

JCPenney Reports Holiday Sales and Reaffirms Fiscal Year 2019 Guidance

PLANO, Texas, Jan. 09, 2020 (GLOBE NEWSWIRE) -- J. C. Penney Company, Inc. (NYSE: JCP) announced today that its comparable store sales for the combined nine-week period ending Jan. 4, 2020 decreased 7.5 %. Adjusted comparable store sales, which exclude the impact of the Company's exit from major appliance and in-store furniture categories, decreased 5.3 %.

The Company also reaffirmed its financial guidance for full year fiscal 2019 as follows:

- Comparable store sales: expected to be in a range of (7.0) % to (8.0) %;
- Adjusted comparable store sales, which excludes the impact of the Company's exit from major appliances and in-store furniture categories¹: expected to be in a range of (5.0) % to (6.0) %;
- Cost of goods sold, as a percent of net sales, expected to decrease 150 to 200 basis points compared to last year;
- Adjusted EBITDA¹ expected to exceed \$475 million; and
- Free Cash Flow¹: expected to be positive.

¹ A reconciliation of non-GAAP forward-looking projections to GAAP financial measures is not available as the nature or amount of potential adjustments, which may be significant, cannot be determined now.

The Company will report its fourth quarter and fiscal 2019 results on Feb. 27, 2020.

Investors and others should note that the Company currently announces material information using SEC filings, press releases, public conference calls and webcasts. In the future, the Company will continue to use these channels to distribute material information about the Company and may also utilize its website and/or various social media to communicate important information about the Company, key personnel, new brands and services, trends, new marketing campaigns, corporate initiatives and other matters. Information that the Company posts on its website or on social media channels could be deemed material; therefore, the Company encourage investors, the media, its customers, business partners and others interested in the Company to review the information the Company posts on its website as well as the following social media channels:

Facebook (<https://www.facebook.com/jcp>) and Twitter (<https://twitter.com/jcpnews>).

Any updates to the list of social media channels the Company may use to communicate material information will be posted on the Investor Relations page of the Company's website at www.jcpenney.com.

Media Relations

(972) 431-3400 or jcpnews@jcp.com; Follow us [@jcpnews](https://twitter.com/jcpnews)

Investor Relations

(972) 431-5500 or jcpinvestorrelations@jcp.com

About JCPenney

J. C. Penney Company, Inc. (NYSE: JCP), one of the nation's largest apparel and home retailers, combines an expansive footprint of approximately 850 stores across the United States and Puerto Rico with a powerful e-commerce site, jcp.com, to deliver style and value for all hard-working American families. At every touchpoint, customers will discover stylish merchandise at incredible value from an extensive portfolio of private, exclusive and national brands. Reinforcing this shopping experience is the customer service and warrior spirit of approximately 95,000 associates across the globe, all driving toward the Company's mission to help customers find what they love for less time, money and effort. For additional information, please visit the [website](http://www.jcp.com).

Forward-Looking Statements

This release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expect" and similar expressions identify forward-looking statements, which include, but are not limited to, statements regarding sales, cost of goods sold, selling, general and administrative expenses, earnings, cash flows and liquidity. Forward-looking statements are based only on the Company's current assumptions and views of future events and financial performance. They are subject to known and unknown risks and uncertainties, many of which are outside of the Company's control that may cause the Company's actual results to be materially different from planned or expected results. Those risks and uncertainties include, but are not limited

to, general economic conditions, including inflation, recession, unemployment levels, consumer confidence and spending patterns, credit availability and debt levels, changes in store traffic trends, the cost of goods, more stringent or costly payment terms and/or the decision by a significant number of vendors not to sell us merchandise on a timely basis or at all, trade restrictions, the ability to monetize non-core assets on acceptable terms, the ability to implement our strategic plan including our omnichannel initiatives, customer acceptance of our strategies, our ability to attract, motivate and retain key executives and other associates, the impact of cost reduction initiatives, our ability to generate or maintain liquidity, implementation of new systems and platforms, changes in tariff, freight and shipping rates, changes in the cost of fuel and other energy and transportation costs, disruptions and congestion at ports through which we import goods, increases in wage and benefit costs, competition and retail industry consolidations, interest rate fluctuations, dollar and other currency valuations, the impact of weather conditions, risks associated with war, an act of terrorism or pandemic, the ability of the federal government to fund and conduct its operations, a systems failure and/or security breach that results in the theft, transfer or unauthorized disclosure of customer, employee or Company information, legal and regulatory proceedings, the Company's ability to access the debt or equity markets on favorable terms or at all, and the Company's ability to comply with the continued listing criteria of the NYSE, and risks arising from the potential suspension of trading of the Company's common stock on that exchange. There can be no assurances that the Company will achieve expected results, and actual results may be materially less than expectations. Please refer to the Company's most recent Form 10-Q for a further discussion of risks and uncertainties. Investors should take such risks into account and should not rely on forward-looking statements when making investment decisions. Any forward-looking statement made by the Company in this press release is based only on information currently available to the Company and speaks only as of the date on which it is made. The Company does not undertake to update these forward-looking statements as of any future date.

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Reconciliation of Non-GAAP Financial Measures
(Unaudited)
(Amounts in millions)

Comparable store sales is a key performance indicator used by numerous retailers to measure the sales growth of its underlying operations. Comparable store sales is considered to be a GAAP measure as the key performance indicator is measured based on GAAP net sales. Comparable store sales that excludes the impact of major appliance and in-store furniture categories is considered a non-GAAP measure. Given our elimination of these categories from our merchandise assortment, we believe that providing a comparable store sales metric that excludes the impact of major appliance and in-store furniture categories is useful for investors to evaluate the impact of these changes to our sales performance.

ADJUSTED COMPARABLE STORE SALES INCREASE/(DECREASE), NON-GAAP FINANCIAL MEASURE:

The following table reconciles comparable store sales increase/(decrease), the most directly comparable GAAP measure, to adjusted comparable store sales increase/(decrease), a non-GAAP measure.

	Nine Weeks Ended	
	January 4, 2020	January 5, 2019
Comparable store sales increase/(decrease)	(7.5 %)	(5.4 %)
Impact related to major appliance and in-store furniture categories	(2.2 %)	(1.3 %)
<i>Adjusted comparable store sales increase/(decrease) (non-GAAP)</i>	<u>(5.3 %)</u>	<u>(4.1 %)</u>

JCPenney

Source: J.C. Penney Company, Inc. Holding Company