

REFINITIV

DELTA REPORT

10-Q

SBUX - STARBUCKS CORP
10-Q - MARCH 31, 2024 COMPARED TO 10-Q - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	843
CHANGES	228
DELETIONS	233
ADDITIONS	382


UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Quarterly Period Ended **December 31, 2023** **March 31, 2024**
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to .
Commission File Number: 000-20322

Starbucks Corporation

(Exact Name of Registrant as Specified in its Charter)

sbuxlogo9292019.jpg

Washington
(State or Other Jurisdiction of
Incorporation or Organization)

91-1325671
(IRS Employer
Identification No.)

2401 Utah Avenue South, Seattle, Washington 98134
(Address of principal executive offices, zip code)

(206) 447-1575
(Registrant's Telephone Number, including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	SBUX	Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Shares Outstanding as of January 24, 2024 April 24, 2024
1,132.2 **1,132.7** million

PART I. FINANCIAL INFORMATION

Item 1	Financial Statements (Unaudited)	3
	Consolidated Statements of Earnings	3
	Consolidated Statements of Comprehensive Income	4
	Consolidated Balance Sheets	5
	Consolidated Statements of Cash Flows	6
	Consolidated Statements of Equity	7
	Index for Notes to Consolidated Financial Statements	8 9
	Notes to Consolidated Financial Statements	9 10
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	24 28
Item 3	Quantitative and Qualitative Disclosures About Market Risk	34 40
Item 4	Controls and Procedures	35 41

PART II. OTHER INFORMATION

Item 1	Legal Proceedings	36 42
Item 1A	Risk Factors	36 42
Item 2	Unregistered Sales of Equity Securities and Use of Proceeds	36 42
Item 3	Defaults Upon Senior Securities	36 42
Item 4	Mine Safety Disclosures	36 42
Item 5	Other Information	36 42
Item 6	Exhibits	38 43
	Signatures	39 44

[Table of Contents](#)

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

STARBUCKS CORPORATION				
CONSOLIDATED STATEMENTS OF EARNINGS				
(in millions, except per share data) data, unaudited				
(unaudited)				
		Quarter Ended		Two Quarters Ended
		Dec 31,		
		2023		
		Dec 31,		
		2023		
		Dec 31,		
		2023		
Net revenues:		Mar 31,	Apr 2,	Mar 31,
Net revenues:		2024	2023	2024
				Apr 2,
				2023
Net revenues:				
Company-operated stores				
Company-operated stores				

Company-operated stores
Licensed stores
Licensed stores
Licensed stores
Other
Other
Other
Total net revenues
Total net revenues
Total net revenues
Product and distribution costs
Product and distribution costs
Product and distribution costs
Store operating expenses
Store operating expenses
Store operating expenses
Other operating expenses
Other operating expenses
Other operating expenses
Depreciation and amortization expenses
Depreciation and amortization expenses
Depreciation and amortization expenses
General and administrative expenses
General and administrative expenses
General and administrative expenses
Restructuring and impairments
Restructuring and impairments
Restructuring and impairments
Total operating expenses
Total operating expenses
Total operating expenses
Income from equity investees
Income from equity investees
Income from equity investees
Operating income
Operating income
Gain from sale of assets
Operating income
Interest income and other, net
Interest income and other, net
Interest income and other, net
Interest expense
Interest expense
Interest expense
Earnings before income taxes
Earnings before income taxes
Earnings before income taxes
Income tax expense
Income tax expense
Income tax expense
Net earnings including noncontrolling interests

Net earnings including noncontrolling interests
Net earnings including noncontrolling interests
Net earnings attributable to noncontrolling interests
Net earnings attributable to noncontrolling interests
Net earnings attributable to noncontrolling interests
Net earnings attributable to Starbucks
Net earnings attributable to Starbucks
Net earnings attributable to Starbucks
Earnings per share - basic
Earnings per share - basic
Earnings per share - basic
Earnings per share - diluted
Earnings per share - diluted
Earnings per share - diluted
Weighted average shares outstanding:
Weighted average shares outstanding:
Weighted average shares outstanding:
Basic
Basic
Basic
Diluted
Diluted
Diluted

See Notes to Consolidated Financial Statements.

[Table of Contents](#)

STARBUCKS CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions, unaudited)

	Quarter Ended	Quarter Ended	Two Quarters Ended
	Quarter Ended		
	Quarter Ended		
	Dec 31, 2023		
	Dec 31, 2023		
	Dec 31, 2023		
	Mar 31, 2024	Apr 2, 2023	Mar 31, 2024
			Apr 2, 2023
Net earnings including noncontrolling interests			
Net earnings including noncontrolling interests			
Net earnings including noncontrolling interests			
Other comprehensive income/(loss), net of tax:			

Other comprehensive income/(loss), net of tax:
Other comprehensive income/(loss), net of tax:
Unrealized holding gains/(losses) on available-for-sale debt securities
Unrealized holding gains/(losses) on available-for-sale debt securities
Unrealized holding gains/(losses) on available-for-sale debt securities
Tax (expense)/benefit
Tax (expense)/benefit
Tax (expense)/benefit
Unrealized gains/(losses) on cash flow hedging instruments
Unrealized gains/(losses) on cash flow hedging instruments
Unrealized gains/(losses) on cash flow hedging instruments
Tax (expense)/benefit
Tax (expense)/benefit
Tax (expense)/benefit
Unrealized gains/(losses) on net investment hedging instruments
Unrealized gains/(losses) on net investment hedging instruments
Unrealized gains/(losses) on net investment hedging instruments
Tax (expense)/benefit
Tax (expense)/benefit
Tax (expense)/benefit
Translation adjustment and other
Translation adjustment and other
Translation adjustment and other
Tax (expense)/benefit
Tax (expense)/benefit
Tax (expense)/benefit
Reclassification adjustment for net (gains)/losses realized in net earnings for available-for-sale debt securities, hedging instruments, and translation adjustment
Reclassification adjustment for net (gains)/losses realized in net earnings for available-for-sale debt securities, hedging instruments, and translation adjustment
Reclassification adjustment for net (gains)/losses realized in net earnings for available-for-sale debt securities, hedging instruments, and translation adjustment
Tax expense/(benefit)
Tax expense/(benefit)
Tax expense/(benefit)
Other comprehensive income/(loss)
Other comprehensive income/(loss)
Other comprehensive income/(loss)
Comprehensive income including noncontrolling interests
Comprehensive income including noncontrolling interests
Comprehensive income including noncontrolling interests
Comprehensive income attributable to noncontrolling interests
Comprehensive income attributable to noncontrolling interests
Comprehensive income attributable to noncontrolling interests
Comprehensive income attributable to Starbucks
Comprehensive income attributable to Starbucks
Comprehensive income attributable to Starbucks

See Notes to Consolidated Financial Statements.

[Table of Contents](#)

STARBUCKS CORPORATION
CONSOLIDATED BALANCE SHEETS
(in millions, except per share data) data, unaudited)
(unaudited))

	Dec 31, 2023	Oct 1, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,000.4	\$ 3,551.5
Short-term investments	383.0	401.5
Accounts receivable, net	1,165.1	1,184.1
Inventories	1,646.3	1,806.4
Prepaid expenses and other current assets	374.7	359.9
Total current assets	6,569.5	7,303.4
Long-term investments	239.8	247.4
Equity investments	401.0	439.9
Property, plant and equipment, net	7,611.7	7,387.1
Operating lease, right-of-use asset	8,638.6	8,412.6
Deferred income taxes, net	1,769.4	1,769.8
Other long-term assets	531.1	546.5
Other intangible assets	115.8	120.5
Goodwill	3,302.8	3,218.3
TOTAL ASSETS	\$ 29,179.7	\$ 29,445.5
LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)		
Current liabilities:		
Accounts payable	\$ 1,460.7	\$ 1,544.3
Accrued liabilities	2,326.9	2,145.1
Accrued payroll and benefits	648.5	828.3
Current portion of operating lease liability	1,309.4	1,275.3
Stored value card liability and current portion of deferred revenue	2,199.8	1,700.2
Short-term debt	349.5	33.5
Current portion of long-term debt	1,100.8	1,818.6
Total current liabilities	9,395.6	9,345.3
Long-term debt	13,564.8	13,547.6
Operating lease liability	8,139.0	7,924.8
Deferred revenue	6,129.0	6,101.8
Other long-term liabilities	560.2	513.8
Total liabilities	37,788.6	37,433.3
Shareholders' deficit:		
Common stock (\$0.001 par value) — authorized, 2,400.0 shares; issued and outstanding, 1,132.2 and 1,142.6 shares, respectively	1.1	1.1
Additional paid-in capital	38.2	38.1
Retained deficit	(8,097.5)	(7,255.8)
Accumulated other comprehensive income/(loss)	(557.8)	(778.2)
Total shareholders' deficit	(8,616.0)	(7,994.8)
Noncontrolling interests	7.1	7.0
Total deficit	(8,608.9)	(7,987.8)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)	\$ 29,179.7	\$ 29,445.5

	Mar 31, 2024	Oct 1, 2023
ASSETS		
Current assets:		

Cash and cash equivalents	\$ 2,764.1	\$ 3,551.5
Short-term investments	362.5	401.5
Accounts receivable, net	1,110.3	1,184.1
Inventories	1,744.0	1,806.4
Prepaid expenses and other current assets	484.1	359.9
Total current assets	6,465.0	7,303.4
Long-term investments	280.4	247.4
Equity investments	440.2	439.9
Property, plant and equipment, net	7,817.4	7,387.1
Operating lease, right-of-use asset	8,686.5	8,412.6
Deferred income taxes, net	1,746.5	1,769.8
Other long-term assets	587.2	546.5
Other intangible assets	110.7	120.5
Goodwill	3,229.3	3,218.3
TOTAL ASSETS	\$ 29,363.2	\$ 29,445.5
LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)		
Current liabilities:		
Accounts payable	\$ 1,487.4	\$ 1,544.3
Accrued liabilities	2,016.0	2,145.1
Accrued payroll and benefits	704.8	828.3
Current portion of operating lease liability	1,406.6	1,275.3
Stored value card liability and current portion of deferred revenue	1,872.0	1,700.2
Short-term debt	42.1	33.5
Current portion of long-term debt	—	1,818.6
Total current liabilities	7,528.9	9,345.3
Long-term debt	15,547.5	13,547.6
Operating lease liability	8,180.3	7,924.8
Deferred revenue	6,058.4	6,101.8
Other long-term liabilities	490.3	513.8
Total liabilities	37,805.4	37,433.3
Shareholders' deficit:		
Common stock (\$0.001 par value) — authorized, 2,400.0 shares; issued and outstanding, 1,132.7 and 1,142.6 shares, respectively	1.1	1.1
Additional paid-in capital	141.7	38.1
Retained deficit	(7,970.7)	(7,255.8)
Accumulated other comprehensive income/(loss)	(621.5)	(778.2)
Total shareholders' deficit	(8,449.4)	(7,994.8)
Noncontrolling interests	7.2	7.0
Total deficit	(8,442.2)	(7,987.8)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)	\$ 29,363.2	\$ 29,445.5

See Notes to Consolidated Financial Statements.

[Table of Contents](#)

STARBUCKS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions, unaudited)

	Quarter Ended	Two Quarters Ended
	Dec 31,	Jan 1,
	2023	2023

	Mar 31, 2024	Apr 2, 2023
OPERATING ACTIVITIES:		
Net earnings including noncontrolling interests		
Net earnings including noncontrolling interests		
Net earnings including noncontrolling interests		
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization		
Depreciation and amortization		
Depreciation and amortization		
Deferred income taxes, net		
Income earned from equity method investees		
Distributions received from equity method investees		
Gain on sale of assets		
Stock-based compensation		
Non-cash lease costs		
Loss on retirement and impairment of assets		
Other		
Cash provided by/(used in) changes in operating assets and liabilities:		
Accounts receivable		
Accounts receivable		
Accounts receivable		
Inventories		
Income taxes payable		
Accounts payable		
Deferred revenue		
Operating lease liability		
Other operating assets and liabilities		
Net cash provided by operating activities		
INVESTING ACTIVITIES:		
Purchases of investments		
Purchases of investments		
Purchases of investments		
Sales of investments		
Maturities and calls of investments		
Additions to property, plant and equipment		
Proceeds from sale of assets		
Other		
Net cash used in investing activities		
FINANCING ACTIVITIES:		
Net (payments)/proceeds from issuance of commercial paper		
Net (payments)/proceeds from issuance of commercial paper		
Net (payments)/proceeds from issuance of commercial paper		
Net proceeds from issuance of short-term debt		
Repayments of short-term debt		
Repayments of long-term debt		
Repayments of long-term debt		
Net proceeds from issuance of long-term debt		
Repayments of long-term debt		
Proceeds from issuance of common stock		
Cash dividends paid		

Repurchase of common stock
Minimum tax withholdings on share-based awards
Net cash used in financing activities
Net cash used in financing activities
Other
Net cash used in financing activities
Effect of exchange rate changes on cash and cash equivalents
Net increase/(decrease) in cash and cash equivalents
CASH AND CASH EQUIVALENTS:
Beginning of period
Beginning of period
Beginning of period
End of period
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:
Cash paid during the period for:
Cash paid during the period for:
Cash paid during the period for:
Interest, net of capitalized interest
Interest, net of capitalized interest
Interest, net of capitalized interest
Income taxes

See Notes to Consolidated Financial Statements.

[Table of Contents](#)

STARBUCKS CORPORATION
CONSOLIDATED STATEMENTS OF EQUITY
For the Quarter Ended **December 31, 2023** **March 31, 2024** and **January 1, 2023** **April 2, 2023**
(in millions, except per share data, unaudited)

	Common Stock	Common Stock	Additional Paid-in Capital	Retained Earnings/(Deficit)	Accumulated Other Comprehensive Income/(Loss)	Shareholders' Equity/(Deficit)	Noncontrolling Interests	Total	Common Stock	Additional Paid-in Capital	Retained Earnings/(Deficit)	Accumulated Other Comprehensive Income/(Loss)	Shareholders' Equity/(Deficit)	Noncontrolling Interests
Balance, October 1, 2023														
Balance, October 1, 2023														
Balance, October 1, 2023														
Balance, December 31, 2023														
Balance, December 31, 2023														
Balance, December 31, 2023														
Net earnings														
Net earnings														
Net earnings														
Other comprehensive income														
Other comprehensive loss														

Stock-based
compensation
expense

Exercise of
stock
options/vesting
of RSUs

Sale of
common stock

Repurchase of
common
stock (1)

Cash dividends
declared,
\$0.57 per
share

Other

Other

Other

Balance,
December 31,
2023

Balance,
March 31,
2024

Balance, October 2,
2022

Balance, October 2,
2022

Balance, October 2,
2022

Balance, January 1,
2023

Balance, January 1,
2023

Balance, January 1,
2023

Net earnings

Net earnings

Net earnings

Other
comprehensive
loss

Other
comprehensive
income

Stock-based
compensation
expense

Exercise of
stock
options/vesting
of RSUs

Sale of
common stock

Repurchase of
common stock

Cash dividends
declared,
\$0.53 per
share

Balance, January 1,
2023

Balance, January 1,
2023

Balance, January 1,
2023

Purchase of
noncontrolling
interests

Balance, April
2, 2023

(1) Includes excise tax on share repurchases.

See Notes to Consolidated Financial Statements.

[Table of Contents](#)

STARBUCKS CORPORATION
CONSOLIDATED STATEMENTS OF EQUITY
For the Two Quarters Ended March 31, 2024 and April 2, 2023
(in millions, except per share data, unaudited)

	Common Stock				Accumulated Other Comprehensive Income				
	Shares	Amount	Additional Paid-in Capital	Retained Earnings/(Deficit)	Comprehensive Income/(Loss)	Shareholders' Equity/(Deficit)	Noncontrolling Interests	Total	
Balance, October 1, 2023	1,142.6	\$ 1.1	\$ 38.1	\$ (7,255.8)	\$ (778.2)	\$ (7,994.8)	\$ 7.0	\$ (7,987.8)	
Net earnings	—	—	—	1,796.8	—	1,796.8	0.1	1,796.9	
Other comprehensive income	—	—	—	—	156.6	156.6	0.1	156.7	
Stock-based compensation expense	—	—	175.2	—	—	175.2	—	175.2	
Exercise of stock options/vesting of RSUs	2.6	—	(64.9)	—	—	(64.9)	—	(64.9)	
Sale of common stock	0.3	—	29.2	—	—	29.2	—	29.2	
Repurchase of common stock ⁽¹⁾	(12.8)	—	(35.9)	(1,223.9)	—	(1,259.8)	—	(1,259.8)	
Cash dividends declared, \$1.14 per share	—	—	—	(1,287.8)	—	(1,287.8)	—	(1,287.8)	
Other	—	—	—	—	0.1	0.1	—	0.1	
Balance, March 31, 2024	1,132.7	\$ 1.1	\$ 141.7	\$ (7,970.7)	\$ (621.5)	\$ (8,449.4)	\$ 7.2	\$ (8,442.2)	
Balance, October 2, 2022	1,147.9	\$ 1.1	\$ 205.3	\$ (8,449.8)	\$ (463.2)	\$ (8,706.6)	\$ 7.9	\$ (8,698.7)	
Net earnings	—	—	—	1,763.6	—	1,763.6	—	1,763.6	
Other comprehensive loss	—	—	—	—	(58.4)	(58.4)	—	(58.4)	
Stock-based compensation expense	—	—	161.4	—	—	161.4	—	161.4	
Exercise of stock options/vesting of RSUs	3.7	—	23.5	—	—	23.5	—	23.5	
Sale of common stock	0.3	—	24.9	—	—	24.9	—	24.9	
Repurchase of common stock	(4.9)	—	(373.9)	(121.5)	—	(495.4)	—	(495.4)	
Cash dividends declared, \$1.06 per share	—	—	—	(1,216.9)	—	(1,216.9)	—	(1,216.9)	
Purchase of noncontrolling interests	—	—	(3.0)	—	—	(3.0)	(0.4)	(3.4)	
Balance, April 2, 2023	1,147.0	\$ 1.1	\$ 38.2	\$ (8,024.6)	\$ (521.6)	\$ (8,506.9)	\$ 7.5	\$ (8,499.4)	

(1) Includes excise tax on share repurchases.

See Notes to Consolidated Financial Statements.

[Table of Contents](#)

STARBUCKS CORPORATION
INDEX FOR NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1	Summary of Significant Accounting Policies and Estimates	9 10
Note 2	Acquisitions, Divestitures, and Strategic Alliance	10
Note 2 3	Derivative Financial Instruments	9 11
Note 3 4	Fair Value Measurements	13 16
Note 4 5	Inventories	15 18
Note 5 6	Supplemental Balance Sheet and Statement of Earnings Information	15 18
Note 6 7	Other Intangible Assets and Goodwill	16
Note 7	Debt	17 19
Note 8	Leases	19
Note 9	Deferred Revenue Debt	20
Note 9	Leases	22
Note 10	Deferred Revenue	23
Note 11	Equity	21 24
Note 11 12	Employee Stock Plans	21 25
Note 12 13	Earnings per Share	22 26
Note 13 14	Commitments and Contingencies	22 26
Note 14 15	Segment Reporting	23 26

[Table of Contents](#)

STARBUCKS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1: Summary of Significant Accounting Policies and Estimates

Financial Statement Preparation

The unaudited consolidated financial statements as of **December 31, 2023** **March 31, 2024**, and for the quarters **and two quarters ended** **December 31, 2023** **March 31, 2024** and **January 1, 2023** **April 2, 2023**, have been prepared by Starbucks Corporation under the rules and regulations of the Securities and Exchange Commission ("SEC"). In the opinion of management, the financial information for the quarters **and two quarters ended** **December 31, 2023** **March 31, 2024** and **January 1, 2023** **April 2, 2023** reflects all adjustments and accruals, which are of a normal recurring nature, necessary for a fair presentation of the financial position, results of operations, and cash flows for the interim periods. In this Quarterly Report on Form 10-Q ("10-Q"), Starbucks Corporation is referred to as "Starbucks," the "Company," "we," "us," or "our."

Segment information is prepared on the same basis that our management reviews financial information for operational decision-making purposes.

Certain prior period information on the consolidated statements of cash flows have been reclassified to conform to the current presentation.

The financial information as of October 1, 2023 is derived from our audited consolidated financial statements and notes for the fiscal year ended October 1, 2023 ("fiscal 2023") included in Item 8 in the fiscal 2023 Annual Report on Form 10-K ("10-K"). The information included in this 10-Q should be read in conjunction with the footnotes and management's discussion and analysis of the consolidated financial statements in the 10-K.

The results of operations for the quarter **and two quarters ended** **December 31, 2023** **March 31, 2024** are not necessarily indicative of the results of operations that may be achieved for the entire fiscal year ending September 29, 2024 ("fiscal 2024").

Recent Accounting Pronouncements Not Yet Adopted

In November 2023, the Financial Accounting Standards Board ("FASB") issued guidance expanding segment disclosure requirements. The amendments require enhanced disclosure for certain segment items and **required require** disclosure on how management uses reported measures to assess segment performance. The amendments do not change how segments are determined, aggregated, or how thresholds are applied to determine reportable segments. We expect to adopt the guidance for the fiscal year ending September 28, 2025. We are currently evaluating the expanded disclosure requirements and do not expect the adoption of **the amendments this guidance** to have a material impact on our consolidated financial statements.

In December 2023, the FASB issued guidance expanding disclosure requirements related to income taxes. The amendments require enhanced jurisdictional disclosures for the income tax rate reconciliation and related to cash income taxes paid. Additionally, specific disclosures related to unrecognized tax benefits and indefinite reinvestment assertions were removed. The amendments are effective for our fiscal year ending September 27, 2026. While we are still evaluating the specific impacts and timing of adoption, we anticipate this guidance will have a significant impact on our annual income tax disclosures.

In March 2024, the SEC issued its final climate disclosure rules, which require the disclosure of climate-related information in annual reports and registration statements. The rules require disclosure in the audited financial statements of certain effects of severe weather events and other natural conditions above certain financial thresholds, as well as amounts

related to carbon offsets and renewable energy credits or certificates, if material. Disclosure requirements will begin phasing in for fiscal years beginning on or after January 1, 2025. On April 4, 2024, the SEC determined to voluntarily stay the final rules pending certain legal challenges. We are currently evaluating the impact of the new rules and expect to include updated climate-related disclosures in our Annual Report on Form 10-K for our fiscal year ending September 27, 2026, depending on the outcome of the legal challenges.

Note 2: Acquisitions, Divestitures, and Strategic Alliance

On January 13, 2023, we sold the assets, primarily consisting of intellectual properties associated with the Seattle's Best Coffee brand, to Nestlé for \$110.0 million. The transaction resulted in a pre-tax gain of \$91.3 million, which was included in gain from sale of assets on our consolidated statements of earnings for the quarter and two quarters ended April 2, 2023. Results from Seattle's Best Coffee operations prior to the sale are reported in our Channel Development operating segment.

[Table of Contents](#)

Note 3: Derivative Financial Instruments

Interest Rates

From time to time, we enter into designated cash flow hedges to manage the variability in cash flows due to changes in benchmark interest rates. We enter into interest rate swap agreements, including forward-starting interest rate swaps and treasury locks, settled in cash based upon the difference between an agreed-upon benchmark rate and the prevailing benchmark rate at settlement. These agreements are generally settled around the time of the pricing of the related debt. Each derivative agreement's gain or loss is recorded in accumulated other comprehensive income ("AOCI") and is subsequently reclassified to interest expense over the life of the related debt.

To hedge the exposure to changes in the fair value of our fixed-rate debt, we enter into interest rate swap agreements, which are designated as fair value hedges. The changes in fair values of these derivative instruments and the offsetting changes in fair values of the underlying hedged debt due to changes in the relevant benchmark interest rates are recorded in interest expense. Refer to [Note 7B](#), Debt, for additional information on our long-term debt.

[Table of Contents](#)

Foreign Currency

To reduce cash flow volatility from foreign currency fluctuations, we enter into forward and swap contracts to hedge portions of cash flows of anticipated **intercompany** royalty payments, inventory purchases, and intercompany borrowing and lending activities. The resulting gains and losses from these derivatives are recorded in AOCI and subsequently reclassified to revenue, product and distribution costs, or interest income and other, net, respectively, when the hedged exposures affect net earnings.

From time to time, we may enter into financial instruments, including, but not limited to, forward and swap contracts or foreign currency-denominated debt, to hedge the currency exposure of our net investments in certain international operations. The resulting gains and losses from these derivatives are recorded in AOCI and are subsequently reclassified to net earnings when the hedged net investment is either sold or substantially liquidated. Gains and losses from these derivatives representing hedged components excluded from the assessment of effectiveness are amortized over the life of the hedging instrument using a systematic and rational method and recognized in interest expense.

Foreign currency forward and swap contracts not designated as hedging instruments are used to mitigate the foreign exchange risk of certain other balance sheet items. Gains and losses from these derivatives are largely offset by the financial impact of translating foreign currency-denominated payables and receivables, and these gains and losses are recorded in interest income and other, net.

Commodities

Depending on market conditions, we may enter into coffee forward contracts, futures contracts, and collars to hedge anticipated cash flows under our price-to-be-fixed green coffee contracts, which are described further in [Note 4.5](#). Inventories, or our longer-dated forecasted coffee demand where underlying fixed price and price-to-be-fixed contracts are not yet available. The resulting gains and losses are recorded in AOCI and are subsequently reclassified to product and distribution costs when the hedged exposure affects net earnings.

Depending on market conditions, we may also enter into dairy forward contracts and futures contracts to hedge a portion of anticipated cash flows under our dairy purchase contracts and our forecasted dairy demand. The resulting gains or losses are recorded in AOCI and are subsequently reclassified to product and distribution costs when the hedged exposure affects net earnings.

Cash flow hedges related to anticipated transactions are designated and documented at the inception of each hedge. Cash flows from hedging transactions are classified in the same categories as the cash flows from the respective hedged items. For de-designated cash flow hedges in which the underlying transactions are no longer probable of occurring **or where price variability in the underlying cash flow ceases to exist**, the related accumulated derivative gains or losses are recognized in interest income and other, net on our consolidated statements of earnings. These derivatives may be accounted for prospectively as non-designated derivatives until maturity, re-designated to new hedging relationships, or terminated early. We continue to believe transactions related to our other designated cash flow hedges are probable to occur.

To mitigate the price uncertainty of a portion of our future purchases, including diesel fuel and other commodities, we enter into swap contracts, futures, and collars that are not designated as hedging instruments. The resulting gains and losses are recorded in interest income and other, net to help offset price fluctuations on our beverage, food, packaging, and transportation costs, which are included in product and distribution costs on our consolidated statements of earnings.

[Table of Contents](#)

Gains and losses on derivative contracts and foreign currency-denominated debt designated as hedging instruments included in AOCI and expected to be reclassified into earnings within 12 months, net of tax (*in millions*):

Interest rate swaps	Interest expense	(8.7)
Long-term debt (hedged item)	Interest expense	5.7

Notional amounts of outstanding derivative contracts *(in millions)*:

--

Coffee
Cross-currency swaps
Dairy
Diesel fuel and other commodities
Foreign currency - other
Interest rate swaps

[Table of Contents](#)

Fair value of outstanding derivative contracts *(in millions)* including the location of the asset and/or liability on the consolidated balance sheets:

	Balance Sheet Location	Balance Sheet Location	Dec 31, 2023
Designated Derivative Instruments:			
Cross-currency swaps			
Cross-currency swaps			
Dairy			
Dairy			
Dairy			
Foreign currency - other			
Foreign currency - other			
Interest rate swaps			
Non-designated Derivative Instruments:			
Non-designated Derivative Instruments:			
Non-designated Derivative Instruments:			
Diesel fuel and other commodities			
Diesel fuel and other commodities			
Dairy			
Dairy			
Dairy			
Diesel fuel and other commodities			
Foreign currency			

Derivative Liabilities
Derivative Liabilities
Derivative Liabilities

	Balance Sheet Location	Balance Sheet Location	Dec 31, 2023
Designated Derivative Instruments:			
Cross-currency swaps			
Cross-currency swaps			
Cross-currency swaps			
Dairy			
Dairy			
Dairy			
Foreign currency - other			
	Other long-term liabilities		
Interest rate swaps			
Interest rate swaps			

Interest rate swaps

Non-designated Derivative Instruments:

Dairy

Dairy

Dairy

Diesel fuel and other commodities

Foreign currency

Other long-term liabilities

The following amounts were recorded on the consolidated balance sheets related to fixed-to-floating interest rate swaps designated in fair value hedging relationships

Carrying amount of hedged item	Carrying amount of hedged item	Cumulative amount of fair value hedging adjustment included in the carrying amount	Carrying amount
Dec 31, 2023	Oct 1, 2023	Dec 31, 2023	Oct 1, 2023
Mar 31, 2024	Oct 1, 2023	Mar 31, 2024	Oct 1, 2023

Location on the balance sheet

Long-term debt⁽¹⁾

Long-term debt⁽¹⁾

Long-term debt⁽¹⁾

⁽¹⁾ Balance as of October 1, 2023 includes \$750 million in Senior Notes **senior notes** that matured on October 1, 2023 but remained in current portion of long-term debt as of the first day of fiscal 2024.

Additional disclosures related to cash flow gains and losses included in AOCI, as well as subsequent reclassifications to earnings, are included in [Note 10](#) [10](#), Equity

[Table of Contents](#)

Note 3: 4: Fair Value Measurements

Assets and liabilities measured at fair value on a recurring basis *(in millions)*:

	Fair Value Measurements at Reporting Date Using				Balance at March 31, 2024
	Balance at December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	

Assets:

Cash and cash equivalents

Cash and cash equivalents

Cash and cash equivalents

Short-term investments:

Available-for-sale debt securities

Available-for-sale debt securities

Available-for-sale debt securities

Corporate debt securities

Corporate debt securities

Corporate debt securities

Foreign corporate bonds

Foreign corporate bonds

Foreign corporate bonds

Mortgage and other asset-backed securities

State and local government obligations

U.S. government treasury securities

Foreign government obligations
Mortgage and other asset-backed securities
Total available-for-sale debt securities
Total available-for-sale debt securities
Total available-for-sale debt securities
Structured deposits
Marketable equity securities
Total short-term investments
Prepaid expenses and other current assets:
Derivative assets
Derivative assets
Derivative assets
Long-term investments:
Available-for-sale debt securities
Available-for-sale debt securities
Available-for-sale debt securities
Corporate debt securities
Corporate debt securities
Corporate debt securities
Mortgage and other asset-backed securities
Mortgage and other asset-backed securities
Mortgage and other asset-backed securities
State and local government obligations
U.S. government treasury securities
Total available-for-sale debt securities
Structured deposits
Total long-term investments
Other long-term assets:
Derivative assets
Derivative assets
Derivative assets
Structured deposits
Total assets
Liabilities:
Accrued liabilities:
Accrued liabilities:
Accrued liabilities:
Derivative liabilities
Derivative liabilities
Derivative liabilities
Other long-term liabilities:
Derivative liabilities
Derivative liabilities
Derivative liabilities
Total liabilities

[Table of Contents](#)

	Balance at October 1, 2023	Quoted Prices in Markets for Identical (Level 1)
Assets:		
Cash and cash equivalents	\$ 3,551.5	\$
Short-term investments:		
Available-for-sale debt securities		
Corporate debt securities	64.0	
U.S. government treasury securities	2.8	
Foreign government obligations	3.9	
Total available-for-sale debt securities	70.7	
Structured deposits	261.2	
Marketable equity securities	69.6	
Total short-term investments	401.5	
Prepaid expenses and other current assets:		
Derivative assets	41.0	
Long-term investments:		
Available-for-sale debt securities		
Corporate debt securities	91.1	
Mortgage and other asset-backed securities	50.2	
State and local government obligations	1.3	
U.S. government treasury securities	104.7	
Total long-term investments	247.3	
Other long-term assets:		
Derivative assets	153.0	
Total assets	\$ 4,394.3	\$
Liabilities:		
Accrued liabilities:		
Derivative liabilities	\$ 3.6	\$
Other long-term liabilities:		
Derivative liabilities	43.2	
Total liabilities	\$ 46.8	\$

There were no material transfers between levels, and there was no significant activity within Level 3 instruments during the periods presented. The fair values of any liabilities when a legally enforceable master netting agreement exists.

Gross unrealized holding gains and losses on available-for-sale debt securities, structured deposits, and marketable equity securities were not material as of **Decen**

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Assets and liabilities recognized or disclosed at fair value on the consolidated financial statements on a nonrecurring basis include items such as property, plant and investments, and other assets. These assets are measured at fair value if determined to be impaired.

The estimated fair value of our long-term debt based on the quoted market price (Level 2) is included at [Note 78](#), Debt. There were no material fair value adjustments **January 1, 2023** April 2, 2023.

[Table of Contents](#)

Note 4: 5: Inventories (in millions):

Coffee:

Unroasted

Unroasted
Unroasted
Roasted
Other merchandise held for sale
Packaging and other supplies
Total

Other merchandise held for sale includes, among other items, serveware, food, and tea. Inventory levels vary due to seasonality, commodity market supply, and price. As of **December 31, 2023** **March 31, 2024**, we had committed to purchasing green coffee totaling **\$396.4 million** **\$398.6 million** under fixed-price contracts and an estimated portion of our price-to-be-fixed contracts are effectively fixed through the use of futures. See [Note 23](#), Derivative Financial Instruments, for further discussion. Price-to-be-fixed contracts and other negotiated terms are agreed upon, but the date, and therefore the price, at which the base "C" coffee commodity price component will be fixed has not yet been determined for all contracts. For other contracts, Starbucks and the seller may agree upon pricing parameters determined to be in the best interest of the cost of these purchase commitments. We believe, based on established relationships with our suppliers and continuous monitoring, the risk of non-delivery on these contracts is minimal.

Note 5: 6: Supplemental Balance Sheet and Statement of Earnings Information (in millions):

Property, Plant and Equipment, net

Land
Buildings
Leasehold improvements
Store equipment
Roasting equipment
Furniture, fixtures and other
Work in progress
Property, plant and equipment, gross
Accumulated depreciation
Property, plant and equipment, net

Accrued Liabilities

Accrued occupancy costs
Accrued dividends payable
Accrued capital and other operating expenditures
Insurance reserves
Income taxes payable
Accrued business taxes
Total accrued liabilities

[Table of Contents](#)

Store Operating Expenses

	Quarter Ended	
	Quarter Ended	
	Quarter Ended	
	Dec 31, 2023	
	Dec 31, 2023	
	Dec 31, 2023	
Wages and benefits		
Wages and benefits		
	Mar 31, 2024	Apr 2, 2023
Wages and benefits		
Occupancy costs		

Occupancy costs
Occupancy costs
Other expenses
Other expenses
Other expenses
Total store operating expenses
Total store operating expenses
Total store operating expenses

Note 6: 7: Other Intangible Assets and Goodwill

Indefinite-Lived Intangible Assets

(in millions) (in millions) Dec 31, 2023 Oct 1, 2023
Trade names, trademarks and patents

Finite-Lived Intangible Assets

		Dec 31, 2023			Oct 1, 2023				
		Mar 31, 2024			Oct 1, 2023				
(in millions)	(in millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	(in millions)	Gross Carrying Amount
Acquired and reacquired rights									
Acquired trade secrets and processes									
Trade names, trademarks and patents									
Licensing agreements									
Other finite-lived intangible assets									
Total finite-lived intangible assets									

Amortization expense for finite-lived intangible assets was \$5.1 million and \$10.2 million for the quarter and two quarters ended December 31, 2023 March 31, 2024 quarters ended January 1, 2023. April 2, 2023, respectively.

Estimated future amortization expense as of December 31, 2023 March 31, 2024 (in millions):

Fiscal Year

2024 (excluding the quarter ended December 31, 2023)

2024 (excluding the two quarters ended March 31, 2024)

2025

2026

2027

2028

Thereafter

Total estimated future amortization expense

Goodwill

Changes in the carrying amount of goodwill by reportable operating segment (in millions):

	North America	North America	International	Channel Development	Corporate and Other	Total	N
Goodwill balance at October 1, 2023							
Other ⁽¹⁾							
Other ⁽¹⁾							
Other ⁽¹⁾							
Goodwill balance at December 31, 2023							
Goodwill balance at March 31, 2024							

⁽¹⁾ "Other" consists of changes in the goodwill balance resulting from foreign currency translation.

Note 7: 8: Debt

Revolving Credit Facility

Our \$3.0 billion unsecured five-year revolving credit facility (the "2021 credit facility"), of which \$150.0 million may be used for issuances of letters of credit, is current working capital, capital expenditures, and other corporate purposes, including acquisitions and share repurchases. We have the option, subject to negotiation and an additional \$1.0 billion.

Borrowings under the 2021 credit facility, which was most recently amended in April 2023, will bear interest at a variable rate based on Term SOFR, and, for U.S. dc 2021 credit facility), in each case plus an applicable margin. The applicable margin is based on the Company's long-term credit ratings assigned by the Moody's and Funds Rate (as defined in the 2021 credit facility) plus 0.500%, (ii) Bank of America's prime rate, and (iii) Term SOFR plus 1.000%. Term SOFR means the forward-SOFR Adjustment of 0.100%.

The 2021 credit facility contains provisions requiring us to maintain compliance with certain covenants, including a minimum fixed charge coverage ratio, which mea 2024, we were in compliance with all applicable covenants. No amounts were outstanding under our 2021 credit facility as of December 31, 2023 March 31, 2024 or

Short-term Debt

Under our commercial paper program, we may issue unsecured commercial paper notes up to a maximum aggregate amount outstanding at any time of \$3.0 billion issue. Amounts outstanding under the commercial paper program are required to be backstopped by available commitments under our 2021 credit facility. The proc capital needs, capital expenditures, and other corporate purposes, including, but not limited to, business expansion, payment of cash dividends on our common stock borrowings No amounts were outstanding under the program. As our commercial paper program as of March 31, 2024 and October 1, 2023, we had no borrowings i

Additionally, we hold the following Japanese yen-denominated credit facilities that are available for working capital needs and capital expenditures within our Japan

- A ¥5.0 billion, or \$35.4 million \$33.0 million, credit facility is currently set to mature on December 30, 2024. Borrowings under this credit facility are subject to Tokyo Interbank Offered Rate ("TIBOR") plus an applicable margin of 0.400%.
- A ¥10.0 billion, or \$70.7 million \$66.1 million, credit facility is currently set to mature on March 27, 2024 March 27, 2025. Borrowings under this credit facility based on TIBOR plus an applicable margin of 0.300%.

As of December 31, 2023 March 31, 2024, we had ¥7.0 ¥5.0 billion, or \$49.5 million \$33.0 million, of borrowings outstanding under these credit facilities. As of Octob these credit facilities.

Long-term Debt

Components of long-term debt including the associated interest rates and related estimated fair values by calendar maturity (in millions, except interest rates):

Dec 31, 2023										Oct 1, 2023			Stated					
Mar 31, 2024										Oct 1, 2023			Interest	Effective Interest	Stated			
													Rate	Rate ⁽¹⁾	Interest			
Issuance															Rate			
October 2023																		
notes ⁽²⁾																		
October 2023																		
notes ⁽²⁾																		
October 2023																		
notes ⁽²⁾		\$	—	\$	—	\$	750.0	\$	749.9	3.850	3.850	%	2.859	%	\$	—	\$	—
February 2024	February 2024														February 2024			
notes ⁽³⁾	notes ⁽³⁾	500.0	500.0	500.0	500.0	500.0	504.2	504.2	5.998	5.998	%	6.229	%	notes ⁽³⁾	—	—	—	—
March 2024	March 2024													March 2024				
notes ⁽⁴⁾	notes ⁽⁴⁾	601.1	601.0	601.0	569.3	569.3	569.3	569.3	0.372	0.372	%	0.462	%	notes ⁽⁴⁾	—	—	—	—
August 2025	August 2025													August 2025				
notes	notes	1,250.0	1,227.2	1,227.2	1,250.0	1,250.0	1,210.5	1,210.5	3.800	3.800	%	3.721	%	notes	1,250.0	1,225.4	1,225.4	1,225.4
February 2026	February 2026													February 2026				
notes	notes	1,000.0	1,004.6	1,004.6	1,000.0	1,000.0	985.5	985.5	4.750	4.750	%	4.788	%	notes	1,000.0	994.3	994.3	994.3
June 2026	June 2026													June 2026				
notes	notes	500.0	475.5	475.5	500.0	500.0	463.5	463.5	2.450	2.450	%	2.511	%	notes	500.0	472.5	472.5	472.5
February 2027	notes	1,000.0	998.0	—	—	—	—	—	4.850	%	4.958	%	—	—	—	—	—	—

March 2027 notes	March 2027 notes	500.0	462.5	462.5	500.0	500.0	446.1	446.1	2.000	2.000	%	2.058	March 2027 notes	500.0	459.6	459.6
March 2028 notes	March 2028 notes	600.0	575.4	575.4	600.0	600.0	554.7	554.7	3.500	3.500	%	3.529	March 2028 notes	600.0	570.4	570.4
November 2028 notes	November 2028 notes	750.0	739.5	739.5	750.0	750.0	704.5	704.5	4.000	4.000	%	3.958	November 2028 notes	750.0	726.8	726.8
August 2029 notes ⁽²⁾	August 2029 notes ⁽²⁾	1,000.0	964.1	964.1	1,000.0	1,000.0	904.1	904.1	3.550	3.550	%	3.840	August 2029 notes ⁽²⁾	1,000.0	942.6	942.6
March 2030 notes	March 2030 notes	750.0	659.1	659.1	750.0	750.0	615.1	615.1	2.250	2.250	%	3.084	March 2030 notes	750.0	646.4	646.4
November 2030 notes	November 2030 notes	1,250.0	1,105.0	1,105.0	1,250.0	1,250.0	1,027.1	1,027.1	2.550	2.550	%	2.582	November 2030 notes	1,250.0	1,083.6	1,083.6
February 2031 notes	February 2031 notes	500.0	497.4						4.900		%	5.046				
February 2032 notes	February 2032 notes	1,000.0	896.1	896.1	1,000.0	1,000.0	828.0	828.0	3.000	3.000	%	3.155	February 2032 notes	1,000.0	874.8	874.8
February 2033 notes	February 2033 notes	500.0	510.2	510.2	500.0	500.0	470.7	470.7	4.800	4.800	%	3.798	February 2033 notes	500.0	495.0	495.0
February 2034 notes	February 2034 notes	500.0	496.5						5.000		%	5.127				
June 2045 notes	June 2045 notes	350.0	312.8	312.8	350.0	350.0	275.3	275.3	4.300	4.300	%	4.348	June 2045 notes	350.0	303.7	303.7
December 2047 notes	December 2047 notes	500.0	403.7	403.7	500.0	500.0	354.0	354.0	3.750	3.750	%	3.765	December 2047 notes	500.0	393.7	393.7
November 2048 notes	November 2048 notes	1,000.0	911.3	911.3	1,000.0	1,000.0	799.0	799.0	4.500	4.500	%	4.504	November 2048 notes	1,000.0	878.0	878.0
August 2049 notes	August 2049 notes	1,000.0	909.8	909.8	1,000.0	1,000.0	792.7	792.7	4.450	4.450	%	4.447	August 2049 notes	1,000.0	869.5	869.5
March 2050 notes	March 2050 notes	500.0	374.6	374.6	500.0	500.0	328.6	328.6	3.350	3.350	%	3.362	March 2050 notes	500.0	355.8	355.8
November 2050 notes	November 2050 notes	1,250.0	969.4	969.4	1,250.0	1,250.0	843.4	843.4	3.500	3.500	%	3.528	November 2050 notes	1,250.0	925.9	925.9
Total																
Aggregate debt issuance costs and unamortized premium/(discount), net																
Aggregate debt issuance costs and unamortized premium/(discount), net																

Aggregate debt
issuance costs and
unamortized
premium/(discount),
net
Hedge accounting
fair value
adjustment⁽²⁾
Hedge accounting
fair value
adjustment⁽²⁾
Hedge accounting
fair value
adjustment⁽²⁾
Total
Total
Total

- (1) Includes the effects of the amortization of any premium or discount and any gain or loss upon settlement of related treasury locks or forward-starting interest rate swaps.
- (2) Amount includes the change in fair value due to changes in benchmark interest rates related to hedging our October 2023 notes and \$350 million \$350.0 million of our October 2023 notes. For additional information on our interest rate swap agreements designated as a fair value hedge, see Note 8. hedges.
- (3) Floating rate notes that bear interest at a rate equal to Compounded SOFR (as defined in the February 2024 notes) plus 0.420%, resulting in a stated interest rate of 5.040%.
- (4) Japanese yen-denominated long-term debt.

[Table of Contents](#)

The following table summarizes our long-term debt maturities as of December 31, 2023 March 31, 2024 by fiscal year (in millions):

<u>Fiscal Year</u>	<u>Fiscal Year</u>	Total	<u>Fiscal</u>
2024			
2024			
2024			
2025			
2026			
2027			
2028			
Thereafter			
Total			

Note 8: 9: Leases

The components of lease costs (in millions):

	Quarter Ended		Quarter
	Quarter Ended		
	Quarter Ended		
	Dec 31, 2023		
	Dec 31, 2023		
	Dec 31, 2023		
Operating lease costs ⁽¹⁾			
Operating lease costs ⁽¹⁾			
	Mar 31, 2024		Apr 2, 2023
Operating lease costs ⁽¹⁾			
Variable lease costs			
Variable lease costs			
Variable lease costs			
Short-term lease costs			

Short-term lease costs
Short-term lease costs
Total lease costs
Total lease costs
Total lease costs

(1) Includes immaterial amounts of sublease income and rent concessions.

The following table includes supplemental information (*in millions*):

	Quarter Ended	
	Dec 31, 2023	
	Two Quarters Ended	
	Mar 31, 2024	
Cash paid related to operating lease liabilities		
Operating lease liabilities arising from obtaining right-of-use assets		
	Dec 31, 2023	
	Dec 31, 2023	
	Dec 31, 2023	Jan 1,
	Mar 31, 2024	
	Mar 31, 2024	
	Mar 31, 2024	Apr 2,

Weighted-average remaining operating lease term	Weighted-average remaining operating lease term	8.6 years	8.5 y
Weighted-average operating lease discount rate	Weighted-average operating lease discount rate	3.1 %	2.7

Finance lease assets are recorded in property, plant and equipment, net with the corresponding lease liabilities included in accrued liabilities and other long-term liabilities of **December 31, 2023** **March 31, 2024** and October 1, 2023.

Minimum future maturities of operating lease liabilities (*in millions*):

<u>Fiscal Year</u>	<u>Fiscal Year</u>
2024 (excluding the quarter ended December 31, 2023)	
2024 (excluding the two quarters ended March 31, 2024)	
2025	
2026	
2027	
2028	
Thereafter	
Total lease payments	
Less imputed interest	
Total	

As of **December 31, 2023** **March 31, 2024**, we have entered into operating leases that have not yet commenced of **\$1.5** **\$1.6** billion, primarily related to real estate leases with lease terms ranging from two to twenty years.

[Table of Contents](#)

Note 9:10: Deferred Revenue

Our deferred revenue primarily consists of the prepaid royalty from Nestlé, for which we have continuing performance obligations to support the Global Coffee Alliance ("Stars") associated with our loyalty program.

As of December 31, 2023 **March 31, 2024**, the current and long-term deferred revenue related to the Nestlé up-front payment was \$177.0 million and \$5.9 billion, respectively. During each of the quarters ended **December 31, 2023** **March 31, 2024** and **January 2, 2024**, we recognized \$88.2 million of prepaid royalty revenue related to Nestlé.

Changes in our deferred revenue balance related to our stored value cards and loyalty program (in millions):

Quarter Ended March 31, 2024

Stored value cards and loyalty program at December 31, 2023

Revenue deferred - card activations, card reloads and Stars earned

Revenue recognized - card and Stars redemptions and breakage

Other⁽¹⁾

Stored value cards and loyalty program at March 31, 2024⁽²⁾

Quarter Ended April 2, 2023

Stored value cards and loyalty program at January 1, 2023

Revenue deferred - card activations, card reloads and Stars earned

Revenue recognized - card and Stars redemptions and breakage

Other⁽¹⁾

Stored value cards and loyalty program at April 2, 2023⁽²⁾

Two Quarters Ended March 31, 2024

Stored value cards and loyalty program at October 1, 2023

Revenue deferred - card activations, card reloads and Stars earned

Revenue recognized - card and Stars redemptions and breakage

Other⁽¹⁾

Stored value cards and loyalty program at December 31, 2023 March 31, 2024⁽²⁾

Quarter Two Quarters Ended January 1, 2023 April 2, 2023

Stored value cards and loyalty program at October 2, 2022

Revenue deferred - card activations, card reloads and Stars earned

Revenue recognized - card and Stars redemptions and breakage

Other⁽¹⁾

Stored value cards and loyalty program at January 1, 2023 April 2, 2023⁽²⁾

⁽¹⁾ "Other" primarily consists of changes in the stored value cards and loyalty program balances resulting from foreign currency translation.

⁽²⁾ As of December 31, 2023 March 31, 2024 and January 1, 2023 April 2, 2023, approximately \$2.0 billion \$1.7 billion and \$1.9 billion \$1.6 billion, respectively, of th

[Table of Contents](#)

Note 10: 11: Equity

Changes in AOCI by component, net of tax (in millions):

Quarter Ended	Quarter Ended	Available-for-Sale Debt Securities	Cash Flow Hedges	Net Investment Hedges	Translation Adjustment and Other	Total	Quarter Ended
December 31, 2023							
March 31, 2024							
Net gains/(losses) in AOCI, beginning of period							
Net gains/(losses) in AOCI, beginning of period							
Net gains/(losses) in AOCI, beginning of period							
Net gains/(losses) recognized in OCI before reclassifications							
Net (gains)/losses reclassified from AOCI to earnings							
Other comprehensive income/(loss) attributable to Starbucks							
Other comprehensive income/(loss) attributable to NCI							
Other comprehensive income/(loss) attributable to NCI							
Other comprehensive income/(loss) attributable to NCI							

Net gains/(losses) in AOCI, end of period

January 1, 2023

January 1, 2023

January 1, 2023

April 2, 2023

April 2, 2023

April 2, 2023

Net gains/(losses) in AOCI, beginning of period

Net gains/(losses) in AOCI, beginning of period

Net gains/(losses) in AOCI, beginning of period

Net gains/(losses) recognized in OCI before
reclassifications

Net (gains)/losses reclassified from AOCI to
earnings

Other comprehensive income/(loss) attributable to
Starbucks

Net gains/(losses) in AOCI, end of period

Net gains/(losses) in AOCI, end of period

Net gains/(losses) in AOCI, end of period

Two Quarters Ended

Two Quarters Ended

Two Quarters Ended

Available-for-Sale Debt Securities	Cash Flow Hedges	Net Investment Hedges	Translation Adjustment and Other	Total
---------------------------------------	---------------------	--------------------------	-------------------------------------	-------

March 31, 2024

Net gains/(losses) in AOCI, beginning of period

Net gains/(losses) in AOCI, beginning of period

Net gains/(losses) in AOCI, beginning of period

Net gains/(losses) recognized in OCI before
reclassifications

Net (gains)/losses reclassified from AOCI to
earnings

Other comprehensive income/(loss) attributable to
Starbucks

Other comprehensive income/(loss) attributable to NCI

Other comprehensive income/(loss) attributable to NCI

Other comprehensive income/(loss) attributable to NCI

Net gains/(losses) in AOCI, end of period

April 2, 2023

April 2, 2023

April 2, 2023

Net gains/(losses) in AOCI, beginning of period

Net gains/(losses) in AOCI, beginning of period

Net gains/(losses) in AOCI, beginning of period

Net gains/(losses) recognized in OCI before
reclassifications

Net (gains)/losses reclassified from AOCI to
earnings

Other comprehensive income/(loss) attributable to
Starbucks

Net gains/(losses) in AOCI, end of period

Net gains/(losses) in AOCI, end of period

Net gains/(losses) in AOCI, end of period

[Table of Contents](#)

Impact of reclassifications from AOCI on the consolidated statements of earnings (in millions):

**Quarter
Ended**

AOCI Components						Affected Line Item in the Statements of Earnings		AOCI Components	
AOCI Components	AOCI Components	Amounts Reclassified from AOCI							
Gains/(losses) on available- for-sale debt securities									
Gains/(losses) on available- for-sale debt securities									
Gains/(losses) on available- for-sale debt securities		\$(0.3)	\$		\$(0.2)	Interest income and other, net	Interest income and other, net		
Gains/(losses) on cash flow hedges	Gains/(losses) on cash flow hedges	(33.5)	93.3	93.3	Please refer to Note 2 , Derivative Financial Instruments for additional information.		Please refer to Note 2 , Derivative Financial Instruments for additional information.	Gains/(l on cash hedges	
Gains/(losses) on net investment hedges	Gains/(losses) on net investment hedges	8.9	5.3	5.3	Interest expense		Interest expense	Gains/(l on net investm hedges	
		(24.9)							
		13.6							
		(24.9)							
		13.6							
		(24.9)	98.4		Total before tax				
			1.8	(11.8)			Tax expense		
		13.6	66.6		Total before tax				
		(4.0)		(9.5)			Tax expense		
		\$		\$(23.1)	\$	86.6	Net of tax		
Two Quarters Ended									
Two Quarters Ended									
Two Quarters Ended									
AOCI Components						Affected Line Item in the Statements of Earnings			
AOCI Components	AOCI Components	Amounts Reclassified from AOCI							
Gains/(losses) on available- for-sale debt securities									
Gains/(losses) on available- for-sale debt securities									

Gains/(losses) on available-for-sale debt securities	\$(0.7)	\$ (0.4)	Interest income and other, net
Gains/(losses) on cash flow hedges	(29.7)	153.1	Please refer to Note 3 , Derivative Financial Instruments for additional information.
Gains/(losses) on net investment hedges	19.1	12.3	Interest expense
	(11.3)		
	(11.3)		
	(11.3)	165.0	Total before tax
	(2.2)	(21.3)	Tax expense
	<u>\$(13.5)</u>	<u>\$143.7</u>	Net of tax

In addition to 2.4 billion shares of authorized common stock with \$0.001 par value per share, we have 7.5 million shares of authorized preferred stock, none of which are outstanding. During the two quarters ended [December 31, 2023](#) and [March 31, 2024](#), we repurchased 12.8 million and [1.9 million](#) shares, respectively. As of [December 31, 2023](#) and [March 31, 2024](#), 29.8 million shares remained available for repurchase under current authorizations.

During the first quarter of fiscal 2024, our Board of Directors approved a quarterly cash dividend to shareholders of \$0.57 per share to be paid on [February 2, 2024](#). During the second quarter of fiscal 2024, our Board of Directors approved a quarterly cash dividend to shareholders of \$0.57 per share to be paid on [February 2, 2024](#).

Note 11: 12: Employee Stock Plans

As of [December 31, 2023](#) and [March 31, 2024](#), there were 84.9 million shares of common stock available for issuance pursuant to future equity-based compensation awards under the stock purchase plan.

[Table of Contents](#)

Stock-based compensation expense recognized in the consolidated statements of earnings (in millions):

	Quarter Ended	Quarter Ended
	Mar 31, 2024	Apr 2, 2024
Restricted Stock Units ("RSUs")		
Restricted Stock Units ("RSUs")		
Restricted Stock Units ("RSUs")		
Options		
Options		
Options		
Total stock-based compensation expense		
Total stock-based compensation expense		
Total stock-based compensation expense		
Stock option and RSU transactions from October 1, 2023 through December 31, 2023 and March 31, 2024 (in millions):		
Options outstanding/Nonvested RSUs, October 1, 2023		
Granted		
Options exercised/RSUs vested		
Forfeited/expired		
Options outstanding/Nonvested RSUs, December 31, 2023		
Total unrecognized stock-based compensation expense, net of estimated forfeitures, as of December 31, 2023		
Options outstanding/Nonvested RSUs, March 31, 2024		
Total unrecognized stock-based compensation expense, net of estimated forfeitures, as of March 31, 2024		

[Table of Contents](#)

Note 12: 13: Earnings per Share

Calculation of net earnings per common share ("EPS") — basic and diluted (in millions, except EPS):

Net earnings attributable to Starbucks
Net earnings attributable to Starbucks

Net earnings attributable to Starbucks
Weighted average common shares outstanding (for basic calculation)
Weighted average common shares outstanding (for basic calculation)
Weighted average common shares outstanding (for basic calculation)
Dilutive effect of outstanding common stock options and RSUs
Dilutive effect of outstanding common stock options and RSUs
Dilutive effect of outstanding common stock options and RSUs
Weighted average common and common equivalent shares outstanding (for diluted calculation)
Weighted average common and common equivalent shares outstanding (for diluted calculation)
Weighted average common and common equivalent shares outstanding (for diluted calculation)
EPS — basic
EPS — basic
EPS — basic
EPS — diluted
EPS — diluted
EPS — diluted

Potential dilutive shares consist of the incremental common shares issuable upon the exercise of outstanding stock options (both vested and non-vested) and unvested shares outstanding excludes anti-dilutive stock options or unvested RSUs, which were immaterial in the periods presented.

Note 13: 14: Commitments and Contingencies

Legal Proceedings

Starbucks is involved in various legal proceedings arising in the ordinary course of business, including litigation matters associated with labor union organizing efforts and collective actions, but is not currently a party to any legal proceeding that management believes could have a material adverse effect on our consolidated financial position or the operational and financial impacts of labor union organizing efforts on our business, as of the date of this filing, we believe the risk of a material contingent loss associated with these proceedings is remote. For more information, see Item 1A of our most recently filed 10-K for further discussion of potential risks to our brand and related impacts on our financial results.

[Table of Contents](#)

Note 14: 15: Segment Reporting

Segment information is prepared on the same basis that our chief executive officer, who is our chief operating decision maker, manages the segments, evaluates performance and allocates resources. Consolidated revenue mix by product type (in millions):

		Quarter Ended				Quarter Ended			
		Quarter Ended				Quarter Ended			
		Quarter Ended				Quarter Ended			
		Dec 31, 2023				Dec 31, 2023			
		Dec 31, 2023				Dec 31, 2023			
		Dec 31, 2023				Dec 31, 2023			
Beverage ⁽¹⁾									
Beverage ⁽¹⁾									
		Mar 31, 2024				Apr 2, 2023			
Beverage ⁽¹⁾	Beverage ⁽¹⁾	\$	5,160.6	60	60 %	\$	5,226.9	60	60 %
Food ⁽²⁾	Food ⁽²⁾		1,583.0	18	18 %		1,590.9	18	18 %
Food ⁽²⁾									
Food ⁽²⁾									
Other ⁽³⁾									
		Mar 31, 2024				Mar 31, 2024			
Beverage ⁽¹⁾	Beverage ⁽¹⁾	\$	5,160.6	60	60 %	\$	5,226.9	60	60 %
Food ⁽²⁾	Food ⁽²⁾		1,583.0	18	18 %		1,590.9	18	18 %
Food ⁽²⁾									
Food ⁽²⁾									
Other ⁽³⁾									
		Mar 31, 2024				Mar 31, 2024			
Beverage ⁽¹⁾	Beverage ⁽¹⁾	\$	5,160.6	60	60 %	\$	5,226.9	60	60 %
Food ⁽²⁾	Food ⁽²⁾		1,583.0	18	18 %		1,590.9	18	18 %
Food ⁽²⁾									
Food ⁽²⁾									
Other ⁽³⁾									
		Mar 31, 2024				Mar 31, 2024			
Beverage ⁽¹⁾	Beverage ⁽¹⁾	\$	5,160.6	60	60 %	\$	5,226.9	60	60 %
Food ⁽²⁾	Food ⁽²⁾		1,583.0	18	18 %		1,590.9	18	18 %
Food ⁽²⁾									
Food ⁽²⁾									
Other ⁽³⁾									
		Mar 31, 2024				Mar 31, 2024			
Beverage ⁽¹⁾	Beverage ⁽¹⁾	\$	5,160.6	60	60 %	\$	5,226.9	60	60 %
Food ⁽²⁾	Food ⁽²⁾		1,583.0	18	18 %		1,590.9	18	18 %
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Other ⁽³⁾									
		Mar 31, 2024				Mar 31, 2024			
Beverage ⁽¹⁾	Beverage ⁽¹⁾	\$	5,160.6	60	60 %	\$	5,226.9	60	60 %
Food ⁽²⁾	Food ⁽²⁾		1,583.0	18	18 %		1,590.9	18	18 %
Food ⁽²⁾									
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Other ⁽³⁾									
		Mar 31, 2024				Mar 31, 2024			
Beverage ⁽¹⁾	Beverage ⁽¹⁾	\$	5,160.6	60	60 %	\$	5,226.9	60	60 %
Food ⁽²⁾	Food ⁽²⁾		1,583.0	18	18 %		1,590.9	18	18 %
Food ⁽²⁾									
Food ⁽²⁾									
Other ⁽³⁾									
		Mar 31, 2024				Mar 31, 2024			
Beverage ⁽¹⁾	Beverage ⁽¹⁾	\$	5,160.6	60	60 %	\$	5,226.9	60	60 %
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		Mar 31, 2024				Mar 31, 2024			
Beverage ⁽¹⁾	Beverage ⁽¹⁾	\$	5,160.6	60	60 %	\$	5,226.9	60	60 %
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		Mar 31, 2024				Mar 31, 2024			
Beverage ⁽¹⁾	Beverage ⁽¹⁾	\$	5,160.6	60	60 %	\$	5,226.9	60	60 %
Food ⁽²⁾	Food ⁽²⁾		1,583.0	18	18 %		1,590.9	18	18 %
Food ⁽²⁾									
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		Mar 31, 2024				Mar 31, 2024			
Beverage ⁽¹⁾	Beverage ⁽¹⁾	\$	5,160.6	60	60 %	\$	5,226.9	60	60 %
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Food ⁽²⁾									
Food ⁽²⁾									
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		Mar 31, 2024				Mar 31, 2024			
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Food ⁽²⁾	Food ⁽²⁾		1,583.0	18	18 %		1,590.9	18	18 %
Food ⁽²⁾									
Food ⁽²⁾									
Other ⁽³⁾									
		Mar 31, 2024				Mar 31, 2024			
Beverage<									

Other ⁽³⁾												
Other ⁽³⁾	Other ⁽³⁾	1,819.4	22	22	%	1,902.0	22	22	%		3,792	
Total	Total	\$ 8,563.0	100	100	%	\$ 8,719.8	100	100	%	\$	17,988	

Total

Total

(1) "Beverage" represents sales within our company-operated stores.

(2) "Food" includes sales within our company-operated stores.

(3) "Other" primarily consists of packaged and single-serve coffees and teas, royalty and licensing revenues, serveware, beverage-related ingredients, and beverage

[Table of Contents](#)

The tables below present financial information for our reportable operating segments and Corporate and Other segment (*in millions*):

Quarter Ended

	North America	North America	International	Channel Development	Corporate and Other
December 31, 2023					
March 31, 2024					
Total net revenues					
Total net revenues					
Total net revenues					
Depreciation and amortization expenses					
Income from equity investees					
Operating income/(loss)					
January 1, 2023					
January 1, 2023					
January 1, 2023					
April 2, 2023					
April 2, 2023					
April 2, 2023					
Total net revenues					
Total net revenues					
Total net revenues					
Depreciation and amortization expenses					
Income from equity investees					
Operating income/(loss)					
Two Quarters Ended					
Two Quarters Ended					
Two Quarters Ended					
	North America				
	North America				
	North America	International	Channel Development	Corporate and Other	
March 31, 2024					
Total net revenues					
Total net revenues					
Total net revenues					
Depreciation and amortization expenses					
Income from equity investees					
Operating income/(loss)					

April 2, 2023
 April 2, 2023
 April 2, 2023
 Total net revenues
 Total net revenues
 Total net revenues
 Depreciation and amortization
 expenses
 Income from equity investees
 Operating income/(loss)

[Table of Contents](#)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

CAUTIONARY STATEMENT PURSUANT TO THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Certain statements contained herein are "forward-looking" statements within the meaning of applicable securities laws and regulations. Generally, these statements "continue," "could," "estimate," "expect," "feel," "forecast," "intend," "may," "outlook," "plan," "potential," "predict," "project," "seek," "should," "will," "would," and similar forward-looking statements contain these identifying words. By their nature, forward-looking statements involve risks, uncertainties, and other factors (many beyond experience or from our current expectations or projections. Our forward-looking statements, and the risks and uncertainties related thereto, include, but are not limited to, the "Analysis of Financial Condition and Results of Operations" sections of our most recently filed 10-K and 10-Q and in other filings with the SEC, as well as:

- our ability to preserve, grow, and leverage our brands, including the risk of negative responses by consumers (such as boycotts or negative publicity campaigns) and certain actions taken or not taken by the Company, which responses could adversely affect our brand value;
- the acceptance of the Company's products and changes in consumer preferences, consumption, or spending behavior and our ability to anticipate or react to consumer reaction to new products, platforms, reformulations, or other innovations;
- our anticipated operating expenses, including our anticipated total capital expenditures;
- the costs associated with, and the successful execution and effects of, our existing and any future business opportunities, expansions, initiatives, strategies, ("Reinvention");
- the impacts of partner investments and changes in the availability and cost of labor including any union organizing efforts and our responses to such efforts;
- the ability of our business partners, suppliers, and third-party providers to fulfill their responsibilities and commitments;
- higher costs, lower quality, or unavailability of coffee, dairy, cocoa, energy, water, raw materials, or product ingredients;
- the impact of significant increases in logistics costs;
- a worsening in the terms and conditions upon which we engage with our manufacturers and source suppliers, whether resulting from broader local or global economic conditions and related economic slowdowns or recessions, low consumer confidence, high unemployment, weak consumer confidence, higher interest rates, higher taxes, political instability, higher inflation, or deflation;
- inherent risks of operating a global business including geopolitical instability;
- failure to attract or retain key executive or partner talent or successfully transition executives;
- the potential negative effects of incidents involving food or beverage-borne illnesses, tampering, adulteration, contamination, or mislabeling;
- negative publicity related to our Company, products, brands, marketing, executive leadership, partners, Board of Directors, founder, operations, business performance, or other factors;
- potential negative effects of a material breach, failure, or corruption of our information technology systems or those of our direct and indirect business partners or suppliers, including data protection laws;
- our environmental, social, and governance ("ESG") efforts and any reaction related thereto, such as the rise in opposition to ESG and inclusion and diversity efforts;
- risks associated with acquisitions, dispositions, business partnerships, or investments – such as acquisition integration, termination difficulties or costs, or in connection with such transactions;
- the impact of foreign currency translation, particularly a stronger U.S. dollar;
- the impact of substantial competition from new entrants, consolidations by competitors, and other competitive activities, such as pricing actions (including price reductions), category expansion, product introductions, or entry or expansion in our geographic markets;
- the impact of changes in U.S. tax law and related guidance and regulations that may be implemented, including on tax rates;
- the impact of health epidemics, pandemics, or other public health events on our business and financial results, and the risk of negative economic impacts arising from including restrictions on business operations or social distancing requirements, and the duration and efficacy of such restrictions;
- failure to comply with anti-corruption laws, trade sanctions, and restrictions, or similar laws or regulations; and
- the impact of significant legal disputes and proceedings, or government investigations.

In addition, many of the foregoing risks and uncertainties are, or could be, exacerbated by any worsening of the global business and economic environment. A forward-looking statement is not a guarantee of performance.

[Table of Contents](#)

circumstances, and those future events or circumstances may not occur. You should not place undue reliance on the forward-looking statements.

This information should be read in conjunction with the unaudited consolidated financial statements and the notes included in Item 1 of Part I of this 10-Q and the audited consolidated financial statements and the notes included in the 2023 Annual Report and Analysis of Financial Condition and Results of Operations ("MD&A"), contained in the 10-K filed with the SEC on November 17, 2023.

Introduction and Overview

We have three reportable operating segments: 1) North America, which is inclusive of the U.S. and Canada; 2) International, which is inclusive of China, Japan, Asia Channel Development. Unallocated corporate expenses are reported within Corporate and Other.

We believe our financial results and long-term growth model will continue to be driven by new store openings, comparable store sales growth, and operating margin. Operating metrics are useful to investors because management uses these metrics to assess the growth of our business and the effectiveness of our marketing and key operating metrics:

- New store openings and store count
- Comparable store sales growth
- Operating margin

Comparable store sales growth represents the percentage change in sales in one period from the same prior year period for company-operated stores open for 13 months or more. We calculate comparable store sales growth on a constant currency basis as this helps identify underlying business trends, without distortion from the effects of currency movements. Stores identified for permanent closure are excluded from comparable store sales while stores identified for permanent closure have been removed.

Our fiscal year ends on the Sunday closest to September 30. Fiscal 2024 and 2023 include 52 weeks. All references to store counts, including data for new store openings, are as of the end of the fiscal year.

Starbucks results for the first second quarter of fiscal 2024 reflect a complex operating environment globally, including softening consumer sentiment, a pervasive inflationary environment, and the impact of the Russia-Ukraine conflict. However, efficiencies continue to demonstrate the overall strength of our brand and efficiencies be realized from the strategies underpinning Reinvention, despite challenges. Consolidated net revenues increased 8% to \$9.4 billion in During the first second quarter of fiscal 2024, consolidated net revenues decreased 2% to \$8.6 billion compared to the same quarter of fiscal 2023. Growth in our North America business global comparable store sales and our International segment, largely related to lapsing prior year COVID-19 pandemic restrictions, was partially offset by incremental revenues from net new company-operated store openings over the past 12 months. During the quarter ended December 31, 2023, International sales were driven by 5% growth a 3% decline in the U.S. market and 7% growth internationally, demonstrating the endurance of the Starbucks brand globally, a 6% decline in International sales from the prior year to 15.8% 12.8%, primarily driven by sales leverage and in-store operational efficiencies. These increases were partially offset by deleverage, incremental revenues from promotional activity, lapsing the gain from the sale of our Seattle's Best Coffee brand in the second quarter of fiscal 2023, and higher general and administrative expenses.

These decreases were partially offset by strategic pricing and in-store operational efficiencies.

We anticipate these the complex global operating environment and the related headwinds we experienced in the first quarter half of fiscal 2024 although transitory, n headwinds, challenges, we remain confident have many strengths to build upon, including our global brand, our loyal global customer base, strong new store perform Reinvention-related operational efficiencies. Our Triple Shot Reinvention strategy is progressing, enhancing our capabilities and giving us continued confidence in o unlocking multiple levers to drive balanced earnings growth, as evidenced in our first quarter of fiscal 2024 results. model.

Results of Operations (in millions)

Revenues

		Quarter Ended					
		Dec 31, 2023		Dec 31, 2023		Dec 31, 2023	
Company-operated stores							
Company-operated stores							
		Mar 31, 2024		Apr 2, 2023		\$ Change	% Change
Company-operated stores	Company-operated stores	\$ 7,052.6	\$	\$ 7,142.3	\$	(89.7)	(1.3) (1.3) %
Licensed stores							
Licensed stores							
Licensed stores							

Other
Other
Other

Total net revenues	Total net revenues	\$	8,563.0	\$	\$	8,719.8	\$	\$	(156.8)	(1.8)	(1.8)	%
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Total net revenues

Total net revenues

For the quarter ended December 31, 2023 March 31, 2024 compared with the quarter ended January 1, 2023 April 2, 2023

[Table of Contents](#)

Total net revenues for the first second quarter of fiscal 2024 increased \$711 decreased \$157 million, primarily due to higher lower revenues from company-operated operated stores revenue was driven by a 5% increase 4% decrease in comparable store sales (\$369 253 million), attributable to a 3% increase 6% decrease in company-operated stores revenue were unfavorable foreign currency translation impacts (\$91 million). Partially offsetting these decreases were incremental revenue

[Table of Contents](#)

stores, or an 8% increase, over the past 12 months (\$326 million). Partially offsetting these increases was unfavorable foreign currency translation (\$30 255 million).

Licensed stores revenue increased \$73 million contributing to the increase in total net revenues, decreased \$15 million, primarily driven by higher lower product and primarily driven by revenues from 942 net new licensed store openings, or a 5% increase, over the past 12 months. and unfavorable foreign currency translation im

Other revenues decreased \$33 million \$52 million, primarily due to a decline in revenue in the Global Coffee Alliance (\$59 million) following the sale of our Seattle's SKU optimization.

For the two quarters ended March 31, 2024 compared with the two quarters ended April 2, 2023

Total net revenues for the first two quarters of fiscal 2024 increased \$555 million, primarily due to higher revenues from company-operated stores (\$19 582 million). revenues from 1,454 net new company-operated stores, or an 8% increase, over the past 12 months (\$582 million). Also contributing to the growth of company-oper attributable to a 2% increase in average ticket, partially offset by a 1% decrease in comparable transactions. Partially offsetting these increases to company-operate million).

Licensed stores revenue increased \$58 million, driven by higher product and lower equipment sales to, and royalty revenues from, our licensees (\$51 million), primarily over the past 12 months.

Other revenues decreased \$85 million, primarily due to a decline in revenue in the Global Coffee Alliance (\$78 million) following the sale of our global ready-to-drink of fiscal 2023 as well as product SKU optimization.

Operating Expenses

		Quarter Ended				
		Mar 31, 2024		Apr 2, 2023		\$ Change
						As a % of Total Net Revenues
						As a % of Total Net Revenues
						As a % of Total Net Revenues
						As a % of Total Net Revenues
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						As a % of Total Net Revenues
						As a % of Total

Product and distribution costs

Store operating expenses

Store operating expenses

Store operating expenses

Other operating expenses

Other operating expenses

Other operating expenses

Depreciation and amortization expenses

Depreciation and amortization expenses

Depreciation and amortization expenses

General and administrative expenses

General and administrative expenses

General and administrative expenses

Restructuring and impairments

Restructuring and impairments

Restructuring and impairments

Total operating expenses

Total operating expenses

Total operating expenses

Income from equity investees

Income from equity investees

Income from equity investees

Operating income

Operating income

Gain from sale of assets

Operating income	Operating income	\$	1,098.9	\$	\$1,327.5	\$ \$(228.6)	12.8	12.8	%
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Store operating expenses as a % of company-operated stores revenue

Store operating expenses as a % of company-operated stores revenue

Store operating expenses as a % of company-operated stores revenue

Store operating expenses as a % of company-operated stores revenue

For the quarter ended December 31, 2023 March 31, 2024 compared with the quarter ended January 1, 2023 April 2, 2023

[Table of Contents](#)

Product and distribution costs as a percentage of total net revenues decreased 60 120 basis points for the first second quarter of fiscal 2024, primarily due to the imp reduction in supply chain costs (approximately 50 basis points).

Store operating expenses as a percentage of total net revenues decreased 120 increased 180 basis points for the first second quarter of fiscal 2024. Store operating 200 increased 190 basis points, primarily due to in-store operational efficiencies (approximately 210 basis points), and sales leverage (approximately 160 basis poin benefits (approximately 130 160 basis points), deleverage (approximately 110 basis points), and increased promotional activity (approximately 60 basis points). The 180 basis points).

Other operating expenses increased \$21 million \$7 million, primarily due to support costs in wages and benefits and marketing for our growing licensed markets.

Depreciation and amortization expenses as a percentage of total net revenues increased 10 40 basis points, primarily due to higher capital investments in support o

General and administrative expenses increased \$67 million \$34 million, primarily due to investments in partner wages certain proxy solicitation and benefits advisory million). These increases were partially offset by the lapping of a donation to the Starbucks Foundation made in support the second quarter of fiscal 2023 (\$15 millio

Gain from sale of assets includes the sale of our Reinvention (\$32 million). Seattle's Best Coffee Brand to Nestlé in the second quarter of fiscal 2023.

Net revenues:									
Company-operated stores									
Company-operated stores									
Company-operated stores	\$ 5,724.5	\$	\$5,742.7	\$	\$ (18.2)	89.7	89.7	%	90.0 %
Licensed stores									
Licensed stores									
Licensed stores									
Other									
Other									
Other									
Total net revenues									
Total net revenues									
Total net revenues									
Product and distribution costs									
Product and distribution costs									
Product and distribution costs									
Store operating expenses									
Store operating expenses									
Store operating expenses									
Other operating expenses									
Other operating expenses									
Other operating expenses									
Depreciation and amortization expenses									
Depreciation and amortization expenses									
Depreciation and amortization expenses									
General and administrative expenses									
General and administrative expenses									
General and administrative expenses									
Restructuring and impairments									
Restructuring and impairments									
Restructuring and impairments									
Total operating expenses									
Total operating expenses									
Total operating expenses									
Operating income									
Operating income									
Operating income	\$ 1,148.3	\$	\$1,217.9	\$	\$ (69.6)	18.0	18.0	%	19.1 %
Store operating expenses as a % of company-operated stores revenue	Store operating expenses as a % of company-operated stores revenue					53.1 %			
Store operating expenses as a % of company-operated stores revenue									
Store operating expenses as a % of company-operated stores revenue									

For the quarter ended **December 31, 2023** **March 31, 2024** compared with the quarter ended **January 1, 2023** **April 2, 2023**

Revenues

North America total net revenues for the **first** **second** quarter of fiscal 2024 increased \$569 million, or 9%, were nearly flat when compared to the prior year period, primarily driven by a 7% decrease in comparable transactions, partially offset by a 4% increase in average ticket, primarily due to annualization of pricing and a 1% increase in contributing to revenue growth were the **store sales decrease was partially offset by** performance of net new company-operated store openings over the past 12 months and royalty revenues from, our licensees (\$49 **14** million).

Operating Margin

North America operating income for the second quarter of fiscal 2024 decreased 6% to \$1.1 billion, compared to \$1.2 billion in the second quarter of fiscal 2023. Operating income (approximately 190 basis points), increased investments in store partner wages and benefits (approximately 140 basis points), and increased promotional activity (a

basis points) and in-store operational efficiencies (approximately 180 basis points).

[Table of Contents](#)

For the two quarters ended March 31, 2024 compared with the two quarters ended April 2, 2023

Revenues

North America total net revenues for the first two quarters of fiscal 2024 increased \$569 million, or 4%, primarily due to net new company-operated store openings of \$110 million) driven by a 4% increase in average ticket, primarily due to annualization of pricing. This was partially offset by a 3% decrease in comparable transactions, and royalty revenues from, our licensees (\$63 million).

Operating Margin

North America operating income for the first quarter two quarters of fiscal 2024 increased 25% 10% to \$1.5 billion \$2.7 billion, compared to \$1.2 billion \$2.4 billion in the first quarter two quarters of fiscal 2023, or 21.4% 19.8%, primarily due to driven by in-store operational efficiencies (approximately 240 220 basis points) and sales leverage strategic pricing (approximately 120 130 basis points) and increased promotional activity (approximately 70 basis points).

International

	Quarter Ended					
	Mar 31, 2024	Apr 2, 2023	\$ Change	Mar 31, 2024	Apr 2, 2023	Mar 31, 2024
				As a % of International Total Net Revenues		
Net revenues:						
Company-operated stores	\$ 1,328.1	\$ 1,399.6	\$ (71.5)	75.6 %	75.5 %	\$ 2,702.2
Licensed stores	399.7	432.1	(32.4)	22.7	23.3	853.9
Other	29.5	23.1	6.4	1.7	1.2	47.5
Total net revenues	1,757.3	1,854.8	(97.5)	100.0	100.0	3,603.6
Product and distribution costs	619.8	632.9	(13.1)	35.3	34.1	1,286.4
Store operating expenses	686.7	684.4	2.3	39.1	36.9	1,390.5
Other operating expenses	50.0	49.9	0.1	2.8	2.7	110.1
Depreciation and amortization expenses	84.3	86.3	(2.0)	4.8	4.7	168.3
General and administrative expenses	82.9	87.4	(4.5)	4.7	4.7	173.3
Total operating expenses	1,523.7	1,540.9	(17.2)	86.7	83.1	3,128.6
Income from equity investees	0.2	0.8	(0.6)	0.0	0.0	0.3
Operating income	\$ 233.8	\$ 314.7	\$ (80.9)	13.3 %	17.0 %	\$ 475.3
Store operating expenses as a % of company-operated stores revenue				51.7 %	48.9 %	

For the quarter ended March 31, 2024 compared with the quarter ended April 2, 2023

Revenues

International total net revenues for the second quarter of fiscal 2024 decreased \$98 million, or 5%, primarily due to unfavorable foreign currency translation impacts driven by a 3% decline in comparable transactions and a 3% decline in average ticket. Also contributing to the decline in international total net revenues were lower (approximately \$10 million), largely driven

[Table of Contents](#)

International

	Dec 31, 2023	
Net revenues:		
Company-operated stores	\$ 1,374.1	\$

Other	\$	7.5	\$	\$	3.7	\$	\$	3.8	102.7	102.7	%	\$	1
Total net revenues													
Total net revenues													
Total net revenues													
Product and distribution costs													
Product and distribution costs													
Product and distribution costs													
Other operating expenses													
Other operating expenses													
Other operating expenses													
Depreciation and amortization expenses													
Depreciation and amortization expenses													
Depreciation and amortization expenses													
General and administrative expenses													
General and administrative expenses													
General and administrative expenses													
Restructuring and impairments	Restructuring and impairments	—	0.3		0.3	(0.3)		(0.3)	nm		nm		
Restructuring and impairments													
Restructuring and impairments													
Total operating expenses													
Total operating expenses													
Total operating expenses													
Operating loss													
Operating loss													
Operating loss	\$	(499.5)	\$	\$	(467.2)	\$	\$	(32.3)	6.9	6.9	%	\$	(98

Corporate and Other primarily consists of our unallocated corporate expenses. Unallocated corporate expenses include corporate administrative functions that support the operating segment and are not included in the reported financial results of the operating segments.

For the quarter ended **December 31, 2023** **March 31, 2024** compared with the quarter ended **January 1, 2023** **April 2, 2023**

Corporate and Other operating loss increased by **14%** **7%** to **\$487 million** **\$500 million** for the **first** **second** quarter of fiscal 2024 compared to **\$426 million** **\$467 million** for the **second** quarter of fiscal 2023 (\$15 million). These increases were primarily due to incremental investments in technology in support of Reinvention (\$22 million) and incremental investments in technology in support of Reinvention (\$22 million). These increases were primarily due to incremental investments in technology in support of Reinvention (\$22 million) and incremental investments in technology in support of Reinvention (\$22 million).

For the two quarters ended **March 31, 2024** compared with the two quarters ended **April 2, 2023**

Corporate and Other operating loss increased to **\$986 million** for the first quarter **two quarters** of fiscal 2024, or **10%**, compared to **\$893 million** for the same period in fiscal 2023. These increases were primarily due to incremental investments in technology in support of Reinvention (\$52 million), certain proxy solicitation and advisory services costs (\$30 million), and higher investments in partner wages and salaries (\$22 million) and higher investments in technology in support of Reinvention (\$22 million).

[Table of Contents](#)

Quarterly Store Data

Our store data for the periods presented is as follows:

	Net stores opened/(closed) and transferred during the period		Stores open at the end of the period
	Quarter Ended		
	Net stores opened/(closed) and transferred during the period		Stores open at the end of the period
	Quarter Ended		
	Dec 31, 2023	Jan 1, 2023	
	Mar 31, 2024	Apr 2, 2023	
North America			
Company-operated stores			
Company-operated stores			
Company-operated stores			

Licensed stores
 Total North America
 International
 Company-operated stores
 Company-operated stores
 Company-operated stores
 Licensed stores
 Total International
Total Company
Total Company
Total Company

Financial Condition, Liquidity and Capital Resources

Cash and Investment Overview

Our cash and investments were \$3.6 billion \$3.4 billion as of December 31, 2023 March 31, 2024 and \$4.2 billion as of October 1, 2023. We actively manage our cash and investments to meet our interest and principal payments on our borrowings, fund acquisitions, and return cash to shareholders through common stock cash dividend payments and share repurchases, including corporate debt securities, government treasury securities (domestic and foreign), and commercial paper, as well as principal-protected structured securities. \$1.0 billion of cash and short-term investments were held in foreign subsidiaries.

Borrowing Capacity

Revolving Credit Facility

Our \$3.0 billion unsecured five-year revolving credit facility (the "2021 credit facility"), of which \$150.0 million may be used for issuances of letters of credit, is currently used for working capital, capital expenditures, and other corporate purposes, including acquisitions and share repurchases. We have the option, subject to negotiation and approval of our board of directors, to increase the size of the facility by an additional \$1.0 billion.

Borrowings under the 2021 credit facility, which was most recently amended in April 2023, will bear interest at a variable rate based on Term SOFR, and, for U.S. dollar borrowings, plus an applicable margin. The applicable margin is based on the Company's long-term credit ratings assigned by the Moody's and S&P's credit ratings agencies. The applicable margin is (i) Bank of America's prime rate plus 0.500%, (ii) Bank of America's prime rate, and (iii) Term SOFR plus 1.000%. Term SOFR means the forward-looking Term SOFR Adjustment of 0.100%.

The 2021 credit facility contains provisions requiring us to maintain compliance with certain covenants, including a minimum fixed charge coverage ratio, which measure our ability to service our debt. As of March 31, 2024, we were in compliance with all applicable covenants. No amounts were outstanding under our 2021 credit facility as of December 31, 2023 March 31, 2024 or October 1, 2023.

Commercial Paper

Under our commercial paper program, we may issue unsecured commercial paper notes up to a maximum aggregate amount outstanding at any time of \$3.0 billion. Amounts outstanding under the commercial paper program are required to be backstopped by available commitments under our 2021 credit facility. The program is used for working capital, capital expenditures, and other corporate purposes, including, but not limited to, business expansion, payment of cash dividends on our common stock, and share repurchases. No amounts were outstanding under our commercial paper program as of March 31, 2024 and October 1, 2023.

Table of Contents

outstanding under our commercial paper program. As of March 31, 2024 and October 1, 2023, we had no borrowings outstanding under this program. Our total available capacity under the commercial paper program was \$3.0 billion as of the end of our first second quarter of fiscal 2024.

Credit Facilities in Japan

Additionally, we hold the following Japanese yen-denominated credit facilities that are available for working capital needs and capital expenditures within our Japanese operations:

- A ¥5.0 billion, or \$35.4 million \$33.0 million, credit facility is currently set to mature on December 30, 2024. Borrowings under this credit facility are subject to a variable interest rate based on TIBOR plus an applicable margin of 0.400%.
- A ¥10.0 billion, or \$70.7 million \$66.1 million, credit facility is currently set to mature on March 27, 2024 March 27, 2025. Borrowings under this credit facility are subject to a variable interest rate based on TIBOR plus an applicable margin of 0.300%.

As of December 31, 2023 March 31, 2024, we had ¥7.0 ¥5.0 billion, or \$49.5 million \$33.0 million, of borrowings outstanding under these credit facilities. As of October 1, 2023, we had no borrowings outstanding under these credit facilities.

See Note 7.8, Debt, to the consolidated financial statements included in Item 1 of Part I of this 10-Q for details of the components of our long-term debt.

Our ability to incur new liens and conduct sale and leaseback transactions on certain material properties is subject to compliance with terms of the indentures under which our debt is issued. As of March 31, 2024, we were in compliance with all applicable covenants.

Use of Cash

We expect to use our available cash and investments, including, but not limited to, additional potential future borrowings under the credit facilities, commercial paper, and other financing arrangements, for working capital, capital expenditures, and other corporate purposes, including investing in new ways to serve our customers and supporting our store partners, repaying maturing debts, returning cash to shareholders through common stock repurchases, and other shareholder returns.

in new business opportunities related to our core and developing businesses. Furthermore, we may use our available cash resources to make proportionate capital existing capabilities and further build our business. Acquisitions may include increasing our ownership interests in our investees. Any decisions to increase such ow

We believe that net future cash flows generated from operations and existing cash and investments both domestically and internationally, combined with our ability to finance capital requirements for our core businesses as well as shareholder distributions for at least the next 12 months. We are currently not aware of any trends or reasonably likely to result in, our liquidity increasing or decreasing in any material way that will impact our capital needs during or beyond the next 12 months. We have reasonable interest rates; however, additional borrowings would result in increased interest expense in the future. In this regard, we may incur additional debt, with returns to shareholders through future dividends and discretionary share repurchases, refinancing debt maturities, as well as investing in new business opportunities term and long-term borrowings and debt issuances.

We regularly review our cash positions and our determination of partial indefinite reinvestment of foreign earnings. In the event we determine that all or another portion to additional foreign withholding taxes, which could be material. Any foreign earnings that are not indefinitely reinvested may be repatriated at management's discretion. foreign subsidiaries, we accrued approximately \$10 million \$11 million for foreign withholding taxes during the first quarter two quarters of fiscal year 2024.

During the first second quarter of fiscal 2024, our Board of Directors approved a quarterly cash dividend to shareholders of \$0.57 per share to be paid on February 2 February 9, 2024 May 17, 2024.

During the quarter two quarters ended December 31, 2023 March 31, 2024, we repurchased 12.8 million shares of common stock for \$1,250.1 million on the open market available for repurchase under current authorizations.

Other than normal operating expenses, cash requirements for the remainder of fiscal 2024 are expected to consist primarily of capital expenditures for investments in capital expenditures for fiscal 2024 are expected to be approximately \$3.0 billion.

[Table of Contents](#)

In the MD&A included in the 10-K, we disclosed that we had \$33.9 billion of current and long-term material cash requirements as of October 1, 2023. There have been changes by this 10-Q outside of the normal course of our business.

Cash Flows

Net cash provided by operating activities was \$2.4 billion \$2.9 billion for the first quarter two quarters of fiscal 2024, compared to \$1.6 billion \$2.4 billion for the same period provided by changes in operating assets and liabilities, an increase in non-cash lease costs, and higher net earnings during the period. gain on sale of assets

Net cash used in investing activities totaled \$568.8 million \$1.3 billion for the first quarter two quarters of fiscal 2024, compared to \$279.3 million \$907.0 million for the same period expenditures, purchases of investments, and higher capital expenditures. lapping the proceeds from sale of assets from the prior year sale of Seattle's Best Coffee Inc.

Net cash used in financing activities for the first quarter two quarters of fiscal 2024 totaled \$2.4 billion, compared to \$1.0 billion \$1.3 billion for the same period in fiscal 2023. increase in share repurchase activities, and repayments of debt, partially offset by net proceeds from issuance issuances of commercial paper. debt.

Commodity Prices, Availability and General Risk Conditions

Commodity price risk represents our primary market risk, generated by our purchases of green coffee and dairy products, among other items. We purchase, roast, and sell coffee. price volatility of green coffee. In addition to coffee, we also purchase significant amounts of dairy products to support the needs of our company-operated stores. TI operations, and we expect commodity prices, particularly coffee, to impact future results of operations. For additional details, see Product Supply in Item 1 of the 10-K.

Seasonality and Quarterly Results

Our business is subject to moderate seasonal fluctuations, of which our fiscal second quarter typically experiences lower revenues and operating income. Additional customers during the holiday season, we tend to have higher cash flows from operations during the first quarter of the fiscal year. However, since revenues from Starbucks Card, Cards, the impact of seasonal fluctuations on the consolidated statements of earnings is much less pronounced. As a result of moderate seasonality, that may be achieved for the full fiscal year.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles and the Company's discussion and analysis of financial condition and results of operations require management to make judgments, assumptions, and estimates that affect the amounts reported. Note 1, Summary of Significant Accounting Policies and Estimates, in the Notes to Consolidated Financial Statements in Part II, Item 8 of the 10-K describe the significant accounting policies and methods used in the preparation of the financial statements. changes to the Company's critical accounting estimates since the 10-K.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 1, Summary of Significant Accounting Policies and Estimates, to the consolidated financial statements included in Item 1 of Part I of this 10-Q, for a detailed discussion of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no material change in the commodity price risk, foreign currency exchange risk, equity security price risk, or interest rate risk discussed in Item 7A of the 10-K.

[Table of Contents](#)

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that material information required to be disclosed in our periodic reports filed or submitted electronically to the SEC is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Our disclosure controls and procedures are also designed to ensure that information required to be disclosed in our periodic reports is accumulated and communicated to our management, including our principal executive officer and principal financial officer as appropriate, in a timely manner.

During the **first second** quarter of fiscal 2024, we carried out an evaluation, under the supervision and with the participation of our management, including our chief e operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our chief ex procedures were effective, as of the end of the period covered by this report (December **(March 31, 2023) 2024**).

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during our most recently co affect, our internal control over financial reporting.

[Table of Contents](#)

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

See [Note 18.4](#), Commitments and Contingencies, to the consolidated financial statements included in Item 1 of Part I of this 10-Q for information regarding certain le

Item 1A. Risk Factors

In addition to the other information set forth in this 10-Q, you should carefully consider the risks and uncertainties discussed in Part I, Item 1A. Risk Factors in our 10-K risk factors disclosed in our 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Information regarding repurchases of our common stock during the quarter ended December 31, 2023:

Period ⁽¹⁾	Total Number of Shares Purchased	Average Price Paid per Share
October 2, 2023 - October 29, 2023	3,877,436	\$
October 30, 2023 - November 26, 2023	4,146,201	
November 27, 2023 - December 31, 2023	4,754,654	
Total	12,778,291	\$

- (1) Monthly information is presented by reference to our fiscal months during the first quarter of fiscal 2024.
- (2) Share repurchases are conducted under our ongoing share repurchase program announced in September 2001, which has no expiration date, and for which the numerous times, with our Board of Directors most recently authorizing the repurchase of up to an additional 40 million shares in March 2022.
- (3) This column includes the total number of shares available for repurchase under the Company's ongoing share repurchase program. Shares under our ongoing s including pursuant to a trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act, or through privately negotiated transactions. The timing, man share repurchase program may be suspended, terminated, or modified at any time for any reason. **During the second fiscal quarter ended March 31, 202**

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Insider Adoption or Termination of Trading Arrangements:

During the fiscal quarter ended **December 31, 2023 March 31, 2024**, none of our directors or officers informed us of the adoption or termination of a "Rule 10b5-1 tra defined in Regulation S-K, Item 408, except as described in the table below: **408**.

[Table of Contents](#)

Name & Title	Date Adopted	Character of Trading Arrangement ⁽¹⁾	Aggregate Number of Shares of Common Stock to be Purchased or Sold Pursuant to Trading Arrangement	De
Rachel Ruggeri, executive vice president, chief financial officer	November 28, 2023	Rule 10b5-1 Trading Arrangement	Up to \$900,000 of shares to be sold ⁽²⁾ Plus Up to 4,979 shares to be sold ⁽³⁾ Plus Up to 2,165 shares to be sold ⁽⁴⁾	

- (1) Except as indicated by footnote, each trading arrangement marked as a "Rule 10b5-1 Trading Arrangement" is intended to satisfy the affirmative defense of Rule 10b5-1.
- (2) Ms. Ruggeri's trading plan provides for the sale of up to \$300,000 of shares pursuant to each of three orders, to be entered in March, May, and August 2024, respectively, until-cancelled period for such order.
- (3) Ms. Ruggeri's trading plan provides for the sale, on November 11, 2024, at market price, of up to 4,979 shares to be received by Ms. Ruggeri upon the vesting of her restricted stock units.
- (4) Ms. Ruggeri's trading plan provides for the sale, on November 18, 2024, at market price, of up to up to 2,165 shares to be received by Ms. Ruggeri upon the vesting of her restricted stock units.
- (5) Except as indicated by footnote, each trading arrangement permitted or permits transactions through and including the earlier to occur of (a) the completion of all the date listed in the table. The trading arrangement marked as a "Rule 10b5-1 Trading Arrangement" only permits transactions upon expiration of the applicable maturity date.
- (6) The arrangement also provides for automatic expiration in the event of Ms. Ruggeri's death, bankruptcy, or insolvency, notice from Ms. Ruggeri or her agent of termination, or that a breach by Mr. Ruggeri has occurred or upon the broker's exercise of its termination rights under the trading arrangement.

[Table of Contents](#)

Item 6. Exhibits

Exhibit No.	Exhibit Description	Form
3.1	Restated Articles of Incorporation of Starbucks Corporation	10-Q
3.2	Amended and Restated Bylaws of Starbucks Corporation (As amended and restated through March 17, 2021)	8-K
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—
31.2	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—
32*	Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—
101	The following financial statements from the Company's 10-Q for the fiscal quarter ended December 31, 2023, formatted in iXBRL: (i) Consolidated Statements of Earnings, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Equity, and (vi) Notes to Consolidated Financial Statements	—
104	Cover Page Interactive Data File (formatted in iXBRL and contained in Exhibit 101)	—

Exhibit No.	Exhibit Description	Form
3.1	Restated Articles of Incorporation of Starbucks Corporation	10-Q
3.2	Amended and Restated Bylaws of Starbucks Corporation (As amended and restated through March 17, 2021)	8-K
4.1	Tenth Supplemental Indenture, dated as of February 8, 2024, by and between Starbucks Corporation and U.S. Bank Trust Company, National Association, as trustee and successor in interest to U.S. Bank National Association	8-K
4.2	Form of 4.850% Senior Notes due 2027 (included as Exhibit A to Exhibit 4.1)	8-K
4.3	Form of 4.900% Senior Notes due 2031 (included as Exhibit B to Exhibit 4.1)	8-K
4.4	Form of 5.000% Senior Notes due 2034 (included as Exhibit C to Exhibit 4.1)	8-K
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—
31.2	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—

32*	Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—
101	The following financial statements from the Company's 10-Q for the fiscal quarter ended March 31, 2024, formatted in iXBRL: (i) Consolidated Statements of Earnings, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Equity, and (vi) Notes to Consolidated Financial Statements	—
104	Cover Page Interactive Data File (formatted in iXBRL and contained in Exhibit 101)	—

* Furnished herewith.

[Table of Contents](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Starbucks Corporation
January 30, 2024

STARBUCKS CORPORATION

By:

39 44

CERTIFICATION PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Laxman Narasimhan, certify that:

- I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2023 March 31, 2024, of Starbucks Corporation;
- Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading with respect to the period covered by this report;
- Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition and results of operations of the registrant for the periods presented in this report;
- The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that information required to be disclosed by the registrant in its reports that is material to the registrant's business, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to ensure that the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures based on such evaluation; and
 - Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal period, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or to the registrant's board of directors if the registrant does not have an audit committee), all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record and disclose financial information; and
 - Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 30, 2024 April 30, 2024

CERTIFICATION PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Rachel Ruggeri, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2023 March 31, 2024, of Starbucks Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant for the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that information required to be disclosed by the registrant in its reports that it files or furnishes under the Securities Act of 1933 and the Securities Exchange Act of 1934, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to ensure that the preparation of financial statements for external purposes in accordance with generally accepted accounting principles is not materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal period, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors or auditors-in-conference (including performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 30, 2024 April 30, 2024

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Starbucks Corporation ("Starbucks") on Form 10-Q for the fiscal quarter ended December 31, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on March 29, 2024 (the "Report"), Laxman Narasimhan, chief executive officer of Starbucks, and Rachel Ruggeri, executive vice president, chief financial officer of Starbucks, each

Section 906 of the Sarbanes-Oxley Act of 2002, that, to their knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Starbucks.

January ~~April~~ 30, 2024

January ~~April~~ 30, 2024

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