

RECONCILIATION OF SELECTED SEGMENT GAAP MEASURES TO NON-GAAP MEASURES

(unaudited)

(\$ in millions)

	Quarter Ended		Change
	Jun 27, 2021	Jun 28, 2020	
Americas			
Americas operating margin/(loss), as reported (GAAP)	24.4 %	(14.4)%	3,880 bps
Restructuring and impairment costs ⁽¹⁾	0.3	2.0	
Americas non-GAAP operating margin/(loss)	24.7 %	(12.4)%	3,710 bps
International			
International operating margin/(loss), as reported (GAAP)	19.2 %	(9.1)%	2,830 bps
Restructuring and impairment costs ⁽¹⁾	—	0.1	
Integration costs ⁽²⁾	3.3	6.3	
International non-GAAP operating margin/(loss)	22.5 %	(2.7)%	2,520 bps
Channel Development			
Channel Development operating margin, as reported (GAAP)	52.2 %	27.8 %	2,440 bps
Nestlé transaction and integration-related costs ⁽³⁾	(5.5)	7.8	
Channel Development non-GAAP operating margin	46.7 %	35.6 %	1,110 bps

- (1) Represents costs associated with our restructuring efforts, primarily asset impairments, accelerated amortization of right-of-use lease assets and severance related to certain company-operated store closures and impairment of an intangible asset.
- (2) Includes amortization expense of acquired intangible assets associated with the acquisition of East China and Starbucks Japan and the related post-acquisition integration costs, such as incremental information technology and compensation-related costs
- (3) Represents costs associated with the Global Coffee Alliance with Nestlé and a change in estimate relating to a transaction cost accrual.

RECONCILIATION OF SELECTED SEGMENT GAAP MEASURES TO NON-GAAP MEASURES

(unaudited)

(\$ in millions)

	Quarter Ended		Change
	Mar 28, 2021	Mar 29, 2020	
Americas			
Americas operating margin, as reported (GAAP)	19.4 %	14.3 %	510 bps
Restructuring and impairment costs ⁽¹⁾	0.5	0.1	
Americas non-GAAP operating margin	19.9 %	14.4 %	550 bps
International			
International operating margin/(loss), as reported (GAAP)	15.6 %	(1.4)%	1,700 bps
Integration costs ⁽²⁾	4.0	5.3	
International non-GAAP operating margin	19.6 %	3.9 %	1,570 bps
Channel Development			
Channel Development operating margin, as reported (GAAP)	46.7 %	36.5 %	1,020 bps
Nestlé transaction and integration-related costs ⁽³⁾	—	1.3	
Channel Development non-GAAP operating margin	46.7 %	37.8 %	890 bps

⁽¹⁾ Represents costs associated with our restructuring efforts, primarily asset impairments, accelerated amortization of right-of-use lease assets and severance related to certain company-operated store closures.

⁽²⁾ Includes ongoing amortization expense of acquired intangible assets associated with the acquisition of East China and Starbucks Japan; and the related post-acquisition integration costs, such as incremental information technology and compensation-related costs.

⁽³⁾ Represents costs associated with the Global Coffee Alliance with Nestlé.

RECONCILIATION OF SELECTED SEGMENT GAAP MEASURES TO NON-GAAP MEASURES

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	Quarter Ended		Change
	Dec 27, 2020	Dec 29, 2019	
Americas			
Americas operating margin, as reported (GAAP)	17.3 %	21.9 %	(460) bps
Restructuring and impairment costs ⁽¹⁾	1.5	0.1	
Americas non-GAAP operating margin	18.8 %	22.0 %	(320) bps
International			
International operating margin, as reported (GAAP)	16.6 %	17.6 %	(100) bps
Restructuring and impairment costs ⁽¹⁾	—	0.1	
Integration costs ⁽²⁾	3.8	3.7	
International non-GAAP operating margin	20.4 %	21.4 %	(100) bps
Channel Development			
Channel Development operating margin, as reported (GAAP)	48.7 %	35.5 %	1,320 bps
Nestlé transaction and integration-related costs ⁽³⁾	—	1.1	
Channel Development non-GAAP operating margin	48.7 %	36.6 %	1,210 bps

⁽¹⁾ Represents costs associated with our restructuring efforts, primarily asset impairments, accelerated amortization of right-of-use lease assets and severance related to certain company-operated store closures.

⁽²⁾ Includes ongoing amortization expense of acquired intangible assets associated with the acquisition of East China and Starbucks Japan; and the related post-acquisition integration costs, such as incremental information technology and compensation-related costs.

⁽³⁾ Represents costs associated with the Global Coffee Alliance with Nestlé.

RECONCILIATION OF SELECTED SEGMENT GAAP MEASURES TO NON-GAAP MEASURES

(unaudited)

(\$ in millions)

	Year Ended		Change
	Sep 27, 2020	Sep 29, 2019	
Americas			
Americas operating margin, as reported (GAAP)	12.1 %	20.2 %	(810) bps
Restructuring and impairment costs ⁽¹⁾	4.6	—	
Americas non-GAAP operating margin	16.7 %	20.2 %	(350) bps
International			
International operating margin, as reported (GAAP)	12.0 %	16.7 %	(470) bps
Restructuring and impairment costs ⁽¹⁾	—	0.9	
International transaction and integration-related items ⁽²⁾	4.3	4.1	
International non-GAAP operating margin	16.3 %	21.7 %	(540) bps

⁽¹⁾ Represents costs associated with our restructuring efforts, primarily severance and asset impairments related to certain company-operated store closures.

⁽²⁾ Includes transaction costs for the acquisition of our East China joint venture; ongoing amortization expense of acquired intangible assets associated with the acquisition of East China and Starbucks Japan; and the related post-acquisition integration costs, such as incremental information technology and compensation-related costs.

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	Quarter Ended		Change
	Jun 28, 2020	Jun 30, 2019	
Americas			
Americas operating margin/(loss), as reported (GAAP)	(14.4)%	21.8 %	(3,620) bps
Restructuring and impairment costs ⁽¹⁾	2.0	0.3	
Americas non-GAAP operating margin/(loss)	(12.4)%	22.1 %	(3,450) bps
International			
International operating margin/(loss), as reported (GAAP)	(9.1)%	17.0 %	(2,610) bps
Restructuring and impairment costs ⁽¹⁾	0.1	1.4	
International transaction and integration-related items ⁽²⁾	6.3	4.3	
International non-GAAP operating margin/(loss)	(2.7)%	22.7 %	(2,540) bps
Channel Development			
Channel Development operating margin, as reported (GAAP)	27.8 %	34.1 %	(630) bps
Nestlé transaction and integration-related costs ⁽³⁾	7.8	0.3	
Channel Development non-GAAP operating margin	35.6 %	34.4 %	120 bps

⁽¹⁾ Represents costs associated with our restructuring efforts, primarily severance and asset impairments related to certain company-operated store closures and impairment of an intangible asset.

⁽²⁾ Includes transaction costs for the acquisition of our East China joint venture; ongoing amortization expense of acquired intangible assets associated with the acquisition of East China and Starbucks Japan; and the related post-acquisition integration costs, such as incremental information technology and compensation-related costs.

⁽³⁾ Represents costs associated with the Global Coffee Alliance with Nestlé.

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	Quarter Ended		Change
	Mar 29, 2020	Mar 31, 2019	
Americas			
Americas operating margin, as reported (GAAP)	14.3 %	19.9 %	(560) bps
Restructuring, impairment and optimization costs ⁽¹⁾	0.1	0.4	
Americas non-GAAP operating margin	14.4 %	20.3 %	(590) bps
International			
International operating margin/(loss), as reported (GAAP)	(1.4)%	13.2 %	(1,460) bps
Restructuring, impairment and optimization costs ⁽¹⁾	—	1.7	
International transaction and integration-related items ⁽²⁾	5.3	4.4	
International non-GAAP operating margin	3.9 %	19.3 %	(1,540) bps
Channel Development			
Channel Development operating margin, as reported (GAAP)	36.5 %	33.3 %	320 bps
Restructuring, impairment and optimization costs ⁽¹⁾	—	0.1	
Nestlé transaction and integration-related costs ⁽³⁾	1.3	0.8	
Channel Development non-GAAP operating margin	37.8 %	34.2 %	360 bps

⁽¹⁾ Represents costs associated with our restructuring efforts, primarily severance and asset impairments related to certain company-operated store closures, as well as business process optimization costs, largely consulting fees.

⁽²⁾ Includes transaction costs for the acquisition of our East China joint venture; ongoing amortization expense of acquired intangible assets associated with the acquisition of East China and Starbucks Japan; and the related post-acquisition integration costs, such as incremental information technology and compensation-related costs.

⁽³⁾ Represents costs associated with the Global Coffee Alliance with Nestlé.

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(\$ in millions)

	Quarter Ended		Change
	Dec 29, 2019	Dec 30, 2018	
Americas			
Americas operating margin, as reported (GAAP)	21.9 %	21.0 %	90 bps
Restructuring, impairment and optimization costs ⁽¹⁾	0.1	0.5	
Americas non-GAAP operating margin	22.0 %	21.5 %	50 bps
International			
International operating margin, as reported (GAAP)	17.6 %	15.3 %	230 bps
Restructuring, impairment and optimization costs ⁽¹⁾	0.1	0.4	
International transaction and integration-related items ⁽²⁾	3.7	4.0	
International non-GAAP operating margin	21.4 %	19.7 %	170 bps
Channel Development			
Channel Development operating margin, as reported (GAAP)	35.5 %	34.8 %	70 bps
Nestlé transaction and integration-related costs ⁽³⁾	1.1	1.1	
Channel Development non-GAAP operating margin	36.6 %	35.9 %	70 bps

⁽¹⁾ Represents costs associated with our restructuring efforts, primarily severance and asset impairments related to certain company-operated store closures, as well as business process optimization costs, largely consulting fees.

⁽²⁾ Includes transaction costs for the acquisition of our East China joint venture and the divestiture of our Taiwan joint venture; ongoing amortization expense of acquired intangible assets associated with the acquisition of East China and Starbucks Japan; and the related post-acquisition integration costs, such as incremental information technology and compensation-related costs.

⁽³⁾ Represents costs associated with the Global Coffee Alliance with Nestlé.