

Starbucks Outlines Strategic Growth Agenda and Elevated Social Impact Commitments for Next Wave of Profitable Growth at 25th Annual Meeting of Shareholders
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Starbucks chairman and ceo Howard Schultz commemorates final Annual Meeting in current role; joins incoming ceo Kevin Johnson in highlighting company's record performance since its IPO, unparalleled shareholder returns, and strong pipeline of innovation for future growth across coffee, tea, food, digital, China and partner investments

Starbucks announces plans to create more than 240,000 new jobs globally (68,000 in the U.S.) as it reiterates intent to open 12,000 new stores globally and 3,400 new stores in the U.S. by FY21, including 100 more Military Family Stores in the U.S. to support military communities

After accomplishing ambitious goals, Starbucks doubles down on hiring commitments – plans to expand current initiatives and hire 25,000 Veterans and Military Spouses by 2025 and 100,000 Opportunity Youth by 2020 in the U.S.

Starbucks shareholders elect Rosalind Brewer, former President and Chief Executive Officer of Sam's Club; Jørgen Vig Knudstorp, Executive Chairman of the LEGO Brand Group; and Satya Nadella, CEO of Microsoft Corporation, to the Starbucks Board of Directors

Starbucks Corporation (NASDAQ: SBUX) today hosted its 25th Annual Meeting of Shareholders, with more than 3,300 partners, shareholders, invited guests and board members in attendance. Howard Schultz, chairman and ceo of Starbucks, marked his last Annual Meeting of Shareholders in his current capacity of ceo and honored the accomplishments of the company in delivering record financial results, including approximately 18,000% in shareholder returns since the company's Initial Public Offering 25 years ago, and more than \$10 billion in cash to shareholders via dividends and share repurchases over the past five years alone. Coupled with its long history of creating opportunities for partners (employees) and investing in the communities it serves, Starbucks reinforced its long-term commitment to driving performance through the lens of humanity.

"Every hour of every day, someone somewhere is walking into one of our 26,000 Starbucks stores in 75 countries around the world. As we approach our 25th year as a publicly traded company, the Starbucks brand is as relevant today as it has ever been, driven by the 330,000 people who proudly wear the green apron," said Schultz. "As I move into my new role as executive chairman, there is only one person who can lead us into the future. For his skill, his leadership, and above all, his love for the company, I am proud to call Kevin Johnson the next ceo of Starbucks. He is perfectly positioned to lead our brand into the future together with the strongest leadership team and board in the history of Starbucks. And yet, we are still in the early stages of growth as we strive to meet our highest growth aspirations for the company."

Financial Highlights, Achievements

Starbucks highlighted the interdependence of business success with driving social impact at scale and cited Starbucks returns over the past five years – returning \$10 billion of cash to shareholders via dividends and share repurchases, with an average growth rate of 23% over that period. In FY16, the company delivered record revenues of \$21.3 billion (11 percent growth over FY15) and record non-GAAP earnings per share of \$1.85¹ (17 percent growth on a non-GAAP basis¹); \$4.1 billion in non-GAAP operating income² (12 percent growth on a non-GAAP basis²); and \$3.2 billion returned to shareholders in the form of dividends and share repurchases. Starbucks also invested \$322 million in healthcare and other benefits, \$15M in helping partners achieve a college degree through the Starbucks College Achievement Plan, and \$221.6 million in *Bean Stock* in FY16.

Innovation in Customer Experience and Partner Benefits

Kevin Johnson, who will become Starbucks ceo on April 3, reinforced Starbucks approach to elevating the brand across retail, channel development and digital through innovation, reaching new customers and creating new occasions for customer visits.

“For almost 50 years we have been in the human connection business, and in today's world the need and desire for that human connection has never been greater. With our growing store footprint all around the globe and the engagement of our partners, we will continue to deliver financial growth to our shareholders, opportunities for our partners, and connect with more and more customers around the world,” said Johnson. “At the heart of this growth is innovation across our business, and I’m fortunate to work alongside the best leadership team in the company’s history as we serve our partners, customers and shareholders to deliver the growth they have come to expect from us.”

Johnson also shared the following updates during the Starbucks Annual Meeting of Shareholders:

- **Innovation in Coffee:** Opened in 2014, Starbucks first Roastery located in Seattle is already serving as a foundation for the company’s coffee innovation pipeline, providing a halo to the rest of the business. Earlier this year, Starbucks offered a new beverage in U.S. stores, Cascara Latte, which has a flavor profile that originated in the Roastery and accompanied the returning Smoked Butterscotch latte which led the “inspired by Roastery” portfolio of beverages in 2016. Just one year ago this week, the Roastery introduced Starbucks customers to nitro cold brew which is now available at more than 570 Starbucks® stores – across the U.S., Canada, Japan, China and U.K. – offering endless opportunities for a “draft” portfolio of products. The company is also testing new offerings inspired by the Seattle Roastery’s Affogato menu at 20 Starbucks Reserve® bar stores and 100 Starbucks locations in California. Only a few weeks ago, Starbucks also introduced its first ever barrel-aged Starbucks Reserve coffee which is already outperforming projections. This premium coffee pipeline will continue to expand as the company opens Roastery locations in Shanghai (2017), New York (2018), Milan (2018) and Tokyo (2018) with the potential for 20-30 Roasteries globally over time.
- **Elevated Food Options:** Building on its food business through customer-driven innovation, Johnson unveiled the company’s plans to launch Starbucks Mercato, a new menu of lunch items that features fresh and flavorful grab-and-go salads and sandwiches that meet a variety of dietary lifestyles and are made daily, with leftover items donated nightly to local food banks through Starbucks FoodShare program with Feeding America. As Starbucks continues to see strong growth in Lunch, the company sees a significant opportunity to drive attach at lunch through the new Mercato menu as well as existing products. The Mercato menu will start with more than 100 stores in Chicago on April 11, with plans to expand to other U.S. markets in the future. Additionally, on the heels of the successful launch of protein-forward, wheat-free Sous Vide Egg Bites, Starbucks also highlighted the introduction of a Gluten-Free Smoked Canadian Bacon Breakfast Sandwich and certified vegan Sprouted Grain Bagel in Starbucks stores across the U.S. Both are examples of how the company is meeting customers’ needs for on-the-go choices that fit their lifestyle. Starbucks has grown its food business by 1.5 times since 2013 and plans to double its food business by the year 2021.
- **Innovation in Premium Craft Iced Teas:** This summer, Starbucks is reinventing craft iced tea through the launch of new Teavana Shaken Iced Tea Infusions with no artificial flavors or sweeteners. This new offering will join Starbucks core line-up of Teavana Shaken Iced Teas and be available in three new varieties, Pineapple Black Tea Infusion, Strawberry Green Tea Infusion and Peach Citrus White Tea Infusion. The taste is a perfect balance of premium tea and freshly steeped fruit and botanical blends.

Advancing the Digital Flywheel Globally

Starbucks chief technology officer Gerri Martin-Flickinger and China digital vp Molly Liu addressed growth plans for the company’s digital flywheel around the globe. Starbucks continues to offer the largest and most robust mobile ecosystem of any retailer in the world, with over 13 million Starbucks Rewards members, approximately 9 million mobile paying customers, with one out of three now using Mobile Order & Pay, and more than \$6 billion loaded onto prepaid Starbucks Cards in North America during 2016 alone.

Today, Starbucks announced the expansion of its Mobile Order & Pay platform to give customers more options to order their favorite Starbucks beverage while on the go, by leveraging its skill for Amazon Alexa announced earlier this year. Now, with the planned integration of Amazon Alexa and Ford vehicles later this year, Starbucks customers with a Ford car equipped with SYNC 3 will be able to order their favorite Starbucks beverage on the go by saying, “Alexa, ask Starbucks to start my order.”

Starbucks also shared more details on the expansion of My Starbucks® barista, now available to more than

100,000 customers across the U.S. Powered by groundbreaking Artificial Intelligence for the Starbucks Mobile App, customers can now place their orders via voice command or messaging interface, delivering speed and convenience. Starbucks continues to deliver innovation that enhances customer loyalty and engagement and further extends the accessibility of the Starbucks® Mobile App. The My Starbucks® barista is currently rolling out to iOS customers with Android™ users being added in subsequent releases.

Starbucks digital flywheel continues to gain momentum with the launch of true one-to-one personalization. While still early in the evolution of this service, Starbucks has delivered personalized offers to customers directly on the front of the screen of the mobile app, including the complete rollout of suggested selling and recommendations. Total Starbucks Rewards member spend is up over 20 percent versus last year, driven by member growth and higher spend per member, reflecting a more engaged member base that takes advantage of Mobile Order and Pay and personalized marketing offers and recommendations.

Starbucks also provided more detail on the important role that social gifting is playing in the overall customer experience. With the introduction of the Outlook add-in, customers can gift a favorite beverage to friends, colleagues and loved ones through Microsoft Outlook. Starbucks also unveiled the availability of gifting through Apple's Messages app with Apple Pay beginning in April, expanding the platform and offering customers new ways to share the *Starbucks Experience*.

China Experiences Accelerated Growth, Grounded in Starbucks Brand and Innovation

In China, customers have continued to embrace the Starbucks brand, with some of the company's most innovative, efficient and profitable stores producing record revenue and strong same-store sales growth in FY16. Starbucks now operates more than 2,600 stores in 127 cities in China and employs nearly 40,000 partners, opening over a store a day – a growth rate that will continue to accelerate well into the future. While Starbucks business in China is in its very early stages of growth, the company shared more detail on its new social gifting feature “用星说” (Say it with Starbucks) on Weixin, a sister product of WeChat targeting Chinese domestic users. Co-created by Starbucks and Weixin, this pioneering social gifting innovation encourages everyday acts of kindness and appreciation among family and friends, by enabling users to instantly and conveniently gift a Starbucks beverage or digital gift card. Starbucks has seen more than 1 million transactions on its social gifting platform since it launched in China on Feb. 10, and Weixin Pay has now reached 27 percent of tender in Starbucks stores in China.

Starbucks Doubles Down on Hiring Commitments

Starbucks announced plans to create more than 240,000 jobs globally (68,000 in the U.S.) as it highlighted its growth plans to open 12,000 new stores globally and 3,400 new stores in the U.S. by FY21.

Starbucks strong financial performance over the last 25 years as a publicly traded company has allowed for strategic investments in social impact initiatives – driving greater connection between partners and the millions of customers it serves in 75 countries worldwide. The company has already reached critical milestones for its hiring initiatives for Veterans, Military Spouses, and Opportunity Youth and announced plans on building on this progress by expanding its hiring goals as it continues to grow the U.S. business. Creating opportunities and building a diverse and inclusive workforce has been critical to meeting the company's mission to inspire and nurture the human spirit – one person, one cup and one neighborhood at a time.

- **Starbucks Reaches Goal of Hiring 10,000 Veterans and Military Spouses Ahead of Schedule; Expands Goal to 25,000 by 2025:** Announced in 2013, Starbucks has already reached its initial goal to hire 10,000 Veterans and Military Spouses ahead of the original 2018 deadline. Based on the success of this program, today Starbucks proudly reaffirmed its commitment to supporting service members and military spouses and increased its hiring goal to 25,000 total hires by 2025. In addition, the hiring commitment has led to expanded ambitions to reconnect Americans and service members through the following programs and relationships: Military Mondays, an in-store program that offers a range of resources to assist with the transition process from military to civilian life; the Adopt A Unit program which supports the need of deployed units and their families; and partnerships with organizations that help us bridge the civilian-military divide and enable Veterans to serve in their communities, such as Blue Star Families, Team RWB, Team Rubicon, The Mission Continues and the USO.
- **Starbucks to Dedicate 100 More Military Family Stores across the U.S. in Next Five Years:**

Starbucks® Military Family Stores are located near major military bases and have been given the special designation as a place of welcoming and support for military communities around the country. Having reached its initial goal of opening 32 Military Family Stores, Starbucks today announced plans to dedicate 100 more such stores across the U.S. over the next five years. The stores function as a hub within the military community, and are staffed by Veterans, advocates and Military Spouses. Partners in the stores help create a culture of understanding between military and non-military customers – an important step toward ensuring service men and women experience smooth transitions back into the civilian world.

- **Starbucks Exceeds Goal of Hiring 10,000 Opportunity Youth Ahead of Schedule; Expands Goal to 100,000 Hires by 2020:** Starbucks has a long-standing commitment to creating opportunities for youth who are not in school or unemployed. In 2015, the company announced a commitment to hire 10,000 opportunity youth in the U.S. by 2018 and has already exceeded that commitment with 40,000 hires. Building on this progress, the company announced that it will expand that goal to 100,000 hires by 2020, giving even more opportunity youth – an estimated 4.9 million young Americans – a fair shot at that first job and pathway to lifelong success.
- **Starbucks Teams Up with UNHCR - the UN Refugee Agency, International Rescue Committee, Tent Foundation, and No One Left Behind to Support the Hiring of 10,000 Refugees Globally:** Announced in January 2017, Starbucks plans to welcome and hire 10,000 refugees across its global business in 75 countries by 2022. In support of this commitment, today Starbucks is formally joining the UNHCR's #WithRefugees Campaign and the Tent Partnership for Refugees to scale up the company's support and efforts to reach refugee candidates. Also, the company unveiled partnerships with non-governmental organizations to provide skills training to refugees and connect work authorized candidates to job opportunities. Starbucks is teaming up globally with the International Rescue Committee (IRC), UNHCR - the UN Refugee Agency, and in the U.S., with No One Left Behind, an organization founded by a veteran and his translator, and dedicated to resettling interpreters, personnel and their families who served alongside U.S. forces.
- **Expanding Partner Education Benefits:** The company further deepened its investment in the revolutionary Starbucks College Achievement Plan (SCAP) with the announcement of the Pathway to Admission program. Working in partnership with Arizona State University (ASU), Starbucks aims to help even more eligible partners earn their bachelor's degrees by helping those applicants who may need additional assistance in meeting admission requirements. Through Pathway to Admission, partners can now receive an individualized path created just for them by ASU to work toward admission based on each partner's unique situation and academic history.

Starbucks Shareholders Elect New Board Members

The company's shareholders elected Rosalind Brewer, former President and Chief Executive Officer of Sam's Club; Jørgen Vig Knudstorp, Executive Chairman of the LEGO Brand Group; and Satya Nadella, CEO of Microsoft Corporation, to the Starbucks Board of Directors, among other re-elected directors. The Starbucks Board of Directors now includes a total of 14 members. Additionally, **James (Jamie) Shennan Jr.**, a Starbucks director since March 1990, retired from the Board effective immediately prior to the shareholder meeting in accordance with the company's Corporate Governance Principles and Practices' mandatory retirement age requirements.

Starbucks Annual Meeting of Shareholders began at 10 a.m. PT today, and will be live-streamed on Yahoo Finance at <http://finance.yahoo.com/live/starbucks>, and simultaneously available at <http://investor.starbucks.com>. A replay of the webcast will be available on the company's website until Friday, Sept. 22, 2017. Please visit Starbucks Newsroom at <http://news.starbucks.com> to find images, video clips and live updates of the Annual Meeting of Shareholders.

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 www.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, fluctuations in U.S. and international economies and currencies, our ability to preserve, grow and leverage our brands, potential negative effects of incidents involving food or beverage-borne illnesses, tampering, contamination or mislabeling, potential negative effects of material breaches of our information technology systems to the extent we experience a material breach, material failures of our information technology systems, costs associated with, and the successful execution of, the company’s initiatives and plans, the acceptance of the company’s products by our customers, the impact of competition, coffee, dairy and other raw materials 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 October 2, 2016. The company assumes no obligation to update any of these forward-looking statements.

¹ Non-GAAP EPS. FY16 GAAP EPS of \$1.90 includes ongoing amortization of acquired intangible assets and transaction and integration costs related to the Starbucks Japan acquisition (+\$0.04 per share), additional domestic manufacturing deductions claimed on our consolidated tax returns (-\$0.01 per share) and the impact from the extra week in our 53-week fiscal 2016 (-\$0.09 per share). The income tax effect for FY16 non-gaap adjustments was +\$0.02 per share. The FY16 EPS growth rate is calculated over FY15 non-GAAP EPS of \$1.58. FY15 GAAP EPS of \$1.82 includes certain Starbucks Japan acquisition-related items, specifically the gain resulting from a fair value adjustment of Starbucks preexisting 39.5% ownership interest in Starbucks Japan (-\$0.26 per share) and expenses related to ongoing amortization of acquired intangible assets and transaction and integration costs (+\$0.04 per share). In addition to the Starbucks Japan acquisition-related items, FY15 GAAP EPS includes a loss related to the redemption of the company’s \$550 million of 6.250% 2017 Senior Notes (+\$0.04 per share). The income tax effect for FY15 non-gaap adjustments was -\$0.02 per share; we also had an incremental tax benefit related to additional domestic manufacturing deductions claimed on our consolidated tax returns (-\$0.04 per share).

² Non-GAAP Operating Income. FY16 GAAP operating income of \$4,171.9 million includes expenses of \$57.4 million related to certain Starbucks Japan acquisition-related items, specifically amortization of acquired intangible assets and transaction and integration costs, and expenses of \$2.8 million incurred on the sale of our Germany retail operations. The FY16 operating income growth rate is calculated over FY15 non-GAAP operating income of \$3,655.6 million. FY15 GAAP operating income of \$3,601.0 million includes expenses of \$54.6 million related to certain Starbucks Japan acquisition-related items, specifically amortization of acquired intangible assets and transaction and integration costs.

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