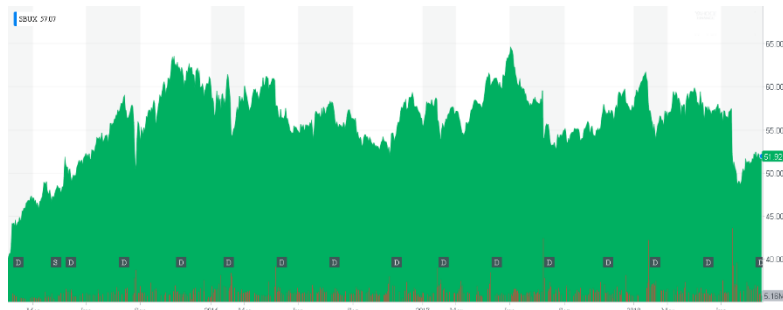


STARBUCKS CORPORATION (SBUX)

Rena Kaufman



\$51.88 - BUY

Valuation Methodology

Method #1 Stock Price	\$51.88
Method #2 EBITDA Multiple	\$54.20
Method #3 DCF Analysis	\$93.54
Average of Methods	\$66.54

Market Data

Market Cap (intraday): \$69,991M

Enterprise Value (Aug 9, 2018): \$74,898M

Enterprise Value/EBITDA (ttm): 14.97x

Financial Summary (7/1/2018)

Revenues: \$24,114.1 Million

EBITDA: \$5,002.2 Million

Net Income: \$4,551.3 Million



Financial Analysis

Solvency Ratios

LTD/Total Capitalization: 63.0%

EBITDA/Interest Expense: 38.9x

LTD/EBITDA: 1.4x

Profitability Ratios

Gross Margin: 29.8%

EBITDA Margin: 20.7%

EBIT Margin: 15.9%

Return on Assets (ROA): 28.9%

Return on Equity (ROE): 96.4%

Short Term Liquidity

Current Ratio: 1.0x

Accounts Receivable Turnover: 28.0x

Profile

Starbucks Corporation, together with its subsidiaries, operates as a roaster, marketer, and retailer of specialty coffee worldwide. The company operates in four segments: Americas; China/Asia Pacific; Europe, Middle East, and Africa; and Channel Development. Its stores offer coffee and tea beverages, roasted whole bean and ground coffees, single-serve and ready-to-drink coffee and tea products, and food and snacks; and various food products, such as pastries, breakfast sandwiches, and lunch items. The company also licenses its trademarks through licensed stores, and grocery and foodservice accounts. It offers its products under the Starbucks, Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, Ethos, Frappuccino, Starbucks Doubleshot, Starbucks Refreshers, premium Tazo, and Starbucks VIA brand names. As of April 26, 2018, the company operated 28,209 stores. Starbucks Corporation was founded in 1971 and is based in Seattle, Washington.

Financial Analysis

FY17 vs. FY16

Operations:

- Total net revenues increased 5% to \$22.4 billion in FY17 compared to \$21.3 billion in FY16. This increase was primarily driven by incremental revenues from 2,320 net new store openings over the past 12 months and a 3% growth in global comparable store sales. (Excluding \$412.4 million from extra week of FY16, net revenues grew 7 %.)
- Global comparable store sales grew 3% driven by a 3% increase in average ticket.
- Consolidated operating income decreased to \$4.1 billion in FY17 compared to operating income of \$4.2 billion in FY16. FY17 operating margin was 18.5% compared to 19.6% in FY16. Operating margin compression in FY17 was primarily driven by increased partner (employee) and digital investments, largely in the Americas segment, restructuring and impairment charges and the absence of the 53rd week, partially offset by sales leverage.
- Restructuring and impairment charges for FY17 were \$153.5 million and primarily related to strategic changes in the Teavana business including a partial goodwill impairment, store asset impairments, costs associated with early closure of stores and severance. Additional amounts incurred related to an impairment of the Switzerland retail business and asset impairments of certain Starbucks® company-operated stores in Canada.
- Earnings per share (“EPS”) for FY17 increased to \$1.97, compared to EPS of \$1.90 in FY16, which benefited \$0.06 per share from the extra week in FY16. The increase was primarily driven by growth in comparable store sales, improved sales leverage and the gain on the sale of Singapore retail operations, partially offset by restructuring and impairment charges.

Cash Flow:

- Cash flows from operations were \$4.2 billion in FY17 compared to \$4.6 billion in FY16. The change was primarily due to the timing of cash payments for income taxes.
- Cash used by investing activities totaled \$0.9 billion for FY17, compared to \$2.2 billion for FY16. The change was primarily due to the liquidation of a significant portion of offshore investment portfolio in anticipation of the acquisition of the remaining 50% ownership share of the East China joint venture.
- Cash used by financing activities for FY17 totaled \$3.0 billion, compared to \$1.8 billion for FY16. The change was primarily due to lower proceeds from the issuance of long-term debt, the repayment of the 2016 notes and an increase in cash returned to shareholders through dividend payments and share repurchases.
- Capital expenditures were \$1.5 billion in FY17 compared to \$1.4 billion in FY16.

Leverage:

- Returned \$3.5 billion to the shareholders in FY17 through share repurchases and dividends compared to \$3.2 billion in FY16.

Ratio Analysis For the Fiscal Period Ending	LTM	Annual		
	Jul-01-2018	12 months Oct-01-2017	12 months Oct-02-2016	12 months Sep-27-2015

Solvency Ratios

LTD / Total Capitalization	63.0%	41.9%	37.9%	28.7%
EBITDA / Interest Expense	38.9x	53.1x	59.5x	60.2x
LTD / EBITDA	1.4x	0.8x	0.7x	0.6x

Profitability Ratios

Gross Margin	29.8%	30.6%	31.6%	31.1%
EBITDA Margin	20.7%	21.9%	22.7%	22.2%
EBIT Margin	15.9%	17.4%	18.1%	17.5%
Return on Assets (ROA)	28.9%	20.1%	21.1%	22.2%
Return on Equity (ROE)	96.4%	50.9%	48.2%	47.4%

Trend Analysis Ratios

Revenue Growth	7.7%	5.0%	11.2%
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Peer Analysis

Direct Competitor Comparison

	<u>SBUX</u>	<u>DNKN</u>	<u>WEN</u>	<u>MCD</u>	<u>Industry</u>
Market Cap:	\$69,991M	\$5,963M	\$4,248M	\$123,515M	\$5,307M
Employees:	277,000	1,148	121,000	235,000	41,094
Revenue:	\$24,114M	\$860M	\$1,223M	\$22,820M	\$2,629M

SBUX = Starbucks Corporation

DNKN = Dunkin' Brands Group, Inc.

WEN = The Wendy's Company

MCD = McDonald's Corporation

Industry = Restaurants/Cafes/Fast Food Places

Projection Analysis

Income Statement

Projections

PERIOD ENDING	4-year Average	Operating Assumpt. Input	Jul-01-2019	Jul-01-2020	Jul-01-2021	Jul-01-2022	Jul-01-2023	Jul-01-2024
			Total Revenue			26,043	28,127	30,377
Cost of Revenue			18,230	19,689	21,264	22,965	24,802	26,786
Gross Profit			7,813	8,438	9,113	9,842	10,629	11,480
Total Operating Expenses			2,604.32	2,813	3,038	3,281	3,543	3,827
EBIT			5,209	5,625	6,075	6,561	7,086	7,653
Interest Expense			175	167	158	149	140	132
EBT			5,033	5,459	5,917	6,412	6,946	7,522
Income Tax Expense & Minority Interest (After Tax)			1,510	1,638	1,775	1,924	2,084	2,256
Net Income			3,523	3,821	4,142	4,489	4,862	5,265
Income Statement Assumptions								
Revenue Growth	7.99%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Gross Margin	30.80%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Operating Exp as % of Revenue	9.32%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax as % of EBT	29.89%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Other Assumptions % of Revenue								
Depreciation			1,172	1,265.70	1,367	1,476	1,594	1,722
Capex			1,823	1,969	2,126	2,296	2,480	2,679
Depreciation	4.53%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Expenditures	7.03%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Debt Schedule								
Short Term Debt								
Long Term Debt								
Total Debt Outstanding			6,459	6,119	5,779	5,439	5,099	4,759
Increase/Decease		5.00%	(340)	(340)	(340)	(340)	(340)	(340)
Interest Payment		2.58%	175.42	167	158	149	140	132
Ratio Analysis - Assumptions								
			Jul-01-2019	Jul-01-2020	Jul-01-2021	Jul-01-2022	Jul-01-2023	Jul-01-2024
EBITDA			6,381	6,891	7,442	8,038	8,681	9,375
Trend Analysis								
Revenue Growth			8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Solvency Ratios (Leverage)								
Total Debt / EBITDA (Incl. CPLTD)			1.01x	0.89x	0.78x	0.68x	0.59x	0.51x
EBITDA / Interest Coverage Ratio			36.37x	41.35x	47.14x	53.91x	61.86x	71.26x
EBIT / Interest Coverage Ratio			29.69x	33.76x	38.48x	44.01x	50.50x	58.17x
Profitability Ratios								
Gross Margin %			30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
EBITDA Margin %			24.50%	24.50%	24.50%	24.50%	24.50%	24.50%
EBIT Margin %			20.00%	20.00%	20.00%	20.00%	20.00%	20.00%

Projection Analysis Assumptions & Results

Revenue

- Annual revenue growth continues to fluctuate between 5% and 11% each year and averages 8.0% in the past three years. Assume that revenue growth will reflect historical average:
 - Overall, Starbucks net revenue grew 11% to \$6.3 billion in its third quarter of fiscal 2018. This was primarily driven by incremental revenues from the ownership change in East China, incremental revenues from 2,015 net new Starbucks store openings over the last 12 months, favorable foreign currency translation and global comparable store sales growth of 1%.
 - These increases were partially offset by the closure of Teavana retail stores. Consolidated operating income decreased \$6.0 million, or 0.6%, to \$1.0 billion. Operating margin declined 190 basis points to 16.5%. This is primarily due to higher investments in Starbucks' partners (employees), largely in the Americas, product mix shift that is mainly food-related, the impact of ownership change in East China, and the anti-bias training costs, partially offset by lower restructuring and impairment expenses.

EBITDA:

- EBITDA Margin will improve from 20.74% in July 2018 to 24.50% over the next few years. EBITDA expected to increase from \$5 Billion to \$6 Billion.
 - Gross Margin expected to remain at 30% consistent with past performance.
 - Operating expenses expected to remain at 10% of revenue.

CAPEX:

- Capital expenditures to remain consistent with historical levels at approximately 7.0% of revenues. Capital Expenditures expected to grow to approximately \$2.0 billion, primarily for investments in new and existing stores and developing Siren Retail business, the supply chain, and corporate facilities.

Valuation Analysis

Method #1 - Stock Price

Starbucks Corporation (SBUX)

Calculations \rightarrow SP SO $SP * SO = EQ$ D C $EQ + D - C = EV$

Company	Symbol	Stock Price (as of 8/9/2018)	Stocks Outstanding (In Millions)	Equity Value (In Millions)	Debt (ST<) (In Millions)	Cash (In Millions)	Enterprise Value (In Millions)
Starbucks Corporation	SBUX	\$ 51.88	1,349.1	69,991	6,799	1,892	74,898

Starbucks' EV (In Millions) 74,898

Method #2 - EBITDA Multiples

Starbucks Corporation (SBUX)

SP SO $SP * SO = EQ$ D C $EQ + D - C = EV$ E EV/E

Company	Symbol	Stock Price (as of 8/9/2018)	Stocks Outstanding (In Millions)	Equity Value (In Millions)	Debt (ST<) (In Millions)	Cash (In Millions)	Enterprise Value (In Millions)	EBITDA (In Millions)	EBITDA Multiple	Beta	Leverage
Dunkin' Brands Group, Inc.	DNKN	\$ 71.87	82.97	5,963	3,060.00	1,018.32	8,005	487.25	16.43x	0.29x	6.28x
The Wendy's Company	WEN	\$ 17.76	239.21	4,248	2,800.00	1,094.94	5,953	397.40	14.98x	0.84x	7.05x
McDonald's Corporation	MCD	\$ 159.21	775.8	123,515	31,000.00	2,463.80	152,051	9,880	15.39x	0.65x	3.14x
Starbucks Corporation	SBUX	\$ 51.88	1,349.1	69,991	6,799	1,892	74,898	5,002	14.97x	0.58x	1.36x

EBITDA * Average Multiple 5,002 15.60x

Starbucks' EV (In Millions) 78,033

Average 15.60x 0.59x

Valuation Analysis Discussion

Comparing Starbucks' current trading Enterprise Value (EV) with the trading EV of their peers, Starbucks is undervalued at EBITDA multiple of 14.97x versus the average of 15.60x. Additionally, Starbucks' current stock price trades under most of its direct competitors as illustrated in Method #2 (above).

Furthermore, Valuation Method #3 – Discount Cash Flow Analysis (see chart below) implies that Starbucks' is undervalued. Based on the projections discussed above, the DCF analysis proposes that the value of Starbucks is significantly higher than current market trading levels.

Method #3 - Discount Cash Flow Valuation Analysis

Calculating WACC

	Amount	% Cap	Return/Inter	After Tax	WACC
Market Value of Equity (Trading)	69,991	91.1%	7.12%	7.12%	6.49%
Total Debt	6,799	8.9%	2.58%	1.81%	0.16%
Total Capital	76,790	100.0%			6.65%
6-year Treasury Note =	1.90%	(given)			
Historical Market Premium =	9.00%	(given)			
Company Beta =	0.58x				
Historical Tax Rate =	30.00%				

Starbucks Corporation (SBUX)

Discount Cash Flow Valuation Analysis	Projected (yr1-yr6) Assumptions	year (n) =						
		Input Actual Jul-01-2018	Jul-01-2019	Jul-01-2020	Jul-01-2021	Jul-01-2022	EXIT YEAR Jul-01-2023	Jul-01-2024
Revenues		24,114	26,043	28,127	30,096	31,600	33,180	34,725
Revenue Growth Assumptions			8.0%	8.0%	7.0%	5.0%	5.0%	4.7%
Cost of Revenues (CoGS)	70.0%	(16,918)	(18,230.26)	(19,689)	(21,067)	(22,120)	(23,226)	(24,307)
Operating Expenses	10.0%	(1,067)	(2,604.32)	(2,813)	(3,010)	(3,160)	(3,318)	(3,472)
EBIT		6,129	5,209	5,625	6,019	6,320	6,636	6,945
Less Taxes / % of EBIT	30.0%	(1,838.64)	(1,562.59)	(1,688)	(1,806)	(1,896)	(1,991)	(2,083)
Plus Depreciation	4.5%	1,086	1,171.95	1,266	1,354	1,422	1,493	1,563
Less Capex	7.0%	(1,902)	(1,823.03)	(1,969)	(2,107)	(2,212)	(2,323)	(2,431)
Cash Flow		3,474	2,995	3,235	3,461	3,634	3,816	3,993
EBITDA		5,002	6,381	6,891	7,373	7,742	8,129	8,508
Terminal Value	Assumptions							
EBITDA Multiple Method	15.60x		(EBITDA x Market EBITDA Multiple)				126,813.01	
Perpetuity Method	6.65%		Next Yr Cash Flow / (WACC - Next Yr Rev Growth)				200,183	
Average						163,498		
Less Debt Outstanding (at Exit)						(5,099)	(75% of original Debt)	
Plus Cash (at Exit)						-		
Equity Value at Terminal						158,399		
Equity Cash Flows			2,995	3,235	3,461	3,634	162,214	
PV Table or $(1 / [(1 + i)^n])$			0.93353	0.87148	0.81356	0.75948	0.70900	
Present Value of Equity			2,795.90	2,819	2,816	2,760	115,010.27	
Total Present Value of Equity		126,201						
+ PV of Debt =		6,799						
- Less Cash =		(1,892)						
Starbucks' EV		131,108						

Valuation Results

As one of the largest coffee shop chains in the world, Starbucks' continues to thrive with global expansions and digital innovations. Based on all three methods, we can conclude that Starbucks' current trading level is undervalued.

ENTERPRISE VALUATION ANALYSIS

STARBUCKS CORPORATION

	EV	Debt	Cash	Eq Value	Shares Outs	Stock Price
Method #1 - Current Market Price	74,898	6,799	1,892	69,991	1,349.1	\$ 51.88
Method #2 - EBITDA Multiples	78,033	6,799	1,892	73,126	1,349.1	\$ 54.20
Method #3 - DCF Analysis	131,108	6,799	1,892	126,201	1,349.1	\$ 93.54
Avg of methods	94,680	6,799	1,892	89,773		\$ 66.54

Balance Sheet		LTM				Annual				Balance Sheet				
		Jul-01-2018		Oct-01-2017		Oct-02-2016		Sep-27-2015		Jul-01-2018		Apr-01-2018		Dec-31-2017
Balance Sheet as of:		USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Currency	Units	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions
Current Assets														
Cash and Cash Equivalents		1,892.1	2,462.3	2,128.8	1,530.1					1,892.1	2,142.0	3,661.4	2,462.3	
Short-term Investments		84.5	228.6	134.4	81.3					84.5	100.5	106.6	228.6	
Accounts Receivables		854.8	870.4	768.8	719.0					854.8	869.6	851.8	870.4	
Inventories		1,387.4	1,364.0	1,378.5	1,306.4					1,387.4	1,375.9	1,313.2	1,364.0	
Prepaid Expenses and Other Current Assets		1,364.6	358.1	347.4	334.2					1,364.6	1,169.0	950.5	358.1	
Total Current Assets		5,583.4	5,283.4	4,757.9	3,971.0					5,583.4	5,657.0	6,883.5	5,283.4	
Non Current Assets														
Property, Plant and Equipment, Net		5,689.6	4,919.5	4,533.8	4,088.3					5,689.6	5,576.8	5,378.7	4,919.5	
Long-term Investments		261.4	542.3	1,141.7	312.5					261.4	293.1	363.5	542.3	
Equity and Other Investments		323.4	481.6	354.5	352.0					323.4	297.6	287.6	481.6	
Deferred Income Taxes, net		149.1	795.4	885.4	1,180.8					149.1	165.3	157.9	795.4	
Goodwill		3,647.6	1,539.2	1,719.6	1,575.4					3,647.6	3,793.5	3,674.8	1,539.2	
Other Intangible Assets		1,122.9	441.4	516.3	520.4					1,122.9	1,228.4	1,246.2	441.4	
Other Assets		404.7	362.8	403.3	415.9					404.7	541.8	526.3	362.8	
Total Assets		17,182.1	14,365.6	14,312.5	12,416.3					17,182.1	17,553.5	18,518.5	14,365.6	
Current Liabilities														
Accounts Payable		921.1	782.5	730.6	684.2					921.1	869.7	852.1	782.5	
Accrued Liabilities		2,320.7	1,994.5	1,999.1	1,755.3					2,320.7	2,261.6	3,761.1	1,994.5	
Current Portion of Long-term Debt		649.8	0	399.9	0					649.8	349.7	349.9	0	
Stored Value Card Liability		1,444.6	1,288.5	1,171.2	983.8					1,444.6	1,484.0	1,668.0	1,288.5	
Insurance Reserves		215.4	215.2	246.0	224.8					215.4	222.0	210.0	215.2	
Total Current Liabilities		5,551.6	4,220.7	4,546.8	3,648.1					5,551.6	5,187.0	6,841.1	4,220.7	
Non Current Liabilities														
Long-term Debt		6,149.1	3,932.6	3,185.3	2,347.5					6,149.1	6,185.1	4,566.5	3,932.6	
Minority Interest		6.0	6.9	6.7	1.8					6.0	6.5	6.8	6.9	
Other Long-term Liabilities		1,484.7	755.3	689.7	600.9					1,484.7	1,463.7	1,352.0	755.3	
Total Liabilities		13,191.4	8,915.5	8,428.5	6,598.3					13,191.4	12,842.3	12,766.4	8,915.5	
Shareholders' Equity														
Common Stock - Par Value		1.4	1.4	1.5	1.5					1.4	1.4	1.4	1.4	
Additional Paid in Capital		41.1	41.1	41.1	41.1					41.1	41.1	41.1	41.1	
Retained Earnings		4,150.9	5,583.2	5,949.8	5,974.8					4,150.9	4,635.8	5,834.9	5,583.2	
Accumulated Other Comprehensive Income		(202.7)	(155.6)	(108.4)	(199.4)					(202.7)	32.9	(125.3)	(155.6)	
Total Shareholders Equity		3,990.7	5,450.1	5,884.0	5,818.0					3,990.7	4,711.2	5,752.1	5,450.1	
Total Liabilities & Shareholders Equity		17,182.1	14,365.6	14,312.5	12,416.3					17,182.1	17,553.5	18,518.5	14,365.6	

Cash Flow	LTM		Annual			Cash Flow			
	For the Fiscal Period Ending			For the Fiscal Period Ending			Quarterly		
	12 months Jul-01-2018	12 months Oct-01-2017	12 months Oct-02-2016	12 months Sep-27-2015	3 months Jul-01-2018	3 months Apr-01-2018	3 months Dec-31-2017	3 months Oct-01-2017	
Currency Units	USD Millions	USD Millions	USD Millions	USD Millions	Currency Units	USD Millions	USD Millions	USD Millions	
Net Income	4,551.4	2,894.7	2,817.7	2,757.4	852.5	660.1	2,250.2	788.6	
Depreciation & Amort.	1,086.1	1,009.6	972.8	883.8	271.3	286.4	272.4	213.2	
Amort. of Goodwill and Intangibles	146.1	57.5	57.3	50.0	72.6	58.8	-	57.5	
Depreciation & Amort., Total	1,232.2	1,067.1	1,030.1	933.8	343.9	345.2	272.4	270.7	
(Gain) Loss From Sale Of Assets	(486.7)	-	-	(3.7)	0	4.9	(501.2)	-	
(Gain) Loss On Sale Of Invest.	(1,376.4)	-	-	(390.6)	(2.5)	(47.6)	(1,326.3)	9.6	
Asset Writedown & Restructuring Costs	(65.0)	(6.3)	(6.1)	-	0	28.5	-	(93.5)	
(Income) Loss on Equity Invest.	(42.2)	(123.6)	(26.9)	(42.0)	(32.4)	21.8	15.1	(46.7)	
Stock-Based Compensation	212.3	176.0	218.1	209.8	68.5	55.1	61.4	27.3	
Tax Benefit from Stock Options	(77.5)	(77.5)	(122.8)	(132.4)	-	-	-	(8.1)	
Other Operating Activities	851.0	164.2	312.0	138.0	56.0	(14.5)	748.0	61.5	
Change in Acc. Receivable	(71.6)	(96.8)	(55.6)	(82.8)	(20.1)	3.9	1.3	(56.7)	
Change in Inventories	(26.6)	14.0	(67.5)	(207.9)	(31.8)	(60.9)	71.2	(5.1)	
Change in Acc. Payable	137.1	46.4	46.9	137.7	46.9	(2.6)	28.1	64.7	
Change in Unearned Rev.	90.2	130.8	180.4	170.3	(26.0)	(195.9)	359.6	(47.5)	
Change in Other Net Operating Assets	(408.5)	(4.7)	248.8	261.5	(39.1)	(343.5)	(145.8)	119.9	
Cash from Ops.	4,519.7	4,174.3	4,575.1	3,749.1	1,215.9	454.5	1,834.0	1,084.7	
Capital Expenditure	(1,901.9)	(1,519.4)	(1,440.3)	(1,303.7)	(511.1)	(467.4)	(429.3)	(494.1)	
Cash Acquisitions	(1,311.3)	-	-	(284.3)	0	(1,311.3)	-	-	
Divestitures	608.2	-	-	-	0	211.1	397.1	-	
Invest. in Marketable & Equity Secur.	726.5	615.1	(807.5)	60.9	49.1	(68.5)	431.7	314.2	
Net (Inc.) Dec. in Loans Originated/Sold	1.3	54.3	24.9	6.8	4.2	2.2	(4.5)	(0.6)	
Other Investing Activities	(1,877.2)	(850.0)	(2,222.9)	(1,520.3)	(457.8)	(1,633.9)	395.0	(180.5)	
Cash from Investing	-	-	-	-	-	-	-	-	
Short Term Debt Issued	-	-	-	-	-	-	-	-	
Long-Term Debt Issued	-	750.2	1,254.5	848.5	-	-	998.3	-	
Total Debt Issued	2,896.5	750.2	1,254.5	848.5	300.0	1,598.2	998.3	0	
Short Term Debt Repaid	-	-	-	-	-	-	-	-	
Long-Term Debt Repaid	-	(400.0)	-	(610.1)	-	-	-	-	
Total Debt Repaid	0	(400.0)	-	(610.1)	-	-	-	0	
Issuance of Common Stock	151.2	150.8	160.7	191.8	25.6	52.0	54.3	19.3	
Repurchase of Common Stock	(4,962.0)	(2,125.3)	(2,101.6)	(1,511.6)	(872.6)	(1,592.7)	(1,657.0)	(839.7)	
Common Dividends Paid	(1,620.8)	(1,450.4)	(1,178.0)	(928.6)	(412.3)	(419.8)	(428.1)	(360.6)	
Total Dividends Paid	(1,620.8)	(1,450.4)	(1,178.0)	(928.6)	(412.3)	(419.8)	(428.1)	(360.6)	
Special Dividend Paid	-	-	-	-	-	-	-	-	
Other Financing Activities	58.0	73.1	114.4	(246.5)	4.1	(10.5)	(7.2)	2.2	
Cash from Financing	(3,477.1)	(3,001.6)	(1,750.0)	(2,256.5)	(955.2)	(372.8)	(1,039.7)	(1,176.8)	
Foreign Exchange Rate Adj.	10.5	10.8	(3.5)	(150.6)	(52.8)	32.8	9.8	20.7	
Net Change in Cash	(624.1)	333.5	598.7	(178.3)	(249.9)	(1,519.4)	1,199.1	(253.9)	
Supplemental Items									
Cash Interest Paid	110.7	96.6	74.7	69.5	53.7	9.4	38.3	9.3	
Cash Taxes Paid	1,204.2	1,399.1	878.7	1,072.2	176.3	583.3	140.1	304.5	
Levered Free Cash Flow	1,627.6	2,077.4	2,529.4	2,465.0	359.8	(1,507.6)	2,296.3	472.6	
Unlevered Free Cash Flow	1,708.0	2,135.2	2,509.2	2,509.0	388.2	(1,485.7)	2,312.5	492.5	
Change in Net Working Capital	228.3	24.0	(363.7)	(574.7)	127.8	1,952.9	(1,747.5)	(104.9)	
Net Debt Issued	2,896.5	350.2	1,254.5	238.4	300.0	1,598.2	998.3	0	

Ratio Analysis	LTM		Annual		
	4 Year Average	Jul-01-2018	12 months Oct-01-2017	12 months Oct-02-2016	12 months Sep-27-2015
EBITDA		5,002.20	4,908.20	4,834.50	4,245.00
Liquidity Ratios					
Current Ratio	1.1x	1.0x	1.3x	1.0x	1.1x
Accounts Receivable Turnover	27.6x	28.0x	27.3x	28.7x	26.7x
Solvency Ratios					
LTD / Total Capitalization	42.9%	63.0%	41.9%	37.9%	28.7%
EBITDA / Interest Expense	52.9x	38.9x	53.1x	59.5x	60.2x
LTD / EBITDA	0.9x	1.4x	0.8x	0.7x	0.6x
Profitability Ratios					
Gross Margin	30.8%	29.8%	30.6%	31.6%	31.1%
EBITDA Margin	21.9%	20.7%	21.9%	22.7%	22.2%
EBIT Margin	17.2%	15.9%	17.4%	18.1%	17.5%
Return on Assets (ROA)	23.1%	28.9%	20.1%	21.1%	22.2%
Return on Equity (ROE)	60.7%	96.4%	50.9%	48.2%	47.4%
Trend Analysis Ratios					
Revenue Growth	8.0%	7.7%	5.0%	11.2%	