

# STARBUCKS AND BOYU CAPITAL JOINT VENTURE IN CHINA

“China remains one of the most exciting long-term opportunities for Starbucks, and finalizing this partnership with Boyu accelerates our ability to grow with intention and discipline.”

Brian Niccol, chairman and ceo

## TRANSACTION DETAILS

- On April 2, 2026, Starbucks announced the closing of its joint venture (“JV”) in China. Funds managed by Boyu Capital hold a 60% interest in Starbucks China retail operations. Starbucks holds a 40% interest and serves as the owner and licensor of the Starbucks global brand
- As a result of the transaction, Starbucks China moves from a company-operated model to a licensed JV structure, aligning with Starbucks operating model across many international markets
- The JV operates nearly 8,000 coffeehouses today, with a long-term aspiration to grow to as many as 20,000 locations over time
- Expected to result in a shift to a lower revenue, higher margin structure vs. company-operated

## ANTICIPATED LINE-ITEM IMPACTS TO STARBUCKS INCOME STATEMENT

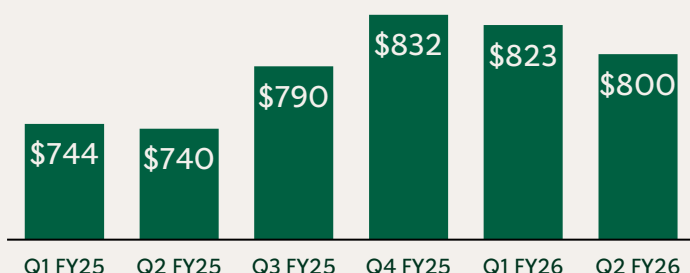
Line-item	Before: Company-operated	After: Joint Venture Licensee <sup>1</sup>
Net Revenues	100% of revenues	60% <sup>2</sup> of royalty/license fee revenues + 60% <sup>2</sup> product revenue (sales from SBUX to JV)
Product and Distribution Costs	100% of product and distribution costs	60% <sup>2</sup> of the product and distribution costs (costs of sales from SBUX to JV)
Income from Equity Investees	N/A	40% share of JV net income + 40% product margin and royalty/license fee <sup>3</sup>
Operating Income	100% of China retail operations revenue, less full operating costs	40% share of JV net income + 100% product margin and royalty/license fee <sup>3</sup>

## CHINA HISTORICAL METRICS<sup>4</sup>

AS COMPANY OPERATED

(unaudited and unreviewed, \$ in millions)

### NET REVENUES



### OPERATING INCOME



<sup>1</sup> Reflects anticipated accounting treatment beginning with Q3 FY26 Financial Statements.

<sup>2</sup> Excludes 40% of royalty, licensing and product revenues, and product costs, attributable to Starbucks ownership portion of the JV.

<sup>3</sup> “Product margin and royalty/license fee” is Starbucks gross profit resulting from product sales to, and royalty and license fee revenues generated from, the JV.

<sup>4</sup> Amounts reflect unaudited and unreviewed historical financial results of Starbucks China as company-operated. Future results may differ materially due changes in the structure of the JV entity

<sup>5</sup> Q1 FY26 and Q2 FY26 operating income include approximately \$39 million and \$118 million, respectively, of lower store operating and depreciation and amortization costs, after classifying assets for Starbucks retail operations in China as held-for-sale.

\*\* Certain statements herein are forward-looking and subject to risks and uncertainties. Actual results may differ materially. Refer to Starbucks most recent Form 10-K and Form 10-Q for discussion of risk factors. Document Date: April 28, 2026