

# Starbucks analysis



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# Agenda

- ❖ Company overview & financials
- ❖ Sector overview
- ❖ Risks & Opportunities
- ❖ Past stock performances and future projections
- ❖ Peer comparison
- ❖ Conclusion

# Company overview & financials

- ❖ **Starbucks Corp (SBUX)** - world famous coffee chain founded in 1971
  - production, marketing, and retailing of specialty coffee.
  - sells coffee and other beverages, complementary food, packaged coffees, merchandise, packaged tea, ready-to-drink beverages to customers outside of its company-operated and licensed stores
  - Operates over 34,000 location across the globe;
  - 402.000 employees;
  - operates through the segments: North America; International; and Channel Development

## ❖ **Key statistics:**

Market capitalization

112.249B USD

Dividends yield (FY) >

2.16%

Price to earnings Ratio (TTM) >

29.67

Basic EPS (TTM) >

3.30 USD

Net income >

3.282B USD

Revenue >

32.228B USD

Shares float >

1.145B

Beta

0.78

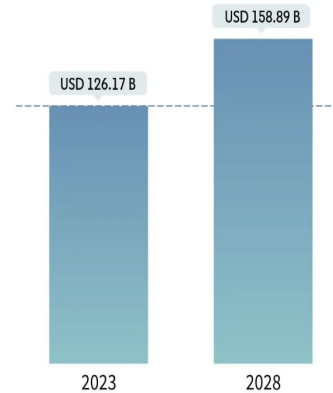
source: [www.tradingview.com](http://www.tradingview.com)

# Sector overview

## Coffee market analysis - consumer services

- Coffee Market size ~ **USD 126.17 B USD in 2023**, expected to reach **USD 158.89 B USD by 2028**,
- Drivers for growth:
  - increasing demand for certified coffee products,
  - acceptance of single-serve coffee brew systems by consumers,
  - constant innovation led by the top players in the coffee market.
- The coffee market is highly competitive and is dominated by big players like Nestle, JM Smucker Company, Kraft Heinz Company, Coca cola and Starbucks Coffee Company.

Coffee Market  
Market Size in USD Billion  
CAGR 4.72%



Source : Mordor Intelligence



Study Period	2018 - 2028
Market Size (2023)	USD 126.17 Billion
Market Size (2028)	USD 158.89 Billion
CAGR (2023 - 2028)	4.72 %
Fastest Growing Market	South America
Largest Market	Europe

### Major Players



\*Disclaimer: Major Players sorted in no particular order

# Risks & Opportunities

## ❖ Risks

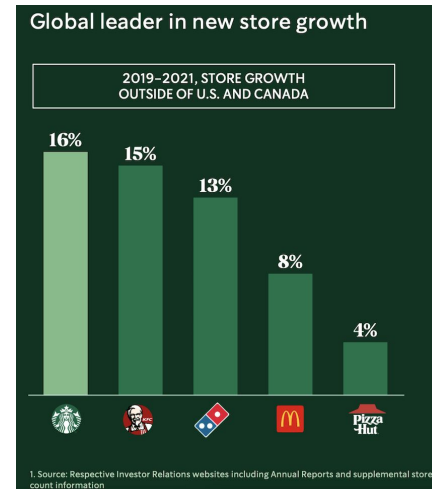
- Starbucks Competition - other low cost providers including Dunkin Donuts, McDonald's, and convenience store brands, Coca Cola.
  - Starbucks differentiates itself by creating a "third home" value proposition.
- Commodity Price Fluctuations - it spends a great amount of money on coffee beans, sugar, milk, and other commodities
- Market Risk
- Underperformance in Emerging Markets - the market is becoming saturated.

## ❖ Opportunities

- China is a major opportunity

METRIC	FISCAL Q3 2019	FISCAL Q3 2020	FISCAL Q3 2021	FISCAL Q3 2022	FISCAL Q3 2023
Locations in China	3,924	4,447	5,135	5,761	6,480
Revenues from China	\$735 million	\$624 million	\$905 million	\$545 million	\$822 million

- Aggressive growth plan: 45,000 locations by the end of fiscal 2025 and 55,000 by the end of fiscal 2030.



# Share price



## Starbucks Corporation

SBUX · NASDAQ

**98.00** USD +0.56 +0.57%

Last update at Sep 1, 19:53 EDT

- Buying one SBUX share costs \$98;
- With 4,747,222 shares traded - SBUX market capitalisation is \$112,249,200,000.
- The most recent daily high has been 98.75 and daily low 97.04;
- SBUX share price 52 week high has been 115.48 and the 52 week low. 81.67.



Today  
0.57%

Week  
2.57%

1 month  
-2.49%

6 months  
-5.22%

Year to date  
-2.55%

1 year  
17.08%

5 years  
86.81%

All time  
29766.67%

source: www.tradingview.com



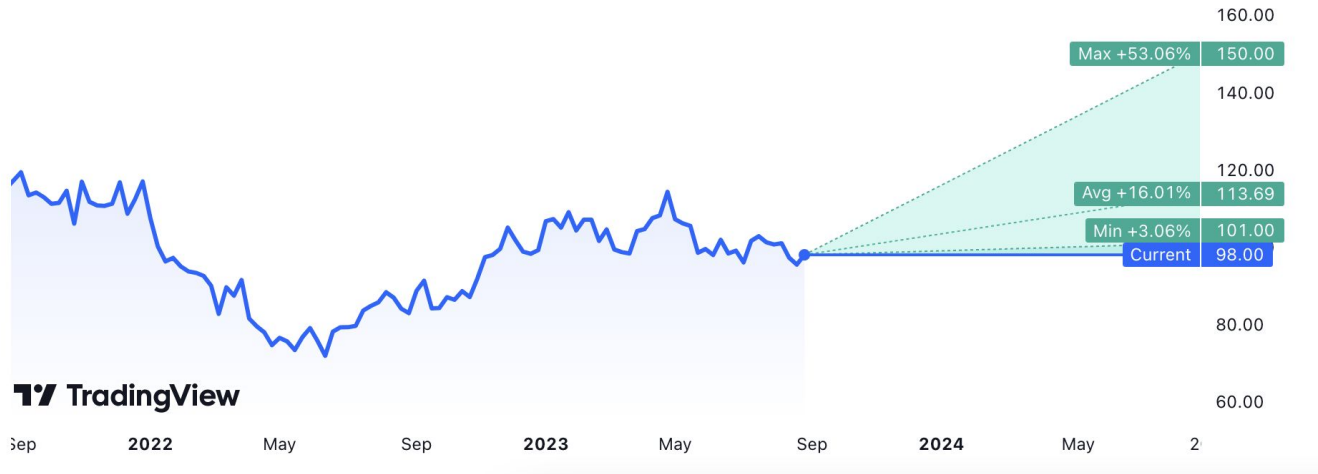
# Past stock performances and future projections

## Price target

**113.69** USD

+15.69 +16.01%

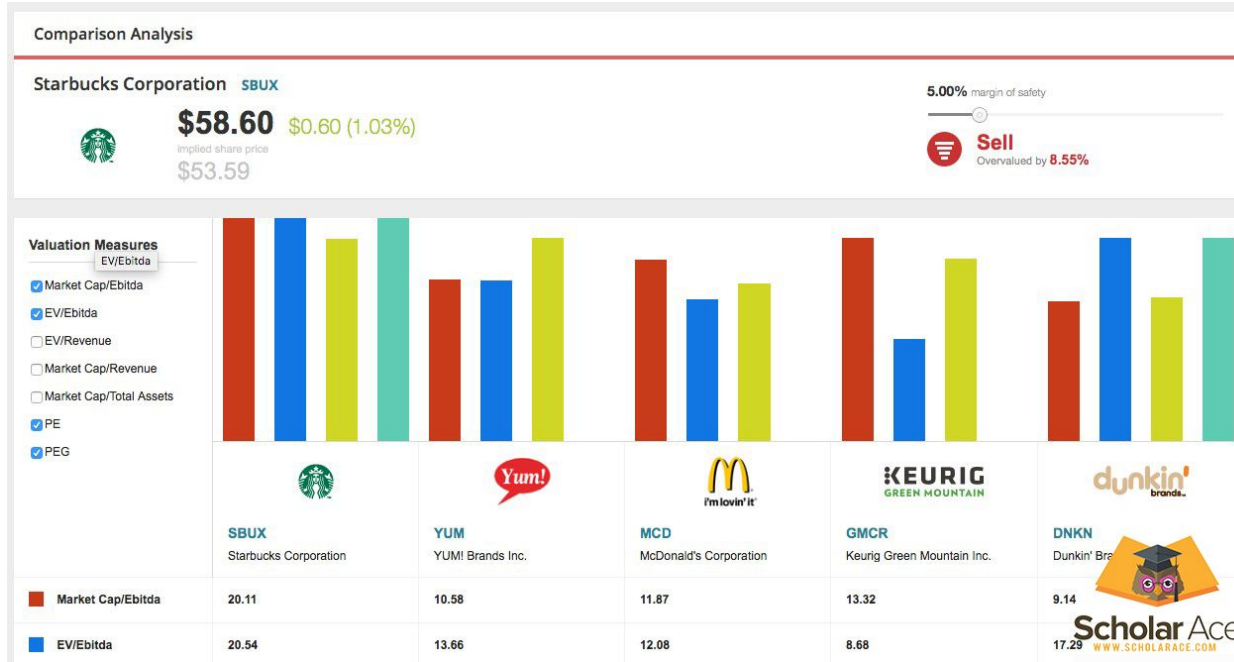
The 26 analysts offering 1 year price forecasts for Starbucks Corporation have a max estimate of 150.00 and a min estimate of 101.00.



TradingView

# Peer comparison

- ❖ Starbucks' primary competitors for sales of coffee beverages are other specialty coffee shops.
- ❖ The company faces increasingly tough competition in international markets, including from Yum brands (KFC, Taco-Bell) , McDonalds and Dunkin Donuts.





# Conclusion

- ❖ Starbucks continues to dominate the coffee and beverage market, with more than 33,250 stores in 78 different countries;
- ❖ From a single store in Seattle, it grew and grew into a coffee colossus. Every week, more than 33,000 Starbucks stores served 100 million customers globally.
- ❖ Starbucks believes that ongoing growth via new store openings, same-store sales growth, and operational efficiencies could lead to EPS growth of 15% to 20% annually.
- ❖ Recommendation : moderate buy, don't invest all in Starbucks!

**Thank you!**

