

Goldman Sachs Global Retailing Conference

Scott Maw, Starbucks cfo



September 7, 2016



Opening Day - 1st Starbucks store in Strasbourg, France

April 8, 2016

FORWARD LOOKING STATEMENTS

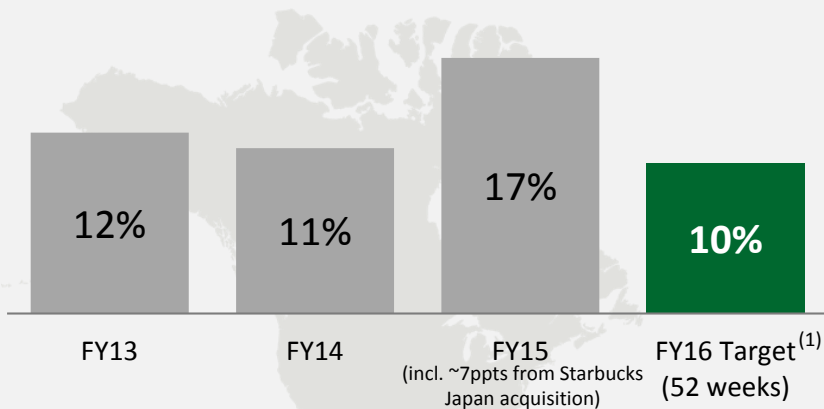
This presentation contains forward-looking statements. Forward-looking statements are subject to various risks and uncertainties that could cause our actual results to differ materially from these statements and should be considered in conjunction with cautionary statements and risk factor discussions in our filings with the SEC, including our last annual report on Form 10K. Starbucks assumes no obligation to update any of these forward-looking statements or information.

Please refer to the footnote within a particular slide or to the table at the end of this presentation to find reconciliations of non-GAAP financial measures noted in this presentation with their corresponding GAAP measures.

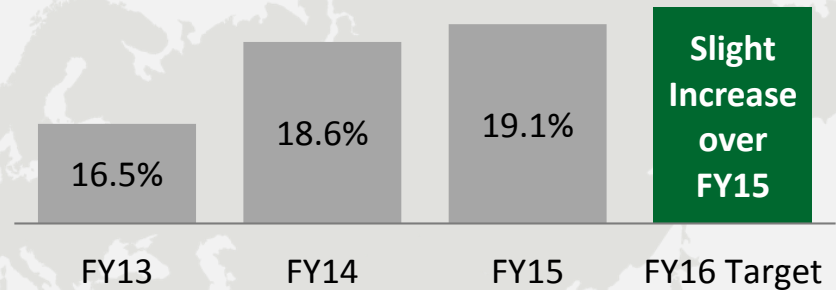
Established History of Industry Leading Growth



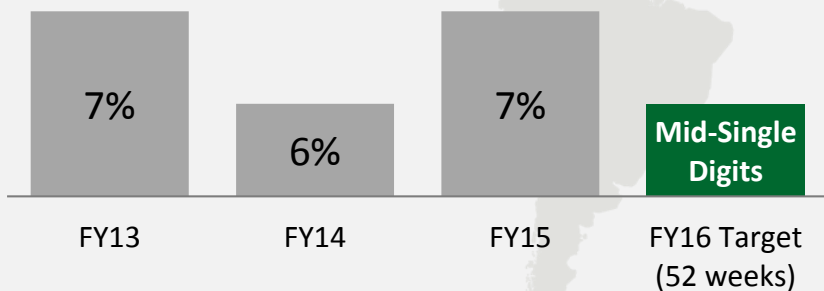
Global Revenue Growth



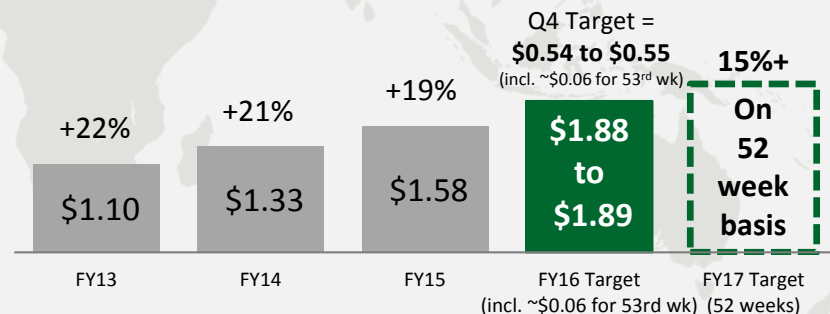
Non-GAAP Global Operating Margin ⁽²⁾



Global Comp Sales Growth



Non-GAAP Earnings Per Share ⁽²⁾



(1) Full year consolidated revenue growth expected to be approximately 10% on a 52 week basis, the 53rd week expected to add approximately 2%.

(2) Operating margin, EPS and EPS growth rates are Non-GAAP. FY17 EPS growth target excludes an estimated \$0.06 for the 53rd week in Q4 FY16. Reconciliation of GAAP to Non-GAAP measures can be found at end of this presentation.

Multiple Layers of Growth



7 Strategies for Growth

- Win with **Partners**
- Elevate **Coffee**
- Grow the **Store** Portfolio
- Create New Customer **Occasions**
- Drive **At-Home** Coffee Share and Occasions
- Build **Teavana** through Starbucks and CPG
- Extend **Digital** Engagement

Profitable Store Growth Around the World



Strong Unit Economics

Company - Operated	U.S.	China	Japan
Store Portfolio FY16 ⁽¹⁾			
Store Count	7,882	1,272	1,137
AUV ⁽²⁾	\$1.6M	\$840K	\$1.2M
Cash Profit %	31%	28%	25%
New Stores ⁽¹⁾			
Year-1 AUV ⁽²⁾	\$1.4M	\$624K	\$1.1M
Year-1 Cash Profit %	29%	30%	28%
ROI ⁽³⁾	61%	64%	55%

(1) Based on actuals + company forecast; Year 1 estimates are the FY16 age class.

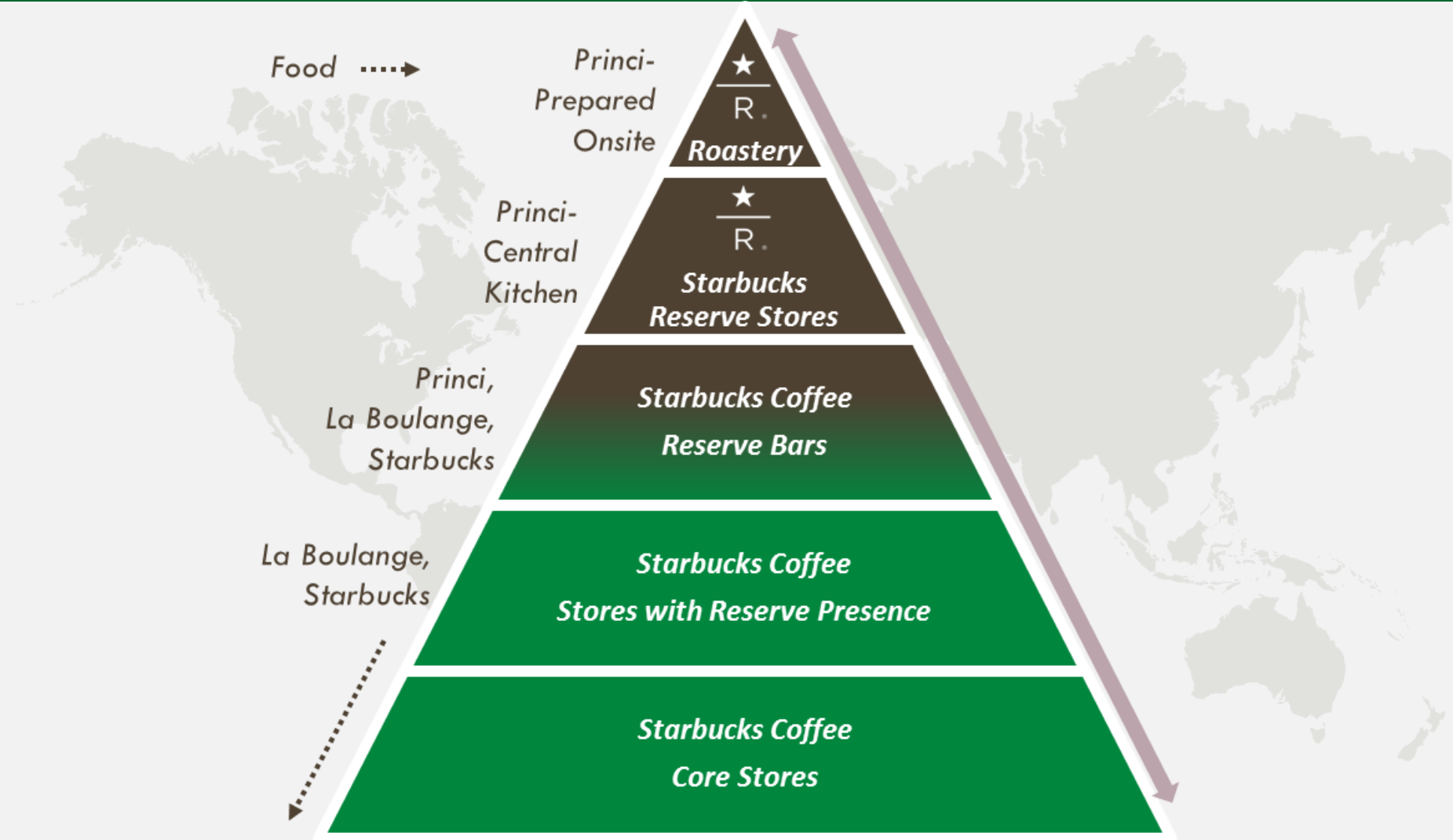
(2) Non-U.S. AUVs converted to USD using forecasted FX rates.

(3) ROI calculated as total cash profit (pre-tax) over total store investment (all in local currency).

Delivering an Increasingly Premiumized Starbucks Experience



Expand and Elevate Global Store Portfolio



Starbucks Rewards Drives Increased Revenue, Customer Engagement and In-Store Efficiency



Extend Digital Engagement

Digital and Mobile

- Mobile payment represented **25%** of U.S. transactions
- Mobile Order & Pay at **5%** of all U.S. transactions:
 - **20%** of all mobile payment
 - **10%** of transactions at peak in 2,700+ stores
 - **20%** of transactions at peak in several hundred stores

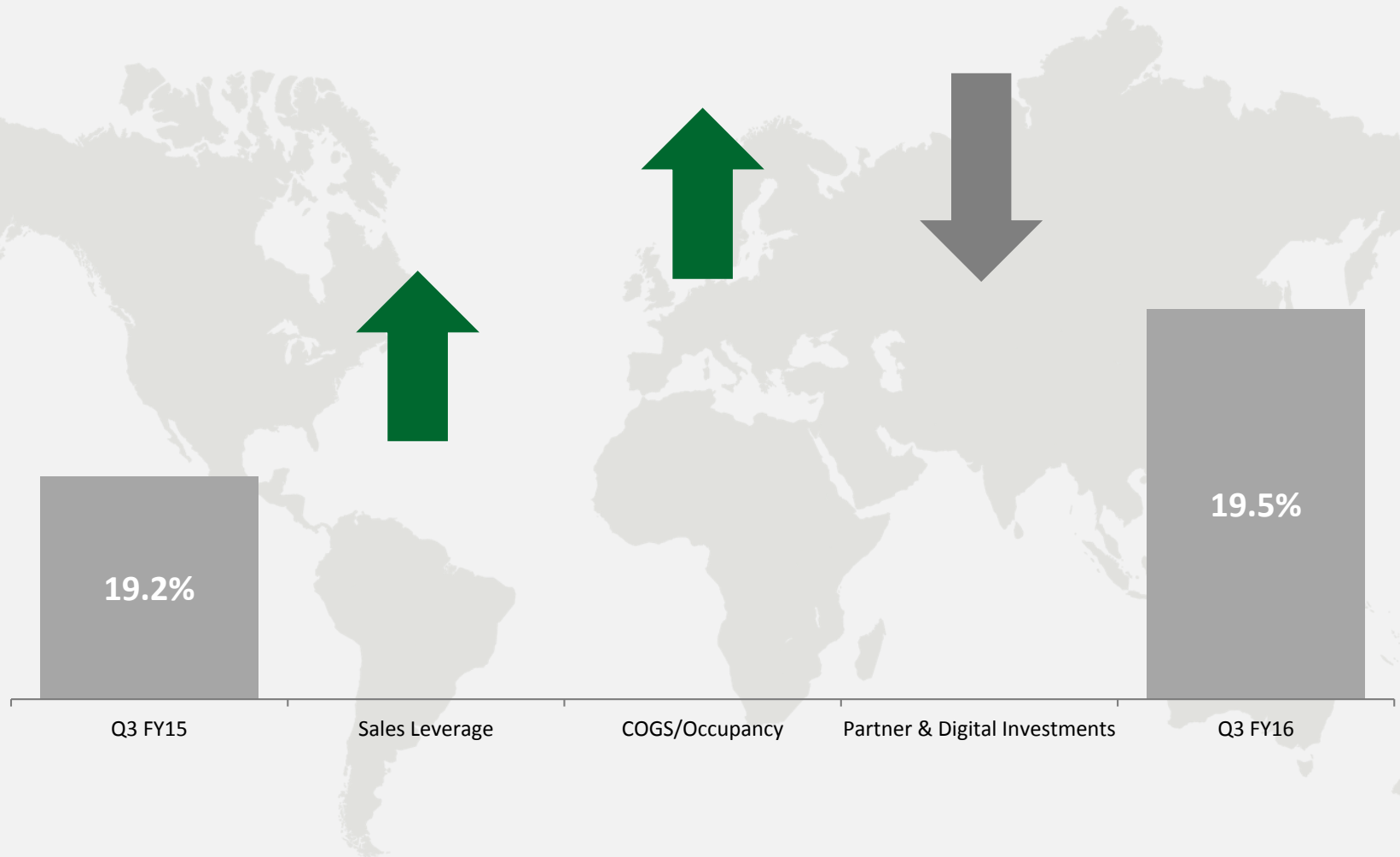
Loyalty – U.S.

- **18%** member growth YOY
- **12.3M** active U.S. members
- Shift to **spend based** program rewards most loyal customers
- Lower star value enables **Stars Everywhere** partnerships
- Accelerates **1:1 marketing** and **personalization**

Expanding Operating Margin While Funding Critical Investments



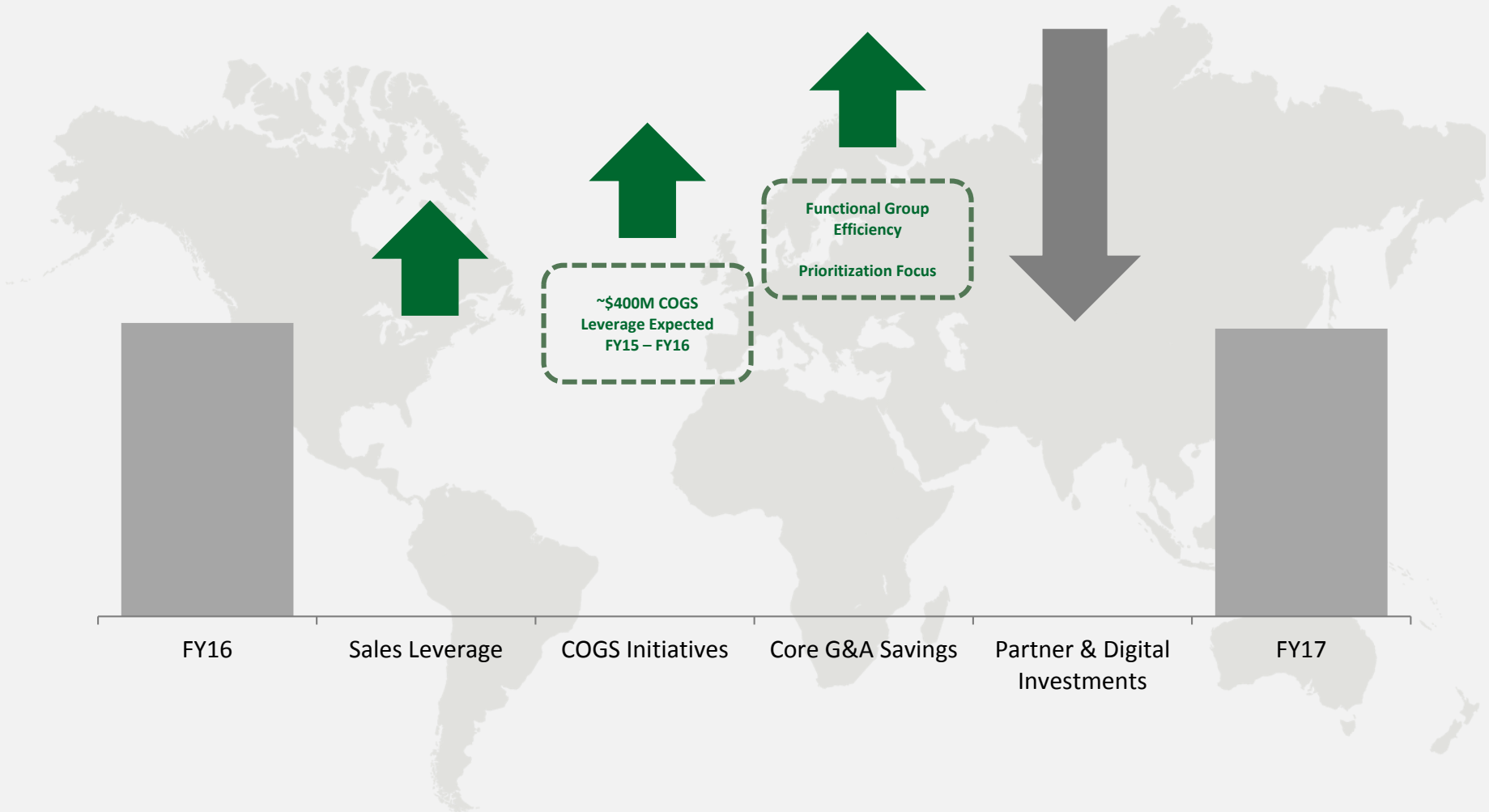
Record Q3 Result



2017 Operating Margin Expands and Investments Continue



Continued Margin Expansion





TM

Non-GAAP EPS RECONCILIATION	FY13	FY14	FY15	Q4 FY16 Projected	FY16 Projected	YoY Growth
GAAP	\$ 0.01					nm
Litigation charge resulting from Kraft Arbitration	1.83					
Gain on sale of equity in Mexico joint venture	(0.02)					
Gain on sale of equity in Chile and Argentina joint ventures	(0.03)					
Income tax effect on Non-GAAP adjustments ⁽¹⁾	(0.68)					
Non-GAAP	\$ 1.10					22%
GAAP		\$1.35				13400%
Litigation credit resulting from Kraft Arbitration		(0.01)				
Net benefit from transactions in Q4 2014 ⁽²⁾		(0.04)				
Income tax effect on Non-GAAP adjustments ⁽¹⁾		0.03				
Non-GAAP		\$1.33				21%
GAAP			\$1.82			35%
Starbucks Japan acquisition-related items - gain ⁽³⁾			(0.26)			
Starbucks Japan acquisition-related items - other ⁽⁴⁾			0.04			
Debt extinguishment-related items ⁽⁵⁾			0.04			
Income tax effect on Non-GAAP adjustments ⁽¹⁾			(0.02)			
Other tax matters ⁽⁶⁾			(0.04)			
Non-GAAP			1.58			19%
GAAP				\$0.53 - \$0.54		23% - 26%
Starbucks Japan acquisition-related items - other ⁽⁴⁾				0.01		
Income tax effect on Non-GAAP adjustments ⁽¹⁾				(0.01)		
Non-GAAP				\$0.54 - \$0.55		26% - 28%
GAAP					\$1.88 - \$1.89	3% - 4%
Starbucks Japan acquisition-related items - other ⁽⁴⁾					0.04	
Gain on sale of Germany retail operations ⁽⁷⁾					(0.02)	
Income tax effect on Non-GAAP adjustments ⁽¹⁾					(0.01)	
Other tax matters ⁽⁶⁾					(0.01)	
Non-GAAP					\$1.88 - \$1.89	19% - 20%

(1) Income tax effect on Non-GAAP adjustments was determined based on the nature of the underlying items and their relevant jurisdictional tax rates.

(2) The net benefit from transactions in Q4 FY14 relates primarily to a \$0.05 pre-tax gain on the sale of our Malaysia equity method investment, partially offset by a loss on the sale of our Australia retail operations and transaction costs incurred in Q4 FY14 related to the acquisition of Starbucks Japan.

(3) Gain represents the fair value adjustment of Starbucks preexisting 39.5% ownership interest in Starbucks Japan upon acquisition.

(4) Includes ongoing amortization expense of acquired intangible assets and transaction and integration costs, such as incremental information technology ("IT") and compensation-related costs associated with the acquisition.

(5) Represents the loss on extinguishment of debt (\$61.1M), which is comprised of the cost of the optional redemption provision, unamortized debt issuance costs, and unamortized discount associated with the \$550 million of 6.250% 2017 Senior Notes redeemed in Q4 FY15, as well as the related unamortized interest rate hedge loss (\$2.0M), which was recorded in interest expense.

(6) Other tax matters include the incremental benefit from additional domestic manufacturing deductions claimed in our U.S. consolidated tax returns pertaining to periods prior to FY16 and FY15, respectively.

(7) The gain is net of certain costs associated with the transfer of Germany company-operated retail stores to licensed stores.

Non-GAAP OPERATING MARGIN % RECONCILIATION	FY13	FY14	FY15
GAAP	(2.2)%		
Litigation charge resulting from Kraft Arbitration	18.7%		
Non-GAAP	16.5%		
GAAP		18.7%	
Litigation credit resulting from Kraft Arbitration		(0.1)%	
Costs from transactions in Q4 2014 ⁽¹⁾		0.0%	
Non-GAAP		18.6%	
GAAP			18.8%
Starbucks Japan acquisition-related items - other ⁽²⁾			0.3%
Non-GAAP			19.1%

(1) Includes a portion of the transaction costs incurred in Q4 FY14 related to the acquisition of Starbucks Japan and costs related to the sale of our Australia retail operations in Q4 FY14. The remaining majority of the impact from these transactions is included in net interest income and other.

(2) Includes ongoing amortization expense of acquired intangible assets and transaction and integration costs, such as incremental information technology ("IT") and compensation-related costs associated with the acquisition.