

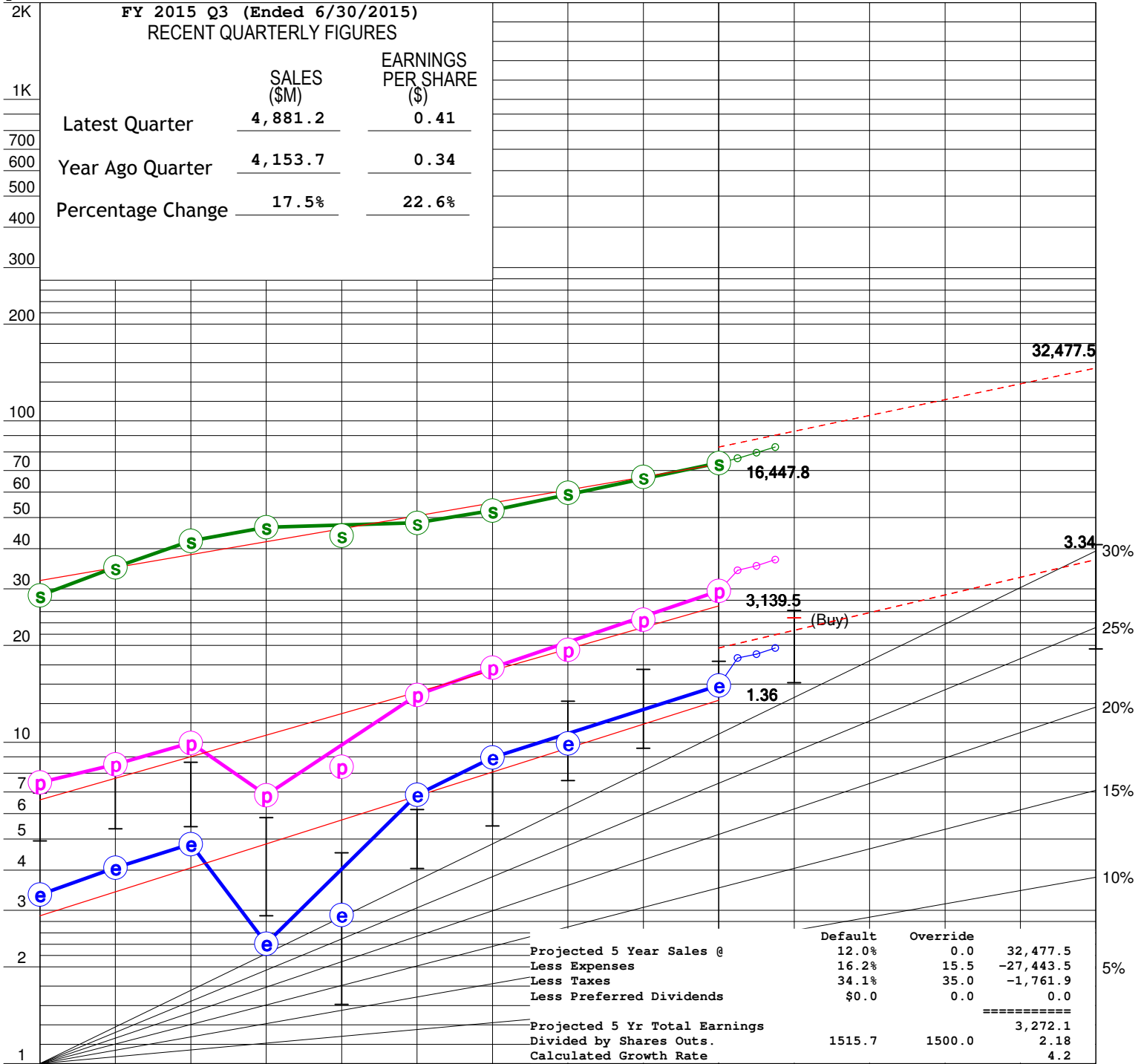


Stock Study

Company	Starbucks-sp-9-14-15	Price Date	09/14/15
Study by	SPatter	Data Date	09/14/15
Sector	Consumer Cyclical	Last Judgment	09/16/15
Industry	Restaurants	Data Source	BI
Preferred(\$M)	0.0	Reference	Morningsta
Diluted(M Shares)	1,515.7	% Insiders	2.3
Debt(\$M)	2,897.2	% Institutions	72.0
% Debt to Tot.Cap.	36.4	Quality	

1 Growth Analysis

NAS: SBUX



- | | | | | |
|-----------------------------------|------------|--|------------|---------------|
| (1) Historical Sales Growth | 9.7 % | (3) Historical Earnings Per Share Growth | 18.7 % | www.iclub.com |
| (2) Estimated Future Sales Growth | 12.0 % | (4) Estimated Future Earnings Per Share Growth | 13.5 % | |
| (5) Sales Growth R ² | -0.95 0.93 | (6) Earnings Per Share Growth R ² | -0.01 0.74 | |

2 QUALITY ANALYSIS

Company

Starbucks-sp-9-14-15

(SBUX)

09/14/15

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	5 YEAR AVG.	TREND UP / DOWN
A % Pre-tax Profit on Sales	12.5	11.6	11.2	7.0	9.1	13.9	15.5	15.5	17.2	19.1	16.2	UP
B % ROE (Beginning Yr)	26.9	26.9	26.3	13.4	15.5	30.2	32.6	30.5	0.1	35.6	32.2	UP
C % Debt to Equity	0.1	0.1	22.4	21.9	18.0	14.5	12.1	9.9	22.4	39.7	19.7	UP

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 56.29 (31.7) 52-WEEK HIGH (P/E) 59.32 (33.5) 52-WEEK LOW (P/E) 35.39 (20.0)

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2010	14.3	9.3	0.62	23.1	15.0	0.115	18.6	1.2
2 2011	21.0	12.7	0.81	26.0	15.7	0.260	32.1	2.0
3 2012	31.0	17.6	0.90	34.6	19.7	0.340	38.0	1.9
4 2013	38.9	22.1	0.01	7,780.0	4,420.0	0.420	8,400.0	1.9
5 2014	41.3	34.0	1.36	30.5	25.1	0.520	38.4	1.5
6 AVERAGE		19.1		28.5	18.9		31.8	
AVERAGE P/E RATIO		1,239.0 23.7	PROJECTED P/E RATIO		28.0	TTM EPS		1.77
CURRENT P/E RATIO		31.7	PEG RATIO		2.1	FTM EPS		2.01
RELATIVE VALUE		2.6% 133.8%	PROJ. RELATIVE VALUE		2.3% 120.8%	AVG TTM + FTM EPS		1.89

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E 28.5 X Estimated High Earnings/Share 3.34 = Forecast High Price \$ 95.2

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E 18.9 ^(as adj.) 17.8 X Estimated Low Earnings/Share 1.36 1.77 = \$ 31.6

(b) Average 5-Year Low Price = 19.1

(c) Recent Severe Low Price = 22.1

(d) Price Dividend Will Support = Present Divd. ÷ High Yield = 0.640 ÷ 0.020 = 31.3

Selected Estimated Low Price = \$ 45.0

C PRICE RANGES

Forecast High Price 95.2 - Estimated Low Price 45.0 = Range 50.2 25% of Range = 12.5

BUY (Lower 25% of Range) = 45.0 to 57.5

MAYBE (Middle 50% of Range) = 57.5 to 82.7

SELL (Upper 25% of Range) = 82.7 to 95.2

Current Price 56.290 is in the Buy Range

D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 95.2 - Current Price 56.290) ÷ (Current Price 56.290 - Estimated Low Price 45.0) = 3.5 To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend \$ 0.640 ÷ Current Price of Stock \$ 56.290 = 1.1 % Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 31.8 1,705.4 ÷ Forecast High P/E 28.5 = Avg. Yield 59.8

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 31.8 1,705.4 ÷ Forecast Avg P/E 23.2 = Avg. Yield 73.7

C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield 59.8 % + Annual Appreciation 11.1 % = Compound Annual Total Return 70.9 %

D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield 73.7 % + Annual Appreciation 6.6 % = Projected Average Total Return 80.2 %