CONFIDENTIAL
PREMIUM RECOMMENDATIONS

Selection

STARBUCKS CORPORATION (SBUX)

Volume 22 | **Issue 8**

Value Line Select®

Value Line®

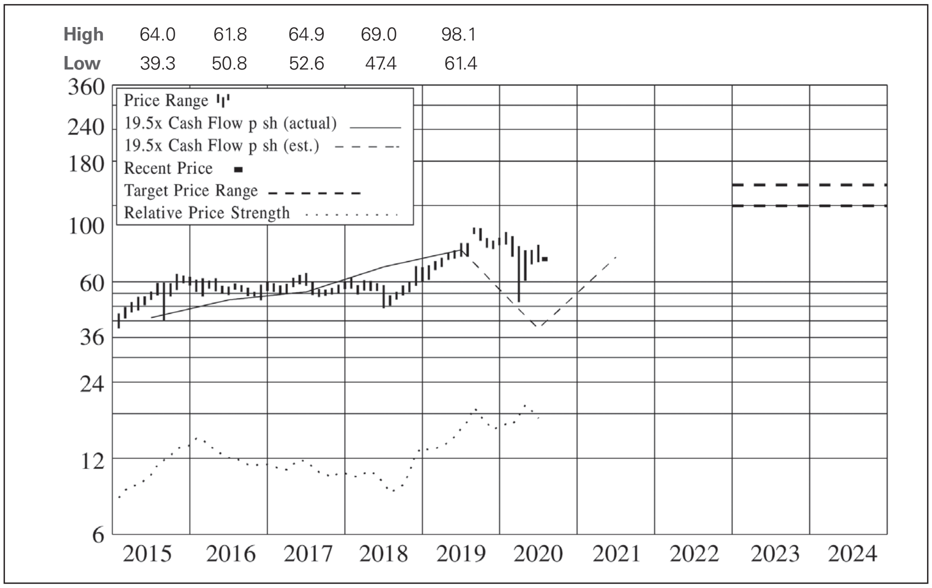
MONTHLY STOCK SELECTION SERVICE

Starbucks Corporation

Recent Price:	$72
2023-2025 Price Forecast:	$120 - $145
2023-2025 Expected Price Appreciation	65% - 100%

See page 13 for footnotes

Industry:	Restaurant
Exchange:	NASDAQ
Ticker Symbol:	SBUX
Options:	Yes
Financial Strength:	A++
Actual E.P.S. FY '19:	$2.83
Estimated E.P.S. FY '20:	$0.79
Estimated E.P.S. FY '21:	$2.70
Current P/E Ratio:	91.1
Relative P/E (A):	4.23
Dividend Yield:	2.5%
Shares Outstanding:	1,168.3 million
Insider Holdings:	Less than 1%
Market Cap:	$85.3 billion (Large-Cap)
Address:	2401 Utah Ave. So., Seattle, WA 98134
Telephone:	(206) 447-1575
Website:	www.starbucks.com
Statistical Information As Of:	June 29, 2020



Starbucks Corporation

REPORT PREPARED BY DOUGLAS G. MAURER, MBA, CFA, EDITOR

This month's choice, Starbucks Corporation, is the world's premier roaster, marketer, and retailer of specialty coffee. Its stores sell coffee, tea, and other beverages; a variety of fresh food items; and beverage-related accessories and equipment.

Sales are primarily through its extensive global network of company-operated and licensed retail stores. Products are also sold, often through licensees, to grocery stores, warehouse clubs, specialty retailers, and convenience stores, as well as to institutional foodservice distribution companies.

Recent results have been challenged by the coronavirus pandemic. Sales have declined as stores were temporarily closed worldwide, and although about 95% of domestic locations are now open again, following the easing of coronavirus lockdowns, many customers are now working from home, rather than commuting to urban centers where they would normally purchase their morning pick-me-up from Starbucks.

In response to the health concerns and resulting change in customer traffic patterns, management has announced it intends to permanently close multiple "traditional" stores and to open more "pickup" stores in their place. Traditional stores are usually fairly large, and feature table seating with Internet service provided via Wi-Fi. The "pickup" stores can be smaller and are designed to center on the in-and-out customers, just as airport and other transit hub locations are set up. The change is consistent with previously disclosed efforts to transition toward more on-the-go formats. Specifically, the adaptable organization plans to add more pickup stores in dense urban markets, including New York City, Chicago, and San Francisco. Meanwhile, suburban-area cafés may continue to offer table seating, but will also feature walk-up windows, curbside pickup for orders placed from mobile devices, and double drive-through lanes. The coffee chain also plans to renovate some café layouts by adding a separate counter for mobile order pickup by customers and delivery couriers at busy locations.

Starbucks' strategies position it well for long-term growth. It is adapting to evolving consumer behaviors through an emphasis on Mobile Order & Pay, social media, delivery partnerships, and loyalty program enhancements. In addition, beverage and food innovations and upscale store redesigns stand to enhance the customer experience.

Meanwhile, the famed company's impressively favorable and advantageous global brand awareness and strong balance sheet should stand it in good stead. Indeed, the pandemic has not altered the organization's long-term growth outlook, even though the near-term impact has been significant.

We believe that now is the time to take advantage of the share-price pullback that resulted from the coronavirus. Sales and profits are already recovering, prompting management to state "The worst is clearly behind us." We agree, although it's not yet clear whether effects of the virus on business will taper off steadily in coming months, or exhibit downdrafts.

Begun in 1971, the company was purchased by Howard Schultz in the early 1980s. Mr. Schultz led an aggressive expansion of the franchise, until Kevin Johnson took over as CEO in 2017. Headquartered in Seattle, the worldwide organization employs about 185,000 in the United States, and approximately 92,000 more internationally. The common stock trades on the NASDAQ under the symbol SBUX.

Earnings Opportunities and Share Catalysts

Brand recognition is impressive. The organization enjoys favorable worldwide brand awareness that supports sales around the globe. We believe the brand recognition will help it withstand the COVID-19-related disruptions, the potential reduction in traditional morning commute traffic notwithstanding.

Something for everyone. Varied offerings include Fizzio, a healthy, preservative-free alternative to sugar-filled sodas; and Blonde Espresso Roast brings a lighter, sweeter espresso experience. For customers avoiding dairy, the company now features almond, coconut, and soy milk as alternatives to cow's milk. The refreshment platform embraces cold beverages as well as hot, including iced coffee, tea, and draft beverages. Interestingly, the draft beverages are infused with nitrogen, and the resulting velvety-textured drinks are drawn from a tap.

In addition, a fresh food menu (intended to support midday sales) is performing well, with La Boulange-branded bakery items that include panini, salads, and sandwiches. Finally, evening refreshments, including wine and beer, are now available in selected markets.

In all, Starbucks offers a range of routine, relatively low-priced "simple pleasures."

Economic conditions are firming, following coronavirus-related lockdowns. Of note, overall domestic retail sales rebounded a record 18% in May, as states eased coronavirus-related restrictions on businesses and consumers. In addition, May evidenced a moderate increase in industrial production; housing starts rose 4.3% (after having declined 26% in April); and building permits (a leading indicator of future construction) gained 14.4% month over month.

Meanwhile, Federal Reserve officials have indicated that interest rates are likely to stay near zero through 2022, and said they are committed to providing more support to the economy following shutdowns to contain the coronavirus. Importantly, Fed Chairman Jerome Powell recently reiterated that the unprecedented support will continue, and that the central bank is set to begin corporate bond purchases. What's more, the White House is reportedly mulling a $1.0 trillion stimulative infrastructure spending program. Overseas, upbeat U.K. employment and German investor confidence data are encouraging.

That said, economic conditions bear watching, as some states are considering reversing their openings, due to additional cases of the coronavirus.

Sales and profits are recovering. Starbucks' sales trends in the key U.S. and China markets continue to mend. Domestic comparable-store sales improved to -32% in the last week of May from -43% for the full month and -63% in April. The figures are being supported by "some pick-up in residential [neighborhood] drive-throughs" as Starbucks increasingly caters to people who are now working from home, due to the pandemic.

In China, where the pandemic hit first, same-store sales were down 14% at the end of May. That compares to a 78% decline in February.

We believe the upward trend will likely continue, as 95% of domestic stores are now open (with the remaining 5% largely in the NYC metro area), and 99% of China locations are open. Still, some stores are operating with reduced hours.

Strategic repositioning should help. As noted, management intends to permanently close multiple stores. Specifically, the company has announced it plans to close about 400 stores in the Americas over the next 18 months. Also, it will reduce planned new store openings by half to about 300 this fiscal year.

The closures are in response to metropolitan market customers who are socially distancing amid the coronavirus pandemic. An emphasis will be placed on curbside delivery; pickup-only locations; and faster, contactless, mobile ordering.

This repositioning is an acceleration of the organization's ongoing "Bridge to the Future" transformation plan that caters to consumers' increasing demand for convenience. While management had previously contemplated an implementation time frame of three to five years, it is accelerating that to two to three years as a result of the virus and accompanying timely requirements for additional safety measures.

Profit margins will likely widen. The additional emphasis on mobile orders, as opposed to in-store purchases, should lower real estate and capital spending costs (owing to the deferral of new store openings), as well as labor and related expenses. Management anticipates that the move will prove to be a "more efficient format that has a higher level of productivity that can serve customers faster" and less expensively. We suspect that profit margins will widen, even before sales return to pre-virus levels.

Technology. Starbucks plans to rely more on its impressive existing technology platform to facilitate additional safe, contactless transactions. The company's mobile app, supported by an expanded Rewards loyalty program, is already widely used to place orders for deliveries and in-store pickups.

Marketing. Starbucks "went dark" (was closed) in the U.S. for a period of about six weeks. When it subsequently ramped up store reopenings, it "came behind that with very strong marketing support, advertising, [and] promotions through Starbucks Rewards to reward customers" aimed at increasing their frequency and spending. According to management, consumers have "responded well."

Impressive cash position. The prudent company issued $3 billion of bonds in May "at very attractive rates." The funds are intended to cover an anticipated June-quarter deficit in free cash flow (funds above and beyond the day-to-day operating needs of the company), as well as to ensure two quarters of dividend payments. The move seems to be one of caution, as it appears the company may once again be cash flow positive by the end of the June period.

Previously (during the March quarter), Starbucks entered into a $500 million unsecured 364-day term-loan facility, which is available for general corporate purposes.

Dividends. Management does not expect to reduce the quarterly dividend as a result of the COVID-19 pandemic. Rather, they have earmarked about 50% of profits for the payout, which currently equals a 2.5% dividend yield.

Share Repurchases. The board had previously authorized the repurchase of 40 million shares as part of an ongoing share-repurchase program. However, on April 8th it suspended the program in an effort to further enhance the company's financial flexibility. The program may be resumed in the future at any time.

What About The Stock?

Based on long-term trends, the shares have scored an impressive 85 (out of 100) for Price Stability, as well as 75 for Price Growth Persistence.

The shares have pulled back from their all-time high price posted late last year, and exhibited a partial recovery more recently. With near-term earnings significantly lowered by the coronavirus, the price-to-earnings ratio is currently quite high. Still, reflecting its profitability and efficient operations, the price-to-earnings ratio of the corporation's common stock has routinely traded at a premium valuation compared to market averages. We believe that will continue, considering our view that over the next few years SBUX will achieve superior earnings growth and maintain a healthier balance sheet than its peers.

Finally, the company holds our Highest Financial Strength rating (A++), ranks 1 (Highest) for Safety, and boasts a 2.5% dividend yield, above the average of the stocks we cover.

We believe that this is a good time for patient investors to accumulate these top-quality shares. Turnaround potential is solid and, importantly, the company continues to pay an attractive dividend.

Operations

Starbucks is the world's leading retailer of specialty coffee. With about 30,000 locations, the company offers multiple premium single-serve products, including a variety of coffee beverages, tea, juices, and bottled water. It also sells an assortment of fresh food offerings, distinctively packaged roasted whole-bean and ground coffees, and a selection of beverage-making equipment and accessories. About 70% of revenues is generated in the Americas.

Importantly, each store varies its product mix according to its size and location. What's more, all company-operated stores in the United States, Canada, and most international markets provide customers free access to wireless Internet (Wi-Fi). According to management, the availability of Wi-Fi has, in recent years, resulted in longer visits and, hence, additional purchases. What's more, the longer customers stay on premises, the better the likelihood that the patrons will befriend each other. This camaraderie has helped establish Starbucks as a popular meeting place that, in turn, has helped to drive repeat business.

Meanwhile, products are also sold to institutional foodservice distribution companies, including SYSCO Corporation and U.S. Foodservice, Inc. The large organizations redistribute Starbucks' offerings to multiple end-users, including recovering hotels, restaurants, airlines, and other retailers. Starbucks also sells its branded products (including a variety of ready-to-drink beverages and single-serve coffees and teas) around the world through grocery stores, warehouse clubs, specialty retailers, and convenience stores.

High-Quality Coffee

Starbucks "is committed" to selling only the finest whole-bean coffees and coffee beverages. To that end, it purchases green coffee beans from multiple coffee-producing regions around the world, and custom roasts them to exacting standards to create both blended and single-origin coffees.

Not surprisingly, Starbucks works hard to maintain positive relationships with its coffee farmers. For example, the company helps train farmers through nine farmer-support centers staffed with agronomists (experts in the science of soil management and crop production). It works with coffee farming communities to promote best practices in coffee production, designed to improve both coffee quality and yields. It also has provided $50 million in low-interest loans, and donated 100 million rust-resistant coffee trees to those farmers most affected by climate change.

Unprecedented Difficulties due to the Coronavirus

In December 2019, a novel strain of coronavirus (COVID-19) was identified, and in March, 2020 the World Health Organization categorized COVID-19 as a pandemic. To help control the spread of the virus and protect the health and safety of employees and customers, Starbucks temporarily closed or modified the operating hours of its retail stores, primarily in response to governmental requirements.

On March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which provides employer payroll tax credits for wages paid to employees who are unable to work during the COVID-19 outbreak, as well as the ability to defer payroll tax payments. During the March quarter, the tax modifications lowered operating expenses by $35 million. Management expects to record similar savings in the current quarter.

The CARES Act notwithstanding, the restaurant industry has come under considerable pressure, due to restricted dine-in service in an effort to curb the spread of the coronavirus. Guest traffic is likely to be uneven for some time, albeit supplemented by carry-out and drive-through orders.

The Restaurant Industry

The Restaurant Industry, including Starbucks, has been hit hard over the course of 2020 by the coronavirus pandemic and the resulting shutdowns and social-distancing measures.

Prior to the pandemic, prospects appeared solid for restaurant operators. Improving GDP growth, high levels of consumer confidence, a robust jobs market, low interest rates, and record equity markets all helped spur demand.

Due to the coronavirus, times have changed. In an attempt to contain the virus, customers are required to avoid congregating in groups and to practice social distancing. Restaurants had been restricted to takeout and delivery only, and are now being limited to partial capacity as they are allowed to reopen.

Many restaurants, including Starbucks, have been working to bolster their online presence to drive off-premise sales. Mobile order and pay functionality, curbside pickup, and delivery through third-party providers are increasingly common.

Shares of larger, more financially stable companies, including Starbucks, have generally held up better than smaller restaurants. Many management teams have drawn down lines of credit, cut budgets, furloughed employees, paused stock repurchases, and cut dividend payouts.

Fortunately, most states have started to ease restrictions, and federal guidelines on social distancing have been relaxed. That said, it may take some time before normal consumption patterns return.

Change Is in the Offing

The days of sipping a latte for hours while hunched over a laptop at Starbucks may be on the wane. According to CEO Kevin Johnson: "Starbucks stores have always been known as the 'third place,' a welcoming place outside of home and work where customers connect over a cup of coffee. As we navigate through the COVID-19 crisis, we are accelerating our store transformation plans to address the realities of the current situation, while still providing a safe, familiar, and convenient experience for our customers."

The renowned organization is working more aggressively to transform their store portfolio, including placing more emphasis on mobile ordering, drive-through, and take-out services. The changes are to better accommodate mobile pickup and delivery orders. While some of the locations will close entirely, others will be "repositioned," either by moving to a new location or changing the shop format. Indeed, as part of the transformation, the company will renovate selected store layouts. For example, new "pickup" stores will feature a separate counter for mobile orders. The Starbucks App will enable customers to order and pay ahead of time.

Meanwhile, Starbucks is accelerating a plan to build smaller, pickup-only locations in Chicago and other major U.S. cities, including New York, Seattle, and San Francisco. In New York City, Starbucks will be adding a second pickup-only store near Grand Central Terminal "in the near future." (There is already one at Penn Plaza near Penn Station.) Most of the new locations will be within walking distance of an existing café, some of which may be reformatted to include a pickup-only café. Mr. Johnson went on to say that "Our vision is that each large city in the U.S. will ultimately have a mix of traditional Starbucks cafés and Starbucks Pickup locations," with the latter helping to "reduce crowding in our cafés. By blending traditional Starbucks stores in dense markets with these new Starbucks Pickup stores optimized for the mobile order occasion, we not only improve the customer experience for those who want to sit in our store and enjoy their beverage but also create a great experience for those customers who want a convenient way to pick up their beverage on-the-go."

Competition

With almost 15,300 company-owned and licensed locations in the U.S., Starbucks maintains a sizable lead over its domestic rivals, which include Dunkin' (also known as Dunkin' Donuts), Caribou Coffee, and Peet's Coffee. Lower-priced beverage competitors include Tim Horton's and McDonald's. There is also direct competition from the domestic ready-to-drink coffee beverage market, grocery stores, warehouse clubs, specialty retailers, and convenience stores.

The evolving organization also competes with restaurants and other specialty retailers, including those producing what is commonly called third-wave coffee. The third wave of coffee is a movement dedicated to the production of high-quality coffee, and considers coffee as an artisanal foodstuff, like wine, rather than a commodity. Indeed, third-wave coffee aspires to create subtleties of flavor due to varietal factors and growing region, as does wine. In essence, these competitors focus on roasting, as opposed to operating coffee shops. Third-wave coffees feature high-quality beans, single-origin beverages (as opposed to blends), and lighter roasts. Major domestic third-wave businesses include Intelligentsia Coffee & Tea (Chicago); Stumptown Coffee Roasters (Portland); Counter Culture Coffee (Durham); and Blue Bottle Coffee, Inc. (Oakland).

Starbucks' considerable purchasing volumes translate into substantial influence over arabica coffee bean suppliers. This, in turn, ensures it access to raw materials at competitive prices. In addition, retail landlords often grant Starbucks exclusive leases to prominent locations rife with consumer traffic. That said, we believe the company has a significant longer-term opportunity through the use of alternative store formats, including smaller-format express stores (limited-service locations situated in high foot traffic locations), stand-alone drive-throughs, beverage trucks (which have been tested on college campuses), and kiosk locations.

Finally, due to its favorable brand recognition and sizable cash flows, Starbucks is among the few retail concepts to be successfully replicated across the globe. The chain has 16,800 units in almost 80 countries outside the United States. Emerging-market prospects are intriguing, including expansion opportunities in large markets such as mainland China and India.

Economic Conditions Are Likely to Improve

According to a recent Wall Street Journal survey of 62 economists, the U.S. economy will be in recovery by the third quarter of this year. The economists also collectively said that the labor market will fare better than previously expected following the effects of the coronavirus pandemic.

Specifically, the economists anticipate gross domestic product will fall 5.9% in 2020, a slight improvement from the 6.6% contraction previously predicted. They also expect, on average, that the unemployment rate will decline to 9.6% by year's end, compared with their prior forecast of 11.4%.

Earnings and Projections

Previously, Starbucks had routinely posted record sales and earnings. However, due to the coronavirus, March-period results were significantly less than originally forecast. Specifically, share net of $0.32 came in well short of our $0.66 call. Global comps (comparable same-store sales) slumped 10%, including a 50% drop in China.

Although comps have improved in recent weeks, June-quarter results are likely to be poor as well, as the pandemic had forced the coffee giant to temporarily shutter many units. In fact, we expect Starbucks to lose money during the June period, before returning to profitability in the September quarter.

For the full fiscal year (ending September 30th), management expects same-store sales in the U.S. and China to decline 10%-20%. It is forecasting flat same-store sales growth in China by the end of the September quarter, but anticipates that U.S. same-store sales will remain negative through that time frame.

Looking forward, we forecast that sales and earnings should return to normal by September, 2021. This suggests that the issue is priced quite attractively, for patient subscribers with a long-term investment horizon.

Risks

Global economic conditions bear watching. Although trends are encouraging in the key U.S. market, possible recontagion of the coronavirus and its impact on economic activity bear watching.

Changing consumer behavior. Customer patterns and behaviors have been disrupted because more people are working from home, which poses particular challenges for Starbucks. Domestic urban stores account for about 15% of total sales, and recovering traffic in dense urban metro markets that are more dependent on customer commuting may prove difficult.

That said, management stated it is "seeing some of that traffic move to suburban markets. If people are working from home, they're taking time out of their workday to visit their local Starbucks for the habit or the visit that they were previously accustomed to satisfying near their workplace."

Coffee is a discretionary item. As such, financial results are sensitive to changes in macroeconomic conditions. In fact, when times get tough, customers may have less money for discretionary purchases, and may spend less, or even temporarily (or perhaps permanently) stop their purchases of Starbucks products.

Nevertheless, we believe that recovering global conditions augur well for long-term demand.

The competition is formidable. An ongoing focus by some large domestic competitors on selling high-quality specialty coffee beverages could lead to decreases in customer traffic, and/or average value per transaction. Third-wave coffee producers could also take share, over time.

That said, we believe that Starbucks' positive brand and massive scale should support results for the long run.

Health concerns. Stateside, there is increasing consumer awareness that excessive consumption of caffeine and sugar can lead to adverse health effects. While Starbucks offers a variety of caffeine-free and reduced-calorie items, results could be hampered if additional negative publicity or litigation arises.

Summary and Conclusion

Starbucks Corporation is the world's premier roaster, marketer, and retailer of specialty coffee. The organization also sells tea and other beverages, a variety of fresh food items, and beverage-related accessories and equipment.

Share catalysts include the recovering global economy, which should support relatively inexpensive consumer discretionary purchases. In addition, a renewed focus on safe and convenient (including mobile) purchase methodologies enabled by an ongoing investment in computer systems and software should improve results.

Meanwhile, the shares rank very highly on a number of important proprietary *Value Line* metrics, and the 2.5% dividend yield is attractive.

Finally, the company holds our Highest Financial Strength rating (A++), and the issue is ranked 1 (Highest) for Safety, suggesting that the shares are appropriate for most investors.

FOOTNOTES

(A) Relative P/E is the company's current P/E divided by the market P/E.

(B) Figures in **bold** represent projections by *Value Line*.

(C) Total projected return.

FINANCIAL STATEMENTS

Income Statement Data	2019	2020	2021	2022	2023	2024
Net Sales	26509.0	*23000*	*27500*	*31500*	*35500*	*40000*
Cost of Goods	18848.0	*17710*	*20350*	*22995*	*25560*	*28600*
Gross Profit	7661.0	*5290*	*7150*	*8505*	*9940*	*11400*
Operating Expenses	1723.0	*2415*	*1650*	*1890*	*2130*	*2400*
Operating Income	5938.0	*2875*	*5500*	*6615*	*7810*	*9000*
Depreciation	1377.0	*1400*	*1300*	*1300*	*1350*	*1400*
Interest Expense	331.0	*400*	*400*	*400*	*400*	*400*
Non-operating Income	103.0	*75*	*75*	*75*	*75*	*75*
Pre-tax Income	4333.0	*1150*	*3875*	*4990*	*6135*	*7275*
Income Taxes	840.6	*230*	*814*	*1098*	*1411*	*1746*
Effective Tax Rate	19.4%	*20.0%*	*21.0%*	*22.0%*	*23.0%*	*24.0%*
Minority Interest	0.0	*0*	*0*	*0*	*0*	*0*
Equity Income	0.0	*0*	*0*	*0*	*0*	*0*
Preferred Dividends	0.0	*0*	*0*	*0*	*0*	*0*
Net Income	3492.4	*920*	*3061*	*3892*	*4724*	*5529*
Diluted Shares	1184.6	*1165*	*1135*	*1105*	*1075*	*1050*
Earnings per Share	$2.83	*$0.79*	*$2.70*	*$3.50*	*$4.40*	*$5.25*

Percentage Analysis	2019	2020	2021	2022	2023	2024
Gross Margin	28.9%	*23.0%*	*26.0%*	*27.0%*	*28.0%*	*28.5%*
Operating Margin	22.4%	*12.5%*	*20.0%*	*21.0%*	*22.0%*	*22.5%*
Pre-tax Margin	16.3%	*5.0%*	*14.1%*	*15.8%*	*17.3%*	*18.2%*
Net Margin	13.2%	*4.0%*	*11.1%*	*12.4%*	*13.3%*	*13.8%*

Average Annual Rates of Growth (2019 to 2024)	
Net Sales	*8.6%*
Gross Profit	*8.3%*
Operating Income	*8.7%*
Earnings per share	*13.2%*

Flow of Funds Data

	2019	2020	2021	2022	2023	2024
Cash Flow	4869.4	*2320*	*4361*	*5192*	*6074*	*6929*
Debt Financing	1996.0	*900*	*1200*	*1300*	*1400*	*1500*
Pfd. Equity Financing	0.0	*0*	*0*	*0*	*0*	*0*
Com. Equity Financing	410.0	*600*	*800*	*1000*	*1200*	*1400*
Other	875.0	*875.0*	*875.0*	*875.0*	*875.0*	*875.0*
Total Funds In	8150.4	*4695*	*7236*	*8367*	*9549*	*10704*
Capital Spending	1807.0	*750*	*800*	*1250*	*1500*	*2500*
Other Investments	190.0	*150*	*160*	*175*	*200*	*300*
Dividends Paid	1761.0	*1925*	*2115*	*2300*	*2475*	*2650*
Debt Retired	350.0	*375*	*990*	*1200*	*1400*	*1500*
Pfd Equity Retired	0.0	*0*	*0*	*0*	*0*	*0*
Com. Equity Retired	10222.0	*1300*	*1400*	*1500*	*1600*	*1700*
Total Funds Out	14330.0	*4500*	*5465*	*6425*	*7175*	*8650*
Yearend Working Capital	-515.0	*-320*	*1451*	*3393*	*5767*	*7820*

Historical Balance Sheet Data

	2017	2018	2019
Cash & Equivalents	2690.9	8937.8	2757.1
Receivables	870.4	693.1	879.2
Inventory	1364.0	1400.5	1529.4
Other	358.1	1462.8	488.2
Total Current Assets	5283.4	12494.2	5653.9
Net Property, Plant	4919.5	5929.1	6431.7
Intangible Assets	441.4	4583.8	4272.6
Other	3721.3	1149.3	2861.4
Total Assets	14365.6	24156.4	19219.6
Payables	782.5	1179.3	1189.7
Debt Due	0.0	349.9	0.0
Taxes Payable	0.0	102.8	1291.7
Other	3438.2	4052.2	3687.3
Total Current Liabilities	4220.7	5684.2	6168.7
Long Term Debt	3932.6	9090.2	11167.0
Other Liabilities	762.2	8212.5	13052.9
Stockholders' Equity	5450.1	1169.5	-6232.2
Total	14365.6	24156.4	19219.6

Capitalization and Returns on Capital

	2019	2020	2021	2022	2023	2024
Long Term Debt	11167	***11692***	***11902***	***12002***	***12002***	***12002***
Stockholders' Equity	-6231	***-7936***	***-7590***	***-6498***	***-4649***	***-2071***
Return on Total Cap'l	74.1%	***24.5%***	***71.0%***	***70.7%***	***64.2%***	***55.7%***
Return on Equity	NMF	***NMF***	***NMF***	***NMF***	***NMF***	***NMF***

Quarterly Net Sales

	Dec. 31	Mar. 31	Jun. 30	Sep. 30	Year
2017	5732.9	5294.0	5661.5	5698.4	22386.8
2018	6073.7	6031.8	6310.3	6303.7	24719.5
2019	6632.7	6305.9	6823.0	6747.0	26508.6
2020	7097.1	5995.7	***3607.2***	***6300.0***	***23000.0***
2021	***6500.0***	***6600.0***	***7100.0***	***7300.0***	***27500.0***

Quarterly Net Sales Growth

	Dec. 31	Mar. 31	Jun. 30	Sep. 30	Year
2018	5.9%	13.9%	11.5%	10.6%	10.4%
2019	9.2%	4.5%	8.1%	7.0%	7.2%
2020	7.0%	-4.9%	***-47.1%***	***-6.6%***	***-13.2%***
2021	***-8.4%***	***10.1%***	***96.8%***	***15.9%***	***19.6%***

Quarterly EPS

	Dec. 31	Mar. 31	Jun. 30	Sep. 30	Year
2017	0.52	0.45	0.55	0.55	2.06
2018	0.65	0.53	0.62	0.62	2.42
2019	0.75	0.60	0.78	0.70	2.83
2020	0.79	0.32	***-0.59***	***0.27***	***0.79***
2021	***0.65***	***0.55***	***0.75***	***0.75***	***2.70***

Quarterly EPS Growth

	Dec. 31	Mar. 31	Jun. 30	Sep. 30	Year
2018	25.0%	17.8%	12.7%	12.7%	17.5%
2019	15.4%	13.2%	25.8%	12.9%	16.9%
2020	5.3%	-46.7%	***-175.6%***	***-61.4%***	***-72.1%***
2021	***-17.7%***	***71.9%***	***NMF***	***177.8%***	***241.8%***

Quarterly Dividends Paid

	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Year
2017	0.25	0.25	0.25	0.30	1.05
2018	0.30	0.30	0.36	0.36	1.32
2019	0.36	0.36	0.36	0.41	1.49
2020	0.41	0.41			

All numbers, except percentages and per-share data, are in millions. Numbers in bold italics are *Value Line* estimates; all estimates except percentages and per-share figures are rounded to the nearest whole number.

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