

rbi



# QSR Industry

Earnings season 2025 Q4

# INTRODUCING

## A streamlined approach to the earnings scramble

Every earnings season, major dairy earnings reports drop over a few short weeks. You've likely spent weekends buried in RBI's 34-page report and Yum!'s earnings transcripts while leadership asks "Is my competitive landscape overview ready yet?"

What you'll find in the pages ahead is a streamline approach to the earnings season scramble; 70% of the quarterly analysis work has been done for you — consolidated, validated, and reviewed by industry analysts — leaving you time for the strategic thinking about what this means for your business.



# Synthesis

## 2025 Q4 - Earnings season QSR



### Expansion as a Growth Lever, Supported by Solid Core Demand

Large quick service restaurant operators combine unit expansion with resilient comparable sales to sustain growth.

- Yum China opened 1,706 net new stores in 2025 and targets more than 20,000 stores by 2026.
- Chipotle plans 350–370 new restaurants in 2026, while Yum! Brands added nearly 3,000 KFC units globally.
- Restaurant Brands International is guiding for 5%+ net restaurant growth through 2028.
- Across the industry, expansion is complemented by positive comparable sales at players like McDonald's, RBI, and Yum!, indicating growth is supported by both footprint and stable core demand.



### Geographic Diversification Supporting Stability

Growth is increasingly supported by international and emerging markets, helping offset mixed trends in more mature regions such as the U.S.. Highlighting a clear pattern where global expansion and exposure to higher-growth regions are stabilizing overall performance despite uneven domestic demand.

- Yum China expanded into over 200 new cities with 1,706 net new stores.
- Americana Restaurants delivered 14% revenue growth driven by UAE (+13%) and Saudi Arabia (+8%).
- Wendy's international systemwide sales grew 6.2%, partially offsetting declines in its U.S. business.



### Portfolio Optimization and Strategic Restructuring Accelerating

Several operators are actively reshaping their brand portfolios to improve capital efficiency and long-term returns.

- Restaurant Brands International reduced its ownership in Burger King China to 17%, shifting toward franchise revenue recognition, while also refranchising Carrols restaurants.
- Yum! Brands initiated a strategic review of Pizza Hut, incurring \$36 million in related charges, with management openly considering potential divestment options.

These actions reflect a broader shift toward asset-light models and simplified brand portfolios to enhance returns.



### Digital and Loyalty Platforms Strengthening Traffic Resilience

Digital ecosystems are becoming structural growth pillars.

- Yum China reported 94% of sales from digital ordering and a 25% increase in delivery sales.
- McDonald's generated nearly \$37 billion in systemwide sales from loyalty members, up 20%, with 210 million active users.
- These platforms support repeat traffic, higher engagement, and operational efficiency. The sector is increasingly dependent on technology-enabled demand rather than purely walk-in traffic growth.

# What's the sentiment?

## QSR - 2025 Q4

### REVENUE GROWTH

Restaurant Brands International delivered +7.4% revenue growth to \$2.4 billion, while Yum! Brands grew revenues 6.4% year-on-year to \$2.5 billion. McDonald's increased Q4 revenues by 9.7%, and Chipotle expanded revenues 4.9% to \$2.9 billion despite a 1.7% decline in comparable sales, supported by new unit openings. Yum China posted 8.8% Q4 growth to \$2.8 billion with moderate yearly growth of 4%, reflecting steady but slower momentum. Growth was primarily driven by franchise expansion, digital engagement, and international unit development rather than pricing alone.

### PROFITABILITY

Profitability across major quick service restaurant operators is mixed. Larger players showed modest margin expansion, with Restaurant Brands International up 220 basis points (Burger King +1,080 basis points) and Yum! Brands up 150 basis points, while smaller operators faced pressure, such as Wendy's declining 540 basis points due to wage and commodity inflation. Multi-brand portfolios also show divergence, with lower-scale brands underperforming: RBI's Popeyes declined 250 basis points. Overall, scale and franchise mix are proving critical in protecting margins.

### MARKET DYNAMICS

Market conditions remain mixed across regions. McDonald's reported 5.2% global comparable sales growth in Q4, supported by strong U.S. traffic and loyalty engagement, while Yum China highlighted 25% delivery growth and digital orders accounting for 94% of sales, indicating structural demand shifts toward digital channels. However, Chipotle reported a 2.9% decline in transactions, and management flagged inflation, wage pressures, and supply chain cost increases in beef and chicken. Restaurant Brands International cited macroeconomic pressures and foreign exchange headwinds reducing revenues by \$58 million.

### GROWTH OUTLOOK

Restaurant Brands International targets 3%+ comparable sales growth and 5%+ net restaurant growth through 2028. Yum! Brands guides for 7% system sales growth and 5% unit growth long term. McDonald's expects 5% global systemwide sales growth for 2026. Yum China aims for more than 20,000 stores by 2026, while Chipotle plans 350–370 new openings in 2026, with 80% including drive-through formats. The common growth driver across companies is aggressive store expansion, franchise mix optimization, and digital loyalty scaling.

### PROFITABILITY OUTLOOK

Forward-looking profit guidance is constructive but cautious. Restaurant Brands International targets 8%+ organic adjusted operating income growth through 2028, and Yum! Brands aims for at least 8% core operating profit growth long term. However, Chipotle guided for flat comparable sales in 2026 and emphasized wage and commodity risks. Yum! Brands and others highlighted labor cost pressures and ongoing strategic reviews. McDonald's did not provide explicit margin expansion guidance, signaling steady rather than accelerating profitability.

# What's the sentiment?





QSR - 2025 Q4



● Positive 
 ● Neutral / Mixed 
 ● Negative

\*All results shown are for Q4 or FY, except for Fonterra, which reports on a H1. Please keep this difference in mind when making comparisons  
 Note: A grey bubble = not mentioned in the earnings update. Hence no sentiment can be derived from its reporting on these developments.

# Overview of results (1/5)





COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
 Restaurant brands International	2025 - Q4 3 months	<i>Systemwide</i> € 10,753 M <b>(+7.6%)</b>	Adj. EBIT* 27.3% <b>(+2.2%)</b>	<ul style="list-style-type: none"> <li>+6.5% organic sales growth</li> <li>+3.1% comparable sales</li> </ul>	<ul style="list-style-type: none"> <li>Restaurant Brands delivered steady comparable sales and system-wide sales growth in 2025, translating into consistent operating income expansion despite a challenging consumer environment and commodity inflation.</li> <li>International and Tim Hortons led performance, while Burger King US outperformed its category and Popeyes faced softer sales.</li> <li>The company simplified its portfolio, advanced refranchising, and strengthened its balance sheet, improving earnings visibility and cash flow generation.</li> </ul>
		<i>Consolidated</i> € 2,186 M <b>(+7.4%)</b>			
 [Restaurant brands International] Burger King	2025 - Q4 3 months	<i>Systemwide</i> € 2,633 M <b>(+1.9%)</b>	Adj. EBIT* 31.6% <b>(+10.8%)</b>	<ul style="list-style-type: none"> <li>+2.1% organic sales growth</li> <li>+2.7% comparable sales</li> </ul>	<ul style="list-style-type: none"> <li>Burger King US delivered positive comparable sales and continued category outperformance, driven by value platforms, marketing activations, and operational improvements.</li> <li>Remodel progress and early refranchising advanced, though franchisee profitability declined due to elevated beef costs.</li> <li>International Burger King markets showed strong momentum, including recovery in China and sustained growth in Europe and Asia.</li> </ul>
		<i>Consolidated</i> € 339 M <b>(+2.1%)</b>			
 [Restaurant brands International] Tim Hortons	2025 - Q4 3 months	<i>Systemwide</i> € 1,700 M <b>(+3.0%)</b>	Adj. EBIT* 24.1% <b>(-1.8%)</b>	<ul style="list-style-type: none"> <li>+10.3% organic sales growth</li> <li>+2.9% comparable sales</li> </ul>	<ul style="list-style-type: none"> <li>Tim Hortons delivered resilient comparable sales growth, outperforming the Canadian QSR industry, with balanced growth across breakfast, beverages, and PM offerings.</li> <li>Cold beverages and digital engagement were key drivers, while franchisee profitability remained stable despite coffee and tariff headwinds.</li> <li>The brand returned to net restaurant growth in Canada and increased development momentum in the US.</li> </ul>
		<i>Consolidated</i> € 1,006 M <b>(+10.5%)</b>			
 [Restaurant brands International] Popeyes	2025 - Q4 3 months	<i>Systemwide</i> € 1,333 M <b>(-2.5%)</b>	Adj. EBIT* 31.6% <b>(+1.3%)</b>	<ul style="list-style-type: none"> <li>-2.8% organic sales growth</li> <li>-4.8% comparable sales</li> </ul>	<ul style="list-style-type: none"> <li>Popeyes reported negative comparable sales in 2025, resulting in softer system-wide sales and lower franchisee profitability.</li> <li>Performance challenges were linked to operational inconsistency and less focus on core products, prompting leadership changes and renewed emphasis on execution and core chicken offerings.</li> <li>Internationally, the brand continued expanding and scaling in key markets.</li> </ul>
		<i>Consolidated</i> € 174 M <b>(-2.5%)</b>			

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2. The profitability margin shows relates to operating profit, unless otherwise specified.

All foreign currencies are converted to USD using flat rates. (see appendix for flat rates)

# Overview of results (2/5)




COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
 Yum! Brands	2025 - Q4 3 months	<i>Systemwide</i> € 17,058 M <b>(+3.4%)</b>	29.4% <b>(+1.5%)</b>	<ul style="list-style-type: none"> <li>+3% same-store sales growth</li> <li>+3% net new units</li> </ul>	<ul style="list-style-type: none"> <li>Yum! reported strong performance in Q4, with system sales growth led by KFC and Taco Bell and continued expansion in new unit openings, alongside robust digital system sales and a high digital mix.</li> <li>Management highlighted Taco Bell's market share gains and KFC's record unit development, supported by the "Raise the Bar" priorities heading into 2026.</li> <li>During the quarter, Yum! completed a Taco Bell store acquisition, began reviewing strategic options for Pizza Hut, and increased its dividend.</li> </ul>
		<i>Consolidated</i> € 2,228 M <b>(+6.4%)</b>			
 [Yum! Brands] KFC	2025 - Q4 3 months	<i>Systemwide</i> € 8,893 M <b>(+6.4%)</b>	39.9% <b>(+0.8%)</b>	<ul style="list-style-type: none"> <li>+3% same-store sales growth</li> <li>+6% net new units</li> </ul>	<ul style="list-style-type: none"> <li>KFC delivered system sales growth with positive same-store sales performance, while continuing to expand its restaurant base across many markets.</li> <li>Profit growth was supported by improved company-owned restaurant margins in the quarter, alongside ongoing operational execution across regions.</li> <li>The year included major portfolio actions in Europe, including re-acquiring master franchise rights in Germany and closing KFC locations in Turkey after terminating the franchise agreements for failing to meet standards.</li> </ul>
		<i>Consolidated</i> € 923 M <b>(+7.9%)</b>			
 [Yum! Brands] Taco Bell	2025 - Q4 3 months	<i>Systemwide</i> € 5,086 M <b>(+3.0%)</b>	36.0% <b>(-0.6%)</b>	<ul style="list-style-type: none"> <li>+7% same-store sales growth</li> <li>+3% net new units</li> </ul>	<ul style="list-style-type: none"> <li>Taco Bell posted strong same-store sales growth in the U.S. and also grew internationally, supporting system sales growth for both the quarter and the full year.</li> <li>Operating profit increased, though company-owned restaurant margins were slightly lower year-over-year, reflecting pressure versus the prior period.</li> <li>Yum! also acquired Taco Bell U.S. restaurants from a franchisee, with related professional fees treated as Special Items.</li> </ul>
		<i>Consolidated</i> € 884 M <b>(+7.2%)</b>			
 [Yum! Brands] Pizza Hut	2025 - Q4 3 months	<i>Systemwide</i> € 3,078 M <b>(-4.0%)</b>	33.3% <b>(+0.9%)</b>	<ul style="list-style-type: none"> <li>-1% same-store sales growth</li> <li>-1% net new units</li> </ul>	<ul style="list-style-type: none"> <li>Pizza Hut reported system sales and same-store sales declines, with weakness in the U.S. offsetting steadier international performance in the quarter.</li> <li>While operating profit improved in the quarter, full-year operating profit declined, and the business continued expanding its store base globally during the period.</li> <li>Yum! began a review of strategic options for Pizza Hut and described actions to rationalize the Pizza Hut estate in preparation for a potential transaction; Turkey closures also affected the brand after the franchise termination.</li> </ul>
		<i>Consolidated</i> € 269 M <b>(+3.4%)</b>			

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# Overview of results (3/5)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
 Yum China	2025 - Q4 3 months	<i>Consolidated</i> € 2,502 M <b>(+8.8%)</b>	6.6% <b>(+0.8%)</b>	<ul style="list-style-type: none"> <li>+7% system-sales growth (excl. FX)</li> <li>+3% same-store sales growth</li> </ul>	<ul style="list-style-type: none"> <li>Yum China delivered accelerating system sales growth in 2025, with positive same-store sales for three consecutive quarters and strong net new store expansion.</li> <li>Margin expansion was driven by supply chain efficiencies, cost control, and operating leverage, while operating profit grew double digits.</li> <li>The company increased franchise mix, scaled new store formats, and maintained strong capital returns supported by solid free cash flow.</li> </ul>
 [Yum China] KFC	2025 - Q4 3 months	<i>Consolidated</i> € 1,884 M <b>(+8.8%)</b>	10.5% <b>(+0.7%)</b>	<ul style="list-style-type: none"> <li>+8% system-sales growth</li> <li>+3% same-store sales growth</li> </ul>	<ul style="list-style-type: none"> <li>KFC delivered positive same-store sales for three consecutive quarters, with system sales accelerating in Q4 and margin expansion supported by product innovation and operational efficiency.</li> <li>Hero products and new launches drove repeat purchases, while side modules such as K Coffee and K Pro generated incremental sales with limited investment.</li> <li>Store expansion remained strong with continued penetration into lower-tier cities and increasing franchise participation.</li> </ul>
 [Yum China] Pizza Hut	2025 - Q4 3 months	<i>Consolidated</i> € 479 M <b>(+5.9%)</b>	3.7% <b>(+1.0%)</b>	<ul style="list-style-type: none"> <li>+6% system-sales growth</li> <li>+1% same-store sales growth</li> </ul>	<ul style="list-style-type: none"> <li>Pizza Hut achieved positive same-store sales for three consecutive quarters, driven by transaction growth, menu transformation, and expansion into new cities through the WOW format.</li> <li>Margins improved through streamlined operations and lower CapEx formats, while new categories such as thin crust pizza and burgers attracted incremental occasions.</li> <li>Development accelerated with record net new openings and increasing franchise mix.</li> </ul>

# Overview of results (4/5)





COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
 McDonald's	2025 - Q4 3 months	<i>Systemwide</i> € 32,403 M (+11.1%)	45.0% (+0.1%)	<ul style="list-style-type: none"> <li>+6.8% US comp sales</li> <li>+5.2% International comp sales</li> </ul>	<ul style="list-style-type: none"> <li>McDonald's reported solid revenue growth driven by strong comparable sales across segments, with the U.S. leading performance supported by marketing promotions and higher guest traffic.</li> <li>Operating income increased in line with revenue, reflecting improved franchised margins and disciplined cost management.</li> <li>Management emphasized value leadership and loyalty engagement as key drivers of traffic and average check growth, while continuing organizational restructuring to modernize operations.</li> </ul>
		<i>Consolidated</i> € 6,213 M (+9.7%)			
 Wendy's	2025 - Q4 3 months	<i>Systemwide</i> € 3,014 M (-8.1%)	11.8% (-4.9%)	<ul style="list-style-type: none"> <li>-8.1% global systemwide sales (excl. FX)</li> <li>+6.2% international systemwide sales</li> <li>+59 international restaurants</li> </ul>	<ul style="list-style-type: none"> <li>Wendy's reported a decline in global systemwide sales in Q4 2025, reflecting significant U.S. traffic pressures, partially offset by continued international expansion.</li> <li>Profitability weakened as commodity and labor inflation, together with lower franchise revenues, weighed on margins despite higher average checks and record digital sales penetration.</li> <li>Management highlighted progress under Project Fresh, focusing on marketing effectiveness, franchisee support, and operational improvements to stabilize performance.</li> </ul>
		<i>Consolidated</i> € 481 M (-5.4%)			
 Papa John's	2025 - Q4 3 months	<i>Systemwide</i> € 1,090 M (+0.0%)	4.9% (-0.6%)	<ul style="list-style-type: none"> <li>-5% North America comparable sales</li> <li>+142 new restaurant openings</li> </ul>	<ul style="list-style-type: none"> <li>Papa John's reported flat annual revenues, as international sales growth offset declines in North America, with domestic performance impacted by lower comparable sales and refranchising efforts.</li> <li>International momentum was supported by improved comparable sales and net restaurant openings, while 85 domestic restaurants were refranchised to enhance efficiency.</li> <li>Adjusted EBITDA declined year over year due to higher marketing spending, technology investments, and accelerated depreciation.</li> </ul>
		<i>Consolidated</i> € 442 M (-6.1%)			
 Shake Shack	2025 - Q4 3 months	<i>Systemwide</i> € 548 M (+23.4%)	4.7% (+1.6%)	<ul style="list-style-type: none"> <li>+2.1% Q4 2025 same-Shack sales</li> <li>+2.3% FY 2025 same-Shack sales</li> </ul>	<ul style="list-style-type: none"> <li>Shake Shack delivered strong revenue growth in 2025, driven by disciplined execution, operational enhancements, and culinary innovation, with positive Same-Shack sales.</li> <li>Profitability improved as labor productivity and operational efficiencies offset higher beef costs, supporting margin expansion.</li> <li>Adjusted EBITDA growth reflected cost discipline, stronger unit economics, and supply chain optimization. Global expansion advanced through new market entries and strategic partnerships, alongside reduced Shack build costs.</li> </ul>
		<i>Consolidated</i> € 355 M (+21.9%)			

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# Overview of results (5/5)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
 Americana Restaurants	2025 - Q4 3 months	<i>Consolidated</i> € 593 M (+13.6%)	EBITDA* 33.8% (+4.7%)	<ul style="list-style-type: none"> <li>+8% KFC revenue in Q4</li> <li>+6.2% Pizza Hut revenue in Q4</li> <li>+13.5% Krispy Kreme revenue in Q4</li> </ul>	<ul style="list-style-type: none"> <li>Americana delivered strong Q4 revenue growth, driven by positive like-for-like sales across all power brands and continued new store contribution.</li> <li>Gross margin expanded meaningfully due to procurement discipline, selective pricing in December, and lower discount intensity, supporting strong operating leverage.</li> <li>EBITDA and net profit rose sharply year-on-year, reflecting improved store-level profitability and cost control, with delivery remaining a key revenue driver.</li> </ul>
 Chipotle	2025 - Q4 3 months	<i>Systemwide</i> € 2,645 M (+4.9%) <i>Consolidated</i> € 2,645 M (+4.9%)	14.1% (-0.5%)	<ul style="list-style-type: none"> <li>-2.5% same-store sales decline</li> <li>132 new company-owned restaurants</li> </ul>	<ul style="list-style-type: none"> <li>Chipotle delivered revenue growth in Q4 2025, supported by new restaurant openings and menu price increases, despite a decline in comparable restaurant sales.</li> <li>Margin pressure from wage inflation and lower volumes led to a slight operating margin contraction, though pricing actions and cost efficiencies helped mitigate commodity headwinds.</li> <li>Expansion remained a key driver, with continued rollout of Chipotlanes and selective international growth under its "Recipe for Growth" strategy.</li> </ul>
 Domino's Pizza	2025 - Q4 3 months	<i>Systemwide</i> € 5,581 M (+6.0%) <i>Consolidated</i> € 1,361 M (+6.4%)	19.3% (+0.3%)	<ul style="list-style-type: none"> <li>+392 net new openings</li> <li>+3.7% U.S. Same-store sales growth</li> <li>+0.7% International Same-store sales growth</li> </ul>	<ul style="list-style-type: none"> <li>Domino's reported revenue growth in Q4 2025, driven by higher supply chain revenues, franchise advertising, and royalties, supported by same-store sales and net store expansion in the U.S.</li> <li>Operating income improved as franchisee profitability and supply chain margin gains offset higher labor and insurance costs.</li> <li>The Hungry for MORE strategy supported sales, store growth, and profit expansion, while global net store openings strengthened scale advantages.</li> </ul>
 Wingstop	2025 - Q4 3 months	<i>Systemwide</i> € 1,194 M (+9.3%) <i>Consolidated</i> € 156 M (+8.6%)	26.7% (+0.8%)	<ul style="list-style-type: none"> <li>+124 net new openings</li> <li>-5.8% Domestic same-store sales</li> </ul>	<ul style="list-style-type: none"> <li>Wingstop reported revenue growth in fiscal 2025, driven by net new openings and expansion into six international markets, reinforcing its global brand presence.</li> <li>Domestic same-store sales declined due to lower transaction volumes, partly offset by pricing and mix improvements.</li> <li>Margin performance improved as food and labor cost reductions supported Adjusted EBITDA growth, reflecting operational discipline and structural advantages.</li> </ul>

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