

STARBUCKS CORP
Form 8-K
August 10, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 10, 2018

Starbucks Corporation
(Exact name of registrant as specified in its charter)

Washington
(State of
Incorporation)

0-20322
(Commission
File Number)
2401 Utah Avenue South,

91-1325671
(IRS Employer
Identification No.)

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Seattle, Washington 98134

(Address of principal executive offices) (Zip Code)

(206) 447-1575

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging Growth Company

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

Item 8.01 Other Events.

On August 10, 2018, Starbucks Corporation (Starbucks or the Company) completed a public offering pursuant to an underwriting agreement (the Underwriting Agreement) with Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC, as representatives of the several underwriters named therein, under which Starbucks agreed to issue and sell to the several underwriters (i) \$1,250,000,000 aggregate principal amount of its 3.800% Senior Notes due 2025 (the 2025 Notes), (ii) \$750,000,000 aggregate principal amount of its 4.000% Senior Notes due 2028 (the 2028 Notes) and (iii) \$1,000,000,000 aggregate principal amount of its 4.500% Senior Notes due 2048 (the 2048 Notes and, together with the 2025 Notes and the 2028 Notes, the Notes).

The Notes are being issued under the Indenture, dated as of September 15, 2016 (the Base Indenture), by and between the Company and U.S. Bank National Association, as trustee (the Trustee), as supplemented by the Fourth Supplemental Indenture, dated as of August 10, 2018 (the Fourth Supplemental Indenture and, together with the Base Indenture, the Indenture), by and between the Company and the Trustee.

Starbucks will pay interest on the 2025 Notes on each February 15 and August 15, beginning on February 15, 2019. The 2025 Notes will mature on August 15, 2025. At any time prior to June 15, 2025 (two months prior to the maturity date of the 2025 Notes), Starbucks may redeem the 2025 Notes at a redemption price equal to 100% of the principal amount of such series, plus a make whole premium as described in the Indenture and accrued and unpaid interest. At any time on and after June 15, 2025, Starbucks may redeem the 2025 Notes at par, plus accrued and unpaid interest.

Starbucks will pay interest on the 2028 Notes on each May 15 and November 15, beginning on November 15, 2018. The 2028 Notes will mature on November 15, 2028. At any time prior to August 15, 2028 (three months prior to the maturity date of the 2028 Notes), Starbucks may redeem the 2028 Notes at a redemption price equal to 100% of the principal amount of such series, plus a make whole premium as described in the Indenture and accrued and unpaid interest. At any time on and after August 15, 2028, Starbucks may redeem the 2028 Notes at par, plus accrued and unpaid interest.

Starbucks will pay interest on the 2048 Notes on each May 15 and November 15, beginning on November 15, 2018. The 2048 Notes will mature on November 15, 2048. At any time prior to May 15, 2048 (six months prior to the maturity date of the 2048 Notes), Starbucks may redeem the 2048 Notes at a redemption price equal to 100% of the principal amount of such series, plus a make whole premium as described in the Indenture and accrued and unpaid interest. At any time on and after May 15, 2048, Starbucks may redeem the 2048 Notes at par, plus accrued and unpaid interest.

In addition, upon the occurrence of a change of control triggering event relating to a particular series of the Notes (which involves the occurrence of both a change of control and a below investment grade rating of the applicable series of the Notes by Moody's and S&P), Starbucks will be required to make an offer to repurchase such series of the Notes at a price equal to 101% of the principal amount of such series of the Notes, plus accrued and unpaid interest.

The Notes will be the Company's senior unsecured obligations and will rank equally in right of payment with all of the Company's other senior unsecured indebtedness, whether currently existing or incurred in the future. The Notes will be effectively subordinated to any existing or future indebtedness or other liabilities, including trade payables, of any of the Company's subsidiaries. The Notes are subject to customary covenants and events of default, as set forth in the Indenture.

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The foregoing disclosure is qualified in its entirety by reference to the Base Indenture and the Fourth Supplemental Indenture. The Base Indenture was filed as Exhibit 4.1 to the Company's Registration Statement on Form S-3 (SEC Registration No. 333-213645) (the Registration Statement) and is incorporated herein by reference. The Fourth Supplemental Indenture is attached hereto as Exhibit 4.2 and incorporated herein by reference.

In addition, in connection with the public offering of the Notes, Starbucks is filing the Underwriting Agreement and certain other items listed below as exhibits to this Current Report on Form 8-K for the purpose of incorporating such items into the Registration Statement. Such items filed as exhibits to this Current Report on Form 8-K are hereby incorporated into the Registration Statement by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description
1.1	<u>Underwriting Agreement, dated August 8, 2018, by and among Starbucks Corporation and Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC, acting as representatives of the several underwriters named therein</u>
4.1	<u>Indenture, dated as of September 15, 2016, by and between Starbucks Corporation and U.S. Bank National Association, as trustee (incorporated herein by reference to Exhibit 4.1 to the Starbucks Corporation Registration Statement on Form S-3 (SEC Registration No. 333-213645) filed on September 15, 2016)</u>
4.2	<u>Fourth Supplemental Indenture, dated as of August 10, 2018, by and between Starbucks Corporation and U.S. Bank National Association, as trustee</u>
4.3	<u>Form of 3.800% Senior Notes due August 15, 2025 (included in Exhibit 4.2)</u>
4.4	<u>Form of 4.000% Senior Notes due November 15, 2028 (included in Exhibit 4.2)</u>
4.5	<u>Form of 4.500% Senior Notes due November 15, 2048 (included in Exhibit 4.2)</u>
5.1	<u>Opinion of Jones Day</u>
5.2	<u>Opinion of Sophie Hager Hume</u>
12.1	<u>Statement Regarding Computation of Ratio of Earnings to Fixed Charges</u>
23.1	<u>Consent of Jones Day (included in Exhibit 5.1)</u>
23.2	<u>Consent of Sophie Hager Hume (included in Exhibit 5.2)</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 10, 2018

STARBUCKS CORPORATION

By: /s/ Sophie Hager Hume
Sophie Hager Hume
vice president, assistant general counsel and
assistant secretary