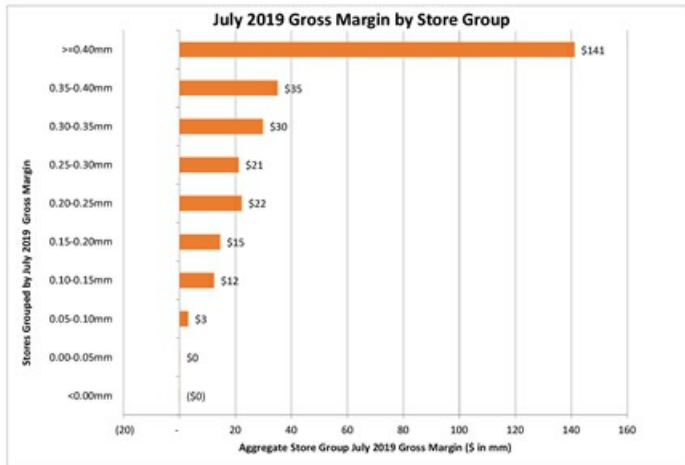
of Stores
417
86
71
69
52
58
81
12
0
0

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



of Stores
456
60
67
60
79
75
45
2
1
1

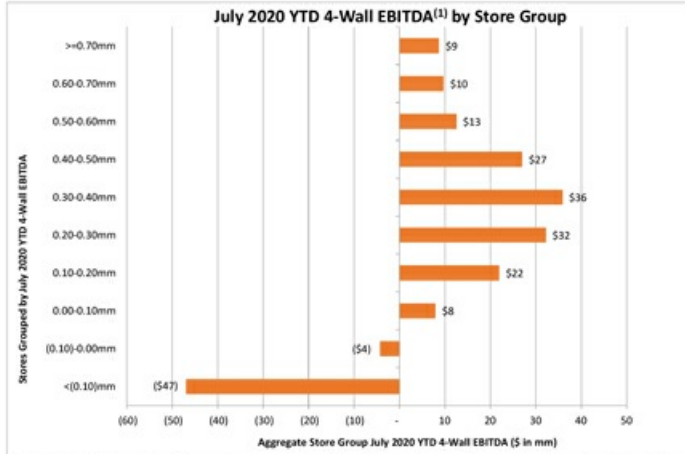
(1) Noncontrollable expenses include expenses relating to marketing, display, maintenance and repairs, among others.



of Stores
254
94
92
77
99
83
103
37
5
2

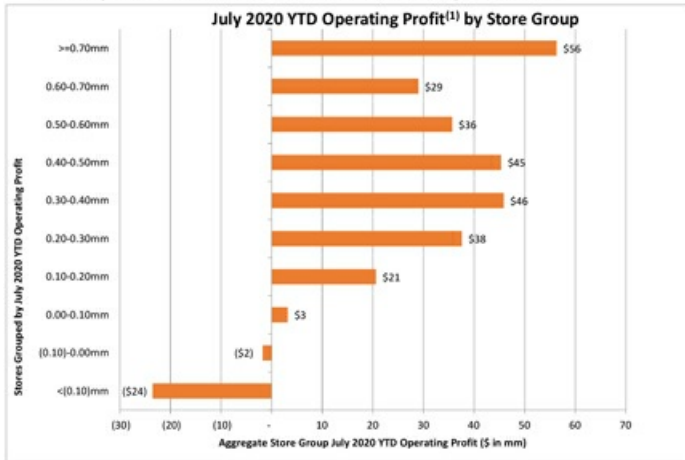


of Stores
16
8
12
14
16
22
28
36
42
46
57
56
55
58
80
83
80
77
44
13
2
0
1
0



of Stores
11
15
23
61
104
130
147
142
92
121

(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.



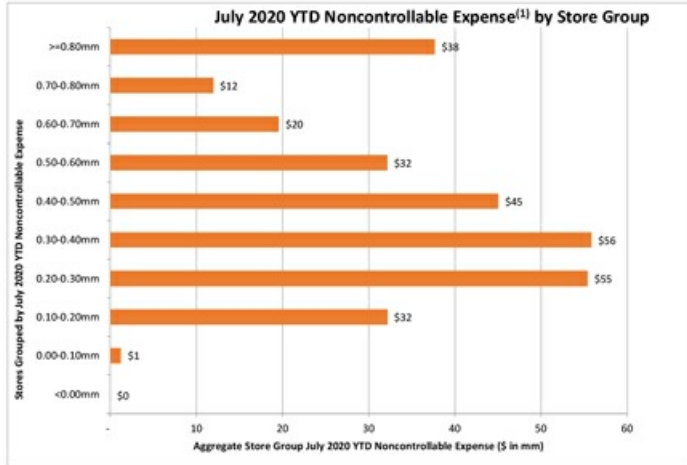
of Stores
64
45
65
103
130
151
137
62
40
49

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



of Stores
4
2
--
7
16
111
260
296
150
0

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

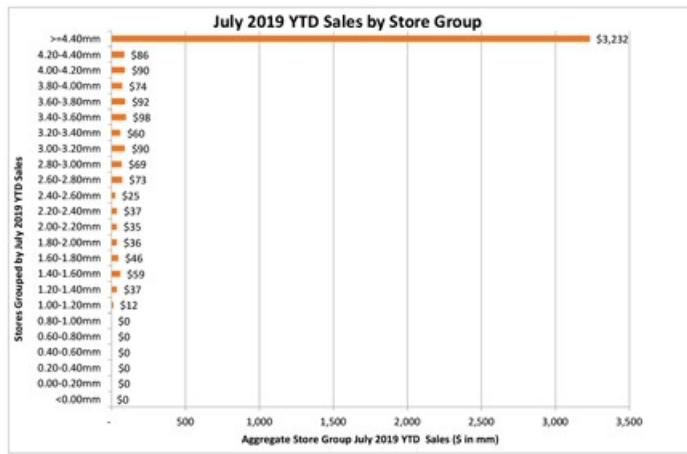


of Stores
29
16
30
59
101
162
223
210
16
0

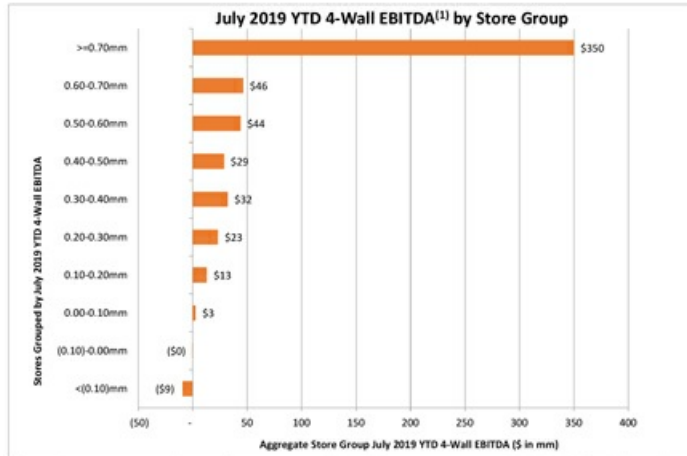
(1) Noncontrollable expenses include expenses relating to marketing, display, maintenance and repairs, among others.



of Stores
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4
46
193
479
124
0

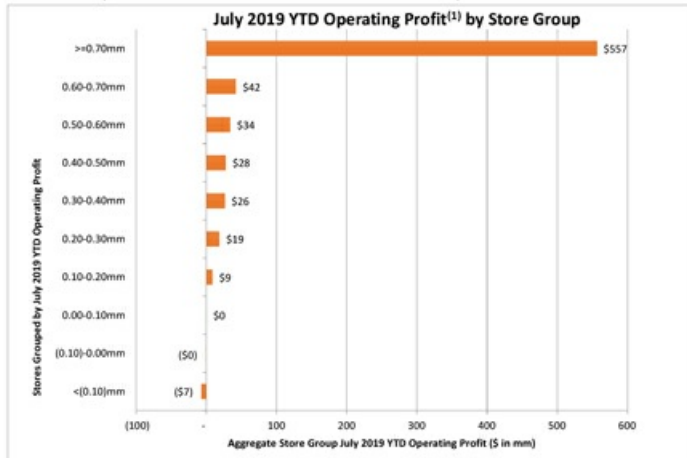


of Stores
465
20
22
19
25
28
18
29
24
27
10
16
17
19
27
39
28
11
0
0
0
1
1
0



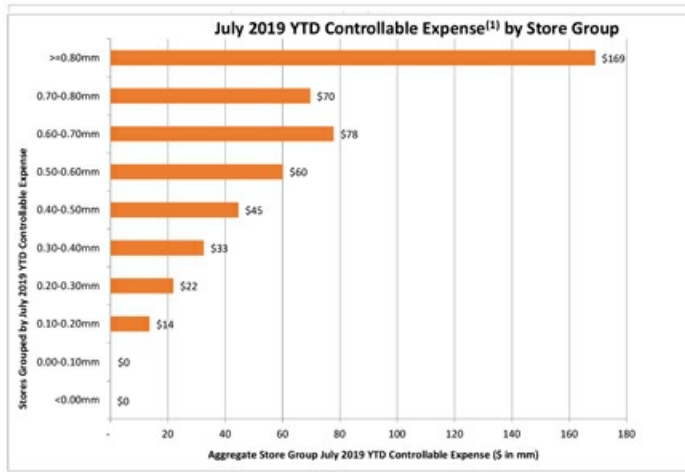
of Stores
303
71
80
64
93
94
82
37
12
10

(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.

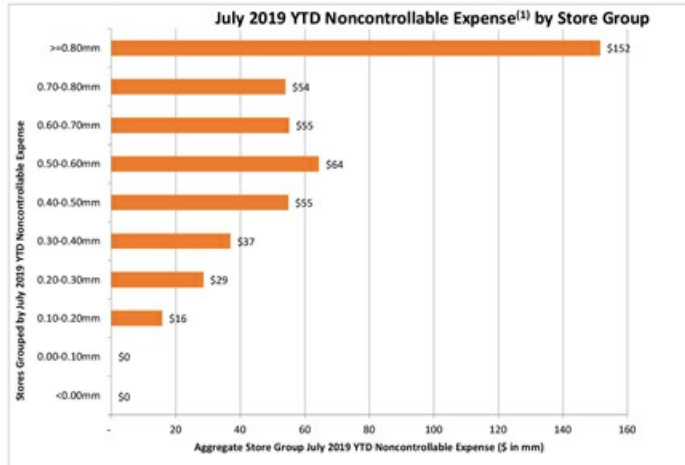


of Stores
438
66
62
61
76
73
56
5
3
6

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



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



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

