

# Comparative analysis Starbucks, Restaurant Brands International, and Dunkin'

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# Agenda

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The background of the slide is a top-down view of numerous coffee cups. Some cups contain dark coffee, while others have light-colored milk or foam with intricate latte art, including hearts and swirls. The cups are arranged in a dense, overlapping pattern across the entire frame.

# Introduction

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In the coffee and fast food industry, Starbucks, Restaurant Brands International, and Dunkin' stand tall among the key market players. Financial performance analysis provides a useful yardstick in understanding the financial motivation and plan for companies to hold their market position or even expand operations. In this regard, the financial perspective of the three coffee and fast food giants is reflected in the financial performance. The financial performance comparison between Starbucks, Restaurant Brands International, and Dunkin reveals on the interpretation of their financial statements to ascertain the financial well-being.























Founded	March 31, 1971; 48 years ago Pike Place Market, Elliott Bay, Seattle, Washington, U.S.
Founders	•Jerry Baldwin •Zey Siegl •Gordon Bowker
Headquarters	2401 Utah Avenue South, Seattle, Washington , U.S.
Number of locations	28,218 (2018)
Area served	Worldwide
Key people	•Myron E. Ullman (Chairman) •Mellody Hobson (Vice Chairman) •Kevin Johnson (President and CEO) •Howard Schultz (Chairman Emeritus)
Stock Price	• <b>SBUX</b> (NASDAQ) \$71.44

# Starbucks Corporation




















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Starbucks Annual Data		2019-09-30	2018-09-30	2017-09-30	2016-09-30	2015-09-30
Current Ratio		0.9165	2.1981	1.2518	1.0464	1.0885
Long-term Debt / Capital		2.2624	0.8855	0.4188	0.351	0.2874
Debt/Equity Ratio		-1.7922	8.0287	0.7207	0.6086	0.4034
Gross Margin		67.8335	67.9172	68.4376	60.0814	59.3612
Operating Margin		15.3833	15.7095	18.4694	19.5718	18.7917
EBIT Margin		15.3833	15.7095	18.4694	19.5718	18.7917
EBITDA Margin		20.8506	20.9923	23.236	24.4043	23.6647
Pre-Tax Profit Margin		16.8481	23.3824	19.2859	19.697	20.3677
Net Profit Margin		13.5775	18.2783	12.8857	13.2188	14.3894
Asset Turnover		1.3792	1.0233	1.5584	1.4893	1.5434
Inventory Turnover Ratio		5.5753	5.6628	5.1802	6.1727	5.961
Receiveable Turnover		30.1508	35.6651	25.7201	27.7262	26.6519
Days Sales In Receivables		12.1058	10.2341	14.1912	13.1644	13.6951
ROE - Return On Equity		-57.689	384.249	52.866	47.8534	47.4123
Return On Tangible Equity		-34.2226	-132.5705	82.9853	77.1287	74.0951
ROA - Return On Assets		18.7028	18.7031	20.082	19.6954	22.2232
ROI - Return On Investment		72.8242	44.0094	30.7244	31.0588	33.7847
Book Value Per Share		-5.26	0.8982	3.8118	4.0333	3.9188
Operating Cash Flow Per Share		4.0926	8.56	2.9092	3.16	2.4773
Free Cash Flow Per Share		2.6276	7.1428	1.8696	2.1912	1.6217

# Starbucks Annual Ratios

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Quarterly Data		2019-12-31	2019-09-30	2019-06-30	2019-03-31
Current Ratio		0.68	0.9165	1.3119	0.9391
Long-term Debt / Capital		1.5824	2.2624	1.6314	2.2262
Debt/Equity Ratio		-3.0522	-1.7922	-2.5837	-1.8304
Gross Margin		68.4885	86.0872	58.8363	58.7085
Operating Margin		17.1873	16.0545	16.4341	13.6015
EBIT Margin		17.1873	16.0546	16.4341	13.6015
EBITDA Margin		-	-	-	-
Pre-Tax Profit Margin		16.1164	14.8777	24.5772	13.0037
Net Profit Margin		12.4798	11.8957	20.1202	10.5171
Asset Turnover		0.2559	0.351	0.3265	0.3574
Inventory Turnover Ratio		1.5876	0.6138	1.8512	1.8044
Receiveable Turnover		7.8153	7.674	8.6302	8.9623
Days Sales In Receivables		11.5158	11.7279	10.4286	10.042
ROE - Return On Equity		-13.0979	-12.8743	-31.7944	-13.0839
Return On Tangible Equity		-8.0379	-7.6374	-15.7172	-6.8934
ROA - Return On Assets		3.1924	4.1739	6.5721	3.7343
ROI - Return On Investment		7.6281	16.252	20.0757	16.0436
Book Value Per Share		-5.7549	-5.26	-3.5798	-4.1613
Operating Cash Flow Per Share		1.5416	4.0926	3.2206	2.2143
Free Cash Flow Per Share		1.2106	2.6276	2.1734	1.5382

# Starbucks Quarterly Ratios




















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# Dunkin'

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Founded	1950; 69 years ago in Quincy, Massachusetts, U.S.
Founder	William Rosenberg
Headquarters	Canton, Massachusetts, U.S.
Number of locations	<ul style="list-style-type: none"><li>•10,858 total</li><li>•7,677 in the U.S.</li></ul>
Areas served	Worldwide
Key people	<ul style="list-style-type: none"><li>•David Hoffmann (CEO &amp; President)</li><li>•Nigel Travis (Executive Chairman)</li><li>David Mann (CLO)</li></ul>
Stock Price	<ul style="list-style-type: none"><li>•<b>DNKN</b> (NASDAQ) \$59.02</li></ul>

Annual Data		2019-12-31	2018-12-31	2017-12-31	2016-12-31
Current Ratio		1.5578	1.5076	2.6866	1.4294
Long-term Debt / Capital		1.2102	1.3102	1.0913	1.0727
Debt/Equity Ratio		-5.8704	-4.2681	-12.0812	-15.2361
Gross Margin		88.6869	89.7464	89.235	88.0957
Operating Margin		32.9179	31.1612	30.6567	30.4883
EBIT Margin		32.9179	31.1612	30.6567	30.4883
EBITDA Margin		36.3739	34.9482	34.6878	34.707
Pre-Tax Profit Margin		23.2999	21.8824	22.2121	22.3604
Net Profit Margin		17.6631	17.3958	21.2621	14.0416
Asset Turnover		0.3495	0.3823	0.324	0.3868
Inventory Turnover Ratio		-	-	-	-
Receiveable Turnover		18.0248	17.3982	18.3488	28.0454
Days Sales In Receivables		20.2499	20.9792	19.8924	13.0146
ROE - Return On Equity		-41.1598	-32.2541	-106.5491	-107.3693
Return On Tangible Equity		-8.709	-7.831	-10.8483	-7.2128
ROA - Return On Assets		6.174	6.6513	6.888	5.4313
ROI - Return On Investment		8.6534	10.0054	9.726	7.8035
Book Value Per Share		-7.0986	-8.6336	-2.8164	-1.7855
Operating Cash Flow Per Share		3.5582	3.1656	3.0723	3.0526
Free Cash Flow Per Share		3.1189	2.5553	2.844	3.0493

# Dunkin' Annual Ratios

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Quarterly Data		2019-12-31	2019-09-30	2019-06-30	2019-03-31
Current Ratio		1.5578	1.6223	1.6044	1.5404
Long-term Debt / Capital		1.2102	1.2238	1.239	1.255
Debt/Equity Ratio		-5.8704	-5.5768	-5.283	-5.008
Gross Margin		89.195	88.5105	88.3911	88.6819
Operating Margin		31.461	34.0964	34.1329	31.769
EBIT Margin		31.4611	34.0964	34.1329	31.769
EBITDA Margin		-	-	-	-
Pre-Tax Profit Margin		22.6636	25.9339	22.1984	22.2726
Net Profit Margin		17.181	20.334	16.5922	16.3975
Asset Turnover		0.0857	0.0936	0.0954	0.0857
Inventory Turnover Ratio		-	-	-	-
Receiveable Turnover		4.4189	4.3175	4.1108	4.078
Days Sales In Receivables		20.3673	20.8452	21.8933	22.0694
ROE - Return On Equity		-9.8151	-11.6556	-9.0776	-7.5689
Return On Tangible Equity		-2.0768	-2.5694	-2.0869	-1.8067
ROA - Return On Assets		1.4723	1.9033	1.5823	1.4045
ROI - Return On Investment		2.0635	2.6081	2.1691	1.9302
Book Value Per Share		-7.0986	-7.4963	-7.9367	-8.3705
Operating Cash Flow Per Share		3.5582	1.8813	0.6342	-0.1917
Free Cash Flow Per Share		3.1189	1.5651	0.4071	-0.215

# Dunkin' Quarterly Ratios





















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# Restaurant Brands International






















*Tim Hortons®*

Industry	Food service
Founded	Monday, December 15, 2014
Headquarters	Toronto, Ontario, Canada
Number of locations	25,744
Key people	Daniel Schwartz, Executive chairman
	Marc Caira, Vice-Chairman
	Jose Cil, CEO
Number of employees	6,000
Subsidiaries	Burger King, Tim Hortons, Popeyes
Stock Price	<b>QSR</b> (NYSE) \$41.93

Annual Data		2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Current Ratio		1.2895	1.0653	1.0574	1.7321	1.2217
Long-term Debt / Capital		0.7388	0.7691	0.7253	0.5598	0.5826
Debt/Equity Ratio		2.8523	3.3554	2.658	1.2854	1.4045
Gross Margin		58.0046	58.1856	49.1259	47.3829	42.9273
Operating Margin		35.8201	35.785	37.9152	40.2021	29.4211
EBIT Margin		36.0164	36.1956	38.1775	40.6894	29.3199
EBITDA Margin		39.8358	40.0971	42.8759	45.7789	34.6725
Pre-Tax Profit Margin		25.9147	25.798	24.0603	28.9401	16.6305
Net Profit Margin		11.476	11.4243	13.6801	8.3361	2.564
Asset Turnover		0.2506	0.266	0.2156	0.2168	0.2201
Inventory Turnover Ratio		28.0119	29.8667	29.8462	30.3816	28.4465
Receiveable Turnover		10.6319	11.8518	9.3579	10.2746	9.6024
Days Sales In Receivables		34.3307	30.7971	39.0046	35.5245	38.0115
ROE - Return On Equity		26.0859	31.6197	27.0774	27.4007	17.5679
Return On Tangible Equity		-9.2932	-9.2774	-10.0546	-13.4303	-6.8113
ROA - Return On Assets		4.9687	5.68	5.8189	4.9982	2.7793
ROI - Return On Investment		6.8134	7.302	7.4371	6.2014	3.4399
Book Value Per Share		14.2785	14.3839	18.7004	28.969	27.5121
Operating Cash Flow Per Share		3.1471	2.463	2.9161	2.7	2.5311
Free Cash Flow Per Share		3.032	2.2981	2.8931	2.6283	2.2889

# RBI Annual Ratios

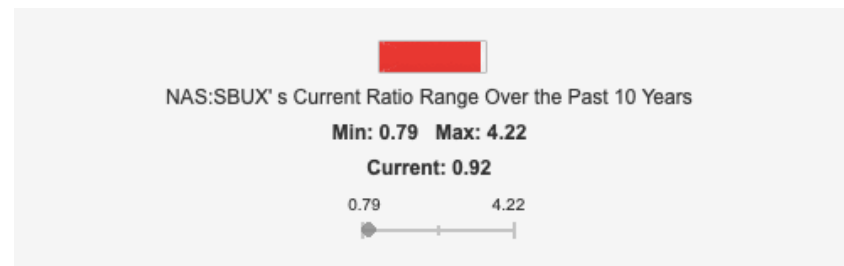
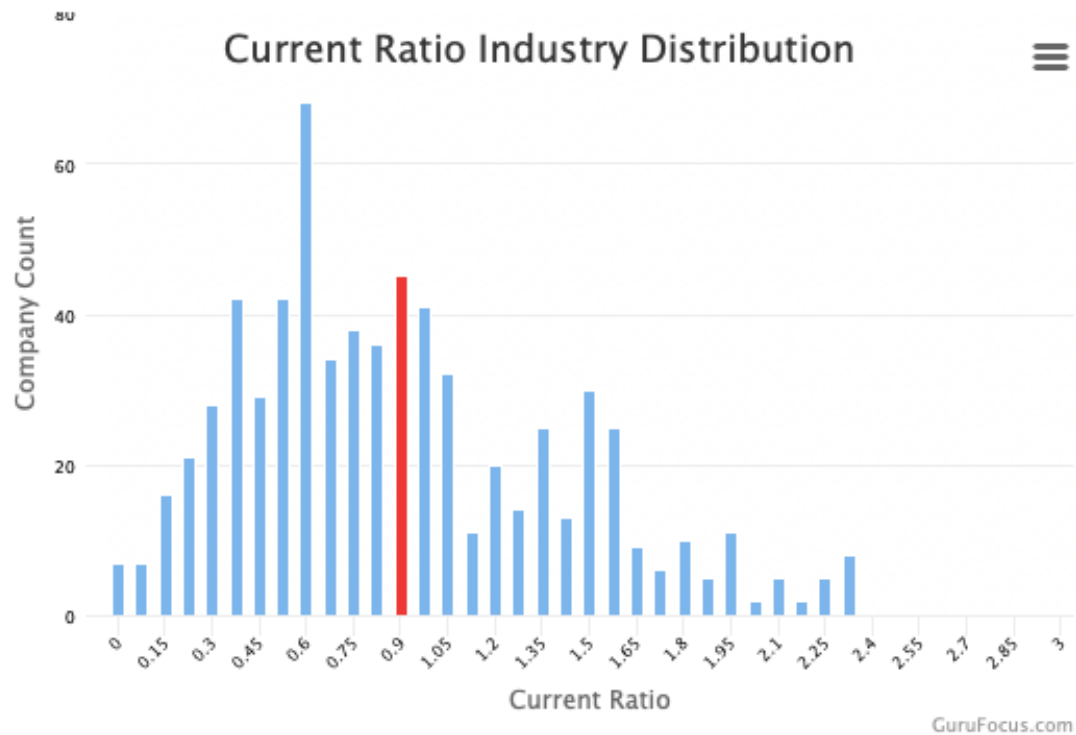
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Quarterly Data		2019-12-31	2019-09-30	2019-06-30	2019-03-31
Current Ratio		1.2895	1.09	1.196	1.0996
Long-term Debt / Capital		0.7388	0.7605	0.7676	0.7761
Debt/Equity Ratio		2.8523	3.3665	3.3255	3.4917
Gross Margin		58.215	58.299	58	57.425
Operating Margin		34.5504	39.1632	35.0714	34.2812
EBIT Margin		34.5504	39.9177	34.9286	34.4392
EBITDA Margin		-	-	-	-
Pre-Tax Profit Margin		24.7465	29.4925	25.2857	23.8547
Net Profit Margin		11.1562	13.786	10.1429	10.6635
Asset Turnover		0.0661	0.0655	0.0644	0.0595
Inventory Turnover Ratio		7.3571	7.3253	7.2593	7.2838
Receiveable Turnover		2.8065	3.089	-	2.8707
Days Sales In Receivables		32.069	29.1358	-	31.3507
ROE - Return On Equity		6.0343	8.6389	6.4899	6.52
Return On Tangible Equity		-2.1497	-2.936	-2.1052	-2.0149
ROA - Return On Assets		1.1494	1.5776	1.183	1.1553
ROI - Return On Investment		1.5761	2.069	1.5085	1.4597
Book Value Per Share		14.2785	13.6298	15.4911	14.8644
Operating Cash Flow Per Share		3.1471	1.9383	1.0128	0.3298
Free Cash Flow Per Share		3.032	1.917	1.0299	0.3276

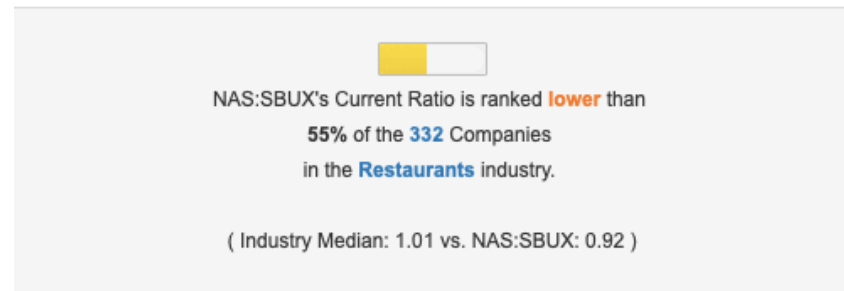
# RBI Quarterly Ratios

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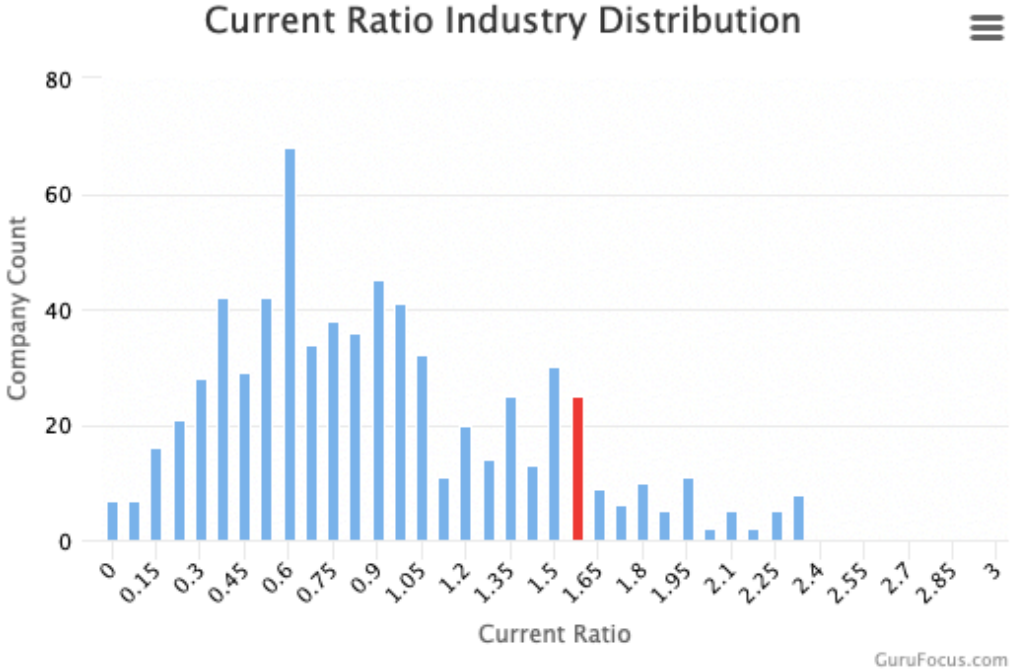


During the **past 13 years**, Starbucks's **highest** Current Ratio was **4.22**. The **lowest** was **0.79**. And the **median** was **1.52**.

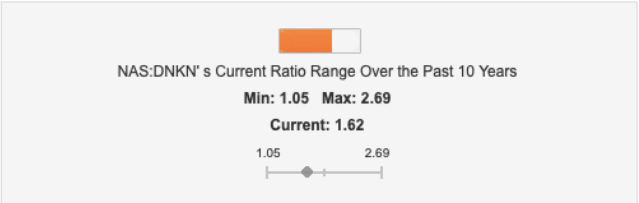


# Starbucks Current Ratio

# Dunkin' Current Ratio

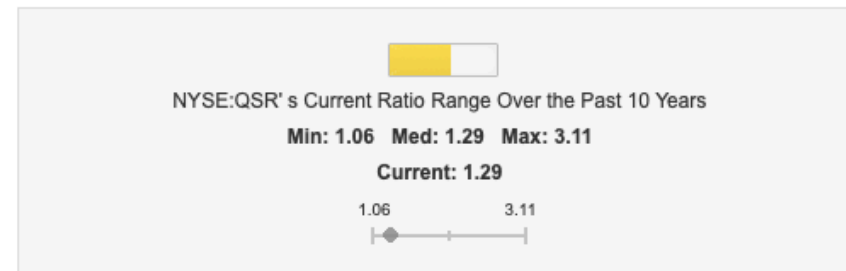
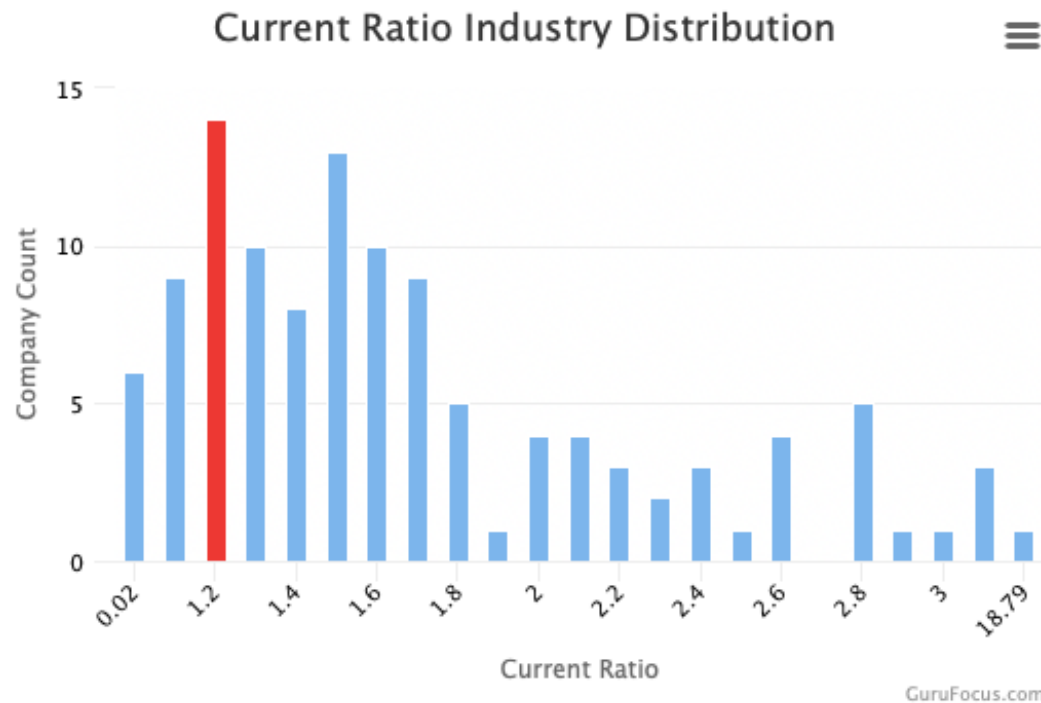


Dunkin' Brands Group has a current ratio of 1.62. It generally indicates good short-term financial strength.



During the past 10 years, Dunkin' Brands Group's highest Current Ratio was 2.69. The lowest was 1.05. And the median was 1.41.

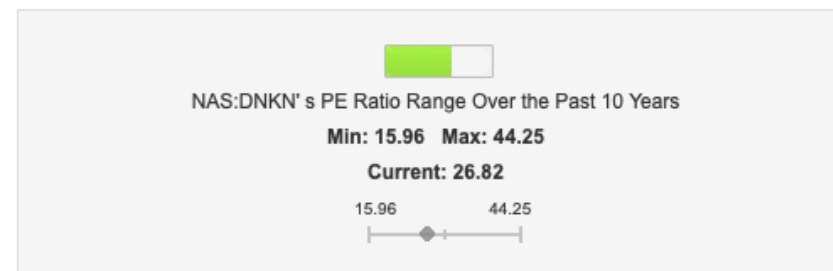
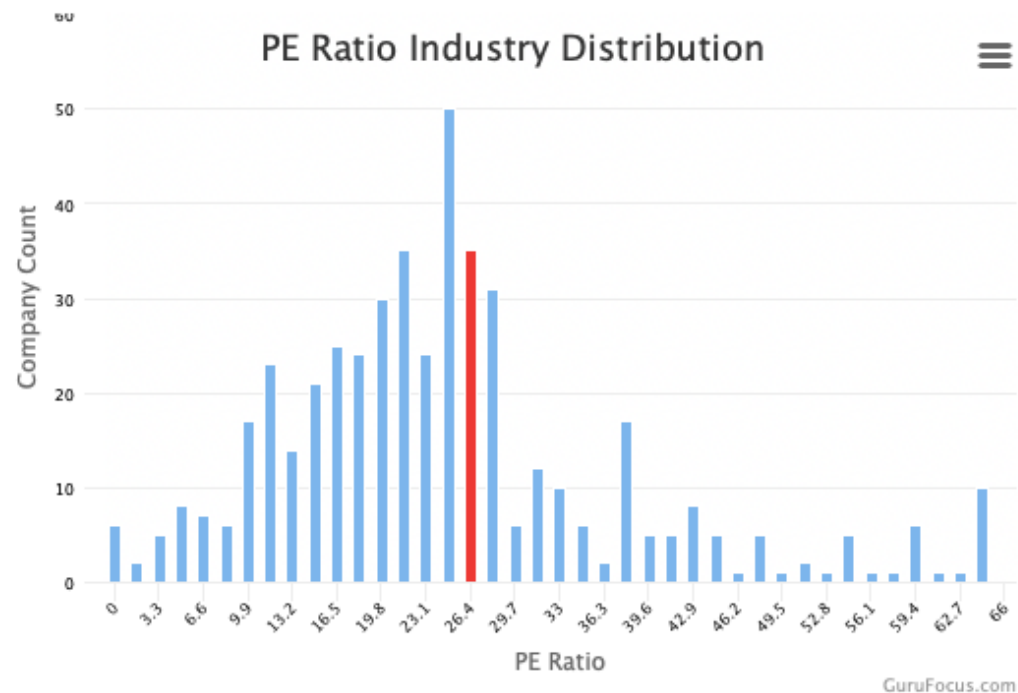




During the **past 8 years**, Restaurant Brands International's **highest** Current Ratio was **3.11**. The **lowest** was **1.06**. And the **median** was **1.29**.



# RBI Current Ratio

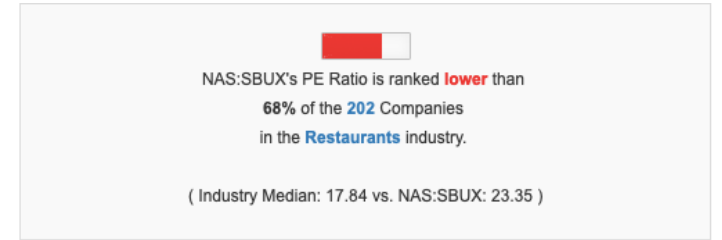
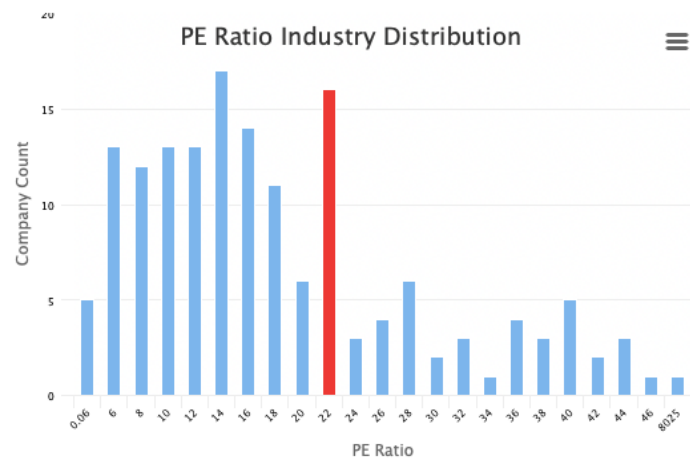


During the **past 10 years**, the **highest** PE Ratio of Dunkin' Brands Group was **44.25**. The **lowest** was **15.96**. And the **median** was **28.98**.

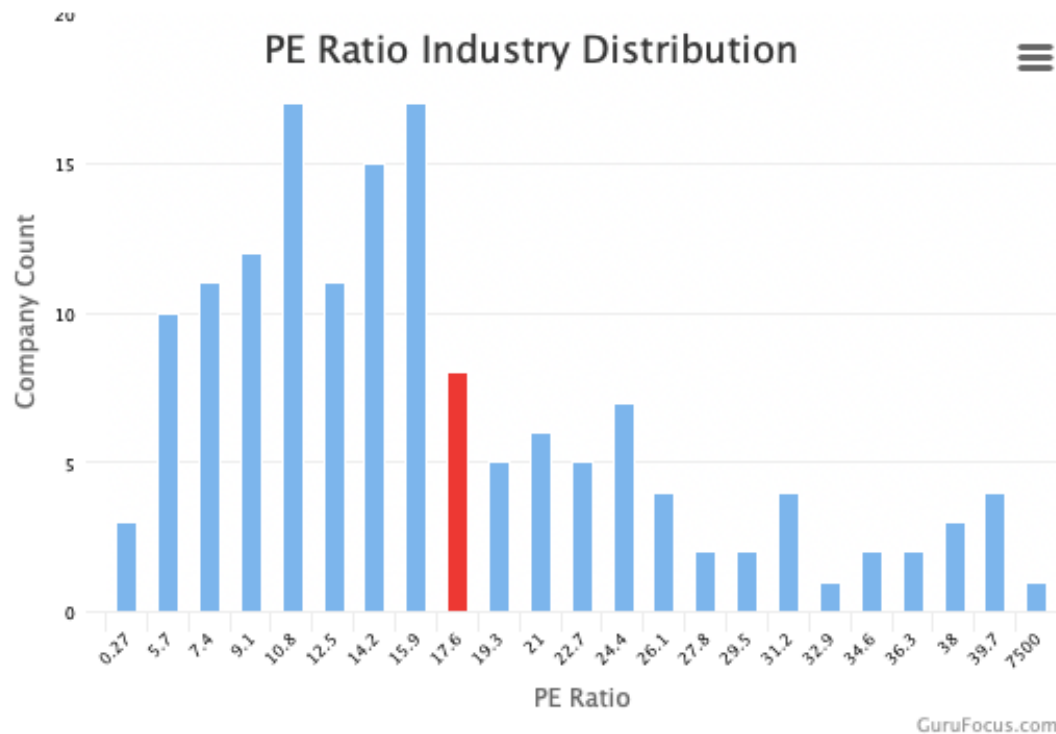


# Dunkin' PE Ratio





# Starbucks PE Ratio



NYSE:QSR's PE Ratio is ranked **higher** than  
**52%** of the **203** Companies  
in the **Restaurants** industry.

( Industry Median: 15.29 vs. NYSE:QSR: 18.73 )

NYSE:QSR' s PE Ratio Range Over the Past 10 Years

**Min: 14.66 Med: 30.59 Max: 76.94**

**Current: 18.73**



# RBI PE Ratio

During the past 8 years, the highest PE Ratio of Restaurant Brands International was 76.94. The lowest was 14.66 and the median was 30.59.

# Starbucks Trend Analysis

Consolidated Balance Sheet in USD \$	2018	2019	% change	Increase/ Decrease Amount
Cash And Cash Equivalents	8,756,300.00	2,686,600.00	69%	6,069,700.00
Other Short-Term Investments	181,500.00	70,500.00	-61%	(111,000.00)
Total Cash	8,937,800.00	2,757,100.00	-69%	(6,180,700.00)
Net Receivables	693,100.00	879,200.00	27%	186,100.00
Inventory	1,400,500.00	1,529,400.00	9%	128,900.00
Total Current Assets	12,494,200.00	5,653,900.00	-55%	(6,840,300.00)
Gross property, plant and equipment	13,197,100.00	14,273,500.00	8%	1,076,400.00
Accumulated Depreciation	(7,268,000.00)	(7,841,800.00)	8%	(573,800.00)
Net property, plant, and equipment	5,929,100.00	6,431,700.00	8%	502,600.00
Equity and other investments	602,400.00	616,000.00	2%	13,600.00
Goodwill	3,541,600.00	3,490,800.00	-1%	(50,800.00)
Intangible Assets	1,042,200.00	781,800.00	-25%	(260,400.00)
Other long-term assets	412,200.00	479,600.00	16%	67,400.00
Total non-current assets	11,662,200.00	13,565,700.00	16%	1,903,500.00
Total Assets	24,156,400.00	19,219,600.00	-20%	(4,936,800.00)
Current Debt	349,900.00	-	-100%	(349,900.00)
Accounts Payable	1,179,300.00	1,189,700.00	1%	10,400.00
Taxes Payable	-	1,291,700.00	100%	1,291,700.00
Accrued Liabilities	909,600.00	1,545,400.00	70%	635,800.00
Deferred Revenues	1,642,900.00	1,269,000.00	-23%	(373,900.00)
Total Current Liabilities	5,684,200.00	6,168,700.00	9%	484,500.00
Long Term Debt	9,090,200.00	11,167,000.00	23%	2,076,800.00
Deferred revenues	6,775,700.00	6,744,400.00	0%	(31,300.00)
Other long-term liabilities	1,430,500.00	1,370,500.00	-4%	(60,000.00)
Total Non-current liabilities	17,296,400.00	19,281,900.00	11%	1,985,500.00
Total Liabilities	22,980,600.00	25,450,600.00	11%	2,470,000.00
Common stock	1,300.00	1,200.00	-8%	(100.00)
Retained Earnings	1,457,400.00	(5,771,200.00)	-496%	(7,228,600.00)
Accumulated other comprehensive income	(330,300.00)	(503,300.00)	52%	(173,000.00)
Total Stockholder's equity	1,169,500.00	(6,232,200.00)	-633%	(7,401,700.00)
Total liabilities and stockholders' equity	24,156,400.00	19,219,600.00	20%	4,936,800.00

Consolidated Balance Sheet in USD \$	2018	2019	% change	Increase/ Decrease Amount
Cash And Cash Equivalents	517,594.00	621,152.00	20%	103,558.00
Total Cash	517,594.00	621,152.00	20%	103,558.00
Net Receivables	75,963.00	76,019.00	0%	56.00
Other Current Assets	76,496.00	-	-100%	(76,496.00)
Total Current Assets	813,473.00	907,301.00	12%	93,828.00
Gross property, plant and equipment	356,752.00	766,385.00	115%	409,633.00
Accumulated Depreciation	(147,550.00)	(172,001.00)	17%	(24,451.00)
Net property, plant, and equipment	209,202.00	594,384.00	184%	385,182.00
Equity and other investments	154,812.00	146,395.00	-5%	(8,417.00)
Goodwill	888,265.00	888,286.00	0%	21.00
Intangible Assets	1,334,767.00	1,302,721.00	-2%	(32,046.00)
Other long-term assets	64,479.00	72,520.00	12%	8,041.00
Total non-current assets	2,643,108.00	3,012,723.00	14%	369,615.00
Total Assets	3,456,581.00	3,920,024.00	13%	463,443.00
Current Debt	31,650.00	31,150.00	-2%	(500.00)
Accounts Payable	80,037.00	89,413.00	12%	9,376.00
Accrued Liabilities	92,354.00	40,294.00	-56%	(52,060.00)
Deferred Revenues	38,082.00	39,950.00	5%	1,868.00
Other current liabilities	296,982.00	345,756.00	16%	48,774.00
Total Current Liabilities	539,581.00	582,426.00	8%	42,845.00
Long Term Debt	3,010,626.00	3,004,216.00	0%	(6,410.00)
Deferred Tax liabilities	204,027.00	197,673.00	-3%	(6,354.00)
Deferred revenues	327,333.00	324,854.00	-1%	(2,479.00)
Other long-term liabilities	72,577.00	18,218.00	-75%	(54,359.00)
Total Non-current liabilities	3,629,797.00	3,925,608.00	8%	295,811.00
Total Liabilities	4,169,378.00	4,508,034.00	8%	338,656.00
Common stock	82.00	83.00	1%	1.00
Retained Earnings	(1,338,709.00)	(1,129,565.00)	16%	209,144.00
Accumulated other comprehensive income	(15,127.00)	(19,809.00)	31%	(4,682.00)
Total Stockholder's equity	(712,797.00)	(588,010.00)	18%	124,787.00
Total liabilities and stockholders' equity	3,456,581.00	3,920,024.00	13%	463,443.00

# Dunkin' Trend Analysis



# RBI Trend Analysis

Consolidated Balance Sheet in USD \$	2018	2019	% change	Increase/ Decrease Amount
Cash And Cash Equivalents	913,000.00	1,533,000.00	68%	620,000.00
<b>Total Cash</b>	913,000.00	1,533,000.00	68%	620,000.00
Net Receivables	452,000.00	527,000.00	17%	75,000.00
Inventory	75,000.00	84,000.00	12%	9,000.00
<b>Total Current Assets</b>	1,500,000.00	2,196,000.00	46%	696,000.00
Gross property, plant and equipment	2,700,000.00	3,929,000.00	46%	1,229,000.00
Accumulated Depreciation	(704,000.00)	(746,000.00)	6%	(42,000.00)
<b>Net property, plant, and equipment</b>	1,996,000.00	3,813,000.00	91%	1,817,000.00
Goodwill	5,486,000.00	5,651,000.00	3%	165,000.00
Intangible Assets	10,463,000.00	10,563,000.00	1%	100,000.00
Other long-term assets	642,000.00	719,000.00	12%	77,000.00
<b>Total non-current assets</b>	18,641,000.00	20,164,000.00	8%	1,523,000.00
<b>Total Assets</b>	20,141,000.00	22,360,000.00	11%	2,219,000.00
Current Debt	91,000.00	101,000.00	11%	10,000.00
Accounts Payable	513,000.00	644,000.00	26%	131,000.00
Accrued Liabilities	201,000.00	206,000.00	2%	5,000.00
Deferred Revenues	194,000.00	203,000.00	5%	9,000.00
<b>Total Current Liabilities</b>	1,408,000.00	1,703,000.00	21%	295,000.00
Long Term Debt	11,823,000.00	11,759,900.00	-1%	(63,100.00)
Deferred Tax liabilities	1,519,000.00	1,564,000.00	3%	45,000.00
Deferred revenues	508,000.00	566,000.00	11%	58,000.00
Other long-term liabilities	234,000.00	147,000.00	-37%	(87,000.00)
<b>Total Non-current liabilities</b>	15,115,000.00	16,398,000.00	8%	1,283,000.00
<b>Total Liabilities</b>	16,523,000.00	18,101,000.00	10%	1,578,000.00
Common stock	1,737,000.00	2,478,000.00	43%	741,000.00
Retained Earnings	674,000.00	775,000.00	15%	101,000.00
Accumulated other comprehensive income	(800,000.00)	(763,000.00)	-5%	37,000.00
<b>Total Stockholder's equity</b>	1,611,000.00	2,490,000.00	55%	879,000.00
<b>Total liabilities and stockholders' equity</b>	20,141,000.00	22,360,000.00	11%	2,219,000.00

# Conclusions



One of RBI's biggest strides has been in menu innovation;



Starbucks is a bigger company in terms of market capitalization and number of stores globally;



Dunkin' stores resemble more traditional fast-food eateries.

# Conclusions

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Despite being founded 20 years after Dunkin' Donuts, Starbucks grew aggressively and is a substantially larger company. In FY 2019, Starbucks generated \$26.5 billion in revenue, up 15 percent from the previous year, while Dunkin' Brands reported sales of more than \$1.32 billion, up 2.1 percent from the previous year. Starbucks has a larger footprint, with some 28,218 locations worldwide, compared to Dunkin' Brands' more than 20,500 points of distribution across the globe.

At the global level, Starbucks leads with about 28,218 locations, followed by RBI with about 25,744 locations compared to the nearly 20,500 Dunkin' Donuts locations; in the U.S. Starbucks plans to open another 3,400 stores in the by 2021 and double down on markets such as China, while Dunkin' plans to open 1,000 net new stores by the end of 2020.

Dunkin' revenues for the fourth quarter increased \$16.3 million, or 5.1%, compared to the prior year period due primarily to increases in royalty income and advertising fees and related income as a result of Dunkin' U.S. systemwide sales growth.

For 2019, RBI reported 8% annual sales growth, and a 3% consolidated comparable- restaurant sales gain for all its restaurants worldwide.

Restaurant Brands is one of the world's largest quick service restaurant companies with more than \$30 billion in system-wide sales (in 2018).

# References

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