



ONGOING GROWTH BEFORE ITEMS NON-CORE TO ONGOING BUSINESS

ANNUAL NON-GAAP

EPS

GROWTH

AT LEAST

10%



BUILDING BLOCKS OF ONGOING GROWTH

COMP GROWTH UNIT GROWTH MARGIN MANAGEMENT

DISCIPLINED CAPITAL ALLOCATION

ONGOING COMP GROWTH (COMPANY-OWNED STORES)



GLOBAL

3% - 4%



U.S.

3% - 4%



CHINA

1% - 3%

ONGOING NET NEW UNIT GROWTH



GLOBAL

6% - 7%



U.S.

3% - 4%



CHINA

MID TEENS

ONGOING REVENUE GROWTH



ENTERPRISE

7% - 9%



RETAIL BUSINESS

8% - 10%



CHANNEL DEVELOPMENT

4% - 6%

ONGOING OPERATING INCOME MARGIN (NON-GAAP)



ACCRETIVE

Sales Leverage
Supply Chain Savings
G&A Efficiency
Store Productivity

DILUTIVE

Hourly Wage Rates

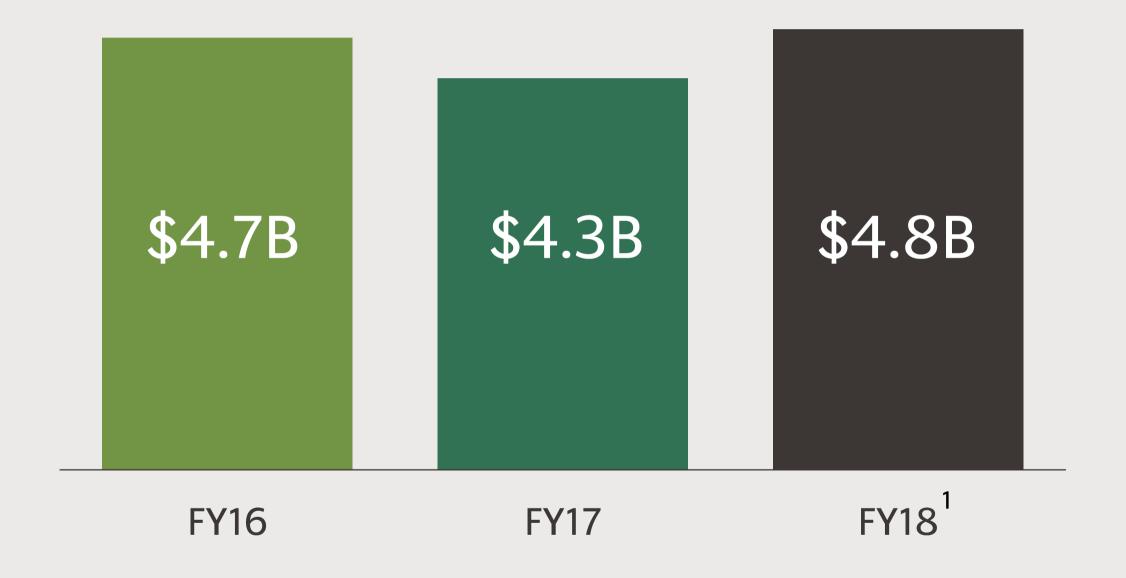
Product Mix

Strategic Investments

Commodities

STRONG CASH GENERATION

CASH FROM OPERATIONS



¹ FY18 operating cash flows is a Non-GAAP measure and has been adjusted to exclude the \$7.15B cash payment in FY18 related to the upfront cash payment from Nestlé. GAAP cash flow for FY18 was \$11.9 Billion

DISCIPLINED CAPITAL ALLOCATION

CAPITAL INVESTMENTS

~1/3

HIGH ROIC

DIVIDENDS

~1/3

~50%
EARNINGS
PAYOUT RATIO

ONGOING SHARE REPURCHASES

~1/3

EPS¹ BENEFIT

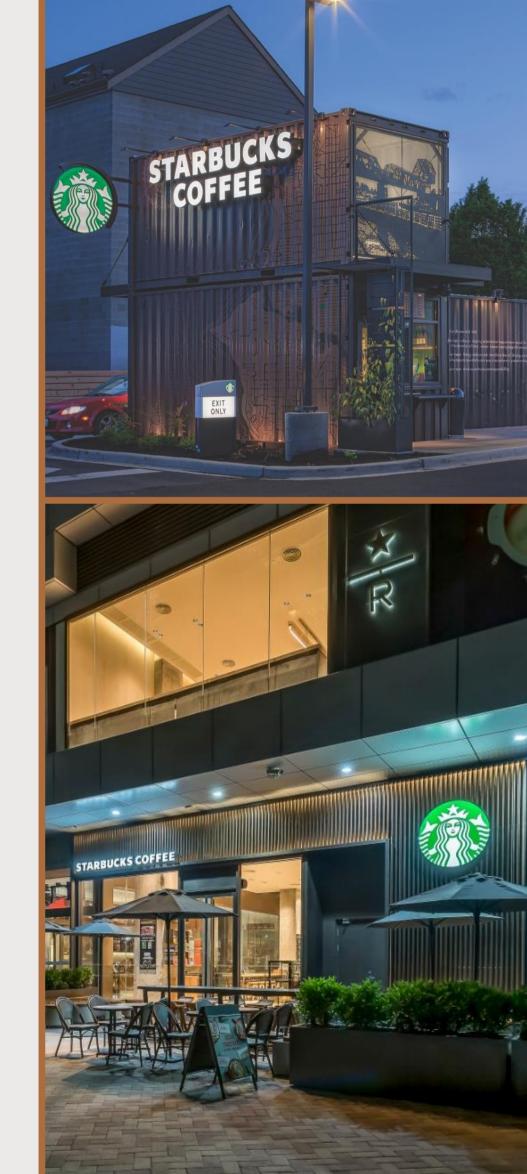
~2%

AFTER INTEREST AT

~3X
LEVERAGE

COMPELLING RETURNS ON NEW STORE DEVELOPMENT

| FY17 AGE CLASS | U.S. | CHINA |
|--------------------------|----------|-------------|
| Average Store Investment | \$0.7M | \$0.3M |
| Average Unit Volume | \$1.5M | \$0.6M |
| Cash Margin | 26% | 37% |
| Cash Payback | <2 YEARS | < 1.5 YEARS |



ADDING IT ALL UP

REVENUE GROWTH



OPERATING
INCOME 1
GROWTH



EPS ¹ GROWTH

7%-9%

8%-10%

AT LEAST 10%



GLOBAL COFFEE ALLIANCE

IMPACT ON CONSOLIDATED FINANCIAL METRICS VS. PRIOR YEAR

FY19

REVENUE

-2% to -3%

OPERATING INCOME¹

-7% to -8%

EPS^{1, 2}

-1% to -2%

FY20

ACCRETIVE TO EPS²

¹ Non-GAAP: please refer to the reconciliation with GAAP guidance on our Investor Relations website

² Includes the effect of related share repurchases

FY19 GROWTH BELOW ONGOING GROWTH MODEL

IMPACT TO YEAR-OVER-YEAR GROWTH

| | REVENUE GROWTH | OPERATING INCOME 1 GROWTH | EPS ¹ GROWTH |
|------------------------|-------------------|---------------------------|---|
| ONGOING GROWTH MODEL | 7% - 9% | 8% - 10% | At least 10% |
| East China | + | | + |
| Global Coffee Alliance | _ | _ | _ |
| Share Repurchases | | | + |
| G&A Reductions | | + | + |
| Leadership Conference | | _ | _ |
| Tax Investments | | | |
| FY19 GUIDANCE | 5% - 7 % | 0% - 2% | 8% - 10% EPS ¹ \$2.61 - \$2.66 |

¹Non-GAAP: please refer to the reconciliation with GAAP guidance on our Investor Relations website



FY20/FY21 GROWTH ABOVE ONGOING GROWTH MODEL

IMPACT TO YEAR-OVER-YEAR GROWTH

| | REVENUE GROWTH | OPERATING INCOME ¹ GROWTH | EPS ¹ GROWTH |
|----------------------|-------------------|--|----------------------------|
| ONGOING GROWTH MODEL | 7% - 9% | 8% - 10% | At least 10% |
| Share Repurchases | | | + |
| G&A Reductions | | + | + |
| FY20/FY21 OUTLOOK | 7% - 9% | 8% - 10% | At least 13% |





STARBUCKS
2018 INVESTOR DAY

