STARBUCKS SBUX

RECENT PRICE	P/E RATIO	P/FCF* RATIO	DIV. YLD (TTM)	BOOK VALUE
97.52	59.8x	45.4x	2.5%	-7.12

NIANBAO QIYU

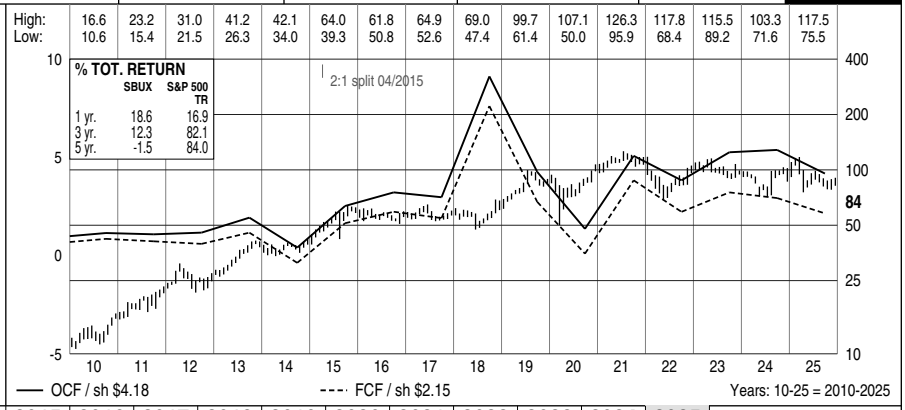
HOW IT EARNS CASH | BUSINESS CHAIN

FY25 owned: 21,514 stores (52.5%); 82.7% of revenue. Starbucks funds labor, leases and capex.
Licensed: 19,476 (47.5%); 11.7% of revenue. Partners fund stores; products, royalties and fees.
Channel segment: $1.87B sales; 47.3% op. margin. Brand income via partners; a different revenue scope.

BUSINESS MIX | FY25

Revenue	$M	Mix	YoY	3Y CAGR
North America	27373	73.6%	1.3%	5.4%
International	7819.9	21.0%	6.6%	4.1%
Channel Dev.	1871.7	5.0%	5.8%	.5%
Corp. & Other	119.70	.3%	106.4%	7.7%
Total	**37184**	**100.0%**	**2.8%**	**4.9%**

FY25 mix predates the March 2026 China JV conversion.



VALUE CREATION	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Metric	Unit
DEMAND | FY25 NA: transactions -4%; ticket +2%; comps -2%. China: transactions +4%; ticket -5%; comps -1%.	10707	11700	13277	14867	16448	19163	21316	22387	24720	26509	23518	29061	32250	35976	36176	37184	**Revenue**	$M
	9.5%	9.3%	13.5%	12.0%	10.6%	16.5%	11.2%	5.0%	10.4%	7.2%	-11.3%	23.6%	11.0%	11.6%	.6%	2.8%	**Rev. YoY**	%
	38.7%	37.3%	37.2%	36.3%	35.7%	35.6%	36.0%	48.1%	48.1%	48.7%	56.2%	48.5%	51.0%	50.0%	51.4%	55.5%	**Store OpEx/Rev.***	%
	1419.4	1728.5	1997.4	-325.40	3081.1	3601.0	4171.9	4134.7	3883.3	4077.9	1561.7	4872.1	4617.8	5870.8	5408.8	2936.6	**Op. Income**	$M
	13.3%	14.8%	15.0%	-2.2%	18.7%	18.8%	19.6%	18.5%	15.7%	15.4%	6.6%	16.8%	14.3%	16.3%	15.0%	7.9%	**Op. Margin**	%
	945.60	1245.7	1383.8	8.30	2068.1	2757.4	2817.7	2884.7	4518.3	3599.2	928.30	4199.3	3281.6	4124.5	3760.9	1856.4	**Net Income**	$M
	8.8%	10.6%	10.4%	.1%	12.6%	14.4%	13.2%	12.9%	18.3%	13.6%	3.9%	14.5%	10.2%	11.5%	10.4%	5.0%	**Net Margin**	%
↓ **REVENUE PATHS**	1704.9	1612.4	1750.3	2908.3	607.80	3749.1	4697.9	4251.8	11938	5047.0	1597.8	5989.1	4397.3	6008.7	6095.6	4747.5	**OCF**	$M
Owned Store OpEx / owned rev.: 55.5% vs 51.4%.	15.9%	13.8%	13.2%	19.6%	3.7%	19.6%	22.0%	19.0%	48.3%	19.0%	6.8%	20.6%	13.6%	16.7%	16.8%	12.8%	**OCF Margin**	%
	1.8x	1.3x	1.3x	350.4x	.3x	1.4x	1.7x	1.5x	2.6x	1.4x	1.7x	1.4x	1.3x	1.5x	1.6x	2.6x	**OCF / Net Inc.**	x
	440.70	531.90	856.20	1151.2	1160.9	1303.7	1440.3	1519.4	1976.4	1806.6	1483.6	1470.0	1841.3	2333.6	2777.5	2305.5	**Capex**	$M
Licensed 47.5% of stores; 11.7% of sales. Partner-funded.	25.8%	33.0%	48.9%	39.6%	191.0%	34.8%	30.7%	35.7%	16.6%	35.8%	92.9%	24.5%	41.9%	38.8%	45.6%	48.6%	**Capex / OCF**	%
	1264.2	1080.5	894.10	1757.1	-553.10	2445.4	3257.6	2732.4	9961.4	3240.4	114.20	4519.1	2556.0	3675.1	3318.1	2442.0	**Reported FCF**	$M
	11.8%	9.2%	6.7%	11.8%	-3.4%	12.8%	15.3%	12.2%	40.3%	12.2%	.5%	15.6%	7.9%	10.2%	9.2%	6.6%	**FCF Margin**	%
Channel $1.87B sales; 47.3% margin.	12.00	55.80	129.10	610.40	--	284.30	--	--	1311.3	--	--	--	--	--	--	177.10	**Acq. & Other Assets***	$M
	.7%	3.5%	7.4%	21.0%	--	7.6%	--	--	11.0%	--	--	--	--	--	--	3.7%	**Acq. & Other / OCF***	%
	113.60	145.20	153.60	142.30	183.20	209.80	218.10	176.00	250.30	308.00	248.50	319.10	271.60	302.70	308.30	318.30	**SBC Expense**	$M
↓ **CASH CONVERSION** OCF $4.75B; margin 12.8% vs 16.8%. Inventory used $0.41B.	6.7%	9.0%	8.8%	4.9%	30.1%	5.6%	4.6%	4.1%	2.1%	6.1%	15.6%	5.3%	6.2%	5.0%	5.1%	6.7%	**SBC / OCF**	%
	285.60	555.90	549.10	588.10	758.60	1436.1	1995.6	2042.5	7133.5	10222	1698.9	--	4013.0	984.40	1266.7	--	**Repurchases**	$M
	16.8%	34.5%	31.4%	20.2%	124.8%	38.3%	42.5%	48.0%	59.8%	202.5%	106.3%	--	91.3%	16.4%	20.8%	--	**Repurchases / OCF**	%
	171.00	389.50	513.00	628.90	783.10	928.60	1178.0	1450.4	1743.4	1761.3	1923.5	2119.0	2263.3	2431.8	2585.0	2771.4	**Dividends**	$M
	10.0%	24.2%	29.3%	21.6%	128.8%	24.8%	25.1%	34.1%	14.6%	34.9%	120.4%	35.4%	51.5%	40.5%	42.4%	58.4%	**Dividends / OCF**	%
↓ **REINVEST & FCF** OCF $4.75B - PP&E $2.31B = FCF $2.44B. PP&E/OCF 48.6% vs 45.6%; 627 closures*.	32.8%	42.1%	41.3%	.4%	50.3%	42.3%	40.7%	39.7%	72.6%	170.5%	40.7%	116.0%	122.9%	135.7%	102.0%	47.9%	**ROIC***	%
	28.1%	30.9%	29.2%	.2%	42.4%	49.7%	48.2%	50.9%	136.5%	NM*	NM*	NM*	NM*	NM*	NM*	NM*	**ROE***	%
	15.9%	18.2%	17.8%	.1%	18.6%	23.8%	21.1%	20.1%	23.5%	16.6%	3.8%*	13.8%	11.1%	14.4%	12.4%	5.9%	**ROA***	%
	1485.2	1489.6	1498.6	1506.4	1499.0	1485.1	1460.5	1431.6	1309.1	1184.6	1173.3	1180.0	1147.9	1142.6	1133.5	1136.9	**Shares Out.**	M sh
	7.21	7.85	8.86	9.87	10.97	12.90	14.59	15.64	18.88	22.38	20.04	24.63	28.10	31.49	31.92	32.71	**Revenue / Sh.**	$/sh
	.62	.81	.90	.01	1.35	1.82	1.90	1.97	3.24	2.92	.79	3.54	2.83	3.58	3.31	1.63	**Diluted EPS**	$/sh
PER-SHARE TEST FCF/sh $2.15 vs $2.93 (-26.6%); margin 6.6% vs 9.2%. Paid div./FCF 113.5% vs 77.9%.	1.15	1.08	1.17	1.93	.41	2.52	3.22	2.97	9.12	4.26	1.36	5.08	3.83	5.26	5.38	4.18	**OCF / Sh.**	$/sh
	.30	.36	.57	.76	.77	.88	.99	1.06	1.51	1.53	1.26	1.25	1.60	2.04	2.45	2.03	**Capex / Sh.**	$/sh
	.85	.73	.60	1.17	-.37	1.65	2.23	1.91	7.61	2.74	.10	3.83	2.23	3.22	2.93	2.15	**FCF / Sh.**	$/sh
	.18	.28	.36	.45	.55	.68	.85	1.05	1.32	1.49	1.23	2.29	2.00	2.16	2.32	2.45	**Dividend / Sh.**	$/sh
	19.3x	21.4x	27.4x	NM*	28.1x	26.1x	30.5x	28.9x	17.3x	25.9x	101.6x	30.3x	32.6x	28.0x	27.0x	57.7x	**Avg. P/E**	x
	6.6%	3.9%	2.4%	3.0%	-1.0%	2.8%	4.1%	3.6%	13.4%	3.1%	.1%	3.4%	2.6%	3.5%	3.0%	2.6%	**FCF Yield**	%
	1.4%	1.5%	1.4%	1.2%	1.5%	1.2%	1.6%	2.0%	2.3%	1.7%	1.5%	2.0%	2.4%	2.4%	2.4%	2.9%	**Dividend Yield**	%

CORE KPI TRACKER

Metric	FY21	FY22	FY23	FY24	FY25
Global stores	33,833	35,711	38,038	40,199	**40,990**
Global comps*	20.0%	8.0%	8.0%	-2.0%	**-1.0%**
Transactions*	9.0%	2.0%	3.0%	-4.0%	**-2.0%**
Avg ticket*	10.0%	5.0%	5.0%	2.0%	**1.0%**
NA op. margin	20.8%	19.2%	20.7%	19.8%	**11.5%**
Channel margin*	49.5%	44.3%	51.1%	52.3%	**47.3%**

COMPOUND ANNUAL GROWTH RATE

	1Y	3Y	5Y	10Y	15Y
Revenue	2.8%	4.9%	9.6%	6.9%	8.7%
Op. income	-45.7%	-14.0%	13.5%	-2.0%	5.0%
Net income	-50.6%	-17.3%	14.9%	-3.9%	4.6%
OCF	-22.1%	2.6%	24.3%	2.4%	7.1%
FCF	-26.4%	-1.5%	84.5%	-.01%	4.5%
Diluted EPS	-50.8%	-16.8%	15.6%	-1.1%	6.7%
FCF/share	-26.6%	-1.2%	85.7%	2.7%	6.4%

FINANCIAL POSITION | $B

	FY21	FY22	FY23	FY24	FY25
Tot. assets	31	28	29	31	32
Tot. liabilities	37	37	37	39	40
Net assets	-5	-9	-8	-7	-8
Mkt cap*	133	97	104	110	111
Cash + ST	7	3	4	4	3
Liab./assets	116.9%	131.1%	127.1%	123.7%	125.3%

CAPITAL RETURNS: FY11-25 OCF $65.40B less cash PP&E $23.96B yielded **$41.44B FCF.** Buybacks $33.24B; paid dividends $23.47B. **Payout 136.9%.** The $15.27B shortfall precedes M&A, investments and financing; it is not retained cash.

NET SHARES: FYE FY10 1485.2M to FY25 1136.9M: **down 23.5%.** FY25 employee plans: net +3.4M; no buybacks. Dividends $2.77B vs FCF $2.44B: $0.33B gap. Long-term debt cash: $1.75B issued, $1.25B repaid; no earmarking inferred.

Transactions drive leverage. FY25 NA transactions -4%, ticket +2%; margin 19.8% to 11.5%. New stores supported revenue while mature-store demand weakened. Ticket includes mix, not just price.

Service must earn its cost. Staffing must generate contribution above its cost. Better transactions support recovery; staffing alone cannot be credited. Labor remains an ongoing cash expense.

Cash needs real recovery. OCF fell 22%; FCF fell 26% to $2.44B. Lower capex helped $0.47B; inventory used $0.41B. Impairments already reversed in OCF cannot be added again.

Capital returns need context. Negative equity makes FY19-25 ROE NM* and can inflate Base ROIC. Expansion must cover capital and upkeep costs. FY25 cash dividends exceeded FCF.

China changes the comparison. March 2026 JV: 40% retained. Q3 International margin 19.1%, but operating profit -7%. Deconsolidation lifts the ratio; better cash returns remain unproven.

Recovery remains conditional. FY26 Q3 NA transactions +4.5%; nine-month margin 11.8% (-210bp). Recovery must reach FCF/share. Costly incentives and poor store returns could interrupt it.

FY25 financials; Oct 16, 2026 market; 2010-25 chart. Nodes: FY25 vs FY24. Cash/share: FYE; real FY09 opening anchor. FY26 Q3: subsequent.
* Comps: eligible owned stores, 13+ months; ticket includes mix. FY21 excludes extra week. 627: Q4 reset closures, not annual net closures.
* Channel FY23 includes sale gain. M03: OpEx / owned rev. NM*: FY13 P/E, FY19-25 ROE. FY20 ROA*: ASC842. Acq.*: reported cash outflows.
Base ROIC is supplied A-line; negative equity can inflate returns; lease-accounting changes limit comparability.
* FY14 FCF negative; FY18 includes Nestle cash. Owned/licensed revenue types differ from Channel segment. Position net assets include NCI.
Mkt cap*: FY21-24 use FY-end prices/shares; FY25 column uses Oct 16, 2026 price x Sep 28, 2025 shares (approx.).
Sources: A-line; Yahoo; SEC FY21-25/FY26 Q3, FY10/15; Parts1-7. Header yield TTM; history declared DPS. Ratings unassessed.

Financial Strength	--
Stock Price Stability	--
Price Growth Persistence	--
Cash Generation Stability	--

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