



Company	Ticker	Sector	Industry
Starbucks Corporation	SBUX-US	Consumer Discretionary	Hotels Restaurants & Leisure

Business Description

Starbucks Corp. engages in the production, marketing, and retailing of specialty coffee. It operates through the following segments: North America, International, Channel Development, and Corporate and Other. The North America segment focuses on the United States and Canada. The International segment is involved in China, Japan, Asia Pacific, Europe, Middle East, Africa, Latin America, and Caribbean. The Channel Development segment includes roasted whole bean and ground coffees, Seattle's Best Coffee, and Teavana-branded single-serve products. The company was founded by Jerry Baldwin and Howard D. Schultz on November 4, 1985, and is headquartered in Seattle, WA.

Price Chart

Key Info & Metrics



Empirical Research Rank:	2
Date Purchased:	03/28/2022
Price:	\$106.83
52-Week Range:	\$69.90 - \$109.99
Dividend Yield:	1.87%
Market Cap (\$M):	\$122,774
Forward Price-to-Earnings:	29

Total Return

Year-to-Date:	7.7%
1 Year:	14.9%
3 Year:	30.7%
5 Year:	116.0%

Investment Case - Updated: November 6, 2022

Starbucks is a high-quality growth company, with 33,000 stores in 81 countries. The company's high-single-digit revenue growth is driven by ongoing unit expansion, new product innovation, and an industry-leading digital ecosystem. With Starbucks loyalty rewards members spending an average three-times non-rewards customers, the company is investing heavily in mobile and digital innovation. Though unit expansion in the U.S. and China (the primary driver of sales growth) will continue, management's investments in digital, high-margin channel development (serving the at-home and in-office coffee markets through partnerships with Nestle and Pepsi), and internationally licensed stores support the next-stage of growth. A recent uptick in coffee pricing driven by colder weather in Brazil (the world's largest coffee exporter) could be a positive for Starbucks due to hedging policies versus smaller competitors that will need to pass price onto the customer. An expanding global addressable market and market share gains due to a superior customer experience support the long-term outlook for this company.

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