

# Starbucks Celebrates Year of Transformation as ceo Kevin Johnson Sets Vision for Building an Enduring Company at 2019 Annual Meeting of Shareholders

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- In the largest shareholder meeting in company history, Starbucks celebrates transformative year in fiscal 2018, highlighted by double digit growth in topline revenue of \$24.7 billion, up 10% over the prior year; reaffirms ongoing growth algorithm of consolidated revenue growth of 7% to 9% and non-GAAP earnings per share growth of at least 10%.
- Company unveils plans to modernize the Starbucks Experience with a focus on three key attributes: convenience, comfort and connection.
- Announced \$100 million cornerstone investment in Valor Siren Ventures to accelerate innovation in “new retail.”
- With a focus on disciplined growth in U.S. and China, Starbucks celebrates the 30,000th store opening.
- Reaffirming its commitment to remain a company that believes in the pursuit of doing good, Starbucks announced it maintained equity in pay for race and gender in the U.S. for the second consecutive year and verified gender equity in pay in China and Canada.
- Company demonstrates latest innovations in sustainable coffee: further reduction of straws; greener cups; and digitally traceable coffee that shows the journey from bean to cup.

SEATTLE--(BUSINESS WIRE)-- Starbucks Corporation (NASDAQ: SBUX) today will host its 27th Annual Meeting of Shareholders, with nearly 4,000 shareholders, partners (employees), invited guests and board members in attendance. Key presenters at the meeting will include Kevin Johnson, president and chief executive officer of Starbucks; Roz Brewer, Americas group president and chief operating officer; Patrick Grismer, executive vice president and chief financial officer; and Michelle Burns, senior vice president of Global Coffee & Tea.

Committed to honoring Starbucks heritage while setting the course to creating an enduring company, Johnson and Starbucks leadership team will set a vision for reimagining and reinventing the core areas of the Starbucks Experience. Throughout the event, leaders will preview differentiated and elevated customer and partner

(employee) experiences.

In addition, the company will showcase opportunities where it is uniquely positioned to serve as the catalyst for future “new retail” innovations and announced commitments aimed to create meaningful societal impact.

“Starbucks is a different kind of company – and we have been since our founding,” Johnson said. “Our long-term plan for growth with focus and discipline is built on the acknowledgement that the pursuit of profit is not in conflict with the pursuit of doing good. We are a part of millions of people’s everyday lives around the world, and I believe we are uniquely positioned to be one of the most enduring brands of all time.”

## The Third Place: Reimagined

Brand endurance requires evolving with customer’s changing needs. To that end, Brewer will reveal the company’s plans to reimagine the third place, with a focus on three key attributes: convenience, comfort and connection. Through this lens, Brewer will announce Starbucks will take a phased approach to modernizing the customer experience across all key touchpoints for customers, beginning this summer in New York City.

“I don’t want anyone to walk away today thinking this is about furniture or a new renovation strategy,” said Brewer. “Reimagining the third place is about listening to our customers, so we can better position our business now and for the future.”

Through this approach, the company aims to learn directly from its customers and adapt changes to new and better experiences using technology, product innovation, in addition to new and reimagined store formats. The company also will reiterate its commitment to the continued expansion and evolution of programs like Starbucks Delivers® – now available in 12 countries – and Starbucks Rewards.

“Our relationship with our customers starts the moment they think of Starbucks. They connect with us through their barista and the quality of what’s in the cup they take with them,” Brewer said. “Their third place is everywhere they’re holding our cup. No matter their journey, after leaving our stores, that feeling of comfort stays with them. And in an increasingly busy and on-demand world, it’s that feeling that keeps the third place growing.”

## Starbucks Commits \$100 Million as Cornerstone Investor in Valor Siren Ventures

Furthering its efforts to focus on new ideas and technologies that are relevant to customers, inspiring to partners (employees), and meaningful to the Starbucks business, Starbucks announces today its pioneering investment in the new **Valor Siren Ventures I L.P. (“VSV”)**.

This investment will serve as a catalyst for the next generation of food and retail start-up companies. Managed by Valor Equity Partners, a leading growth-focused private equity investment firm that was among the first investors in food technology, the new fund will identify and invest in companies who are developing technologies, products, and solutions relating to food or retail. These verticals are increasingly relevant to Starbucks as it seeks to support its world-class talent with an innovation agenda accelerated by external relationships.

The Starbucks \$100 million cornerstone commitment to VSV is the first of its kind for the company, and the new fund will seek to raise an additional \$300 million in the coming months from other strategic partners and key institutional investors.

“We believe that innovative ideas are fuel for the future, and we continue to build on this heritage inside our company across beverage, experiential retail, and our digital flywheel,” said Johnson. “At the same time, and with an eye toward accelerating our innovation agenda, we are inspired by, and want to support the creative, entrepreneurial businesses of tomorrow with whom we may explore commercial relationships down the road. This new partnership with Valor presents exciting opportunities, not only for these startups, but also for Starbucks, as we build an enduring company for decades to come.”

## Delivering on Returns for Shareholders

On the heels of a fiscal year of unprecedented growth and revenues of more than \$24.7 billion, the company has returned \$14 billion towards its previously announced commitment to return \$25 billion to shareholders in the form of share buybacks and dividends over a three-year period through fiscal 2020.

As part of this commitment, the company entered into a \$2 billion accelerated share repurchase program (ASR) of the Company's common stock. Initial delivery of shares represents approximately 80% of the total shares estimated to be repurchased under the ASR, which is expected to be completed no later than June 2019. The total shares repurchased will be based on the volume weighted average share price during the term of the ASR, less an agreed discount, and is subject to certain adjustments under the agreements.

## CREATING SOCIAL IMPACT GLOBALLY

For more than 48 years, the Starbucks brand has been fueled by both an elevated customer experience and passionate, continual efforts to create meaningful impact in the communities it serves.

That commitment isn't more evident than in the company's continued drive towards a more sustainable Starbucks.

Greener Cups, Fewer Straws and Tracing Your Coffee's Journey via Starbucks® Mobile App

Burns will outline significant, collaborative progress and new plans on **greener cups, fewer straws and digitally tracing its coffee** as Starbucks works to support and empower coffee farmers and **decrease the company's environmental footprint**.

In addition, speakers will share progress related to supporting the communities that host and sustain Starbucks® stores, and providing pathways and opportunities to people.

## Starbucks in the U.S. Maintains Equity in Pay for Race and Gender; Starbucks in China and Canada Verify Gender Equity in Pay

At last year's Annual Meeting of Shareholders, Starbucks announced 100% pay equity in the U.S. for women, men and people of all races performing similar work, as well as a commitment to achieve gender equity in pay globally in all company-owned markets.

Today, Johnson will confirm Starbucks maintained pay equity in the U.S. this year, and that China and Canada are the first international markets to verify the fulfillment of the global commitment to gender equity in pay.

Last year the company announced its **Pay Equity Principles** – Equal Footing, Transparency and Accountability – after drawing on its own experience to address systemic barriers to gender equity in pay. China and Canada have joined the U.S. in committing to these Pay Equity Principles and will continue to update country-centric best practices to address challenges unique to each market.

This global commitment has set a new bar for multinational companies. The effort is supported by equal rights champion the Billie Jean King Leadership Initiative (BJKLI) and leading national women's organizations, the National Partnership for Women & Families and the American Association of University Women.

## Creating More Opportunities

Other updates related to Starbucks efforts to create pathways for people who face barriers to opportunity include the following:

- **Veterans and Military Spouses:** With 22,000 hires to date, Starbucks is on track to well exceed its goal of 25,000 hires by 2025.
- **Opportunity Youth:** Starbucks is on track to meet its goal of hiring 100,000 Opportunity Youth – defined by the U.S. Department of Labor as 16-24-year-olds not in school or in the labor force – by 2020, with 75,000 hired so far.

- **Partners in Pursuit of a Higher Education: The Starbucks College Achievement Plan** – a model for access to higher education for employees in partnership with Arizona State University – has more than 12,000 scholars as of this year and more than 2,300 graduates since its launch in 2014. Through the Starbucks College Achievement Plan, partners earn a bachelor’s degree with tuition costs covered, without a further commitment to Starbucks. The program’s goal is 25,000 graduates by 2025.

## Supporting Communities Across the Globe

Starbucks other updates related to supporting its various communities include the following:

- **Increased Commitment to Ending Hunger:** Starbucks is increasing its commitment to ending hunger, particularly among children and families, by investing \$300,000 in Feeding America food bank mobile pantry programs across the U.S. The company also marks a milestone of 15 million meal donations made since 2016 through its U.S. FoodShare program. Worldwide, the company now has hunger-related donation programs in Canada, the UK, Switzerland, Austria and the Netherlands with more planned expansion.
- **Expansion of Efforts to Support Unsheltered Families in the Seattle Area:** Starbucks will be expanding its partnership with United Way of King County in the coming year to support families experiencing homelessness, and reported that the late 2018 crowd-funding effort for the No Child Sleeps Outside campaign with Mary’s Place and other partners raised \$2.4 million in 45 days to help bring unsheltered families inside and move them into permanent stable housing.

Starbucks Annual Meeting of Shareholders will begin at 10 a.m. PT today and will be webcast and can be accessed at <http://investor.starbucks.com>. A replay of the webcast will be available on the company’s website until end of day Friday, September 20, 2019. Please visit <https://stories.starbucks.com/> to find images, b-roll and live updates of the Annual Meeting of Shareholders.

## 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, adulteration, 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, including the integration of Starbucks Japan and East China business and the successful execution of our Global Coffee Alliance with Nestle, the acceptance of the company's products by our customers, our ability to obtain financing on acceptable terms, the impact of competition, the prices and availability of coffee, dairy and other raw materials, the effect of legal proceedings, the effects of changes in U.S. tax law and related guidance and regulations that may be implemented, 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 30, 2018. The company assumes no obligation to update any of these forward-looking statements.

## Non-GAAP Financial Measures

Non-GAAP measures included in our press release were not reconciled to the comparable GAAP financial measures because the GAAP measures are not accessible on a forward-looking basis. The Company is unable to reconcile these forward-looking non-GAAP financial measures to the most directly comparable GAAP measures without unreasonable efforts because the Company is currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact GAAP measures for these periods but would not impact the non-GAAP measures. Such items may include acquisition, divestitures, restructurings and other items. The unavailable information could have a significant impact on the Company's GAAP financial results.

## About Starbucks

Since 1971, Starbucks Coffee Company has been committed to ethically sourcing and roasting high-quality arabica coffee. Today, with more than 30,000 stores around the globe, Starbucks 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 our stores or online at [stories.starbucks.com](https://stories.starbucks.com) and [Starbucks.com](https://starbucks.com).

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