

Starbucks Fiscal 2024 Results and Growth Outlook

Financial Results. For fiscal year 2024 (ended Sept 29, 2024), Starbucks reported total net revenues of about **\$36.2 billion**, roughly 1% above the prior year ¹. GAAP net income (net earnings) was **\$3.76 billion**, down about 9% from \$4.12 billion in fiscal 2023 ². (On a diluted per-share basis, GAAP EPS was \$3.31, down ~8% from \$3.60.) Margins were under pressure: GAAP operating margin fell to ~15.0% (130 basis points lower) as higher labor costs (wages/benefits) and more promotional activity outweighed gains from pricing and supply-chain efficiency ³. In the fourth quarter, net revenues declined 3% year-over-year to \$9.1 billion ⁴, with Q4 EPS of \$0.80 (down 25% YOY) as traffic softened.

Comparable Store Sales and Regional Results. Global same-store sales fell about **2%** for the year. By region, North America comps also dropped ~2% (U.S. down 2%) and International comps fell ~4% (with China down ~8%). Regionally, North America remains by far the largest market: in fiscal 2024 North America contributed roughly **\$27.01 billion** (~75%) of revenue, versus about **\$7.34 billion** (~20%) from other international markets ⁵. (The remaining ~5% came from the “Channel Development” segment.) Store count continued to grow – over 2,000 net new stores globally in FY2024 – with ~17,000 in the U.S. and 7,600 in China at year-end.

Key Performance Drivers. Management attributed the weaker-than-expected results primarily to **soft consumer demand and traffic**. Starbucks noted a “pronounced traffic decline” amid a cautious spending environment, despite efforts to boost frequency with promotions and menu innovations ⁶ ⁷. U.S. comparable transactions fell, even as average ticket rose. In China, growth was hampered by a slow macroeconomic recovery and intense competition ⁸ ⁹. Meanwhile, Starbucks faced **cost pressures** from rising commodity and labor costs. The Q4 report highlighted that higher store partner wages and benefits, along with more promotional offers, squeezed operating margins ³. In Q4 and Q1, the company paused planned price hikes even as coffee bean and ingredient costs climbed ¹⁰ ³. On the positive side, Starbucks’ **digital business and loyalty program remained strong**. Active U.S. Rewards membership totaled ~34 million by year-end (up a few percent) ¹¹ ¹², and mobile/app ordering accounted for roughly 30–31% of U.S. transactions ¹³. (A recent estimate noted Starbucks Rewards members drive ~60% of U.S. company-store sales ¹⁴, and over 22% of global sales come through digital channels ¹⁵.)

Strategic Growth Plans. Starbucks continues to pursue long-term expansion and innovation. The company reaffirmed ambitious store targets: for example, an investor presentation aimed at reaching **55,000 stores by 2030** (up from ~40,000 today) ¹⁶. Niccol has also spoken of “eventually doubling” the U.S. store base through format diversification (more drive-thrus, pickup-only stores, etc.) ¹⁷. China remains a key growth market: pre-pandemic plans called for ~9,000 stores in China by 2025 (Starbucks had ~6,800 at end-2022) ¹⁸. International markets are expected to account for roughly one-third of long-term earnings growth ¹⁶. Product innovation is also highlighted – Starbucks is investing in all-day menus and healthier food/snacks to drive visits ¹⁹, while “reinventing” store experiences (e.g. ceramic cups for dine-in, condiment bars, etc.) to strengthen its “third place” appeal ²⁰ ⁷. The company is also doubling down on digital: it has a goal to **double its ~75 million Rewards members in five years** and build out AI-driven personalization (with partners like Microsoft and Amazon) ¹⁵.

Management Outlook and Guidance. Given the executive transition and challenging environment, Starbucks did **not provide financial guidance for FY2025**. Management stated that full-year 2025 guidance was suspended to allow time to implement a turnaround plan ²¹ ²². CEO Brian Niccol emphasized the need to “fundamentally change our strategy to win back customers” with his “Back to Starbucks” plan ²³ ²⁴. Both Niccol and CFO Rachel Ruggeri have cautioned that the recovery will take time. Ruggeri said, “We are developing a plan to turn around our business, but it will take time” ²⁵, even as Starbucks modestly raised its quarterly dividend (to \$0.61) to signal confidence in long-term growth ²⁵. Overall, leadership is focused on improving store operations, simplifying the menu/pricing, and re-engaging the brand’s core customer experience. They expect these strategic changes – along with continued investments in digital and international expansion – will restore growth over the medium term, even though near-term comps may remain pressured.

Sources: Official Starbucks financial releases and 10-K ² ⁵; Starbucks CEO/CFO statements ²⁶ ⁷; and analyst/media reports ¹³ ²⁷ ¹⁷ ¹⁶. (All figures are for fiscal year 2024 unless noted otherwise.)

¹ ³ ¹¹ Starbucks Coffee Company - Starbucks Reports Q4 and Full Fiscal Year 2024 Results

<https://investor.starbucks.com/news/financial-releases/news-details/2024/Starbucks-Reports-Q4-and-Full-Fiscal-Year-2024-Results/default.aspx>

² ⁵ Starbucks Fiscal 2024 Annual Report

https://s203.q4cdn.com/326826266/files/doc_financials/2024/ar/Starbucks-Fiscal-2024-Annual-Report.pdf

⁴ ⁶ ²¹ ²³ ²⁶ Starbucks Coffee Company - Starbucks Reports Preliminary Q4 and Full Fiscal Year 2024 Results

<https://investor.starbucks.com/news/financial-releases/news-details/2024/Starbucks-Reports-Preliminary-Q4-and-Full-Fiscal-Year-2024-Results/default.aspx>

⁷ ⁸ ²⁰ Starbucks CEO vows to overhaul its cafes and simplify its menu | Reuters

<https://www.reuters.com/business/retail-consumer/starbucks-reports-drop-comparable-sales-earnings-global-demand-suffers-2024-10-30/>

⁹ ²² ²⁴ ²⁵ ²⁷ Starbucks suspends annual forecast as new CEO prepares turnaround plan | Reuters

<https://www.reuters.com/business/retail-consumer/starbucks-expects-quarterly-sales-decline-north-america-weakness-2024-10-22/>

¹⁰ Starbucks sales set to drop again as investors wait for turnaround | Reuters

<https://www.reuters.com/business/retail-consumer/starbucks-sales-set-drop-again-investors-wait-turnaround-2025-01-27/>

¹² Starbucks Coffee Company - Starbucks Reports Q1 Fiscal Year 2025 Results

<https://investor.starbucks.com/news/financial-releases/news-details/2025/Starbucks-Reports-Q1-Fiscal-Year-2025-Results/default.aspx>

¹³ ¹⁴ Starbucks mobile orders surpass 30% of U.S. store transactions

<https://www.geekwire.com/2024/starbucks-mobile-orders-surpass-30-of-total-transactions-at-u-s-stores-for-the-first-time/>

¹⁵ ¹⁶ ¹⁸ ¹⁹ What’s next? Starbucks unveils long-term growth strategy for a limitless future

<https://about.starbucks.com/stories/2023/whats-next-starbucks-unveils-long-term-growth-strategy-for-a-limitless-future/>

¹⁷ Starbucks' better-than-expected results point to turnaround taking root | Reuters

<https://www.reuters.com/business/retail-consumer/starbucks-posts-smaller-than-expected-comparable-sales-decline-turnaround-takes-2025-01-28/>