

Starbucks Details Five-Year Plan to Accelerate Profitable Growth and Extend Markets, Channels and Formats around the World at Biennial Investor Conference
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Company Forecasts Continued Strong Growth and Plans to Launch Mobile Order & Pay and Delivery in the U.S.; Identifies High-Value Opportunities in China, India, Japan and Brazil

Projects Revenues to Approach \$30 Billion in FY2019, up from \$16 Billion in FY2014

Announces Transformational Innovations to Extend Starbucks Global Leadership in Coffee, Tea, Retail Store and Partner Experience

Elevates and Redefines the Premium Coffee Experience with the Debut of the World's First, Immersive Starbucks Reserve® Roastery and Tasting Room in Seattle

Starbucks Coffee Company (NASDAQ: SBUX) chairman, president and chief executive officer Howard Schultz and other company leaders will detail Starbucks five-year strategic growth plan today at its biennial Investor Day, hosted at the company's Support Center in Seattle for the first time in a decade.

"The seismic shift in consumer behavior underway presents tremendous opportunity for businesses the world over that are prepared and positioned to seize it," Schultz said. "Over the next five years, Starbucks will continue to lean into this new era by innovating in transformational ways across coffee, tea and retail, elevating our customer and partner experiences, continuing to extend our leadership position in digital and mobile technologies, and unlocking new markets, channels and formats around the world. Investing in our coffee, our people and the communities we serve will remain at our core as we continue to redefine the role and responsibility of a public company in today's disruptive global consumer, economic and retail environments."

"Starbucks business, operations and growth trajectory around the world have never been stronger, and we are more confident than ever in our ability to continue to drive significant growth and meet our long term financial targets," said Troy Alstead, Starbucks chief operating officer. "We have more customers visiting more stores more frequently, both in the U.S. and around the world, than at any time in our history. And we expect both the number of customers visiting our stores and the amount they spend with us to accelerate in the years ahead. With a robust pipeline of mobile commerce innovations that will drive transactions and unprecedented speed of service, Starbucks is ushering in a new era of customer convenience. We believe the runway of opportunity for Starbucks inside and outside of our stores is both vast and unmatched by any other retailer on the planet."

Coffee and Tea Leadership

Starbucks Investor Day is being hosted on the eve of the grand opening of the first-of-its-kind Starbucks Reserve® Roastery and Tasting Room. Located on Pike Street in Seattle just a few blocks from the company's iconic first retail store, the 15,000 square foot Starbucks Reserve® Roastery and Tasting Room is an interactive coffee and dining venue that redefines delivery of an immersive brand experience. Moreover, the additional small batch roasting capacity afforded by the new Roastery will enable Starbucks to expand availability of its super-premium, small-lot Starbucks Reserve® Coffee to 1,500 locations globally, and to support the launch of the Starbucks Reserve® brand and the opening of the first 100 dedicated Starbucks Reserve stores.

Building on Starbucks 43-year tea heritage and its acquisition of Teavana two years ago, Starbucks is reinventing the \$109 billion global tea category, just as it did the coffee category more than 40 years ago. The new Teavana® store in Seattle's Pacific Place and the new Teavana® Tea Bar at Broadway & 9th in New York City are performing ahead of plan, and Teavana will continue to expand and to bring its super-premium loose leaf teas, handcrafted beverages and exclusive food offerings to carefully targeted markets both in the U.S. and abroad.

In addition, building on the successful launch of handcrafted Teavana® Shaken Iced Tea through Starbucks® stores earlier this year and the innovative partnership with Oprah Winfrey around Teavana®

Oprah Chai Tea, Teavana will continue to grow its presence in Starbucks® retail stores with sachets, innovative iced teas and expansion of the Chai tea platform.

Day Part and Store Format Diversification

Starbucks® food program continues to resonate strongly with consumers across all day parts, and to drive both traffic and ticket growth in the U.S. and around the world. The company expects continued top and bottom-line growth in its food platform as it elevates and expands its offering of savory, locally relevant food offerings around the world. In addition, the company announced plans to double its U.S. food revenue to over \$4 billion over the next five years.

By the end of FY2019, 20-25% of Starbucks® stores in the U.S. will offer the Starbucks Evenings experience, adding approximately \$1 billion in revenue. The expansion of Starbucks Evenings, Starbucks Reserve only stores, micro and express store formats, new drive-thrus and mobile trucks are just a few of the innovations customers will see beginning in 2015.

Mobile Commerce Momentum and Innovation Continues with the Launch of Mobile Order & Pay

Starbucks is the global market leader in mobile payment. With more than eight million loyalty members, seven million mobile payment transactions each week and more than \$4 billion loaded onto prepaid Starbucks Cards in North America in the past year alone, Starbucks offers the largest and most robust mobile ecosystem of any retailer in the world.

Starbucks is once again raising the bar for mobile commerce innovation with the launch of “Mobile Order & Pay” and plans for food and beverage delivery. Starbucks introduced its fully-integrated Mobile Order & Pay platform – representing the most meaningful enhancement to the customer ordering experience since the company first introduced drive-thrus in 1994 – to customers in the Portland, Oregon area yesterday. Now, Mobile Order & Pay will allow customers to place orders in advance of their visit, and to pick up their ready order at their preferred Starbucks® store – improving speed of service, enhancing customer loyalty and the customer experience, streamlining store operations and further extending Starbucks leadership position in mobile commerce and customer loyalty. The Portland launch will be followed by a national rollout of Mobile Order & Pay in 2015.

“Of all the new traffic-driving initiatives for the company, Mobile Order & Pay is at the top of that list and we are confident that it will be game-changing for our customers and our business,” said Adam Brotman, Starbucks chief digital officer. “We have designed the full mobile ordering experience – from the app itself, to the pick-up of the food and beverages, to the engagement with the baristas in our stores – to be a seamless and natural extension of the existing *Starbucks Experience*. We believe that the addition of Mobile Order & Pay into what is already one of the most widely used apps in the country will encourage customers to explore even more of our menu, will attract new customers to Starbucks, and will encourage incremental occasions to visit our stores.”

Furthermore, the national rollout of Mobile Order & Pay will lay the foundation for Starbucks launch of food and beverage delivery in select metropolitan areas later in the year. Inclusion of the delivery option furthers the company’s goal of providing convenience and the complete *Starbucks Experience* to customers however, whenever and wherever they want it – even if they are unable to visit a Starbucks® retail location.

The success of Starbucks mobile payment and loyalty programs will also allow the company to bring to the table the constituent pieces necessary to build a consumer proposition for a mobile payment network with retailers outside of the Starbucks® store footprint in fiscal year 2016. This platform – in which customers would earn Stars by using a stored value account, much as they do at Starbucks today – would create opportunities for other retailers to reward their most loyal customers, also benefiting Starbucks by creating incremental traffic opportunities.

Global and Channel Expansion

Starbucks China and Asia-Pacific region represent enormous, immediate, high-value opportunities for the company, and Starbucks today announced plans to double its store count in China – to over 3,000 stores – by 2019. When completed in the second quarter of 2015, Starbucks acquisition of Starbucks Japan – the company’s first international market outside of North America and with more than 1,000 stores its second largest market overall in retail store sales – will position Starbucks to further accelerate growth in the

dynamic, rapidly-growing CAP region.

Starbucks is the industry leader in premium single serve, premium packaged roast and ground coffee, and Ready-to-Drink products served outside the company's retail stores and is ideally positioned to grow its share of these markets both in the U.S. and globally. At Investor Day 2014, company leaders will share that over the next five years Starbucks Channel Development segment will grow its revenue by 60%, nearly double its operating income, and more than double its RTD business outside of the U.S. with a specific focus on unlocking untapped opportunities across the company's China and Asia-Pacific region.

Financial and Operating Performance through the Lens of Humanity

As Starbucks accelerates the growth across its business and around the world it will continue to balance industry-leading performance with its core mission and values. The company's commitment to its values, its partners (employees) and the communities it serves was demonstrated through several leadership initiatives over the past year, including:

- Starbucks commitment to hire at least 10,000 veterans and military spouses by 2018 and its partnership with HBO and Chase to host the historic Concert For Valor. The Concert For Valor saluted America's veterans and was held on the National Mall in Washington, D.C. on Veterans Day. The concert was attended by hundreds of thousands – with more than one million viewing the event live and on demand, remotely. In its first year, Starbucks has already placed more than 1,000 veterans and active duty military spouses into roles that leverage their skills, dedication, discipline and leadership and the company announced plans to double that number in 2015. In November, Schultz co-authored *For Love of Country: What Our Veterans Can Teach Us About Citizenship, Heroism and Sacrifice*. The book, from which Starbucks proceeds are being devoted to veterans' service organizations, has already received numerous accolades including ranking as one of *The Wall Street Journal's* top five best-selling books.
- Last summer Starbucks announced the creation of Starbucks College Achievement Plan, a first-of-its-kind partnership with Arizona State University (ASU) that makes it possible for eligible Starbucks partners to finish a bachelor's degree with full tuition coverage for their junior and senior years through ASU's top-ranked online degree program. More than 1,000 partners have enrolled in the first Fall session and thousands more have started the application process.

To learn more about Starbucks 2014 Investor Day, visit Starbucks [Investor Relations](#) website. For news updates and images from the event, visit the [Starbucks Newsroom](#).

About Starbucks

Since 1971, Starbucks Coffee Company has been committed to ethically sourcing and roasting high-quality *arabica* coffee. Today, with stores around the globe, the company is the premier roaster and retailer of specialty coffee in the world. Through our unwavering commitment to excellence and our guiding principles, we bring the unique *Starbucks Experience* to life for every customer through every cup. To share in the experience, please visit us in our stores or online at Starbucks.com.

Forward-Looking Statements

Certain statements contained herein are "forward-looking statements" within the meaning of the applicable securities laws and regulations. Generally, these statements can be identified by the use of words such as "anticipate," "expect," "believe," "could," "estimate," "feel," "forecast," "intend," "may," "plan," "potential," "project," "should," "will," "would," and similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements are based upon information available to Starbucks as of the date hereof, and Starbucks actual results or performance could differ materially from those stated or implied due to risks and uncertainties associated with its business. These risks and uncertainties include, but are not limited to, costs associated with, and the successful execution of, the company's initiatives and plans, the acceptance of the company's products by our customers, fluctuations in U.S. and international economies and currencies, our ability to preserve, grow and leverage our brands, potential negative effects of material breaches of our information technology systems if any were to occur, the impact of competition, coffee, dairy and other raw material prices and availability, the effect of legal proceedings, and other risks detailed in the company filings with the Securities and Exchange Commission, including the "Risk Factors" section of the Starbucks Annual Report on Form 10-

K for the fiscal year ended September 28, 2014. The company assumes no obligation to update any of these forward-looking statements.

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