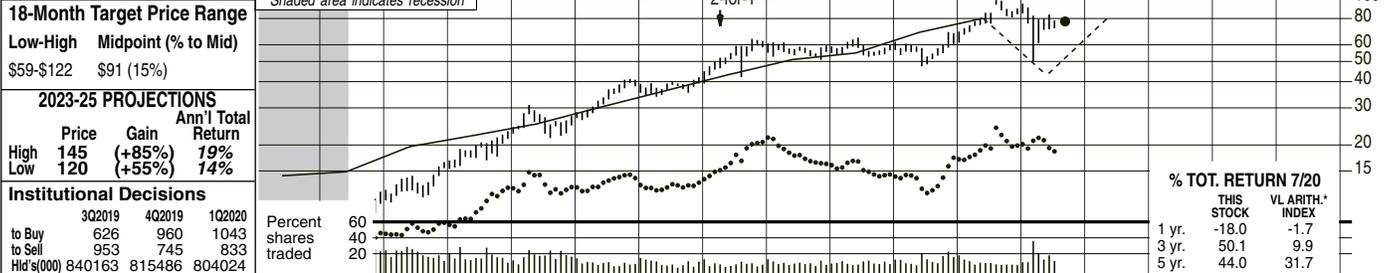


STARBUCKS CORP. NDQ-SBUX

RECENT PRICE **77.47** P/E RATIO **NMF** (Trailing: NMF Median: 27.0) RELATIVE P/E RATIO **NMF** DIV'D YLD **2.3%** VALUE LINE **368**

TIMELINESS 3 Lowered 2/7/20	High: 12.0 16.6 23.3 31.0 41.3 42.1 64.0 61.8 64.9 69.0 98.1 94.1	Target Price Range 2023 2024 2025
SAFETY 1 Raised 8/29/14	Low: 4.1 10.6 15.4 21.5 26.3 34.0 39.3 50.8 52.6 47.4 61.4 50.0	
TECHNICAL 3 Lowered 12/20/19	LEGENDS — 19.5 x "Cash Flow" p sh ... Relative Price Strength 2-for-1 split 4/15 Options: Yes Shaded area indicates recession	
BETA 1.00 (1.00 = Market)		



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
3.33	4.15	5.15	6.37	7.06	6.58	7.21	7.85	8.87	9.89	10.97	12.90	14.60	15.64	18.88	22.38	19.90	24.55	Sales per sh ^A	38.10
.42	.54	.64	.77	.73	.76	1.01	1.14	1.29	1.56	1.85	2.21	2.61	2.81	3.53	4.11	2.20	4.25	"Cash Flow" per sh	6.75
.24	.31	.37	.44	.36	.40	.64	.76	.90	1.13	1.36	1.58	1.91	2.06	2.42	2.83	.90	2.90	Earnings per sh ^{B F}	5.25
--	--	--	--	--	--	.12	.26	.34	.42	.52	.64	.80	1.00	1.26	1.44	1.64	1.80	Div'ds Decl'd per sh ^G	2.40
1.56	1.36	1.47	1.55	1.69	2.05	2.48	2.95	3.41	4.11	3.52	3.92	4.03	3.81	.89	d5.26	d7.40	d5.70	Book Value per sh	2.85
1589.6	1534.9	1513.2	1476.6	1471.0	1485.8	1485.2	1489.6	1498.6	1506.4	1499.0	1485.1	1460.5	1431.6	1309.1	1184.6	1165.0	1140.0	Common Shs Outst'g ^C	1050.0
40.3	43.2	45.6	36.3	26.4	16.0	18.7	22.8	27.5	26.5	27.9	30.2	30.4	27.7	23.2	26.6	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	25.0
2.13	2.30	2.46	1.93	1.59	1.07	1.19	1.43	1.75	1.49	1.47	1.52	1.60	1.39	1.25	1.50			Relative P/E Ratio	1.40
--	--	--	--	--	--	1.0%	1.5%	1.4%	1.4%	1.4%	1.3%	1.4%	1.8%	2.2%	1.9%			Avg Ann'l Div'd Yield	1.8%

CAPITAL STRUCTURE as of 6/28/20				2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Total Debt \$16831.7 mill. Due in 5 Yrs \$8500.0 mill.				10707	11701	13300	14892	16448	16448	19163	21316	22387	24720	26509	28000				28000
LT Debt \$14645.6 mill. LT Interest \$700.0 mill. (more than 100% of Cap'l)				22.5%	23.9%	23.6%	25.3%	27.3%	28.7%	30.6%	29.9%	28.8%	27.0%	20.5%	27.0%				20.5%
Leases, Uncapitalized Annual rentals \$1340.6 mill.				17.1%	17.5%	17.6%	19.0%	21.3%	22.4%	24.5%	24.2%	23.1%	22.4%	14.0%	21.0%				14.0%
No Defined Benefit Pension Plan				8833	9031	9405	10194	10713	12235	12711	13275	15341	15834	16200	16900				16900
Pfd Stock None.				982.5	1173.6	1384.9	1721.4	2068.1	2393.9	2835.0	3011.0	3370.0	3492.4	1050	3310				3310
Common Stock 1,169.0 mill. shs. as of 7/22/20				34.1%	32.0%	32.8%	32.6%	34.6%	34.0%	33.0%	33.3%	24.8%	25.0%	25.0%	25.0%				25.0%
MARKET CAP: \$90.6 billion (Large Cap)				9.2%	10.0%	10.4%	11.6%	12.6%	12.5%	13.3%	13.4%	13.6%	13.2%	4.5%	11.8%				11.8%
CURRENT POSITION				977.3	1719.1	1989.8	2814.2	1130.0	699.2	213.6	1062.7	6810.0	d514.8	d500	d500				d500
CASH ASSETS				549.4	549.5	549.6	1299.4	2048.3	2347.5	3022.2	3932.6	9090.2	11167	14650	14000				14000
RECEIVABLES				3682.3	4387.3	5114.5	6195.5	5273.7	5819.8	5884.0	5450.1	1169.5	d6232.2	d8600	d6500				d6500
INVENTORY				23.6%	24.1%	24.7%	23.2%	28.7%	29.7%	31.6%	32.6%	33.7%	74.1%	23.5%	49.0%				49.0%
OTHER ASSETS				26.7%	26.8%	27.1%	27.8%	39.2%	41.1%	48.2%	55.2%	NMF	NMF	NMF	NMF				NMF
CURRENT LIAB.				22.0%	17.9%	17.0%	17.6%	24.4%	25.2%	28.2%	28.6%	NMF	NMF	NMF	NMF				NMF
TOTAL ASSETS				17%	33%	37%	37%	38%	39%	42%	48%	52%	50%	NMF	NMF				NMF

BUSINESS: Starbucks Corp. is the leading retailer, roaster, and brand of specialty coffee in the world. Sells whole bean coffees through its specialty sales group, mail-order business, supermarkets, and online. Has 10,017 company-owned stores in the Americas and 6,254 elsewhere. Also has 15,909 licensed stores worldwide. Retail sales: 92% of '19 total; CPG and other, 8%. Has joint ventures with Pepsi-Cola and Dreyer's to develop bottled coffee drinks and ice creams, respectively. Deal with Kraft to distribute coffee in grocery stores terminated in 2/11. Has about 346,000 employees. Off./Dir. own less than 1% of common stock (1/20 proxy). CEO: Kevin Johnson. Inc.: WA. Addr.: 2401 Utah Ave. So., Seattle, WA 98134. Tel.: 206-447-1575. Internet: www.starbucks.com.

ANNUAL RATES				Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
of change (per sh)				10.0%	13.0%	12.5%
Sales				15.5%	17.5%	11.5%
"Cash Flow"				18.5%	18.0%	13.5%
Earnings					24.5%	12.0%
Dividends				6.5%	-3.5%	NMF
Book Value						

Fiscal Year Ends	QUARTERLY SALES (\$ mill.) ^A				Full Fiscal Year
	Dec.	Mar.	Jun.	Sep.	
2017	5732.9	5294.0	5661.5	5698.4	22386.8
2018	6073.7	6031.8	6310.3	6303.7	24719.5
2019	6632.7	6305.9	6823.0	6747.0	26508.6
2020	7097.1	5995.7	4222.1	5885.1	23200
2021	7000	6650	7200	7150	28000

Fiscal Year Ends	EARNINGS PER SHARE ^{A B F}				Full Fiscal Year
	Dec.	Mar.	Jun.	Sep.	
2017	.52	.45	.55	.55	H2.06
2018	.65	.53	.62	.62	2.42
2019	.75	.60	.78	.70	2.83
2020	.79	.32	d.46	.25	.90
2021	.70	.60	.80	.80	2.90

Calendar	QUARTERLY DIVIDENDS PAID ^G				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	.20	.20	.20	.25	.85
2017	.25	.25	.25	.30	1.05
2018	.30	.30	.36	.36	1.32
2019	.36	.36	.36	.41	1.49
2020	.41	.41	.41		

Starbucks, while struggling, is managing the COVID-19 crisis better than many had feared. In fact, the share deficit of \$0.46 for the third quarter of fiscal 2020 (year ends September 27th) was narrower than Wall Street's consensus estimate of a loss of \$0.59 a share, even as the pandemic took an estimated \$3.1 billion bite out of the top line. Moreover, the company has raised its full-year share-earnings guidance range, from \$0.55-\$0.95 to \$0.83-\$0.98, a 20%-plus hike at the midpoint. And global same-store sales, which plunged 40% in the June stanza amid temporary unit closures and a big drop-off in demand during the historically busy morning hours (fewer people picked up coffee on their way to work or school), are already showing signs of improving. Business in China, in particular, appears to be picking up faster than anticipated, thanks to expanded delivery services (in partnership with e-commerce giant Alibaba) and likely market-share advances at the expense of the beleaguered Luckin Coffee. But things should also get a lot better in the U.S. over the next few quarters, assuming no further setbacks on the coronavirus front.

We expect share net to snap back to about \$2.90 in fiscal 2021. (Our profit view for this disruptive year is now just \$0.90 a share.) By then, domestic delivery sales ought to be ramping nicely, as services are enhanced nationwide with the help of third-party outfit UberEats. In addition, Starbucks should be able to more effectively leverage its Mobile Order & Pay platform (first introduced in 2015), enabling it to win back customers that prefer mobile ordering and contactless pick-up. And the company will probably benefit from an uptick in afternoon transactions, a welcome trend that's been noted by rival chain Dunkin'. Margins, meanwhile, should recover in tandem with comps. And we expect the company to maintain its dividend payout, which should come as good news to income-oriented investors. **The stock, an Average (3) selection for Timeliness, still looks attractive at recent levels.** Given our sense that Starbucks will emerge from the pandemic relatively unscathed, we think that now would be an opportune time for buy-and-hold investors to build positions.

(A) Fiscal year ends on the Sunday closest to September 30th. (B) Diluted earnings. Next earnings report due late October. (C) In mill., adj. for splits. (D) Incl. occupancy costs. (E) Incl. company-operated stores only. (F) Incl. stock-based compensation starting in '06. (G) Dividends initiated 3/10. Payments typically made in January, April, July, and October. (H) Does not sum due to rounding.

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