



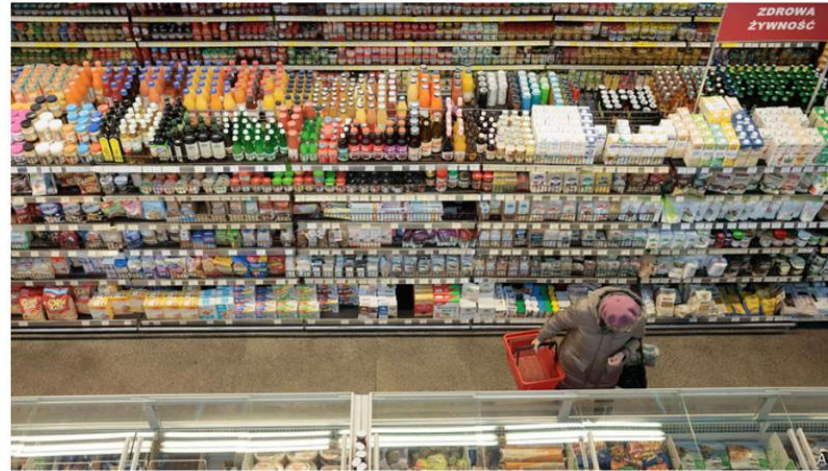
John Mulligan

**Executive Vice President and
Chief Operating Officer**



2022 had many challenges.

2022 has been a year of brutal inflation



FORBES > BUSINESS > RETAIL

Retail Sales Slowed As 2022 Ended. What Does That Mean For 2023?

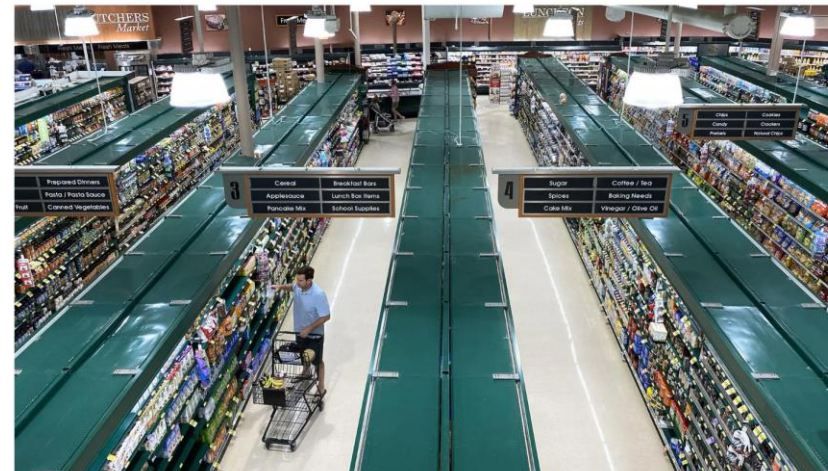


From Packed Ports To Empty Store Shelves: How We Can Solve The US Supply Chain Snarl



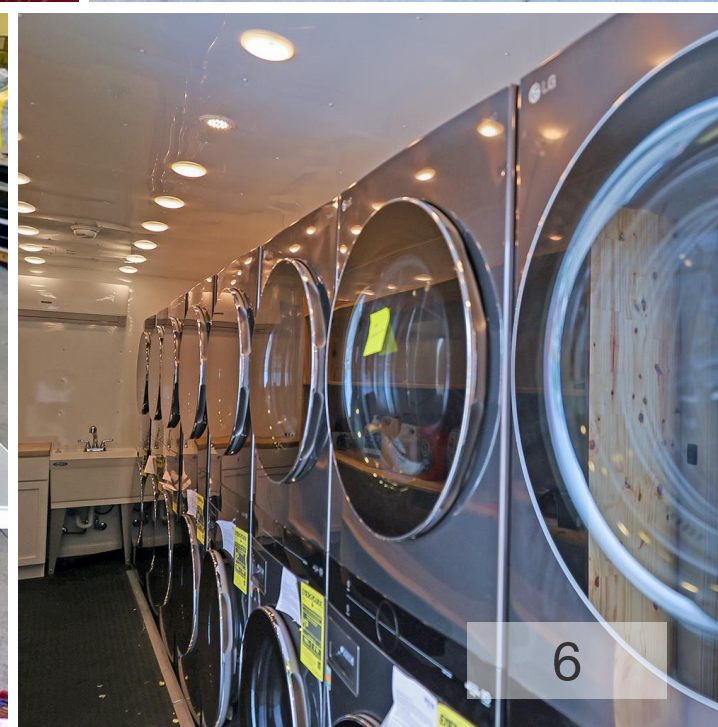
GETTY

How Does Inflation Change Consumer Behavior?



Saul Loeb/AFP via Getty Images

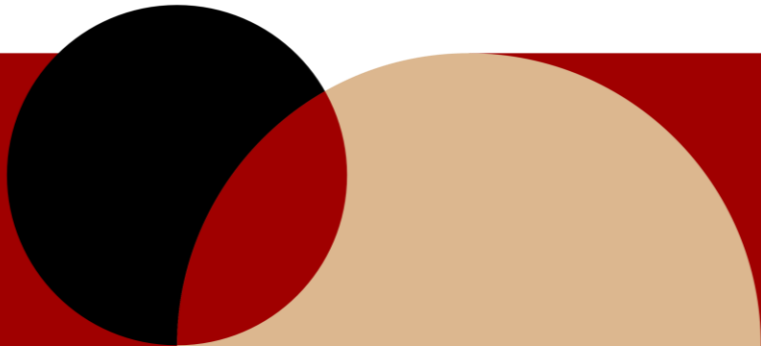




Hurricane Ian Relief

- Pop-up resource centers with supplies for 700 team members
- Extra inventory for essentials at local stores
- \$5M in financial support for local relief efforts
- \$3M in matching donations to Team Member Giving Fund

We **quickly right-sized our
inventory in the back half of 2022.**

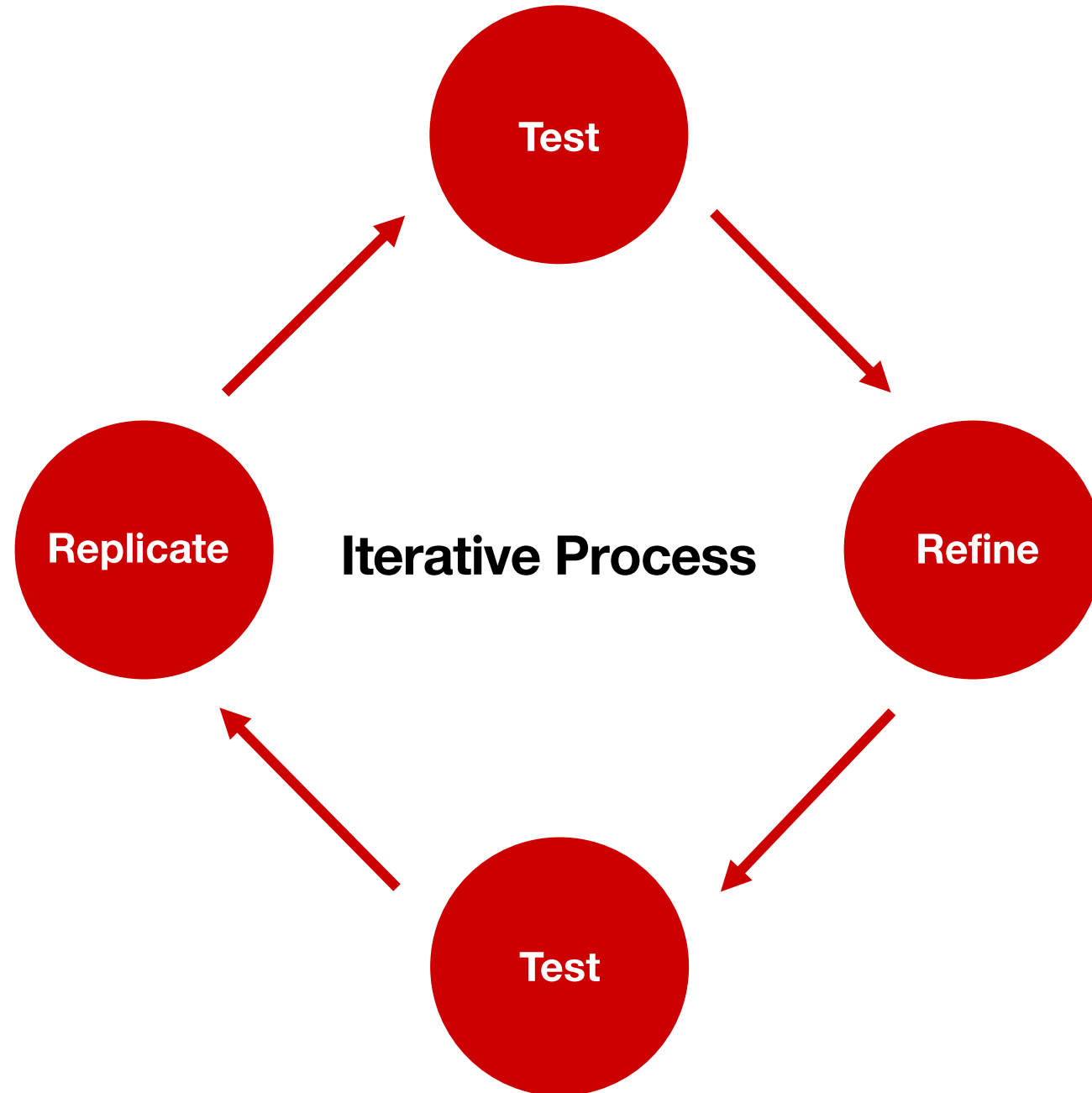




Stores as Hubs









drive up



order pickup



Launched in 2017

1,000+ stores in 2018

All 50 states in 2019

Now bringing out select fresh & frozen groceries

Available in the  app



drive up

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Let us bring happy hour to you.



order pickup



drive up



same day
delivery



Must be 21+ to place or receive an order. Pickup hours vary by state law, and some products not available in all stores.

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drive up

STARBUCKS®



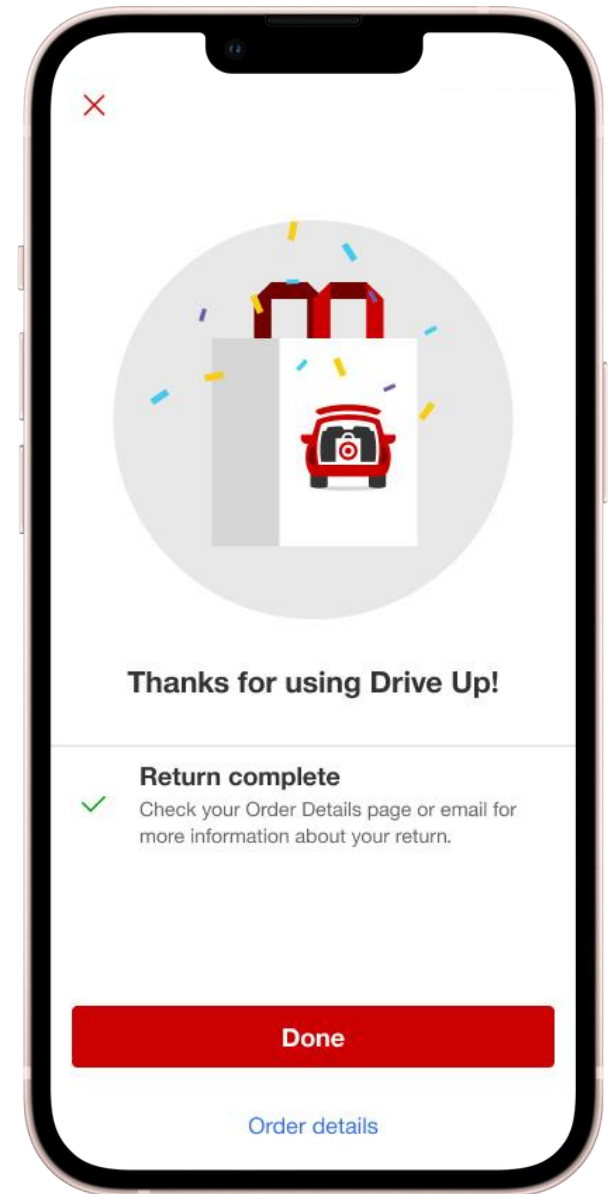
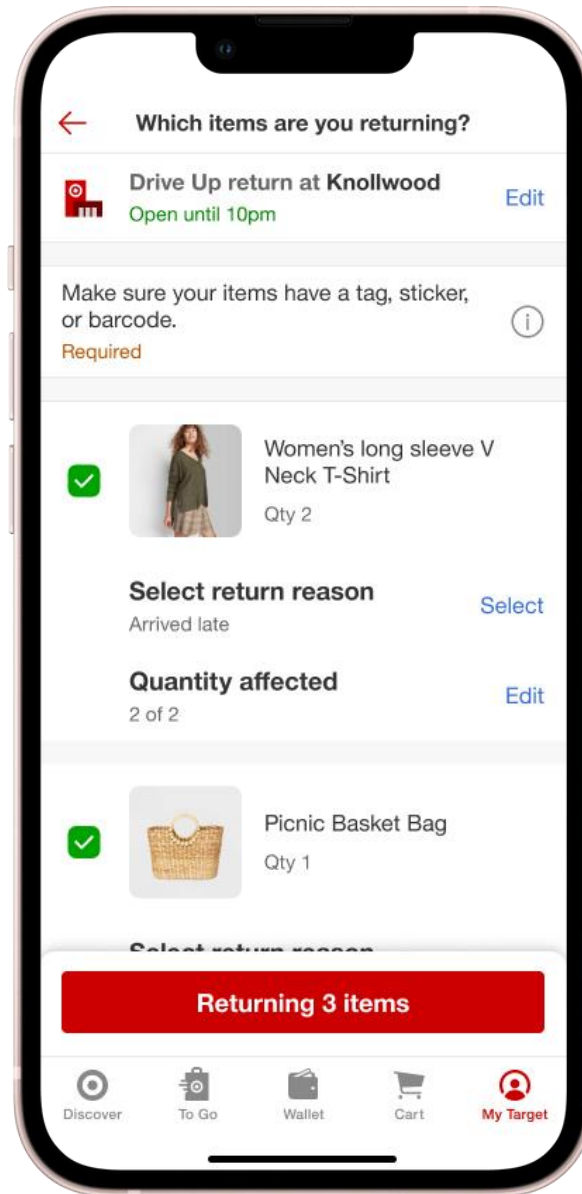
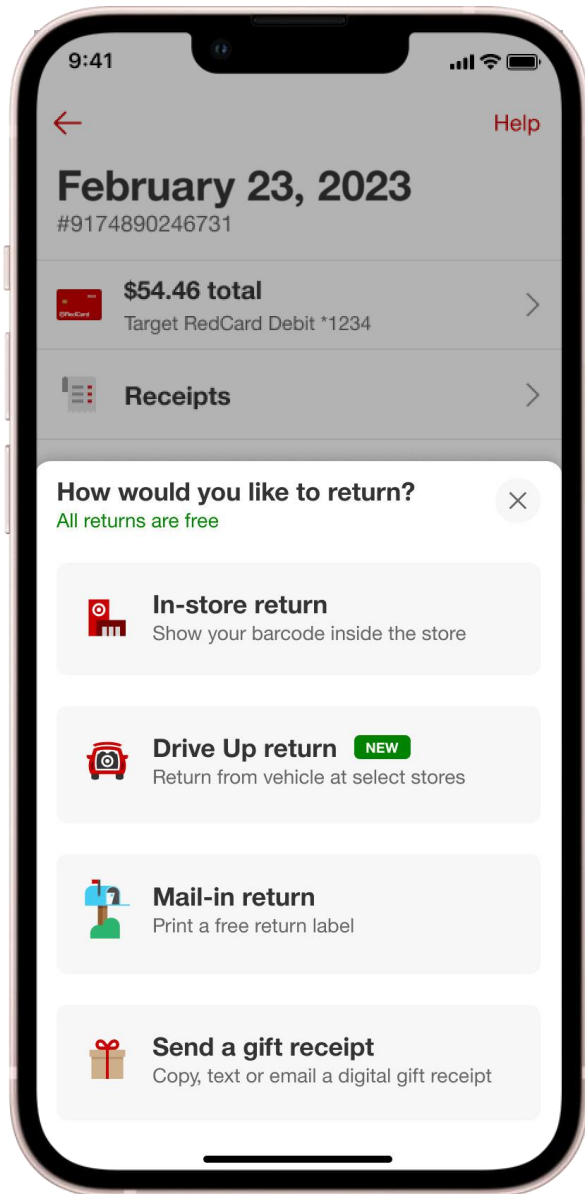


drive up
Now taking
returns.

Drive-Up Returns

- Greater efficiency
- More resale opportunities
- Fewer expenses for mail-in returns







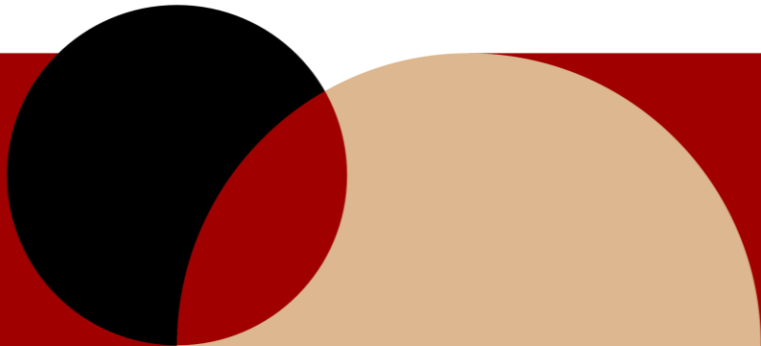
Then



Now



Adjust Course + Explore Alternatives







drive up



order pickup



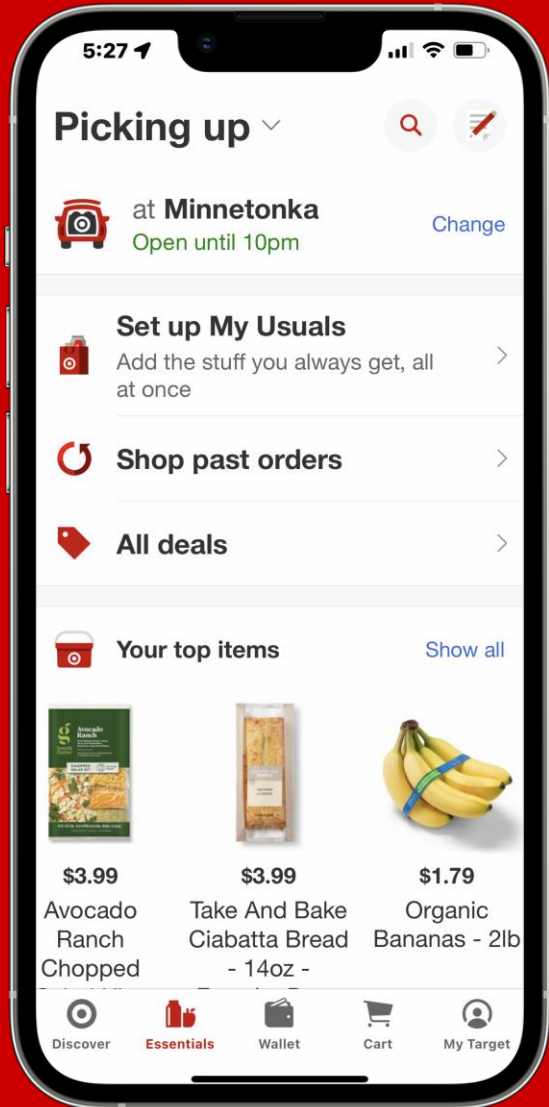
same day
delivery

~7%

increase in same-day
services in 2022

40%
reduction in per unit
fulfillment cost
since 2019

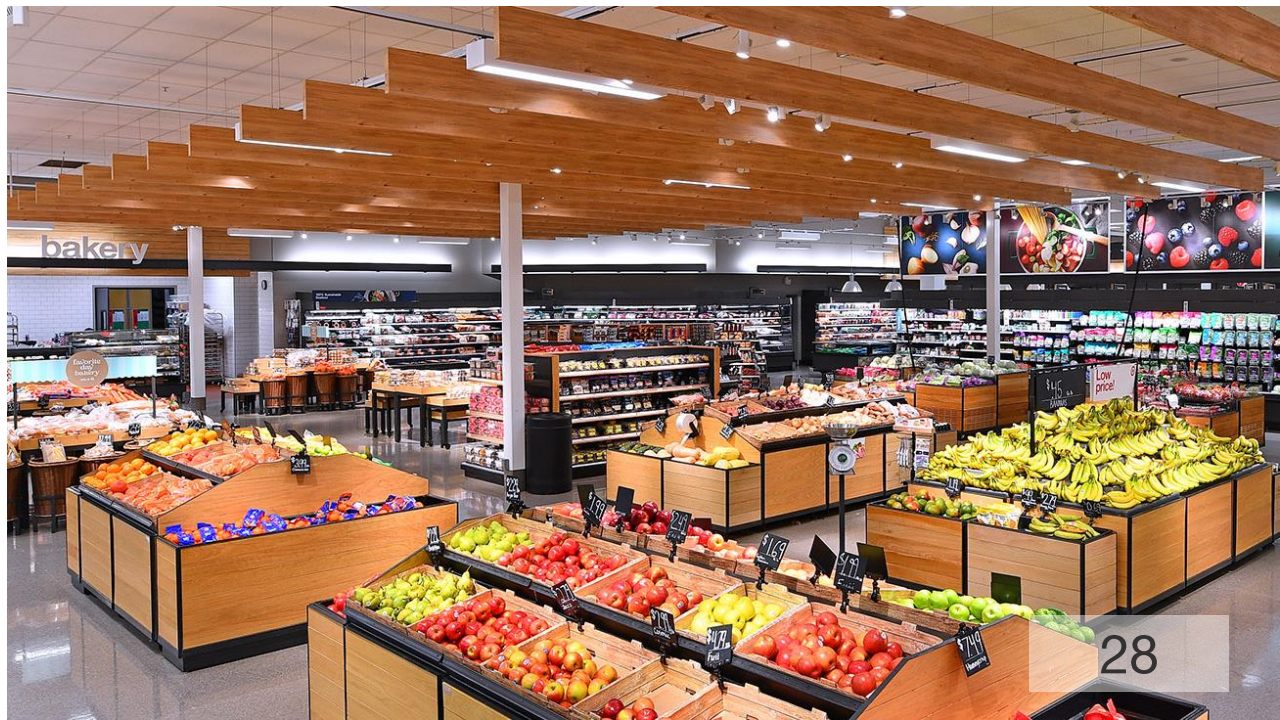




>50%
of digital sales

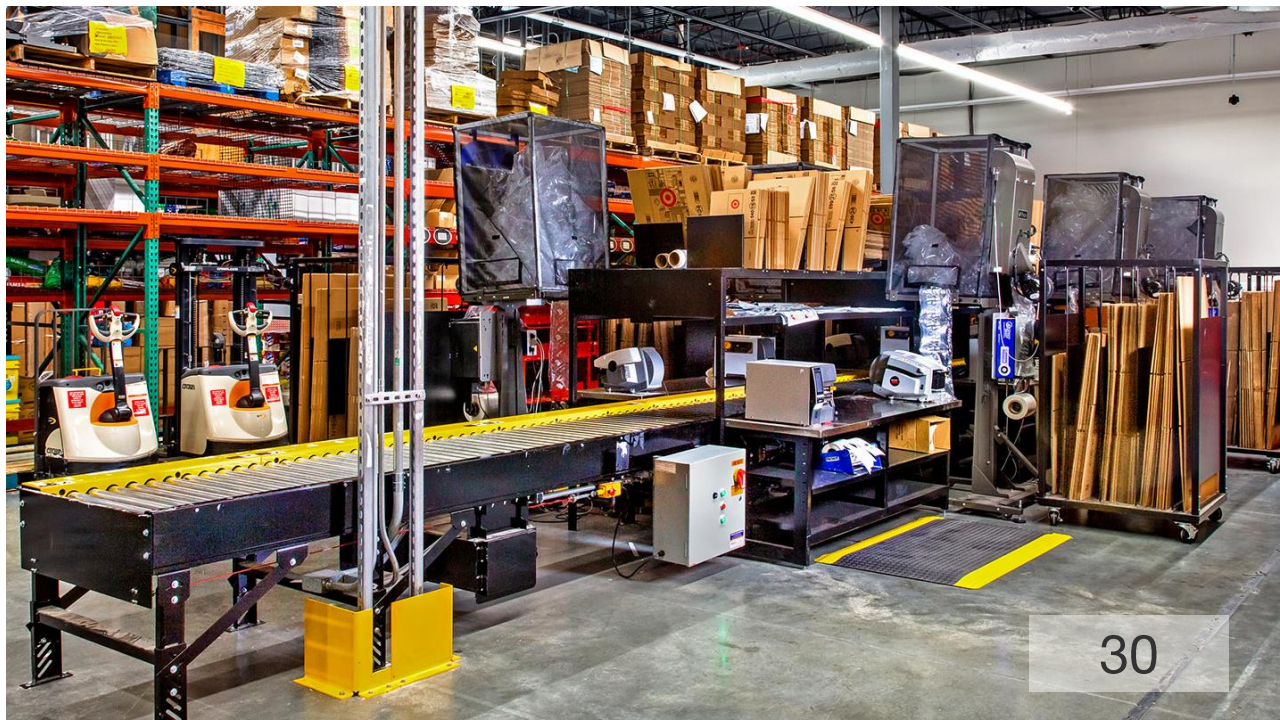
Steady Investment + Listening to Our Guests







Katy, TX



Outer Banks, NC



Inglewood, CA





**We're building facilities to
improve the guest experience.**

Upstream Capacity



- Flow Center
- Food Distribution Center

15

**sortation centers
planned by 2026**





Minneapolis, MN

Sortation Centers



40%
of packages delivered
in one day using Shipt





Video

Sortation Center Update



**Our sortation centers
are hitting their stride.**

>25M

**packages delivered
in 2022**

50M

**packages expected
in 2023**





Our momentum continues to build.