
**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**

September 25, 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 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 September 5, 2020 (the “August 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 August 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 August 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 August 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 [August 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: September 25, 2020

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

<i>(In millions)</i>	Month Ended		Seven Months Ended	
	September 5, 2020	September 7, 2019	September 5, 2020	September 7, 2019
Total net sales	\$ 668	\$ 968	\$ 3,140	\$ 5,916
Credit income and other	26	42	209	268
Total revenues	694	1,010	3,349	6,184
Costs and expenses/(income):				
Cost of goods sold (exclusive of depreciation and amortization shown separately below)	459	678	2,191	3,893
Selling, general and administrative (SG&A)	201	330	1,243	2,056
Depreciation and amortization	77	48	373	332
Real estate and other, net	(1)	(1)	(8)	(3)
Restructuring and management transition	2	5	224	32
Total costs and expenses	738	1,060	4,023	6,310
Operating income/(loss)	(44)	(50)	(674)	(126)
Other components of net periodic pension cost/(income)	(9)	(5)	45	(31)
(Gain) / loss on extinguishment of debt	—	—	—	(1)
Net interest expense	38	27	180	174
Loss due to discontinuance of hedge accounting	—	—	77	—
Reorganization items, net	38	—	146	—
Income/(loss) before income taxes	(111)	(72)	(1,122)	(268)
Income tax expense/(benefit)	1	1	(66)	7
Net income/(loss)	\$ (112)	\$ (73)	\$ (1,056)	\$ (275)

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>	September 5, 2020	September 7, 2019	February 1, 2020
Assets			
Current assets:			
Cash in banks and in transit	\$ 219	\$ 144	\$ 108
Cash short-term investments	663	8	278
Restricted cash	529	—	—
Cash, cash equivalents and restricted cash	1,411	152	386
Merchandise inventory	1,805	2,514	2,166
Prepaid expenses and other	533	304	174
Total current assets	3,749	2,970	2,726
Property and equipment, net	3,108	3,567	3,488
Operating lease assets	786	920	998
Prepaid pension	34	169	120
Other assets	640	661	657
Total assets	\$ 8,317	\$ 8,287	\$ 7,989
Liabilities and stockholders' equity			
Current liabilities:			
Merchandise accounts payable	\$ 189	\$ 1,033	\$ 786
Other accounts payable and accrued expenses	829	924	931
Current operating lease liabilities	—	84	68
Debtor-in-possession financing	900	—	—
Current portion of long-term debt, net	1,256	197	147
Total current liabilities	3,174	2,238	1,932
Noncurrent operating lease liabilities	—	1,083	1,108
Long-term debt	—	3,591	3,574
Deferred taxes	40	122	116
Other liabilities	251	362	430
Total liabilities not subject to compromise	3,465	7,396	7,160
Liabilities subject to compromise	5,053	—	—
Stockholders' (deficit) equity			
Common stock	161	159	160
Additional paid-in capital	4,721	4,721	4,723
Reinvested earnings/(accumulated deficit)	(4,725)	(3,675)	(3,667)
Accumulated other comprehensive income/(loss)	(358)	(314)	(387)
Total stockholders' (deficit) equity	(201)	891	829
Total liabilities and stockholders' (deficit) equity	\$ 8,317	\$ 8,287	\$ 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)	—	—	—	(944)	—	(944)
Discontinuance of hedge accounting	—	—	—	—	64	64
Other comprehensive income/(loss)	—	—	—	—	(35)	(35)
Stock-based compensation and other	1.9	1	(2)	(2)	—	(3)
August 1, 2020	322.4	161	4,721	(4,613)	(358)	(89)
Net income/(loss)	—	—	—	(112)	—	(112)
Stock-based compensation and other	0.3	—	—	—	—	—
September 5, 2020	322.7	\$ 161	\$ 4,721	\$ (4,725)	\$ (358)	\$ (201)

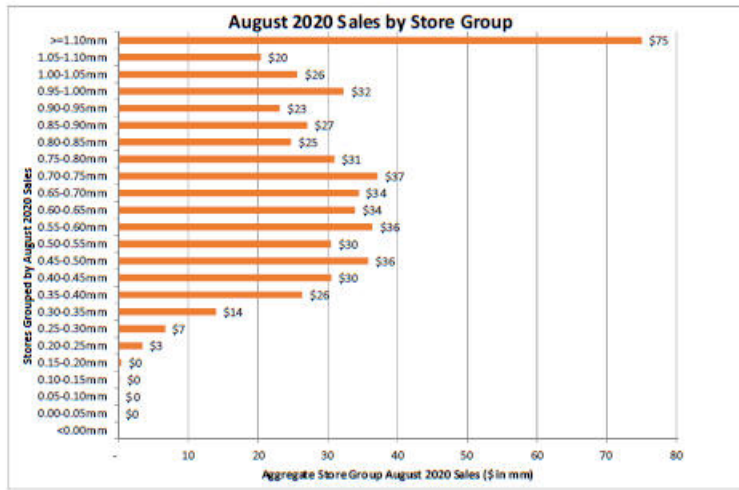
<i>(In millions)</i>	Number of Common Shares	Common Stock	Additional Paid-in Capital	Reinvested Earnings/(Accumulated Deficit)	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity
February 2, 2019	316.1	\$ 158	\$ 4,713	\$ (3,373)	\$ (328)	\$ 1,170
ASC 842 (Leases) and ASU 2018-02 (Stranded Taxes) adoption	—	—	—	(26)	53	27
Net income/(loss)	—	—	—	(202)	—	(202)
Other comprehensive income/(loss)	—	—	—	—	(39)	(39)
Stock-based compensation and other	1.6	1	6	—	—	7
August 3, 2019	317.7	159	4,719	(3,601)	(314)	963
Net income/(loss)	—	—	—	(73)	—	(73)
Stock-based compensation and other	0.1	—	2	(1)	—	1
September 7, 2019	317.8	\$ 159	\$ 4,721	\$ (3,675)	\$ (314)	\$ 891

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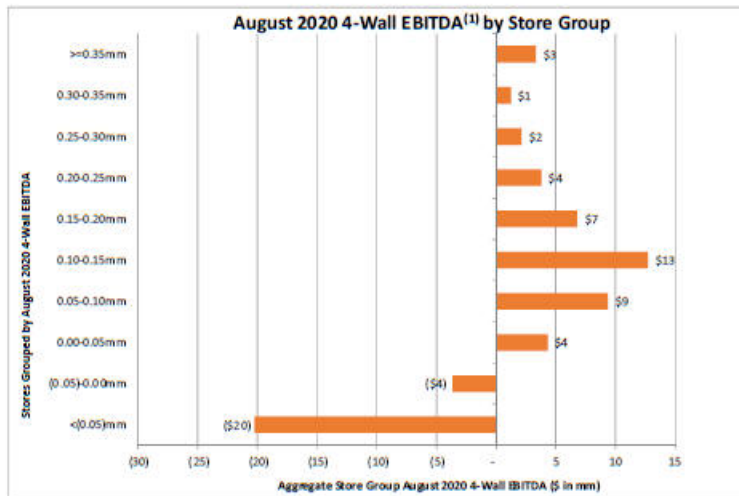
J. C. PENNEY COMPANY, INC.
(Debtor-in-Possession)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<i>(In millions)</i>	Month Ended		Seven Months Ended	
	September 5, 2020	September 7, 2019	September 5, 2020	September 7, 2019
Cash flows from operating activities:				
Net income/(loss)	\$ (112)	\$ (73)	\$ (1,056)	\$ (275)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:				
Restructuring and management transition	—	3	162	20
Reorganization items, net	—	—	17	—
Net (gain)/loss on sale of non-operating assets	—	—	—	(1)
Net (gain)/loss on sale of operating assets	—	(1)	—	2
Discontinuance of hedge accounting	—	—	77	—
(Gain)/loss on extinguishment of debt	—	—	—	(1)
Depreciation and amortization	77	48	373	332
Benefit plans	(7)	(7)	56	(36)
Stock-based compensation	—	2	(2)	8
Deferred taxes	2	—	(67)	—
Change in cash from:				
Inventory	86	(43)	361	(77)
Prepaid expenses and other assets	(71)	(29)	(357)	(111)
Merchandise accounts payable	(54)	155	(101)	186
Income taxes	—	—	—	—
Accrued expenses and other	(41)	(51)	(28)	(42)
Net cash provided by/(used in) operating activities	<u>(120)</u>	<u>4</u>	<u>(565)</u>	<u>5</u>
Cash flows from investing activities:				
Capital expenditures	(6)	(29)	(49)	(175)
Proceeds from sale of non-operating assets	—	—	—	1
Proceeds from sale of operating assets	2	2	3	14
Net cash provided by/(used in) investing activities	<u>(4)</u>	<u>(27)</u>	<u>(46)</u>	<u>(160)</u>
Cash flows from financing activities:				
Proceeds from debtor-in-possession financing	—	—	450	—
Proceeds from borrowings under the credit facility	52	15	2,727	961
Payments of borrowings under the credit facility	—	(15)	(1,471)	(961)
Payments of finance leases and note payable	—	—	(1)	(1)
Payments of long-term debt	—	—	(19)	(26)
Debtor-in-possession financing fees	—	—	(50)	—
Proceeds from stock issued under stock plans	—	—	—	1
Net cash provided by/(used in) financing activities	<u>52</u>	<u>—</u>	<u>1,636</u>	<u>(26)</u>
Net increase/(decrease) in cash, cash equivalents and restricted cash	(72)	(23)	1,025	(181)
Cash, cash equivalents and restricted cash at beginning of period	<u>1,483</u>	<u>175</u>	<u>386</u>	<u>333</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,411</u>	<u>\$ 152</u>	<u>\$ 1,411</u>	<u>\$ 152</u>

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of Stores
56
19
25
33
25
31
30
40
51
51
54
63
58
75
71
70
43
24
15
2
1
1
1
7



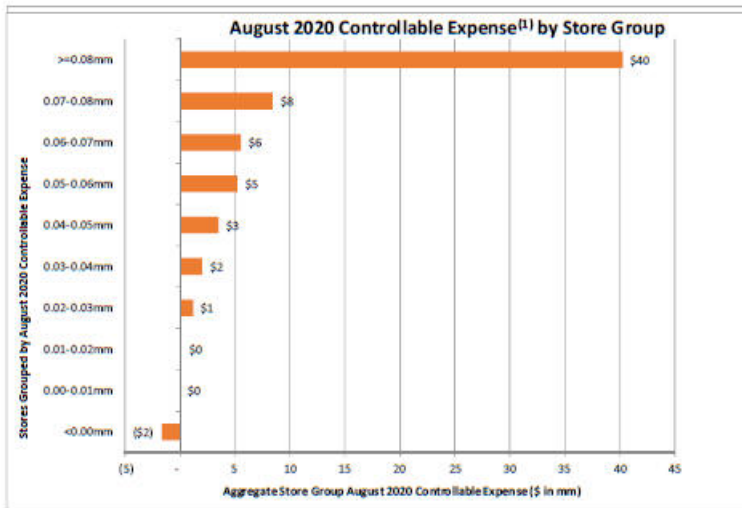
of Stores
4
4
8
17
39
101
130
190
166
187

(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.



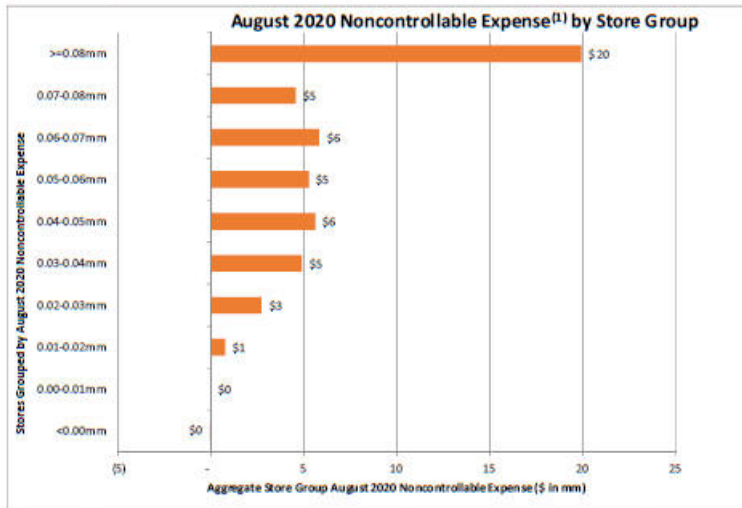
of Stores
4
8
11
25
58
115
164
198
146
117

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



of Stores
362
113
86
95
76
58
45
6
3
2

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

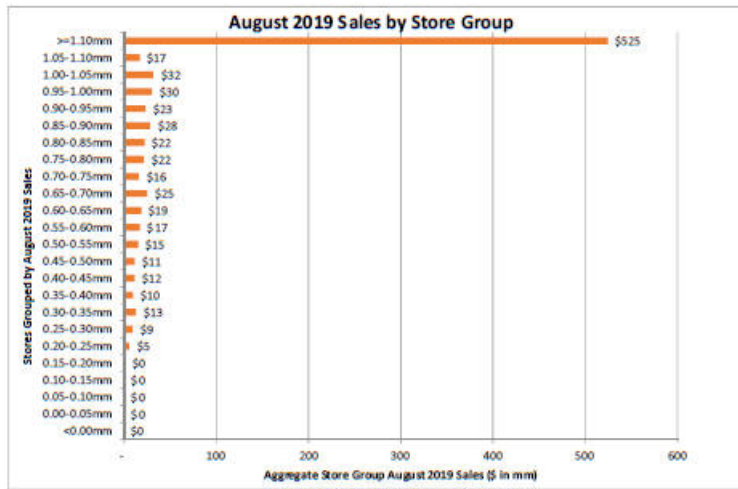


of Stores
171
61
90
97
125
140
105
48
4
5

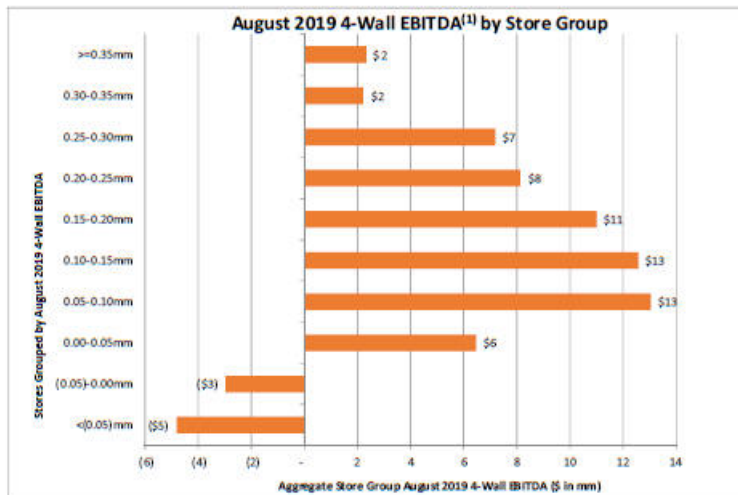
(1) Noncontrollable expenses include expenses relating to marketing, display, maintenance and repairs, among others.



of Stores
32
15
37
68
155
198
168
131
32
10

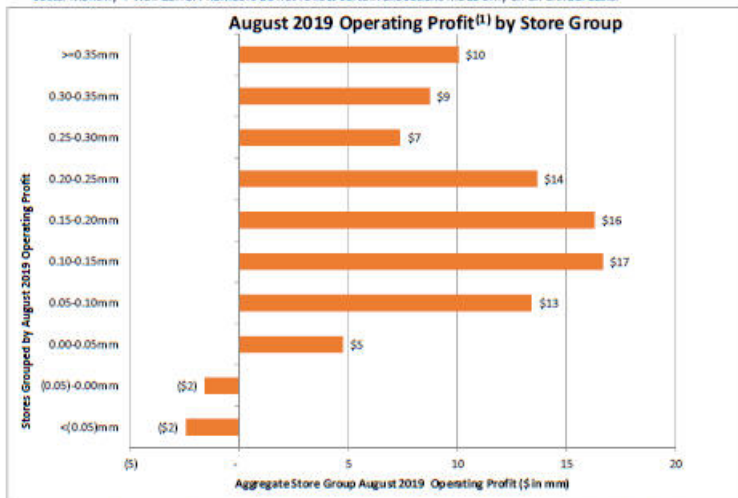


of Stores
332
16
31
31
25
32
27
28
22
37
30
30
29
24
27
26
39
34
22
2
0
1
0
1



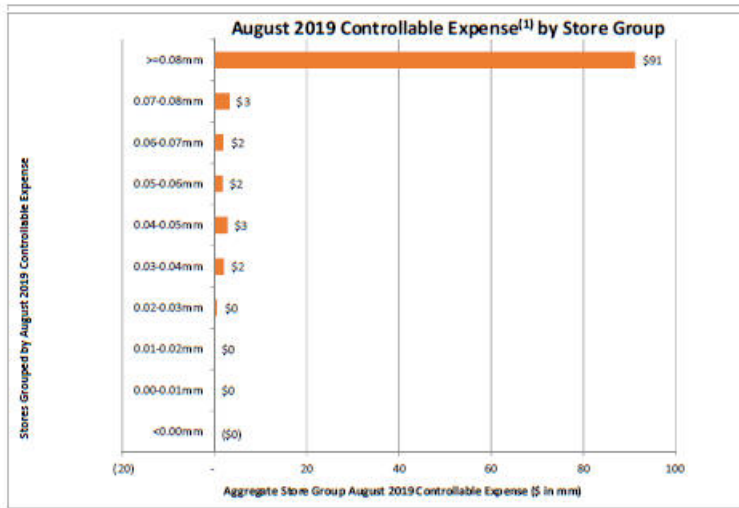
of Stores
5
7
26
37
65
102
175
244
142
43

(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.



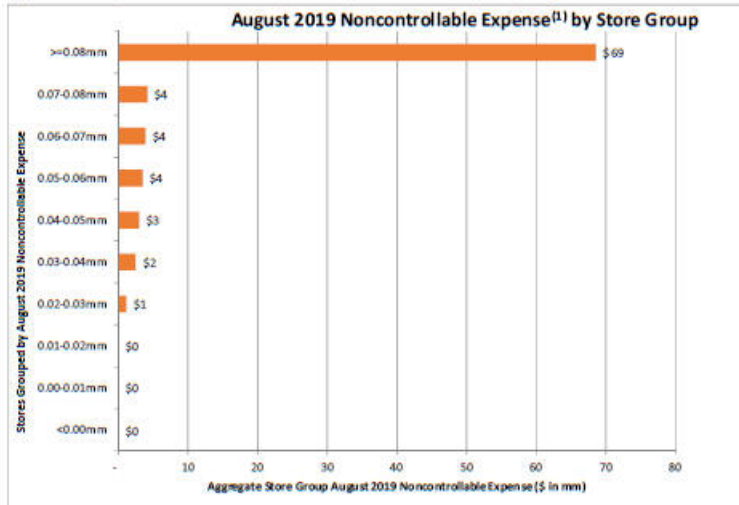
of Stores
24
27
27
61
94
135
183
182
96
17

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



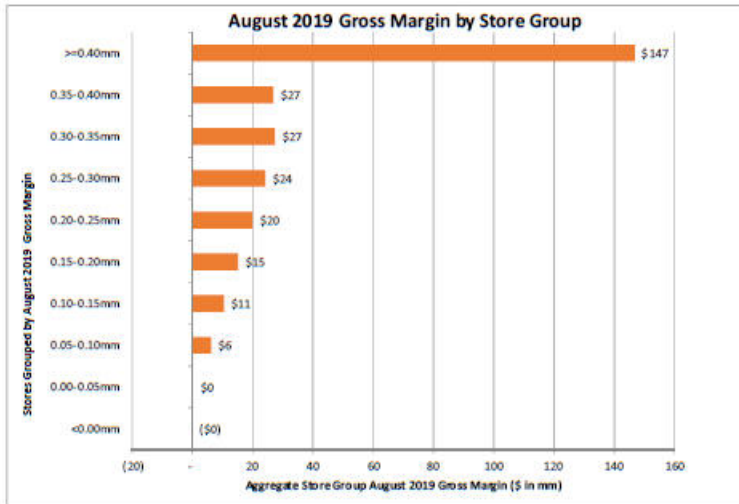
of Stores
602
43
28
32
64
57
18
1
0
1

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

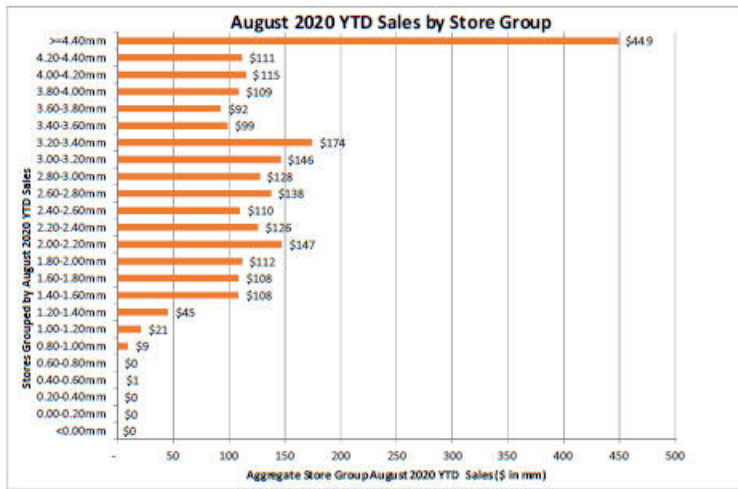


of Stores
483
56
60
64
66
71
43
2
1
0

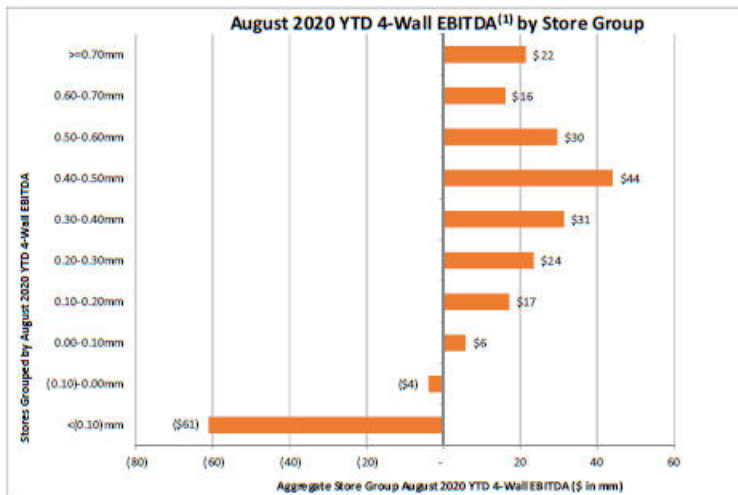
(1) Noncontrollable expenses include expenses relating to marketing, display, maintenance and repairs, among others.



of Stores
257
72
84
88
89
87
85
79
4
1



of Stores
86
26
28
28
25
28
53
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44
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59
64
72
35
19
10
0
0
1
0
1
0



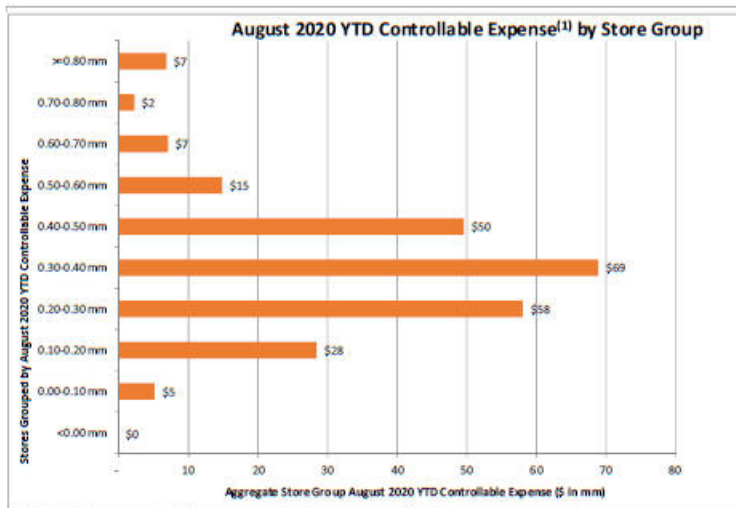
of Stores
26
25
54
98
91
94
116
106
80
156

(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.



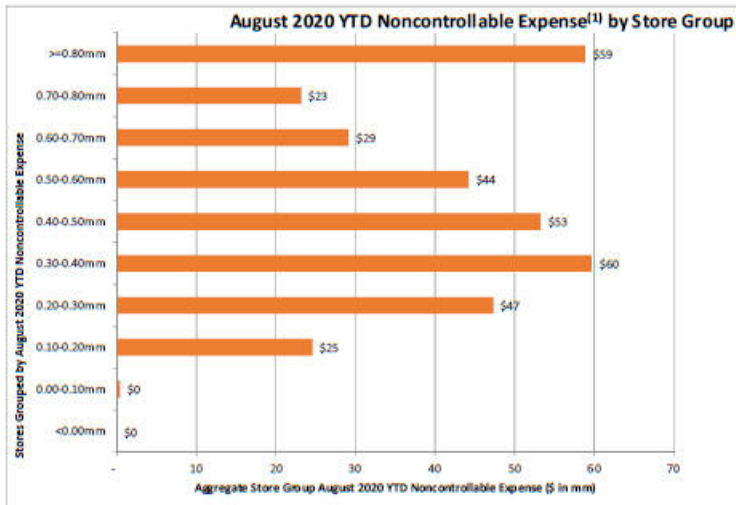
of Stores
115
57
90
112
97
99
102
73
40
61

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



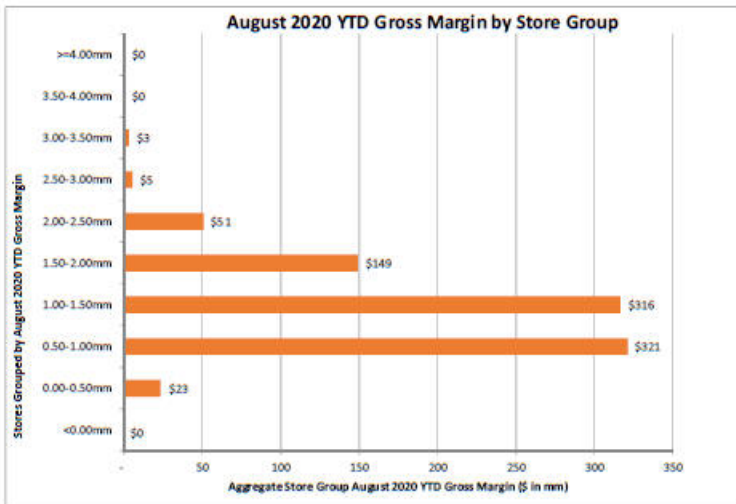
of Stores
6
3
11
28
112
199
236
188
63
0

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

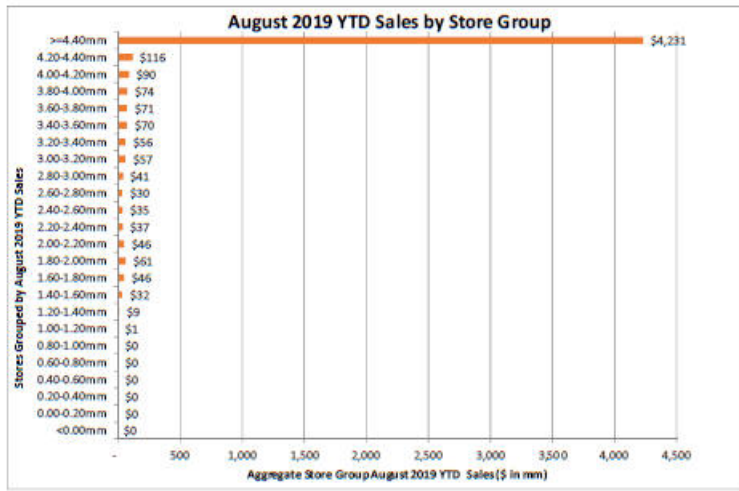


of Stores
47
31
45
81
120
173
191
152
6
0

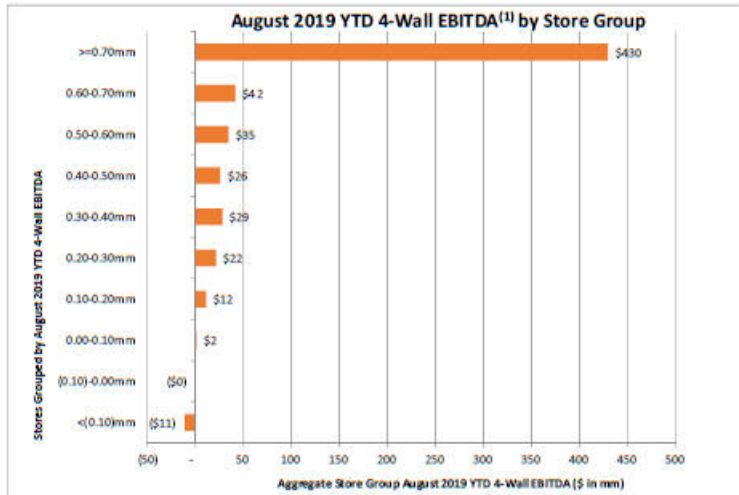
(1) Noncontrollable expenses include expenses relating to marketing, display, maintenance and repairs, among others.



of Stores
--
--
1
2
23
88
261
415
56
0

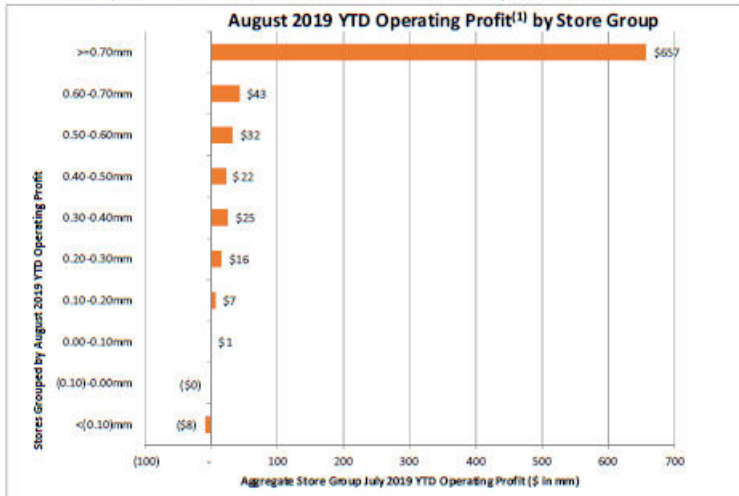


of Stores
537
27
22
19
19
20
17
18
14
11
14
16
22
32
27
21
7
1
0
0
1
1
0
0



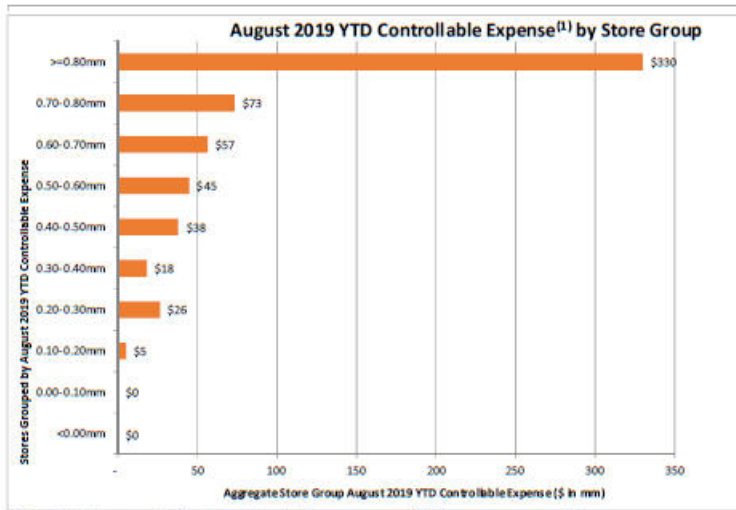
of Stores
355
65
64
58
83
88
79
32
12
10

(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.



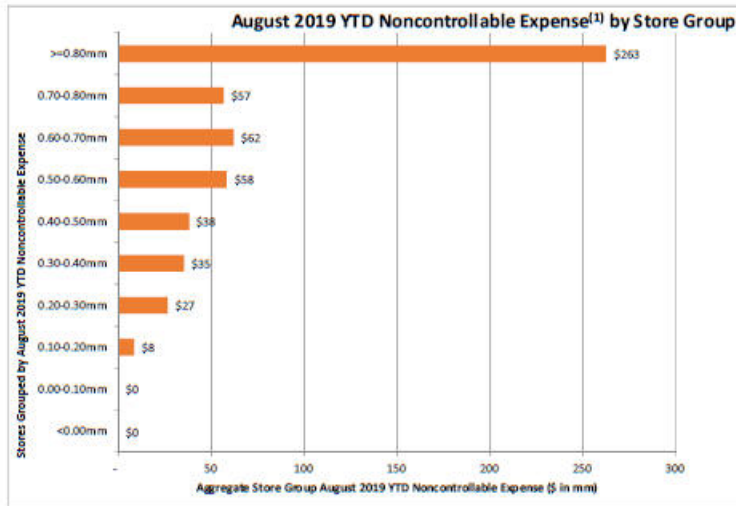
of Stores
476
66
59
51
73
62
43
8
2
6

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



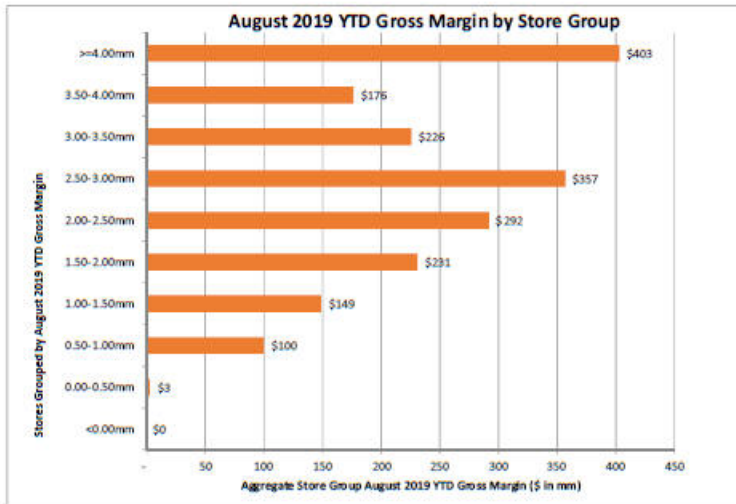
of Stores
303
98
87
82
84
53
109
29
1
0

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



of Stores
226
76
95
105
85
101
108
48
2
0

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



of Stores
80
47
70
130
130
132
117
133
7
0